



**Engage. Listen. Execute.**

Singapore Telecommunications Limited Sustainability Report 2013



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# About This Report

This is SingTel's 4<sup>th</sup> annual Sustainability Report. It presents key aspects of our sustainability strategies, policies and performance relating to environmental, social, governance and economic issues.

We believe that the report is in line with expectations set out in the Singapore Exchange *Guide to Sustainability Reporting for Listed Companies*, a voluntary framework that all listed companies in Singapore are encouraged to follow. This report, issued in June 2013, discusses the ongoing developments and progress of our approach to sustainability.

At the outset of our journey, SingTel identified a framework with four focus areas: Marketplace, People, Environment and Community. Our sustainability strategy and report is based upon these key areas.

The report is available in the sustainability section of our corporate website and as a downloadable document file (PDF).

## Scope

In April 2012, the SingTel Group created three main business lines aligned by customer segments, reflecting SingTel's journey into the digital space.

In Singapore, our 100% owned subsidiaries include NCS Pte Ltd, SingTel Mobile, SingNet, SingTel Digital Media and SingTel Innov8. In FY2013, SingTel acquired Amobee, a mobile advertising business, and this operation is included as a wholly-owned subsidiary in Singapore. Optus, our wholly-owned subsidiary which operates in Australia, produces its own Sustainability Report, and has done so since 2000. The Optus reports can be accessed online at [www.optus.com.au](http://www.optus.com.au).

For the purpose of this report, our scope covers the sustainability practices and initiatives of SingTel's businesses in Singapore, our global headquarters. All of the data, statistics and improvement targets are in relation to the Singapore operations unless otherwise stated. Amobee's data is not included in this report.

We have also expanded the range of data of our carbon footprint by including staff commuting information for the 1<sup>st</sup> time. This additional data provided insights into our employees' choice of transportation between office and home.

For the 2<sup>nd</sup> year, we have engaged the services of an independent external party to undertake an assurance process for our report.

## Reporting Period

This sustainability report is produced on an annual basis and the information contained in it relates to our performance during the financial year 1 April 2012 to 31 March 2013 (FY2013). The previous report produced was for FY2012.

## GRI Guidelines

SingTel's report follows the Global Reporting Initiative's (GRI) reporting guidelines version G3.1. We have also used aspects of the pilot version of GRI's Telecommunications Sector Supplement. It meets the requirements of a GRI Level B+ report, having been subject to an application level check by the GRI (see page 62) and an external assurance process (see page 64).

We will assess the new G4 version of the GRI guidelines, released in May 2013, and the changes for future use. For more information on the GRI guidelines please go to [www.globalreporting.org](http://www.globalreporting.org).

## Feedback

We are fully committed to listening to our stakeholders and we welcome feedback on this report and any aspect of our sustainability performance. Please address all feedback to Vice President, Group CSR, at [csr@singtel.com](mailto:csr@singtel.com).

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## Message from Group CEO

In FY2013, the SingTel Group made significant progress to transform itself to ensure it stays at the forefront of industry changes by strengthening our traditional carriage business and taking advantage of new growth opportunities in the digital space.

Even as considerable effort and resources were directed into completing this 1<sup>st</sup> phase of our multi-year transformation, we continued to execute sustainability initiatives under our four key pillars - Marketplace, People, Environment and Community.

As a result, corporate social responsibility (CSR) or sustainability has remained as one of our top drivers of staff engagement, which I believe will continue to play a critical role in our transformation journey.

### Marketplace

In our marketplace, the new lines of global businesses organised along the consumer and enterprise segments will strengthen our ability to enhance customer experience and service innovation for our customers.

During the year, we trained more than 1,200 SingTel Customer Experience Ambassadors as part of our customer-centricity programme, and invested S\$150m to enhance the experience on our mobile network through the rollout of high-speed LTE or 4G. In the enterprise segment our continuous introduction of cloud and managed services such as G-cloud will enable businesses to operate a lot more efficiently.

***Engage.  
Listen.  
Execute.***



Our Group Digital Life initiatives will bring innovation in the digital space. In particular, developments in mobile technology are lending new uses to mobile devices beyond voice calls and text messages. Our digital life initiatives will leverage and build on existing products and services to enhance the quality of life for our customers and the community. For example in October 2012, we launched Project Silverline, a programme to enrich and improve the lives of the elderly in Singapore through the use of smartphone technology.

In FY2013 we introduced a Supplier Code of Conduct to strengthen the engagement and advocacy into our supply chain on matters relating to social responsibility and sustainability. We will continue to expand the scope of this engagement across all tenders and are also developing a vendor audit programme.

## Our Community and People

Community support and staff volunteering remained the core pillars and foundations of our sustainability strategy. We believe these activities build awareness around corporate sustainability and engage the hearts and minds of our people.

During the year, we raised a record S\$2.7m through our flagship SingTel Touching Lives Fund. Through other forms of community contribution, we have invested over S\$4m in the communities where we operate. Our people continue to participate actively in VolunTeaming, our way of incorporating community staff volunteerism into department teambuilding.

They clocked over 5,500 hours in 35 activities with 15 voluntary welfare organisations including our SingTel Touching Lives Fund beneficiaries during the year. This represented a 54% increase in our Volunteaming activities.

We also continued the expansion of our community support beyond Singapore's shores. For example, we provided monetary assistance through Globe Bridging Communities, the CSR programme of our Philippine associate Globe, when Typhoon Bopha hit the Philippines in December last year. We also sent a team of staff volunteers in March to Compostela Valley, an area badly hit by the typhoon, who worked alongside Globe staff volunteers over five days to help rebuild the village.

## Environment

On the environmental front, we have updated our Environmental Management System and also included in our carbon footprint reporting this year, staff commute pattern to help us understand their commuting behavior

and identify opportunities for reductions in carbon emissions. About 40% of our approximately 13,000-strong workforce in Singapore participated in this survey.

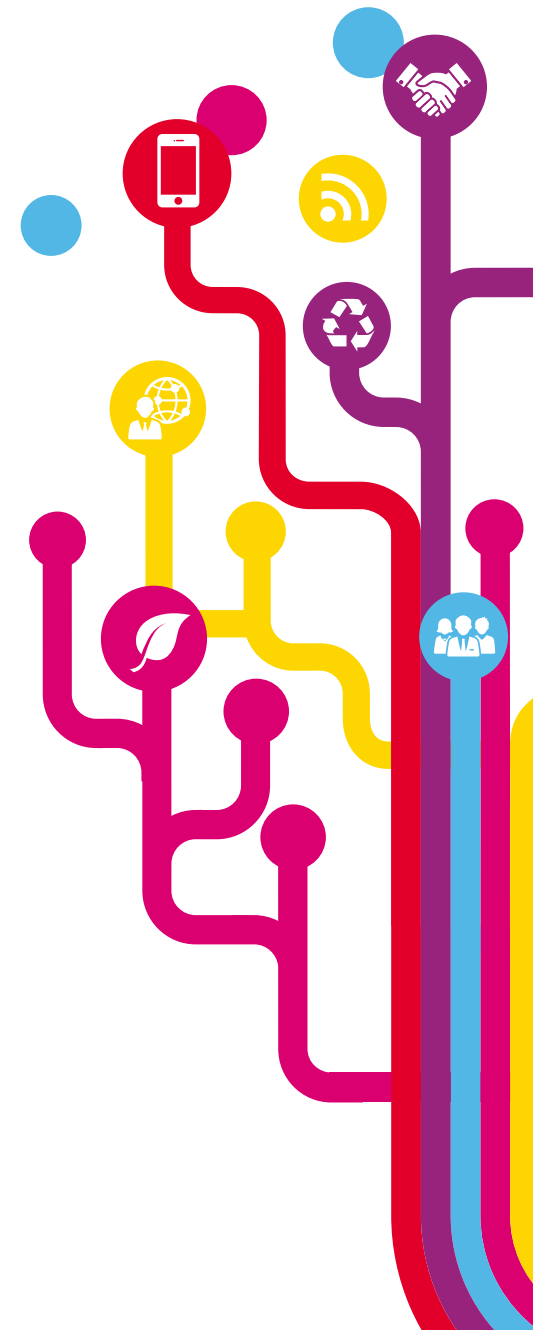
As equipment facilities cooling remains a large part of our energy consumption, we commenced a major overhaul of 10 chillers at our equipment facilities and exchanges. This initiative will drive annual energy savings of more than 880,000 kWh per year. This together with other past energy management programmes had enabled us to save 59.6 GWh of electricity since FY 2010, far exceeding our target of 32.7 GWh set in FY2010.

Moving forward, we see an opportunity to strengthen the breadth and depth of our sustainability strategy and initiatives. In this regard, we are currently undertaking a strategic review of our sustainability strategy and roadmap.

As a first step, we completed Phase 1 of our Stakeholder Engagement exercise through surveying our customers and investors on sustainability issues pertaining to our business that they are most concerned with. More on these key findings are presented in this report. Phase 2 of our exercise in the new financial year will cover our internal stakeholders and SingTel's most valuable asset - our own employees.

I look forward to updating you on our findings and updated sustainability strategy in the next report. I would like to thank you and all our stakeholders who have supported us in SingTel's sustainability journey.

**Chua Sock Koong**  
Group Chief Executive Officer



## About SingTel

Singapore Telecommunications Limited (SingTel) is Asia's leading communications group providing a portfolio of services including ICT, pay TV as well as voice and data solutions over fixed, wireless and internet platforms. The Group has presence in Asia and Africa with 468 million mobile customers in 25 countries, including Bangladesh, India, Indonesia, the Philippines and Thailand. We also have a vast network of offices throughout Asia Pacific, Europe and the United States.

SingTel is listed on both the Singapore Exchange (SGX) and the Australian Securities Exchange (ASX). We employ about 22,000 people worldwide, with about 13,000 employees in Singapore and 9,000 in Australia. In FY2013, the Group made strategic acquisitions in the digital space, including Amobee, Adjitsu, HungryGoWhere.com, Pixable and Eatability.

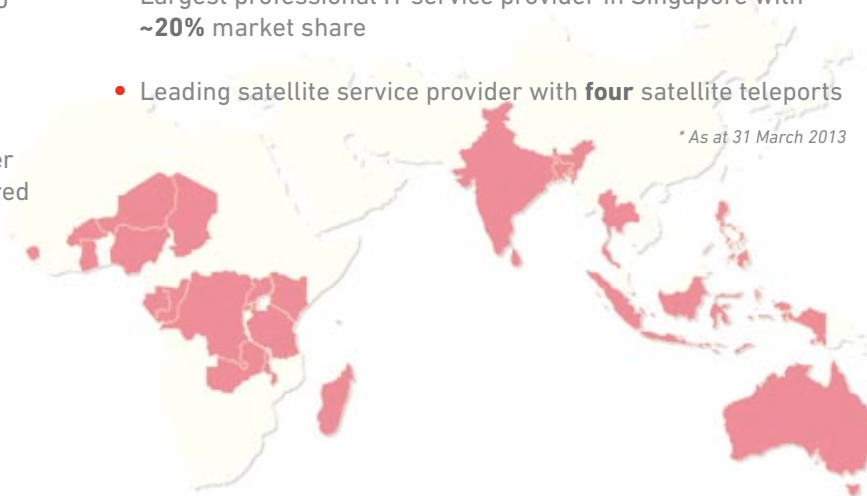
During the year, SingTel disposed of its 30% stake in Warid Pakistan. In May 2012, we also completed a managed service project and transferred around 500 of our people, which represented about 4% of our workforce, to a service provider.

In April 2012, there was a significant change in our corporate structure as we moved to a more customer focused Group model. The reorganisation is configured into three business lines: Group Consumer, Group Digital Life and Group Enterprise.

## Overview of SingTel's Singapore Business\*

- Market leader in Singapore
- Biggest mobile operator with **3.81 million** customers and **47.2%** market share
- Leading broadband operator with **557,000** customers and **44.4%** market share
- Fibre broadband leader with **59%** market share and **192,000** customers
- Biggest fixed-line operator with **1.67 million** telephone lines, representing **84%** market share
- Fast-growing IPTV service provider with **404,000** customers
- Largest professional IT service provider in Singapore with **~20%** market share
- Leading satellite service provider with **four** satellite teleports

\* As at 31 March 2013



# SingTel's Financial Performance FY2013

SingTel delivered a resilient set of results across its businesses for the financial year ended 31 March 2013, a year marked by significant industry changes, adverse currency movements and our investment in new services to drive long-term growth.

Excluding exceptional and one-off items, the Group's underlying net profit declined 2% to S\$3.61 billion. In constant currency terms, underlying net profit would have been stable. Including the exceptional items, net profit declined 12% to S\$3.51 billion. Exceptional items include a one-time loss of S\$225 million from the divestment of Warid Pakistan this year and tax credits last year.

Our core business remains robust and provides a strong foundation for sustainable profitability. It also lends support to our ambitions to grow in the digital space. In FY2013, the Group continued to generate strong free cash flow, which increased 9% to S\$3.77 billion. The Group's EBITDA was stable at S\$5.2 billion, reflecting the Group's strong cost management. Revenue fell 3% due to lower contribution from Australia.

Revenue from Singapore operations grew 3% to S\$6.73 billion on improved contributions from mobile, data and internet service, which represented 53% of total revenue, and mio TV. SingTel continued to drive growth in mobile data services through compelling value propositions and network investments. The number of mobile customers grew 226,000 to reach 3.81 million by end of FY2013. Overall, net profit declined 7.0% to S\$1.13 billion. Excluding the exceptional items, underlying net profit declined 5.6% to S\$1.14 billion attributed mainly to higher depreciation and amortisation charges.

The Group and our regional mobile associates continued to see strong customer growth and registered year-on-year growth of 9% to 468 million mobile customers as at 31 March 2013.

SingTel continued our long track record of returning cash to shareholders and raised our dividend payout range to 60% to 75% of underlying net profit. In line with this revised policy, a final ordinary dividend payout of 10 cents per share was recommended by the Board. For FY2013, total dividends would amount to 16.8 cents per share (FY2012 was 15.8 cents per share), representing a payout ratio of 74% or a total of S\$2.68 billion. Our total shareholder payout is S\$29 billion over the last 10 years or 76% of earnings over the same period.

Key financial highlights	Group (\$m)	Growth (%)	Singapore (\$m)	Growth (%)
Revenue	18,183	(3.4)	6,732	2.8
Retained earnings	25,425	4.1	N.A.	N.A.
Net profit	3,508	(12)	1,126	(7.0)
Operating costs (excluding staff costs)	10,753	(5.6)	3,561	2.5
Staff costs	2,347	1.5	1,070	8.6
Dividends to shareholders	2,678*	6.4	N.A.	N.A.
Tax expense	1,216	24.3**	217	24.6**

N.A. denotes Not Available. N.M. denotes Not Meaningful

\* The final ordinary dividend in respect of the financial year ended 31 March 2013 totalling approximately S\$1.59 billion as proposed by the Directors are subject to approval at the Annual General Meeting in July 2013.

\*\* Due to an exceptional tax credit of S\$270 million on the increase in value of assets transferred to an associate in FY2012.

# 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.

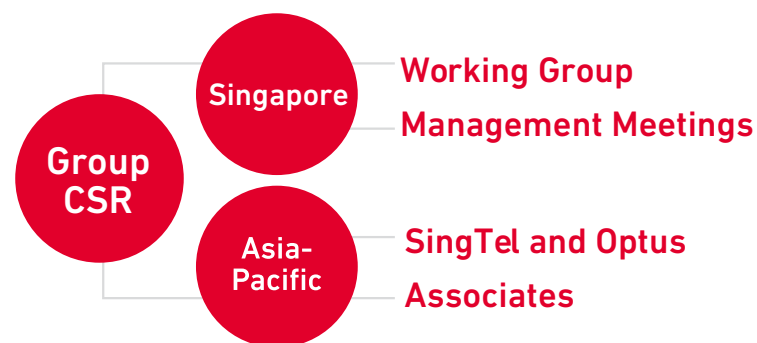
In addition, many of our management meetings now include sustainability-aligned agenda items. These issues are an important part of the strategic planning process and contribute to the overall operational improvement plans and targets.

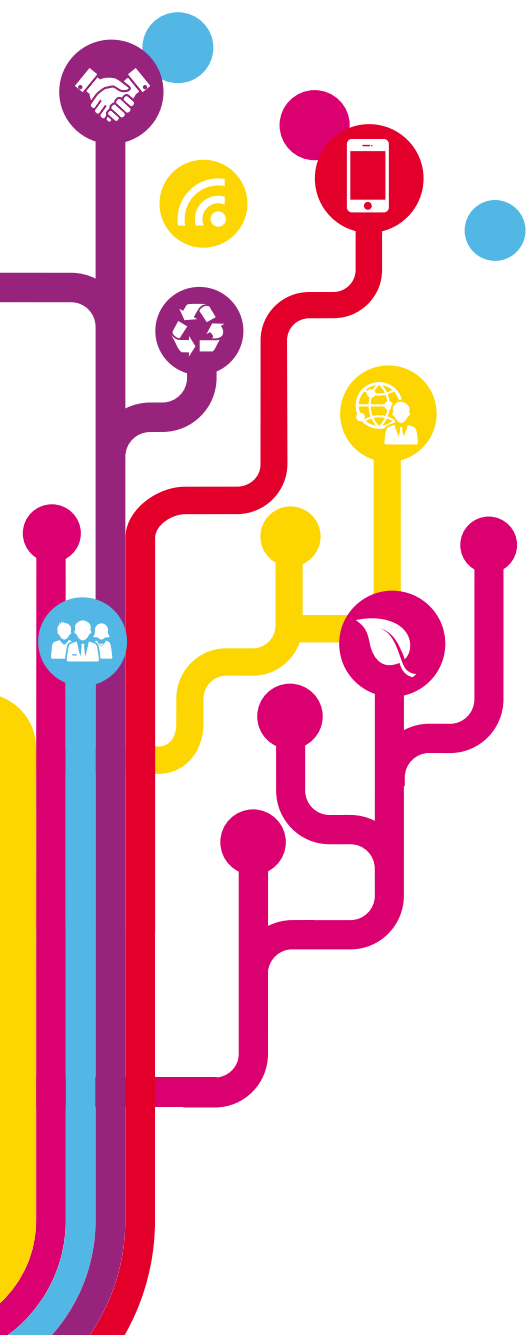
## Materiality Review

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.

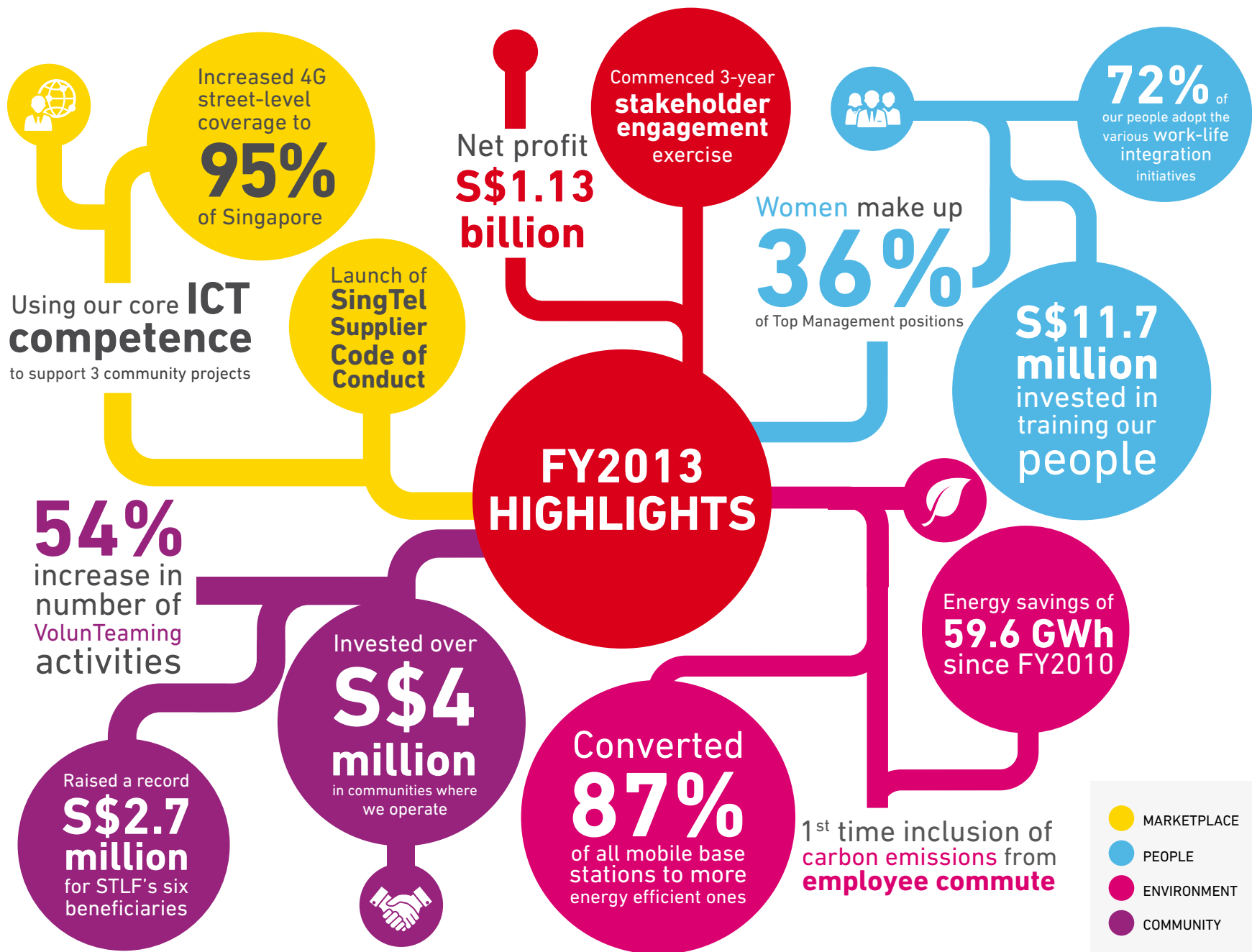
- All investor respondents were aware of SingTel's efforts to communicate sustainability initiatives.
- Investors see sustainability as a more risk or compliance focused function, with only one of the seven investors making the link to future opportunities.
- Issues SingTel should be aware of over the 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.





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 3<sup>rd</sup> 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 4<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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<sup>[1]</sup>.

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<sup>[2]</sup>.

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](http://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 3<sup>rd</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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](http://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 3<sup>rd</sup> parties such as 4G network blind testing.

## Performance against sustainability goals

Key Areas of Focus	FY2013 Targets	FY2013 Performance
<b>Innovate for sustainable business growth</b>	<ul style="list-style-type: none"> <li>At least two new e-services introduced for SingTel customers to access via their mobile phone/PC/tablet</li> </ul>	<ul style="list-style-type: none"> <li> Achieved. Examples: <ul style="list-style-type: none"> <li>NewsLoop puts together the best news and lifestyle content into a single elegant app</li> <li>mio TV Go is a companion app to enhance mio TV viewing experience on the move</li> </ul> </li> </ul>
<b>Pursue proactive market leadership</b>	<ul style="list-style-type: none"> <li>Continue to monitor market development and participate in public policy advocacy</li> <li>Continue to uphold high standards of corporate governance and business ethics</li> <li>Ensure compliance with the revised Singapore Code of Corporate Governance</li> <li>Undertake a formal stakeholder engagement exercise to better understand material sustainability issues for SingTel</li> </ul>	<ul style="list-style-type: none"> <li> Actively participated in public policy advocacy through submissions and representations covering a range of telecommunication and broadcasting issues</li> <li> Continued to be recognised by the industry for our efforts in upholding high standards and received numerous awards during the year</li> <li> 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</li> <li> Commissioned a structured stakeholder engagement exercise; Engaged the consumer and investor stakeholder groups in Year 1</li> </ul>
<b>Embrace responsible business practices</b>	<ul style="list-style-type: none"> <li>Grow Facebook fan base by 50%</li> <li>Launch a Twitter Customer Care channel to better respond to conversations about the brand and address customers' enquiries and issues on social platforms</li> <li>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</li> <li>Develop online resource on www.singtel.com to promote safety awareness and responsible use for parents on cyberbullying and sexting among young user</li> <li>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</li> <li>Begin implementation of the Supplier Code of Conduct</li> <li>Develop plans for the vendor audit scheduled to be held over the next two years</li> </ul>	<ul style="list-style-type: none"> <li> Doubled Facebook fan base to &gt;200,000</li> <li> Launched Twitter Customer Care channel, allowing SingTel to have conversations with customers and better respond to queries</li> <li> Launched official SingTel YouTube channel; Achieved over two million video views in FY2013</li> <li> In progress for completion in FY2014</li> <li> We have included supplier's response to our Supplier Code of Conduct in our evaluation of procurement tenders</li> <li> Implemented a Supplier Code of Conduct in September 2012; Publicly available on SingTel's corporate website</li> <li> 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</li> </ul>
<b>Build customer loyalty and satisfaction</b>	<p>To improve Customer Experience Index and be distinctive in the market by:</p> <ul style="list-style-type: none"> <li>Enhancing current measurement to better understand customer expectations</li> <li>Implementing company-wide service communications and training programme</li> </ul>	<ul style="list-style-type: none"> <li> Achieved. <ul style="list-style-type: none"> <li>SingTel's overall Customer Experience Index sustained at last year level amid increasing customer expectations</li> <li>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)</li> <li>Lean Six Sigma programme continued to grow with a strong community of over 2,300 practitioners to accelerate our business performance and competitive advantage</li> <li>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</li> <li>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</li> <li>More than 1,200 SingTel Customer Experience Ambassadors recruited and trained as part of our customer-centricity programme</li> </ul> </li> </ul>

## Improvement targets

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



# 06

## PEOPLE Empower. Energise. Engage.

### Our Approach

**Our people are integral to what SingTel stands for and everything we do. Our ambition is to be an employer that people want to be associated with and work for. We achieve this through the care and equal opportunities we provide, in a workplace and culture that is diverse, inclusive and collaborative. We challenge and develop our people to reach their fullest potential.**

Given our recent move towards a customer-centric Group structure, our commitment to being a leading employer remains unwavering. We provide our people with a work environment that supports both professional and personal development, a positive perspective on balancing work and social life, a variety of challenges and opportunities, and the chance to be part of a high performing and collaborative team.

We are committed to developing and maintaining an inclusive and collaborative workplace and culture, giving our people the opportunity to realise their own potential and contribute to SingTel's overall success.

We believe that our workforce diversity can sustain our competitive edge through the fostering of innovative solutions, and greater flexibility and responsiveness to business needs.

The human resources function works hard to maintain constructive dialogue and interaction with our people across the group internally and externally, with professional and regulatory bodies and the trade union.

We want to achieve positive and favourable outcomes for all parties.

We believe that engaged employees feel happier at work, perform better and are more motivated to succeed. Our annual staff engagement survey provided us with valuable feedback on how we are performing. The survey is undertaken by a leading independent consultant, and results are benchmarked on a sector and global basis.

In FY2013, SingTel's CSR score is 3% above the Singapore National norm, 1% below the Global High Performance Company norm and 10% above the norm for Global Transitional Companies, that is, those that were undergoing significant changes at the time of the survey.

With CSR engagement, our people will better understand how SingTel's commitment to sustainable business practices affects the overall corporate strategy, and the more traction we will gain in promoting a sustainable company.

# BUILD A WINNING TEAM

## Equal opportunities and diversity

With about 90 nationalities represented in our global workforce, SingTel has clearly embraced diversity. We view workplace diversity as essential for the Group as it provides an invaluable variety of local and global experiences. We respect the differences in ideas and perspectives, gender, age, ethnicity, language, cultural background, physical ability and lifestyle choice. These allow us to leverage the depth of our varied backgrounds to support the company in realising our potential in a global marketplace.

We promote equal employment opportunities within SingTel and our policy on non-discrimination and fair employment practices commits us to creating a work environment free of discrimination or harassment on the basis of race, colour, religion, gender, national origin, disability or age. SingTel also has guidelines to follow during the recruitment process. All our people are selected on merit and all recruitment advertisements do not refer to specific requirements based on gender, ethnicity, age or nationality preferences.

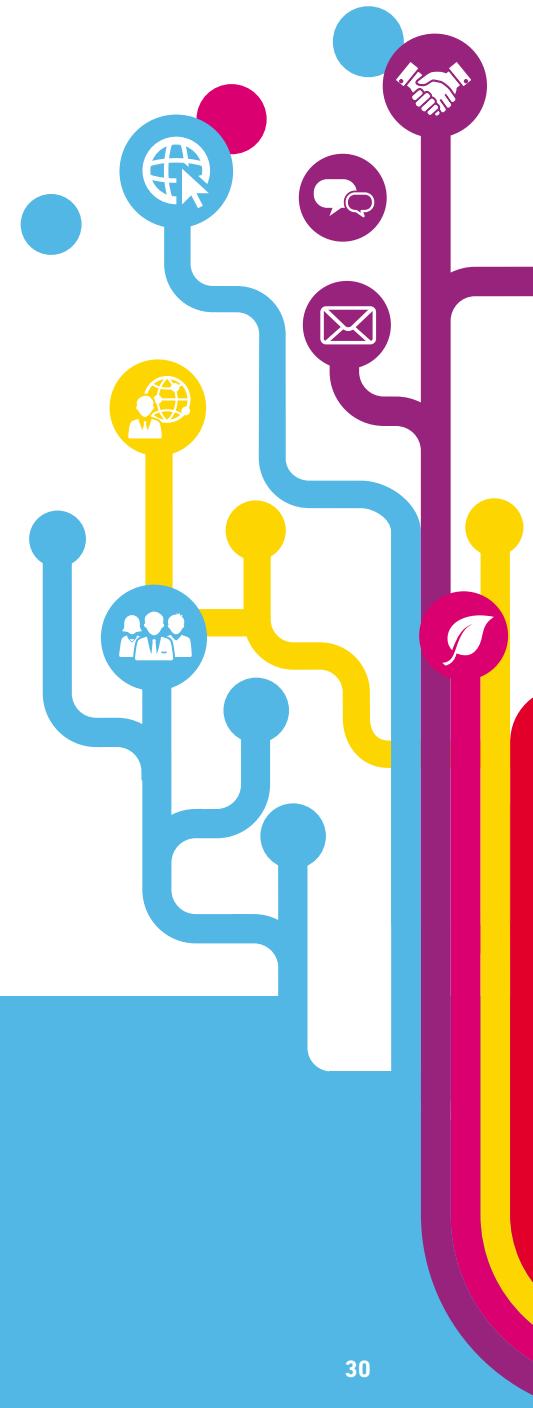
## Upholding and protecting the principles of human rights

The SingTel Code of Conduct provides specific advice on how we should act and behave in a multicultural workplace and treat fellow colleagues with respect and consideration at all times. In day-to-day relationships, the recruitment process or ensuring equal opportunities in career development, we apply these principles in all business interactions we have, internally and externally.

This year we have also followed up on previous targets by introducing aspects of human and labour rights via the Supplier Code of Conduct into our supply chain and procurement processes. By doing this, SingTel is further raising the profile of these issues in our wider business community.

## The SingTel Code of Conduct

Our employee Code of Conduct covers a wide range of topics including the responsibility to treat fellow colleagues with respect and consideration at all times, respecting the basic tenets of human rights. Examples of improper behaviour include discrimination or harassment in any form of bullying, ridicule, sexual, racial or verbal abuse, insults and physical violence. SingTel will not tolerate such actions and will take disciplinary actions against offenders, including termination of employment.



## Our employee mix

At the end of FY2013, our Group employed 21,695 people with the majority based in our main business entities in Australia and Singapore. This section of the report is based on our Singapore operations where our employees totalled 12,776 as at 31 March 2013.

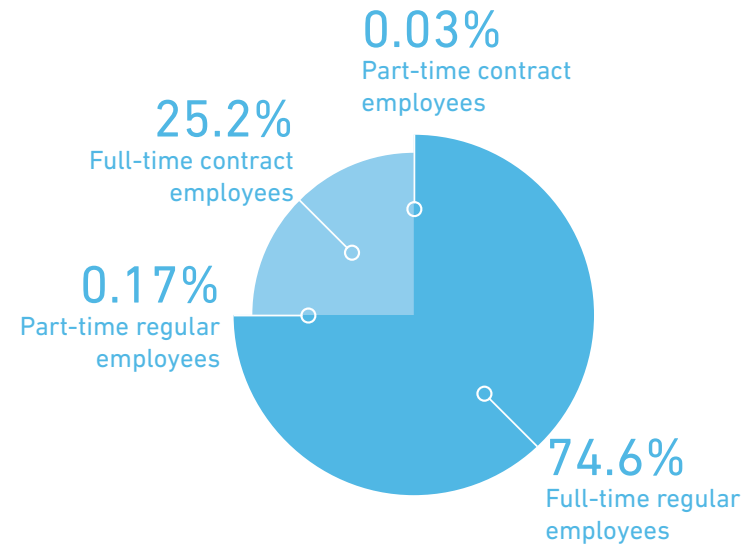
In FY2013, we completed a managed service project and transferred around 500 of our employees to a service provider. The Group also made several strategic acquisitions in the digital space.

There is approximately a 75% to 25% split between full-time regular employees and those who are working full-time on a term contract. The number of our part-time employees is insignificant. Our employment profile by age demonstrates a good mix of experience.

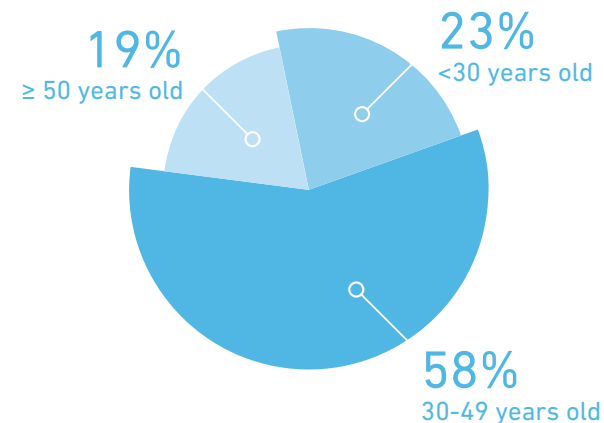
Female workers make up around 38% of our total workforce in Singapore. Overall, there is a reasonably consistent split across the job grades with women taking up 36% of Top Management positions, including Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Information Officer and Group Director Human Resources. This figure is up from 29% in FY2012. For Middle Management positions, 38% are held by women.

To meet family and work-life demands of our employees, especially working mothers, we offer numerous family-friendly policies. These options include flexible work schedules or even part-time employment. We also provide either on-site childcare facilities or look to tie-up with well-located quality childcare centres to offer priority enrolment for the children of our employees.

**Singapore workforce profile by employment category FY2013**

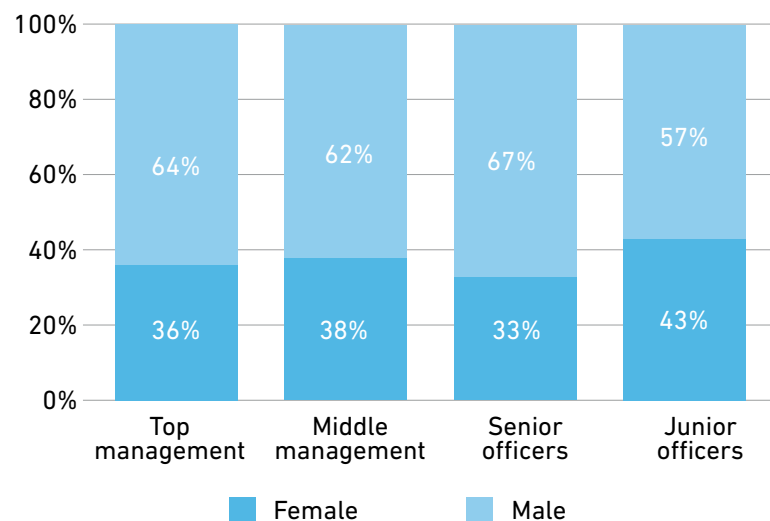


**Singapore workforce profile by age FY2013**

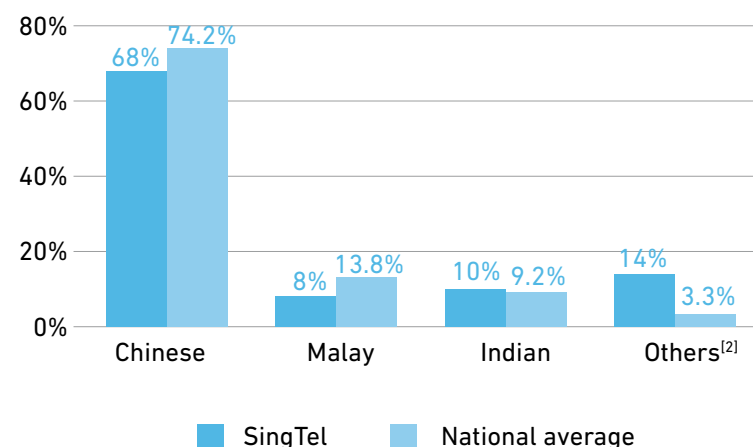




**Gender distribution of Singapore workforce by employee category  
FY2013**



**Ethnic distribution of Singapore workforce  
FY2013**



The ethnic distribution profile of our employees is well balanced and broadly in line with the national average in Singapore<sup>[1]</sup>.

[1] Source: Singapore Department of Statistics, June 2012.

[2] The national average under 'Others' does not include foreign workers while SingTel recognises foreigners under this category.

## Re-employment of employees reaching statutory retirement age

As part of a Memorandum of Understanding between SingTel and the Union of Telecoms Employees of Singapore (UTES) in 2011, we have refined our policy on the re-employment of older workers. This agreement also reflects the expectations set out in the Retirement and Re-employment Act (RRA), which became law in January 2012.

Our re-employment policy states that eligible employees, who satisfy certain criteria, will be offered re-employment when they reach the current statutory retirement age of 62.

Satisfactory levels of performance must be maintained over a continuous period of three years prior to reaching statutory retirement age. In FY2013 the take-up rate for re-employment was 85%.

**Re-employment of employees who reached 62 years old in FY2013**

Job Level	No. of Employee who Reached 62	No. of Employee Re-employed	No. of Employee Retired
Junior Officers	73	60	13
Senior Officers	8	8	0
Middle Management	3	3	0
Top Management	1	1	0
<b>Total</b>	<b>85</b>	<b>72</b>	<b>13</b>

## Driving and Rewarding Performance

SingTel remuneration policies are regularly reviewed to ensure competitiveness and alignment with the marketplace and our internal reward strategies. The basic pay structure is based on the job role and function and we believe we provide a competitive salary and overall remuneration package. With performance-based incentives designed to motivate and promote continued excellence, our people can be further rewarded based on their own and their team's success. By engaging them constantly, we ensure that they understand the reward structure, know where the company is heading and the role they play in helping to achieve SingTel's goals.

Besides providing equal opportunities for all of our people, it is important that we provide the same level of rewards if the job level and performance are the same between men and women. At the end of FY2013, we analysed salary data for the three main grades of employees and have presented a ratio of gender based pay between our female and male employees<sup>[3]</sup>. Our basic pay structure is based on job role and function, therefore our female and male employees on average receive equivalent basic pay.

Job Level	Salary Ratio Female : Male
Junior Officers	0.91 : 1
Senior Officers	0.96 : 1
Middle Management	1 : 1

[3] This ratio is based on the lowest monthly basic salary as of March 2013 for each category of employee only. It does not include bonus payments or any other performance related remuneration.

In addition to performance-based incentives to motivate and promote continued performance and excellence, we reward breakthrough business performance and exemplary people management practices in our annual prestigious SingTel Excellence Award. NCS has also developed business unit level awards such as the *Difference In Quality Awards*, *Making IT Happen Awards* and *ACE Awards*.

## 'ESPRESSO' staff portal and social media



SingTel's enterprise social network ESPRESSO has proven to be a great success and a useful platform for management communication, employee collaboration, innovation and empowerment. Launched in late 2011, ESPRESSO acts like an internal Facebook and

users can post blogs, 'like' each other's posts and discuss issues relating to the company and their work in a secure digital environment. Various topics and network creation are part of the mix, and issues such as sports, health, CSR and events are discussed at a more personal level. ESPRESSO attracts over one million monthly page views, hosts over 1,300 community sites and handles more than 700,000 searches mainly for staff directory.

There have also been some new additions to the internal social media offering. A mobile app called Starfish Online was launched which provides employees with a channel to escalate an unresolved case for a friend or family member who has made prior contact with our customer service. Another mobile learning initiative LearnTube was launched to provide an on-demand video streaming service, hosting learning content produced by our Learning & Development department.

As part of our efforts to engage our people in different ways and get them to embrace new technology and digital media, we developed a mobile event app internally for our learning events such as the SingTel Learning Fiesta and the Human Resources Summit which was held in Thailand in 2012. The mobile application allows our people on the move to view course synopses, register and receive course confirmation, post questions and comments during courses and give feedback and evaluation after the courses. Since then, the tool has been a great success and is quickly becoming embedded into our day-to-day practice at SingTel.

## Positive trade union relationships

We have more than 3,300 bargainable employees in Singapore, or 26% of our workforce. In all matters concerning this group of employees, we actively involve UTES. In the previous financial year, SingTel and UTES successfully concluded the Collective Agreement 2012. This agreement covers the period from 1 January 2012 and is valid for three years ending on 31 December 2014.

In the event of any significant organisational change, we make every effort to engage UTES as early as possible and inform all affected staff in advance. This is usually exceeding the one-month notice as provided in the Collective Agreement.

## ATTRACT AND NURTURE TALENT

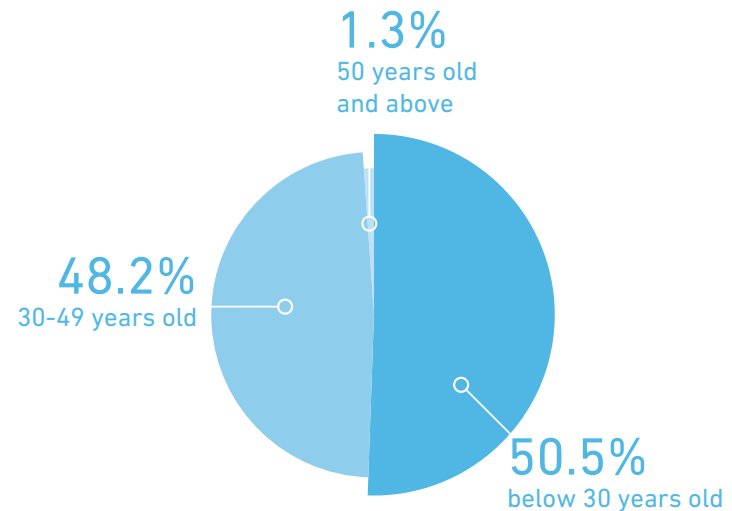
### Attracting Talent

SingTel identifies potential employees at two levels: experienced professionals already working in the industry and emerging young talent. For the latter we focus on collaborations with local and international tertiary institutions, social media platforms and career fairs to promote working for our company.

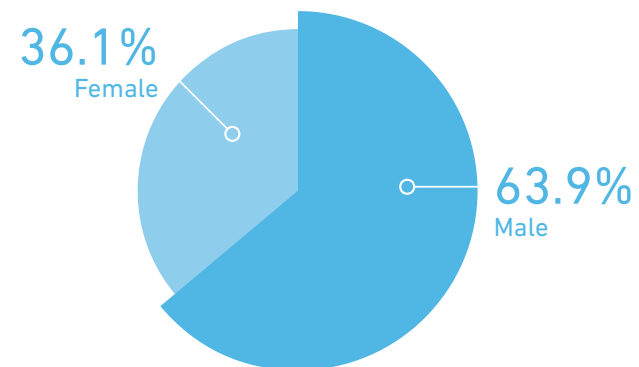
In FY2013, we had the largest single intake, hiring 10 top graduates into our SingTel Management Associate Programme. The programme is in its 5<sup>th</sup> year and only those with a range of attributes, including outstanding academic results and leadership potential, are accepted. The programme offers accelerated learning and development opportunities such as cross-functional rotation, active participation in projects and direct interaction with senior management.

SingTel continues to offer full scholarships and book prizes to promising young undergraduates under the SingTel Group Undergraduate Scholarship programme which was first introduced in 2009. They are given mentoring and internship opportunities at the SingTel Group of companies locally and overseas (see Chapter 8 on Community). SingTel also operates strategic internship programmes which offer valuable working experience in the industry and allow participants to see first-hand how we work.

**New hires by age group in Singapore FY2013**



**New hires by gender in Singapore FY2013**

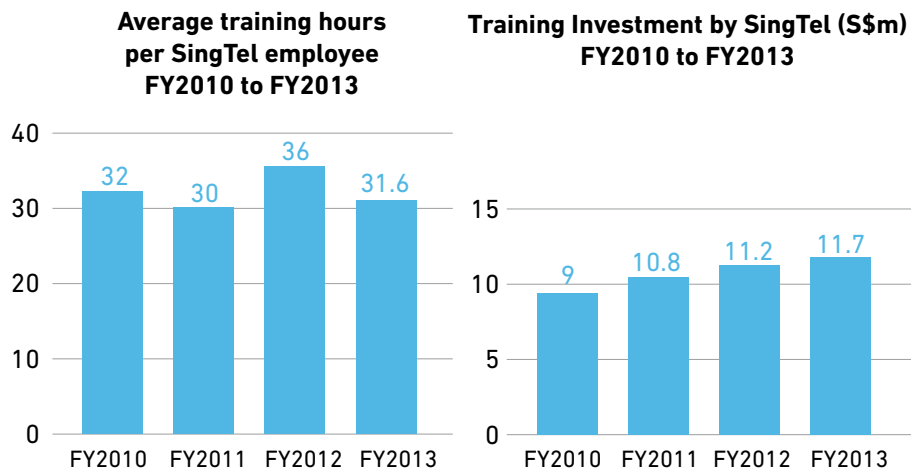


## Developing Talent

Ranging from online 'bite-size' courses to full-time master's degrees at leading universities, our extensive learning and development programmes are designed to cover the needs of our diverse group of people in SingTel. We view continuous learning and development as an important component in our efforts to attract and retain high quality people.

As part of our learning and development planning, we identified a set of core skills that our people need, such as project management, mobile and IP networking, and cloud computing. Closing the skills gap was one of our targets for FY2013, and during the year we moved from 89% to 100% attainment of critical skills. These developments were achieved by adopting a holistic approach to learning and development based on education, experience and relationships, tailored to suit the needs of different staff segments.

In FY2013 our training investment totalled S\$11.7 million and our people completed an average of 31.6 training hours.



## Career development

We encourage our people to take an active role in managing their careers. We provide them with toolkits, online career development portals, talks and workshops. The annual performance management cycle is undertaken by all employees and integrated into individual targets for development in the coming year based on personal, team and organisational goals.

The annual three-day SingTel Learning Fiesta (SLF) was held again in FY2013. The event offered our people in Singapore a wide range of informative sessions including interesting talks and workshops with the aim to raise awareness and knowledge.

SLF continued to offer both electronic and mobile learning, or Learn-On-The-Go. This allowed us to increase training places from 6,544 in FY2012 to 7,598 in FY2013. The event has seen increasing support over the last few years with participation rates improving to 84% take-up of training places and received good or excellent ratings from 94% of the participants.

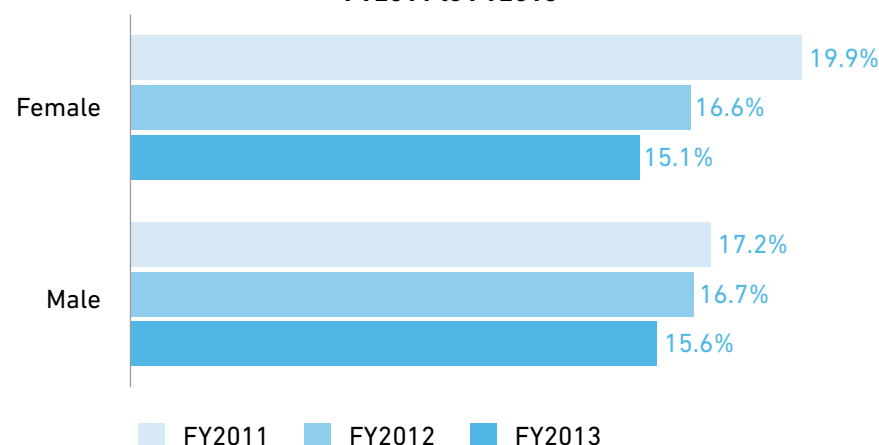
## Talent retention

Throughout an employee's career with SingTel, we invest time and resources in them. Our aim is to keep high performing talent working at SingTel. Employee retention rates are closely monitored and we work hard to develop strategies to understand how we can match the personal and career aspirations of our employees with the needs of the company. The turnover rate in FY2013 was slightly lower for both men and women compared to the previous year at 15.6% (16.7% in FY2012) and 15.1% (16.6% in FY2012) respectively.

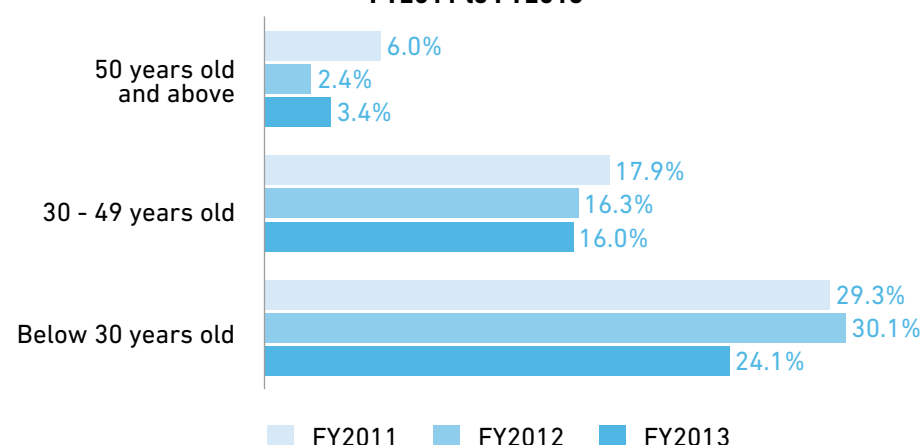
## Grooming Leaders

The Regional Leadership in Action (RLA) programme has been developed to prepare emerging high-potential leaders to lead and manage business operations in a multinational context. Judged by members of SingTel's senior management team, RLA challenges cross-entity teams to tackle demanding business assignments. Since its inception in FY2007, more than 200 participants across the SingTel Group have gone through the RLA, with 35 in FY2013.

**Employee turnover by gender in Singapore  
FY2011 to FY2013**



**Employee turnover rate by age group in Singapore  
FY2011 to FY2013**



## ENHANCE EMPLOYEE WELL-BEING

### Employee benefits

All employers in Singapore have to comply with statutory requirements such as employer contributions to the Central Provident Fund (CPF). In addition, SingTel provides a variety of employee benefits which include comprehensive healthcare insurance, annual leave, flexible family leave, health and wellness programmes and staff discounts on SingTel products and services. Part-time employees enjoy similar benefits on a pro-rated basis. When we require the services of temporary workers, usually for periods of less than three months, SingTel uses reputable recruitment agencies and are subject to the terms and conditions of the respective agency contracts.

### Work-life integration

To help our people manage the balancing act between work and home-life priorities, SingTel offers a flexible approach to working where possible, with initiatives relating to work schedules, telecommuting and various forms of leave arrangements to suit families. Our people appreciate these options with more than 70%<sup>[4]</sup> of our eligible staff adopting the various initiatives.

We also organise a wide variety of events to cater to different staff segments. This ranges from mass participation in sporting events to

karaoke sessions. We believe that these activities can help to foster teamwork and camaraderie. Over 6,600 of our people took part in this wide selection of programmes during the year.

### A healthy and safe work environment

SingTel supports and promotes a healthy lifestyle to our people. This includes the provision of a flexible medical scheme for regular employees that allows them to select from a choice of plans that best suits their individual or family healthcare needs. The scheme now includes traditional Chinese medical treatments (TCM) and employees are also given the option to put their unused flexible dollars into their own CPF Approved Integrated Shield Plan as subsidised premiums. Other initiatives include talks and workshops focusing on both physical and mental health and wellness.

As part of our 'Health and Wellness' programmes we also actively promote awareness on workplace occupational health. In FY2013, 170 health managers attended an Occupational First Aid course approved by the Ministry of Manpower through our training vendor. We also support our people by providing recreation clubs and gymnasiums located on-site at our company premises.

<sup>[4]</sup> The FY2013 Flexi Family Leave (FFL) utilisation rate includes NCS employees.

## 'Love Life, Live Well'

Our 'Love Life, Live Well' programme continues to provide lunchtime talks and presentations on various health themes, professional counselling services as well as disease management programmes and treatments. This year there was a mental health and wellness focus with talks on topics such as Traditional Chinese Medicine to manage medical conditions and How to protect your health the greatest wealth. They were held in conjunction with initiatives such as free massage sessions and healthy cooking classes.

We offer a free health screening for our staff who can also opt for more medical tests at subsidised rates. More than 1,000 of our employees benefited from this annual exercise. Our Employee Assistance Programme (EAP) utilisation rate declined from 0.16% to 0.09% in 2013 and visits to General Practitioners for stress-related illness decreased from 3.2% in 2007 to 2.7% in 2012. We believe that our many initiatives over the last few years have contributed to our employees' overall well-being.

## Workplace Safety and Health

The Workplace Safety & Health (WSH) Act in Singapore was extended to cover all workplaces in 2011. The SingTel Health, Safety & Environment (HSE) policy statement supports the WSH Act and guides our people in all aspects of WSH. Our HSE policy statement can be found at <http://info.singtel.com/about-us/sustainability>.

SingTel believes that providing a safe work environment can only be achieved in partnership with our employees and everyone has a personal responsibility to support our commitment.

The WSH Committee, chaired by Group Director Human Resources who also manages the Group CSR function for continuity across these interlinked issues, has continued to build our WSH capabilities and educate our people on the implications of the Act. This has been done through the on-boarding process for new hires, staff reminders and an online WSH portal on ESPRESSO. The portal contains all WSH-related information as well as additional resources like a video on ladder safety and sharing of past

accidents to generate awareness and prevent future occurrence. The Staff Safety Guidebook containing key information such as incident reporting guidelines, how to prevent injuries from common office hazards and emergency procedures is also available.

The main aim of the WSH Committee is to provide a healthy and safe work environment for all our stakeholders. The Committee meets quarterly and has representatives from key business units. It provides leadership, sets the standard for the Group and delegates responsibility for implementation of recommendations.

In accordance with our monitoring and reporting programme for WSH, there has been no incidence of work-related fatalities or occupational disease at our Singapore operations in the last five years. Our workplace injury rate increased in FY2013 which can be attributed to the heightened awareness of WSH among our people. This has led to increased reporting of minor work-related injuries, for example, we see more instances of injuries from falling down, which were usually not reported in previous years.

### Workplace safety and health indicators FY2011 to FY2013

Type	SingTel Singapore FY2011	SingTel Singapore FY2012	SingTel Singapore FY2013	National Average FY2013 <sup>[5]</sup>
<b>Workplace injury rate<sup>[A]</sup></b>	126.1	79.2	164.4	407
<b>Accident frequency rate<sup>[B]</sup></b>	0.4	0.3	0.5	1.7
<b>Accident severity rate<sup>[C]</sup></b>	3.0	18.1	6.4	88

[5] Ministry of Manpower Singapore workplace safety and health indicators 2012.

[A] Refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based.

[B] Refers to the number of workplace accidents per million man-hours worked. Figures used are incident-based.

[C] Refers to the number of man-days lost to workplace accidents per million man-hours worked.

Note: Figures for FY2011 have been retrospectively applied to include NCS.

Last year SingTel attained bizSAFE Level 3 certification for our key businesses in Singapore, a step up that requires external verification of risk management implementation related to WSH. This was an important development towards ensuring compliance with the requirements WSH Act.

For occupational health and safety, SingTel ensures that at least one person is trained on each floor of our buildings to be a Health Manager. As part of our ongoing efforts, we also conduct regular dry runs for contingencies such as fire drills.

Extending our reach to external parties, our revised Procurement policy takes vendors' bizSAFE status into consideration during the tender evaluation stage. By spreading WSH awareness to our business partners and vendors, SingTel is demonstrating a preference to work with people who share our commitment to safety.












### Working at heights

As part of our commitment to providing a safe working environment for our people, we identified and focused on the proper and safe use of ladders – a common tool for our operations.

During the year, besides reviewing our existing policy and procedures working at heights, we sent our people who need to work with ladders to be retrained by MOM-approved service providers. We also provide adequate equipment and supervision by implementing a safe working system that aims to prevent our people and their working tools from falling off ladders.

We bought new ladders with adjustable height specifically for use in stairwells where most of our telephone cable boxes are located. The ladders in all the Main Distribution Frame rooms have also been changed out to those designed and stamp-approved with better safety features.

## Performance against sustainability goals

Key Areas of Focus	FY2013 Targets	FY2013 Performance
<b>Build a winning team</b>	<ul style="list-style-type: none"> <li>Expand the Management Associate Programme from nine to 10 recipients</li> </ul>	<ul style="list-style-type: none"> <li> Hired 10 Management Associates</li> </ul>
<b>Attract and nurture talent</b>	<ul style="list-style-type: none"> <li>Revamp Management Associate Programme – programme structure, recruitment process, additional international assignments for 25-50% of Management Associates</li> <li>Close remaining identified skills gaps from 89% to 100%</li> <li>Leverage technology and social media to expand mobile learning offerings and position bite-size self-directed learning to employees on-the-go</li> <li>Accelerate talent rejuvenation through: Strategic Interns: 5 MDA, 2 IDA/National Infocomm Scholar, 1 MOM Undergraduate Scholarships: 4 Singapore, 2 Philippines, 2 Thailand</li> </ul>	<ul style="list-style-type: none"> <li> Programme structure and recruitment process have been revamped</li> <li> Closed 100% of identified critical skills gap</li> <li> Increased mobile learning and introduced employee generated content on Learn-Tube via staff portal ESPRESSO; Developed an event app which was used for Regional Leadership in Action, Human Resource Summit and SingTel Learning Fiesta</li> <li> Awarded 3 National Infocomm Scholarships (NIS); 1 MOM National HR Scholarship; No award of Media Education Scheme (MES) Scholarship in FY2013 due to suitability of candidates</li> <li> Awarded SingTel Group Undergraduate Scholarship: 3 Singapore, 2 Philippines, selection in mid-2013 – Thailand</li> </ul>
<b>Enhance employee well-being</b>	<ul style="list-style-type: none"> <li>Continue to provide support to employees identified under the Chronic Disease Management Programme and educate employees to have healthy lifestyle through our 'Love Life, Live Well' initiatives</li> <li>Maintain participation rates for annual health screening at FY2012 levels</li> <li>All health managers to attend Occupational First Aid course by end of FY2013</li> </ul>	<ul style="list-style-type: none"> <li> Achieved <ul style="list-style-type: none"> <li>Organised a wide range of talks and workshops focusing on mental health and wellness through SingTel Learning Fiesta 2013</li> <li>The Chronic Disease Programme did not see any improvement or decline in health indicators</li> <li>The utilisation rate for Employee Assistance Programme (EAP) and General Practitioner visits for stress-related illness declined from FY2012</li> </ul> </li> <li> Employees were encouraged to take responsibility for their healthcare through our 'Love Life, Live Well' initiative. About 1,000 employees participated in the annual health screening in FY2013</li> <li> 170 health managers attended the Occupational First Aid course</li> </ul>



## Improvement targets

Key Areas of Focus	What We Will Do	
	Five-Year Plan (FY2011-FY2015)	FY2014 Targets
<b>Build a winning team</b>	<ul style="list-style-type: none"> <li>Expand the Management Associate Programme from three to eight recipients by FY2015</li> </ul>	<ul style="list-style-type: none"> <li>Double the intake from 10 to 20 young graduates for our fast-track Management Associate Programme</li> </ul>
<b>Attract and nurture talent</b>	<ul style="list-style-type: none"> <li>100% rollout of learning interventions executed to close critical skills gaps</li> <li>Continue to introduce leadership development programmes at all levels complemented with alternative learning resources               <ul style="list-style-type: none"> <li>&gt; Achieve at least 85% attendance by target participants</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Roll out aligned leadership development programmes across the group</li> <li>Develop SMART Learning Roadmap and implement Year 1 initiatives which include:               <ul style="list-style-type: none"> <li>Virtual classroom launched in Singapore with at least 25 virtual programmes (and expanded use in Australia) with over 100 courses</li> <li>Increase e-learning to 20% across the Group</li> <li>Two times increase of content on Learn-Tube</li> </ul> </li> <li>Accelerate talent pipeline through:               <ul style="list-style-type: none"> <li>&gt; <b>SingTel Group Undergraduate Scholarship</b> Award 8 scholarships in our target countries</li> <li>&gt; <b>Scholarships in partnerships with other institutions</b> Award 10 scholarships in partnership with other institutions</li> </ul> </li> </ul>
<b>Enhance employee well-being</b>	<ul style="list-style-type: none"> <li>Continue to promote a healthy organisation and lifestyle as long-term strategic goals to increase organisational performance and improve employees work-life quality and productivity</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide support to employees identified under the Chronic Disease Management Programme and educate employees to have healthy lifestyle through our 'Love Life, Live Well' initiatives</li> <li>Participation rate for annual health screening to maintain at FY2013 level</li> </ul>



# 07

# ENVIRONMENT

## Measure. Manage. Commit.

### Our Approach

**SingTel is committed to understanding, managing and minimising the environmental impact of our business and operations. We achieve this through energy efficient practices and technologies, resource conservation and pollution prevention. We focus on four key environmental aspects: energy and water use, carbon emissions and hazardous and non-hazardous waste management.**

Our Environmental Management System (EMS) provides guidance on the management of these key environmental aspects in the course of our daily operational activities.

This system ensures compliance with all applicable environmental regulations in Singapore. This is by no means a static endeavour as legislation changes and the breadth of our activities has increased steadily over the past few years.

Working on reducing our environmental footprint requires rigorous planning. Where possible, we have introduced and adopted best practices, and will continue to do so.

Initiatives in FY2013 included:

- Conducting a study on our employees' commuting patterns and including this in our Scope 3 carbon footprint calculation
- Performing energy audits, completing a total of eight at various SingTel premises in Singapore

- Installing new energy efficient mobile base stations
- Overhauling seven chillers under our optimisation and energy efficiency programme
- Purchasing an electric vehicle as part of a test-bed initiative by the Land Transport Authority and Energy Market Authority
- Completing a successful trial of a Performance Enhancement Lighting Management System (PELMS) at one of our exchanges
- Promoting awareness on environmental conservation and protection through our annual Project LESS campaign (see Chapter 8 on Community)

In FY2013, we conducted a review of our EMS in an effort to align it to the ISO14001:2004 international standards for environmental management systems and to ensure its relevance, adequacy and effectiveness.

# MANAGE WASTE AND HAZARDOUS MATERIALS RESPONSIBLY

As one of the largest companies in Singapore, SingTel aims to lead by example in managing our waste responsibly. Waste management is a major issue for Singapore due to the lack of available physical space, so we need to be especially mindful to reduce the amount of waste we generate in the 1<sup>st</sup> place.

The core of our strategy for waste management lies in creating awareness. Firstly, creating an awareness of the major initiatives within SingTel and the links between company targets and individual employee actions and secondly, awareness that small, everyday actions can have much larger collective impact.

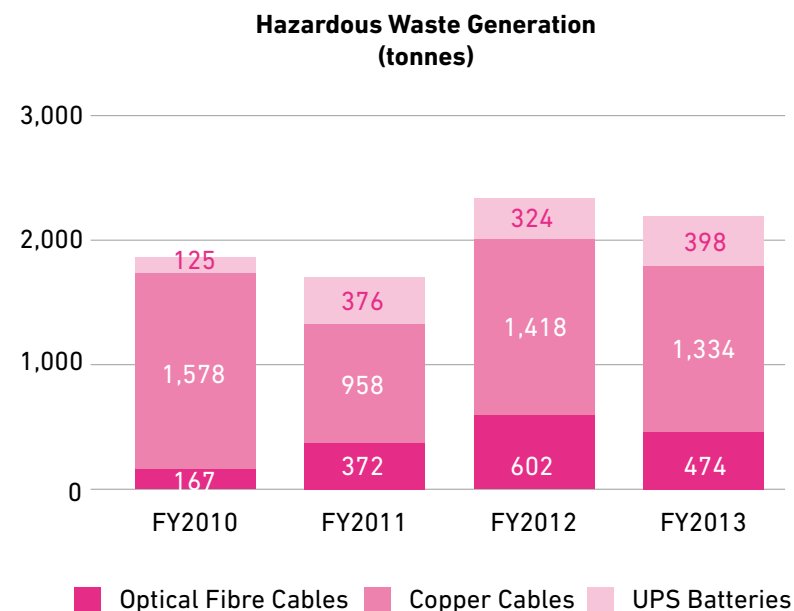
Some examples of new initiatives and investments we have made are related to digital projects, aimed at cutting down on resource use such as paper, storage and travel, as well as the utilisation of physical space:

- Implementation of a site-level manual tracking system for non-hazardous waste
- Commenced implementation of managed printing networks to reduce waste by holding print jobs until the user 'taps' the staff access card on the network printer
- The continuation of 'Learn-on-the-Go', an e-learning / m-learning platform that promotes and expands the virtual classroom and learning opportunities for employees
- Board meetings are paperless as Directors are provided with tablet devices to read Board papers prior to and during meetings

## Hazardous and non-hazardous waste

A key aspect of our EMS is the responsible disposal of waste materials generated from our operations. We continue to monitor our waste and track targets to assess the types and levels of materials used and disposed of. We ensure that registered and licensed waste management companies are engaged to dispose of all hazardous electrical and electronic component waste as well as inflammable fuels.

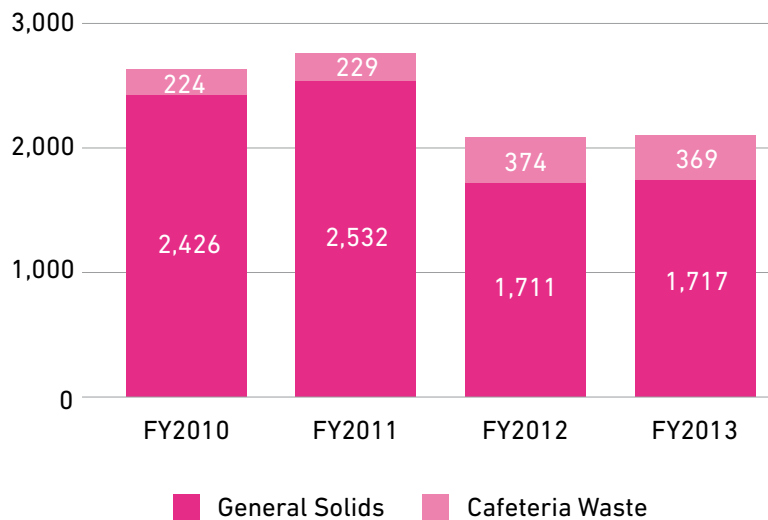
We report on three main categories of hazardous waste. There was a 6% decline in the disposal of scrap copper cables from 1,418 tonnes in FY2012 to 1,334 tonnes in FY2013, and a fall in scrap optical fibre cables, down 21% from 602 tonnes to 474 tonnes in the same period due to the completion of the NBN fibre rollout. The disposal of lead acid batteries increased by 23% to 398 tonnes due to a phasing out and replacement programme.



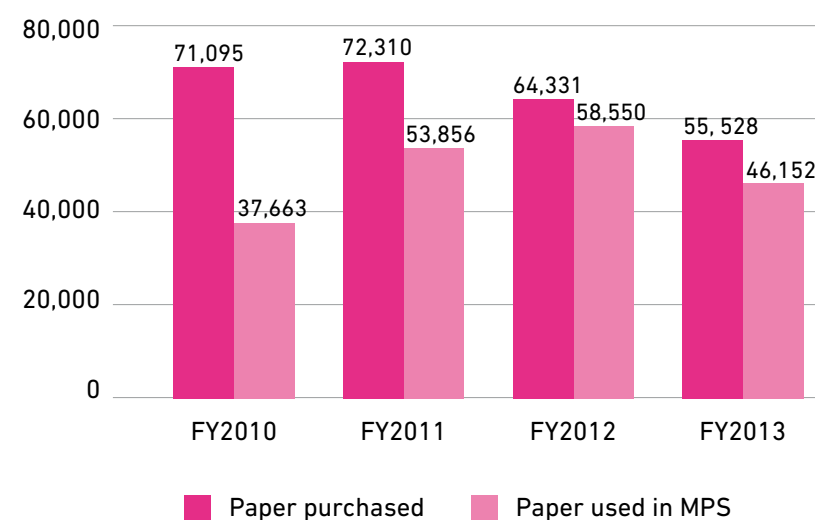
The main categories for non-hazardous waste are general solids (or daily rubbish) and cafeteria waste. In FY2013, both types broadly generated the same amount of waste as the previous year. General waste increased slightly by 0.3% to 1,717 tonnes while cafeteria waste was marginally lower by about 1% at 369 tonnes. Our biggest staff cafeteria at our headquarters at Comcentre serves our staff and members of the public.

We monitor paper usage by tracking the amount purchased in addition to consumption via the Managed Printing System (MPS). The MPS uses 'Tap Printing' which reduces unnecessary waste by holding print jobs until users tap their staff access cards on the network printer. Purchase of paper reduced by 14% and paper usage on MPS declined by 21%. We have also converted all purchase of white photocopying paper to Forest Stewardship Council or FSC-certified paper since September 2012. We use 100% recycled paper for SingTel-branded bags at our retail shops and biodegradable plastic bags for mobile phones trade-in.

**Non-Hazardous Waste Generation  
(tonnes)**



**Paper purchased vs Paper consumed via MPS  
(reams)**



## Waste recycling

In FY2012, we recycled 24% of our total waste. This includes recycling nearly 45% of our hazardous waste, mainly through recycling scrap copper cables. We continue our recycling efforts at our premises across Singapore and aim to further increase our level of recycling.

SingTel was the 1<sup>st</sup> mobile phone operator in Singapore to provide customers with the facility to recycle their mobile phones. Together with our partner Nokia, we have been encouraging our customers to reduce waste and recycle and making it as easy as possible for them to do so. Since the programme was launched in March 2011, we have collected more than 2,000 mobile phones.

# MANAGE EFFICIENT ENERGY CONSUMPTION

In a country lacking natural resources, energy efficiency has become a strategic priority for Singapore. For this reason, a regulatory focus led to the Energy Conservation Act of 2012 which came into force in 2013. Although the legislation is not applicable to SingTel, we measure, manage and report on our energy use, and continue to focus on improving our energy management through the implementation of various efficiency initiatives.

## Energy conservation

SingTel pledged to cumulatively save 32.7 GWh of electricity from energy conservation initiatives implemented in FY2010 over the period FY2011 to FY2013.

A range of energy efficiency and management measures has been introduced, including a programme of energy audits, optimisation, replacement and overhaul of chillers and lighting systems. We also leverage our environmental campaign Project LESS (Little Eco StepS) to raise staff awareness.

To date, SingTel has achieved cumulative electricity savings of 59.6 GWh far exceeding the target set in FY2010. Additional savings of 6.3 GWh was achieved from projects commissioned and completed in FY2013. This is equivalent to 1.8% of our total energy consumption for the year and translates into a reduction of our carbon footprint by 3,226 tCO<sub>2</sub>e emissions. Moving forward, we will roll out a new set of five-year energy conservation programme and set new energy reduction targets.

In line with our targets for FY2013, eight audits were conducted at exchanges in Singapore: Central, Changi, Hougang, Jurong East, Katong, North, Queenstown and Telok Blangah Telephone Exchanges. The results gave us a good understanding of the operations at each of our exchanges and will provide a basis for planning improvements moving ahead. Since the beginning of our programme in 2006, energy audits have been conducted at all of our office premises and 22 network exchanges.

## Energy efficiency and management

### Chiller optimisation and overhaul

Chiller plant optimisation seeks to optimise the entire air-conditioning operation of a building in real-time by controlling every major component of the air-conditioning system to respond to changes in the ambient environment and space cooling demand. By responding to real-time ambient conditions, over-cooling is avoided thus saving energy.

The optimisation of the chiller plant at the Serangoon North building was completed in October 2012. The reduction in annual electricity consumption is estimated to be 324,000 kWh, equivalent to 167 tCO<sub>2</sub>e, with an investment payback of 21 months.

Chiller efficiency is another focus area as each chiller's performance deteriorates over time. Notwithstanding routine maintenance, a mid-life overhaul can bring a chiller closer to its operating design efficiency.

We commenced the overhaul of 10 chillers during the year, completing seven by end of FY2013 with the remaining three targeted for completion

by May 2013. Upon completion of this initiative, the total energy savings is estimated to be more than 880,000 kWh per year, equivalent to 455 tCO<sub>2</sub>e. The payback period for each chiller is 25 months.

### Performance Enhancement Lighting Management System (PELMS)

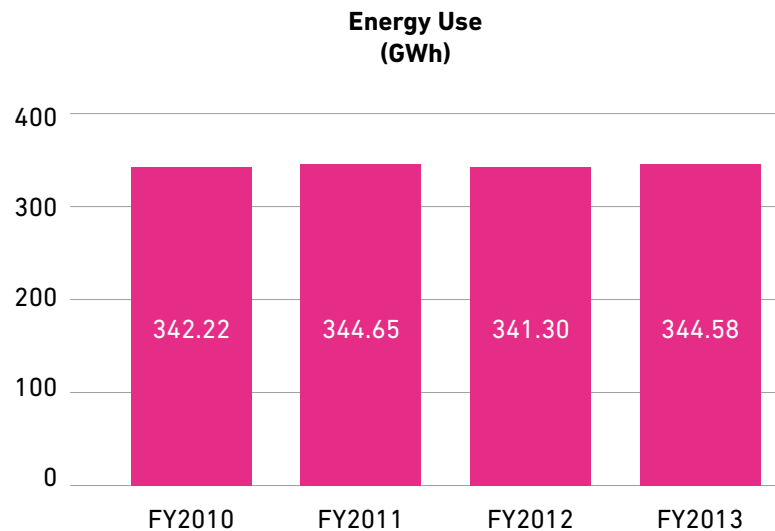
In 2012, SingTel conducted a trial of the Performance Enhancement Lighting Management System (PELMS) at the 2<sup>nd</sup> level of Telok Blangah Exchange. This included corridors, the Main Distribution Frame (MDF) room and equipment rooms. PELMS allows the lighting level to be automatically managed based on detection technology to assess the presence or absence of people. The average energy savings achieved was around 45%.

PELMS is being extended to the remaining areas within the exchange. The estimated energy savings of 128,910 kWh per annum, equivalent to 66 tCO<sub>2</sub>e, has a payback period of just over 16 months. The reduction is about 4% of Telok Blangah Exchange's annual energy consumption.

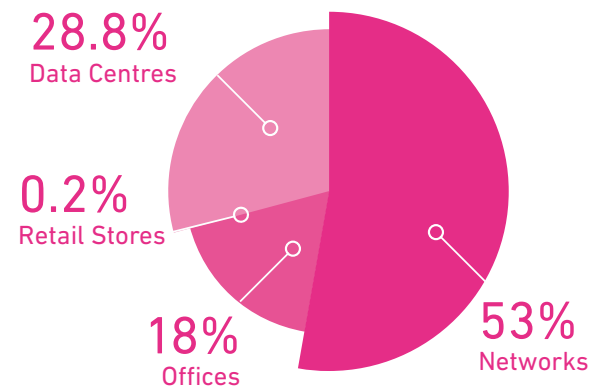
## Indirect energy use

SingTel's indirect energy usage includes all of our owned premises, rented offices, mobile base stations and MDF rooms. Overall, SingTel consumed 344.58 GWh in FY2013, a marginal increase compared to 341.30 GWh in FY2012. This slight increase is mainly due to the installation of more mobile base stations to support the growing needs of our customers. However, the energy consumption did not increase correspondingly due to the installation of more energy efficient mobile base stations (see story below).

For the 2<sup>nd</sup> year, we have provided information on energy usage by operation. The majority of our usage comes from networks<sup>[1]</sup>, accounting for 53% of the total electricity use. The distribution of energy has been constant the past four years, with a slight decrease in percentage of energy use in offices and a corresponding increase in data centres and networks.



**Indirect Energy Use Distribution in FY2013**



[1] Our network operations include telephone exchanges, main distribution frame rooms and mobile base stations.

## Energy efficient mobile base stations

In an effort to reduce energy consumption via our networks, an initiative implemented in FY2013 was to upgrade our mobile base stations to the latest generation of 'green' base stations (Ericsson 6000 series).

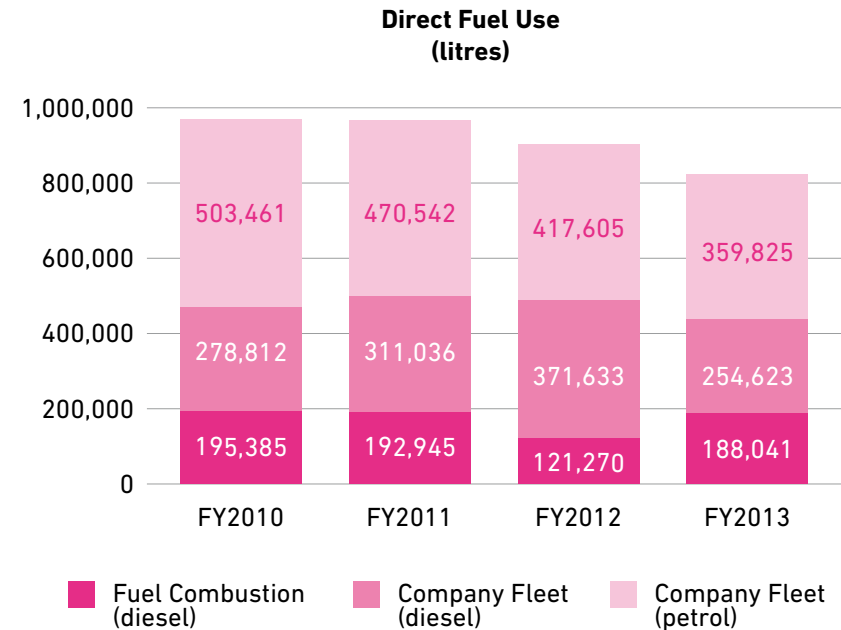
As at 31 March 2013, 87% of all our mobile base stations (new and upgraded) have been converted to more energy efficient ones. The remaining 13% are in the process of conversion.

Although total energy usage by mobile base stations increased slightly by 5 GWh to 38 GWh in FY2013, we achieved a 48% savings in energy use per cell carrier due to more energy efficient base stations.

## Direct energy use

Direct energy use in Singapore, or our use of primary fuels, consists of petrol and diesel for our commercial vehicle fleet, and diesel for our backup power supply generator sets. Our total fuel use in FY2013 was 802,489 litres compared to 910,507 litres in the previous year (diesel: 442,664 litres and petrol: 359,825 litres). The significant decrease in fuel use was due to the transfer of 135 vans previously under our fleet to a 3<sup>rd</sup> party in June 2012 as part of a managed service project.

Under our vehicle replacement programme, one company-owned van was replaced with a Euro IV compliant model. To date, we have 111 Euro IV compliant vehicles, representing 28% of our fleet.



## Renewable energy initiatives



*Harnessing solar energy at Pasir Ris Telephone Exchange*

The Grid-tied Solar Photovoltaic System at our Pasir Ris Telephone Exchange yielded 47,836 kWh in FY2013, which is equivalent to 25 tCO<sub>2</sub>e.

Due to renovation works at the Bukit Timah Hill Radio Station, our solar panels were sheltered from sunlight, and therefore did not generate any supplement energy to the grid.

We will also be installing solar panels at Seletar Satellite Station and Pulau Ubin Base Station as part of our renewable energy initiatives. Expected to be completed by October 2014, the two projects are estimated to generate 86,000 kWh per year, which is equivalent to 44 tCO<sub>2</sub>e.

## Electric vehicles test-bed

In April 2013, SingTel supported a national initiative co-led by the Land Transport Authority and Energy Market Authority to test the use of electric vehicles in Singapore. Our electric vehicle is one of 72 such vehicles on the roads as part of this test-bed and we also installed a charging station at our Comcentre carpark which is open to the public. Being part of this pilot programme gives us the opportunity to evaluate the costs and benefits of converting our vehicles to electric ones.



# REDUCE OUR IMPACT ON CLIMATE CHANGE AND GHG EMISSIONS

Emissions monitoring and reporting in Singapore continues to be voluntary, but there is high interest in this area from stakeholders, including investors, enterprises, customers and special interest groups. We will continue to monitor local and global developments and expectations relating to greenhouse gas (GHG) emissions. We will also periodically improve our systems to enhance the scope of reporting so that calculations are robust and meaningful.

Over the last three years, we have gradually expanded the scope of our carbon footprinting calculations and in FY2013, we undertook an exercise to estimate the impact of our employees' commute to and from their workplace. These figures have been included for the 1<sup>st</sup> time and this has widened the scope of our GHG emissions calculations.

The main source of our GHG emissions is Scope 2 electricity, purchased directly from the national power grid in Singapore. This is our main focus area when assessing and determining initiatives to reduce our carbon footprint. Our net overall carbon equivalent emissions from indirect

energy are 177,296 tCO<sub>2</sub>e. Despite the energy conservation programmes undertaken in FY2013, our emissions have increased slightly by 1,698 tCO<sub>2</sub>e, about 1% from the previous year. This marginal increase is due to the installation of more mobile base stations during the year.

SingTel's Scope 1 GHG emissions are derived from a combination of refrigerant gases used in air-conditioning systems and direct fuel use. The Scope 1 emissions in FY2013 were 6,897 tCO<sub>2</sub>e. This is an increase of 3.9% or 256 tCO<sub>2</sub>e over and above the total for FY2012. This increase is mainly due to the change-out of existing R11 and R134 refrigerants.

Following an extensive study of our employees commuting methods, our Scope 3 GHG emissions have expanded this year with their inclusion in the calculations. Air travel, at 2,352 tCO<sub>2</sub>e remained the biggest element of Scope 3 emissions, but fell 712 tCO<sub>2</sub>e, or 23% in the last year. This was due to our continued use of technology to minimise the need for business air travel coupled with a 22% drop in long haul flights taken during the year. The emissions figures for staff commuting added 1,821 tCO<sub>2</sub>e to the overall calculation in FY2013.



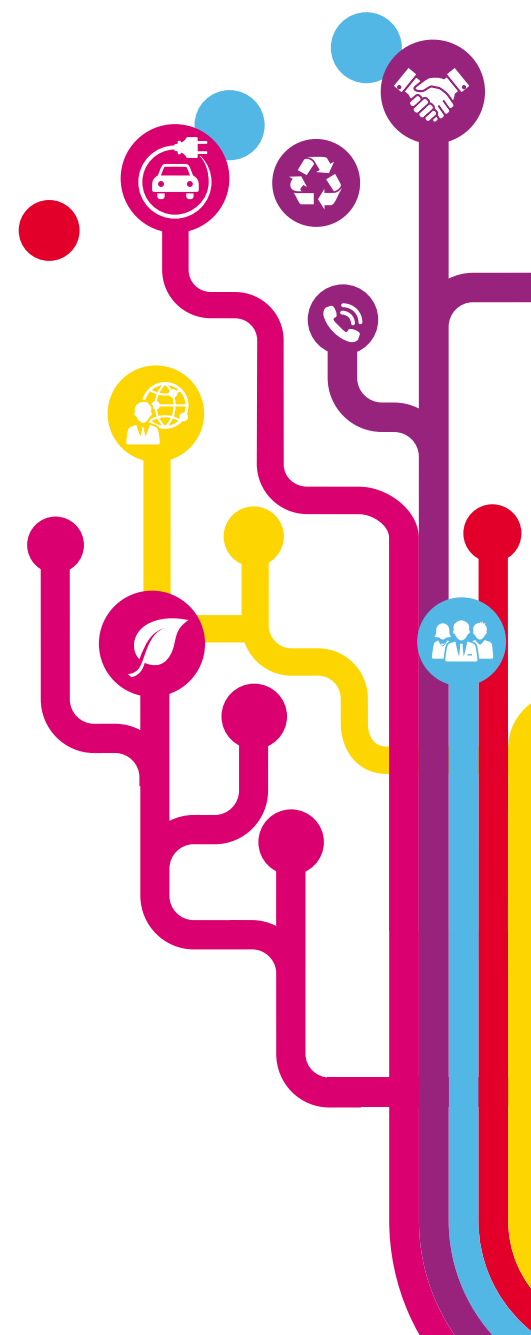
The full extent of aspects included in emissions calculation is shown in the table below.

### Equivalent CO<sub>2</sub> Emissions generated by SingTel<sup>[2]</sup>

tCO <sub>2</sub> e	FY2010	FY2011	FY2012	FY2013
<b>Scope 1 (direct)</b>				
Refrigerant gases	1,501	4,364	4,354	4,878
Fuel combustion - diesel	529	516	324	502
Company fleet - diesel	755	831	993	680
Company fleet - petrol	1,314	1,093	970	836
<b>Total Scope 1 emissions</b>	<b>4,099</b>	<b>6,803</b>	<b>6,641</b>	<b>6,897</b>
<b>Scope 2 (indirect)</b>				
Purchased electricity	<b>172,547</b>	<b>177,635</b>	<b>175,634</b>	<b>177,321</b>
<b>LESS</b>				
Renewable energy	(25)	(23)	(36)	(25)
<b>Total Scope 2 emissions (net)</b>	<b>172,522</b>	<b>177,611<sup>[3]</sup></b>	<b>175,598<sup>[3]</sup></b>	<b>177,296</b>
<b>Scope 3 (other indirect)</b>				
Contractor fleet - diesel	705	711	671	644
Contractor fleet - petrol	115	134	132	97
Air travel	3,021	2,628	3,064	2,352
Employee commute	NA	NA	NA	1,821
<b>Total Scope 3 emissions</b>	<b>3,841</b>	<b>3,473</b>	<b>3,866</b>	<b>4,914</b>
<b>Total tCO<sub>2</sub>e emissions (net)</b>	<b>180,462</b>	<b>187,887</b>	<b>186,105</b>	<b>189,107</b>

[2] The equivalent CO<sub>2</sub> emissions for electricity use are calculated based on the updated simple operating margin grid emission factors from the National Environment Agency in Singapore for the relevant time period. Scope 1 direct emissions are calculated using the 2010 Guidelines to DEFRA/DECC's GHG conversion factors for company reporting (Annex 1 and 5). Scope 3 other indirect emissions are calculated using the 2010 Guidelines to conversion factors for DEFRA/DECC's GHG company reporting (Annex 6 and 7).

[3] Amendment to Scope 2 net emissions: FY2011 – 177,611 tCO<sub>2</sub>e (previously reported 177,570 tCO<sub>2</sub>e) and FY2012 – 175,598 tCO<sub>2</sub>e (previously reported 175,324 tCO<sub>2</sub>e) due to an exclusion of one premise in FY2012.



## Staff commute study

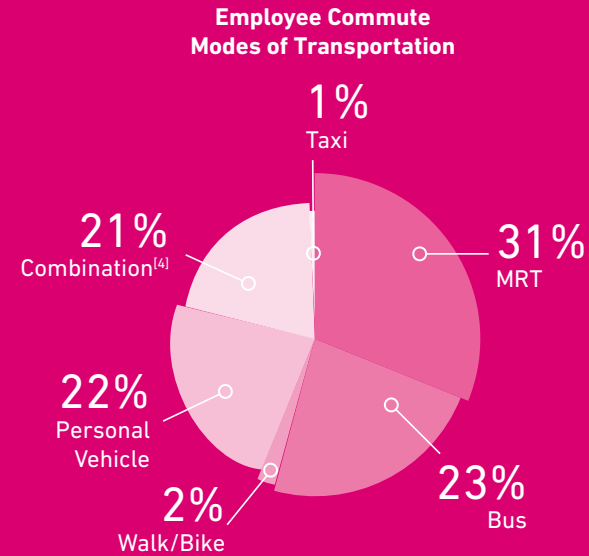
In an effort to provide a more comprehensive overview of our carbon footprint, we surveyed our employees based in Singapore for the 1<sup>st</sup> time in FY2013 to obtain information about their commuting habits and patterns.

A good response rate of about 40% was achieved with over 4,600 qualified responses. We then extrapolated the results to get a representative carbon emission figure from SingTel's employee commute.

Although employee commute emissions of 1,821 tCO<sub>2</sub>e represent less than 1% of our total carbon emissions, it contributes to almost 40% of our Scope 3 emissions.

This exercise will help us identify suitable initiatives to manage our Scope 3 emissions and allow us to engage our people on environmental and sustainability issues.

Moving forward, we will update our employee commute carbon emission figure only when there is a significant change in our company's operations.



*[4] Combination represents a mix of transportation modes.*

## CONSERVE AND MANAGE WATER USAGE

Water is a scarce and market-priced commodity in Singapore. SingTel uses two types of water: potable water which is drinking quality and NEWater, a high-grade reclaimed water used for operational activities such as cooling. Singapore's Public Utilities Board (PUB) supplies both and where possible, we seek to replace the use of potable water with NEWater for our operational activities. To conserve and protect this essential resource, we aim to reduce our consumption where it makes economic and environmental sense.

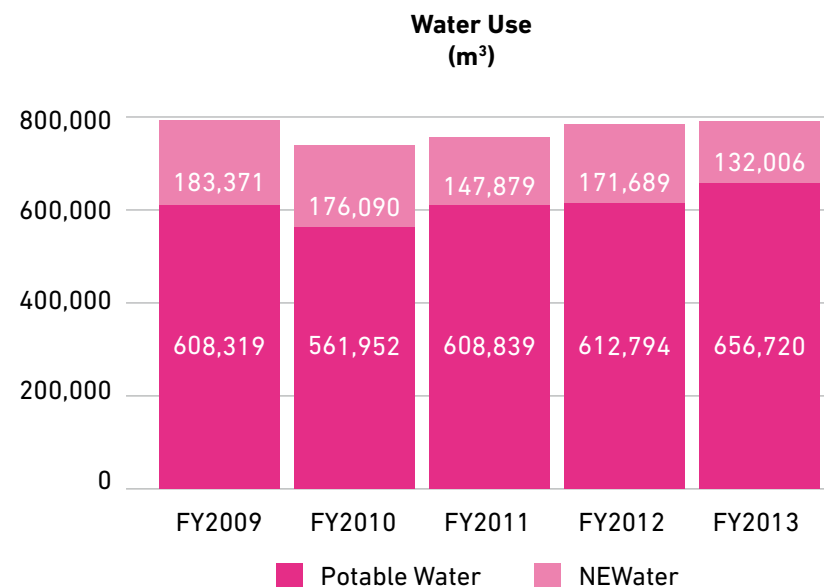
All our premises are certified under PUB's Water Efficient Building (WEB) programme. We have put in place processes for the early detection of water leakages and this includes daily water meter readings. The reporting scope for this report also includes our water usage at rented offices.

In FY2013, SingTel's total water consumption, a combination of potable and NEWater, increased marginally by 0.5% from last year to 788,726 m<sup>3</sup>, despite our water conservation initiatives. Potable water increased by 7.2% and our use of NEWater decreased by 23% compared to FY2012. The drop in NEWater consumption was due to the replacement of chillers and a reduction in cooling needs due to relocation of data centre customers at Telepark.

The increase in potable water consumption is due to various reasons:

- A one-off replacement of hose reel tank at NCS Hub
- Faulty water tank pressure vessel and float valves in a number of cooling towers causing increased water consumption
- Increased coil and tube cleaning of water cooled packaged air-conditioning units to increase their efficiency

Without our water conservation measures that are already in place, these incidents would have had a more adverse impact. In an effort to monitor our water consumption more closely, we have installed additional individual water meters to all three blocks and cooling towers in NCS Hub. We believe that our continued monitoring and early warning processes will result in better performance in the coming years.



## Biodiversity

During the current reporting period, we have not encountered any significant biodiversity issues.

SingTel acknowledges that biodiversity is a global concern and our main identified operations that could potentially pose a threat to biodiversity is cable laying and base station sites.

For these activities, we assess any potential environmental issues including impact on biodiversity from our network deployment. If any of our cable laying routes or base stations affects natural areas in Singapore, we consult with the National Parks Board and take their advice on how to proceed and minimise or eliminate any adverse impact. With undersea cable installations, minor localised seabed disturbance may not be avoidable although we do take into account, where possible, any adverse environmental impact to water quality and the natural environment.

## Performance against sustainability goals

Key Areas of Focus	FY2013 Targets	FY2013 Performance
<b>Manage wastes and hazardous materials responsibly</b>	<ul style="list-style-type: none"> <li>Feasibility review on provision of recycling facilities for customers to return packaging materials</li> <li>Implement a manual tracking system for the disposal of general solids and cafeteria waste</li> </ul>	<ul style="list-style-type: none"> <li>In progress - the SingTel-Nokia Mobile Phone Recycling Programme will be extended to corporate customers in FY2014</li> <li>Completed - general solids and cafeteria waste are manually monitored and tracked at the relevant premises</li> </ul>
<b>Manage efficient energy consumption</b>	<ul style="list-style-type: none"> <li>Target to save 49.6 GWh of electricity from energy conservation initiatives implemented in FY2010 over the period FY2011 to FY2013</li> <li>Energy audits at another eight sites to be conducted</li> <li>Chiller replacement and overhaul programme to continue</li> </ul>	<ul style="list-style-type: none"> <li>59.6 GWh savings achieved from energy conservation programmes implemented since FY2010. We have met and exceeded the five-year target set to save 32.7 GWh by FY2015 and will set a new long-term target from FY2014</li> <li>Energy audits at eight exchanges completed</li> <li>Commenced overhaul of 10 chillers. Expected completion by end-May 2013. Replaced two chillers and optimised one chiller plant. Replacement of three chillers in progress</li> </ul>
<b>Reduce impact on climate change and GHG emissions</b>	<ul style="list-style-type: none"> <li>Review chiller replacement opportunities under the Carbon Footprint exercise</li> </ul>	<ul style="list-style-type: none"> <li>Chiller replacement opportunities are reviewed annually and reported in the section above. Through the energy audits conducted, least efficient chillers will be identified and targeted for overhaul</li> </ul>
<b>Conserve and manage water usage</b>	<ul style="list-style-type: none"> <li>Systematically monitor and promote efficient use of water</li> <li>NEWater capability to be provided at all new facilities where feasible</li> </ul>	<ul style="list-style-type: none"> <li>Daily meter readings taken for early detection of leakage and unusually high consumption</li> <li>In progress - waiting for new development of the NEWater network</li> </ul>

## Improvement targets

Key Areas of Focus	What We Will Do	
	Five-Year Plan (FY2011-FY2015)	FY2014 Targets
<b>Manage wastes and hazardous materials responsibly</b>	<ul style="list-style-type: none"> <li>Implement processes for reducing, recycling and re-using product packaging, either by encouraging our customers to return packaging materials and/or by using bio-degradable or recyclable materials</li> <li>Develop a waste management system to track wastes from generation to disposal/recycling</li> </ul>	<ul style="list-style-type: none"> <li>To extend the SingTel-Nokia Mobile Phone Recycling Programme to corporate customers in FY2014</li> <li>To review the current process of managing and tracking types of waste and disposal methods</li> </ul>
<b>Manage efficient energy consumption</b>	<ul style="list-style-type: none"> <li>Target to save 32.7 GWh of electricity from energy conservation initiatives implemented in FY2010 over the period FY2011 to FY2013</li> <li>Conduct energy audits for selected exchanges to analyse electricity consumption patterns so that power efficiency improvement programmes can be undertaken</li> <li>Improve our chiller replacement and overhaul programme to further enhance cooling system efficiency</li> </ul>	<ul style="list-style-type: none"> <li>New energy conservation initiatives will be implemented over the next five years. Target to save 3.4 GWh of electricity from these initiatives in FY2014</li> <li>Energy audits have been conducted for all office premises and 22 network exchanges in Singapore since 2006. To review repeating the energy audit cycle in FY2014</li> <li>To replace four existing 800KVA UPS at data centres for improved efficiency and performance</li> <li>Chiller replacement and overhaul programme to continue</li> <li>To overhaul two chillers at Kim Chuan Telecommunications Complex 1</li> </ul>
<b>Reduce impact on climate change and GHG emissions</b>	<ul style="list-style-type: none"> <li>Develop monitoring processes for benchmarking GHG emissions from business air travel</li> <li>Set goals for replacement of new chillers which is compliant with the Montreal Protocol</li> </ul>	<ul style="list-style-type: none"> <li>Goal met in FY2012. We will review the possibility of expanding Scope 3 emissions to include our exclusive retailers' energy consumption in FY2014</li> <li>To replace one R22-chiller each at Pickering Operation Complex and Paya Lebar Exchange</li> </ul>
<b>Conserve and manage water usage</b>	<ul style="list-style-type: none"> <li>Continue to systematically monitor and promote efficient use of water</li> <li>Provide for NEWater capability at new facilities</li> </ul>	<ul style="list-style-type: none"> <li>Systematically monitor and promote efficient use of water</li> <li>NEWater capability to be provided at all new facilities where feasible</li> </ul>

# COMMUNITY

## Invest. Engage. Support.

### Our Approach

**SingTel is committed to being a responsible corporate citizen in all the markets where we operate. We believe we can drive positive and sustainable changes to disadvantaged communities, especially the vulnerable children and youth. We achieve this through the support of workplace giving, staff volunteering and leveraging our skills and ICT innovations. We believe that by having our people directly involved in giving back to the community, we also instil in them a value of 'care beyond oneself', which is important to our broader journey of Corporate Sustainability.**

As a multinational Group, we have continued to move towards a more coordinated approach to sustainability with our wholly owned subsidiary Optus and our regional associate companies. We have a large business presence and can use this scale to drive and support activities and collective actions for the benefit of our community stakeholders, the environment and our people.

Promoting awareness of issues and encouraging participation among our staff is part of our engagement plan to move sustainability issues forward. We have used multiple platforms to achieve this and our CSR Engagement score in the annual staff survey reflects the success that we have had in this area.

## SUPPORT COMMUNITY DEVELOPMENT

SingTel has been part of the community in Singapore for more than 130 years, playing a pivotal role in supporting the development of Singapore as a business and communications hub for Asia Pacific.

As a home-grown company, we remain committed to playing our part and supporting the long-term development of this community.

Investing in our community is an important part of SingTel's sustainability strategy. Our community

investment programme focuses on areas where we think we can make the biggest difference:

- Supporting local community programmes for disadvantaged children and youths through the SingTel Touching Lives Fund (STLF)
- Using our core ICT expertise to benefit the community
- Creating awareness on environmental conservation and climate change

In FY2013, SingTel's community investment was S\$4.04 million<sup>[1]</sup>. This was generated from a broad range of activities that supported both local and regional communities. We have provided time, expertise and direct financial contributions to a variety of causes that are important to our stakeholders and us.

[1] Since FY2012, we have used the London Benchmarking Group (LBG) Guidelines to assess and calculate our community investment.

## SingTel Touching Lives Fund

The SingTel Touching Lives Fund is our corporate philanthropy programme and we have continued our support for a number of programmes through Community Chest. This contribution was acknowledged once again when we received the Pinnacle Award, 10-year Outstanding Special Events Award, Special Events Platinum Award, Corporate Platinum Award and SHARE Corporate Gold Award at the Community Chest Awards 2012.

STLF focuses on disadvantaged children and young people with special needs. In its 11<sup>th</sup> year, STLF raised a record S\$2.7 million in FY2013 for our six beneficiary organisations which offer special education for the

intellectually or physically challenged, and programmes that help young people affected by cancer. Our signature fundraising activities include the SingTel-Singapore Cancer Society Race Against Cancer and charity golf.

In addition to making our own financial contribution to the STLF, SingTel underwrites all the fundraising costs. This practice has been in place since STLF's launch in 2002 to ensure that every dollar raised goes towards the work of the supported charities. Since its inception, STLF has raised over S\$24 million with donations also coming from our employees, business partners, associates, customers and the public.

## SingTel CSR Month

July 2012 saw our 3<sup>rd</sup> annual CSR Month. The programme is aimed at promoting CSR awareness and employee participation in activities related to the environment and community. Instead of the usual lunchtime talks, we decided to take participants out of the office to have first-hand experiences.

### Dining in the Dark

We organised a staff tour to the Singapore Association of the Visually Handicapped (SAVH) where they got served high tea in the dark! SAVH is a VWO which aims to assist the visually impaired to help themselves through the acquisition of new skills which will allow them to better integrate into society. Our staff also learnt what SAVH does, how to guide the blind, as well as observe how the visually handicapped make use of technology.

### Environmental Awareness



As part of Project LESS, we presented Eco-Expressions, an initiative to increase awareness of the impact of consumerism on waste and how that waste can be recycled and even transformed into beautiful works of art. Created by students from Temasek Polytechnic's School of Design, 18 sculptures that were crafted using only recyclable materials were displayed at Comcentre, NCS Hub, Serangoon North and our data centre KCTC-1. Staff also voted for their favourite piece.

We organised a staff tour to Gardens by the Bay, a famous eco-attraction in Singapore with interesting use of environmental technology. Staff learnt about the importance of different eco-systems and the impact of climatic changes on their biodiversity.

## Celebrating Children's Day



STLF beneficiaries like most primary schools celebrate Children's Day. As part of our VolunTeaming programme, two groups of SingTel colleagues, about 90 people in total, spent the day with our STLTF beneficiary children. They helped to manage a carnival at the Spastic Children's Association School attended by over 400 children. They manned games and snack stations and chaperoned children with high dependency needs, such as those in wheelchairs and walkers.

Another group of colleagues took a group of about 90 children from APSN Chaoyang School on an outing to Gardens by the Bay.

## Outing To the Zoo

45 NCS colleagues also demonstrated their sense of community spirit by bringing an exciting day of wildlife and sunshine to more than 100 children under the care of Ang Mo Kio Family Service Centre with an outing to the zoo in June 2012.

## Using ICT to improve lives

In FY2013, we leveraged our core ICT skills and resources and introduced Project Silverline for the elderly, and also supported two interesting initiatives that would benefit the physically disabled and autistic children in our community (see Chapter 5 on Marketplace).

## SingTel supports our national Paralympians

SingTel is the official telco partner of the Singapore National Olympic Council. Following our support of the Olympic team in 2012, we offer similar support to the Singapore National Paralympics Council as its Exclusive Multimedia Partner. The eight Paralympians who benefited from the sponsorship received complimentary airtime and data subscriptions that enabled them to keep in touch with their loved ones and receive emotional support while competing at the games in London.

## Regional Disaster Response and Relief



*Helping victims of Typhoon Bopha in 2012*

SingTel operates mainly in Singapore and Australia, but we are also present in five other Asian countries through our strategic investments. In each of these countries, we support community development and also participate in disaster relief if required.

In December 2012, SingTel contributed 500,000 Philippine Pesos (~S\$15,000) to support the relief efforts for Typhoon Bopha victims in the Philippines through our associate Globe's CSR programme, Globe Bridging Communities.



## Staff 'I Will If You Will' challenge

This year, we have adopted Earth Hour's global theme – 'I Will If You Will' (IWIYW) – and created an IWIYW website for all our staff on our internal social networking tool ESPRESSO. The idea was to challenge our colleagues to take little eco-steps while making that effort ourselves. It involved asking employees to pledge to do something and if the target number of pledges was met, they would deliver their promise to do something in return.

For example, one personal IWIYW challenge was to give up beef (including his favourite beef lasagne) for six months if 200 colleagues stop consuming shark fin products. The website allowed people to issue and accept challenges as well as post pictures of themselves carrying out the act.

## Customer IWIYW Challenge

We worked with the other two telcos in Singapore to extend Earth Hour's IWIYW challenge to customers, our 1<sup>st</sup> joint collaboration in the environment space. We set ourselves a challenge to find at least 2,303 customers (2,303 is a play on the date of Earth Hour) who declined to take shopping bags with their purchase at the various company-branded retail outlets between 18 and 20 March 2013. If the target was reached, the three telcos would send a team of staff to clean up East Coast Park on 21 March 2013.

Even though we came up a little short on our target, the three companies sent staff volunteers to clean up the park!

## Environmental conservation and greening Singapore

Our annual environmental campaign Project LESS is now in its 3<sup>rd</sup> year and we continue to encourage our people to take little eco-steps and play our part for the environment.

### Earth Hour

At the end of March 2013, SingTel once again participated in Earth Hour, the global environmental awareness and action campaign. Non-essential lighting at all SingTel premises was switched off and interior lights were dimmed at our 12 SingTel Shop outlets. We also reached out to 13 SingTel Exclusive Retailers who joined us in promoting awareness of environmental issues for the 2<sup>nd</sup> year.



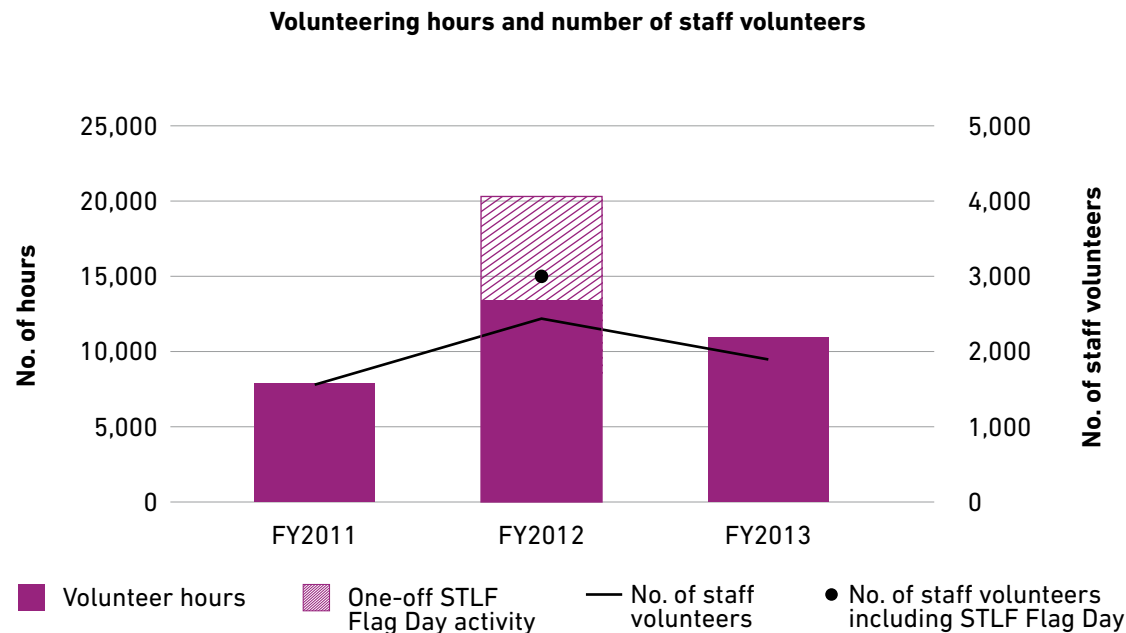
*Park clean-up by our employees and their family members*

# ACTIVATE EMPLOYEE VOLUNTEERISM

We encourage staff volunteering on an individual or team basis. Alongside financial support, we want our people to work with our STLF beneficiaries and other Voluntary Welfare Organisations (VWOs) to take a more active role in our communities. To this end, we give our employee one day of paid volunteer leave per annum. We continue to advocate our VolunTeaming concept – teambuilding with a CSR element – where the team approach encourages our people to volunteer together with their colleagues.

In FY2013, more than 1,900 staff volunteers contributed about 11,000 hours – company-organised events as well as activities at individual and team levels – to community and environmental projects. This includes over 5,500 VolunTeaming hours clocked by various departments through 37 activities with 15 VWOs.

We are pleased with our overall volunteer hours as they followed an exceptional year in FY2012 when STLF's special 10<sup>th</sup> anniversary Flag Day saw 7,000 hours clocked by our people. Compared to last year, the number of VolunTeaming hours declined as there was a one-off activity of more than 3,000 volunteering hours by a big department with about 600 staff volunteers in FY2012. However, the number of VolunTeaming activities saw a significant 54% increase, showing that VolunTeaming is fast gaining traction among our people.



## SingTel's Overseas Volunteering Programme (OVP)

Our financial response to aid the typhoon disaster in the Philippines in December 2012 led to our joint overseas volunteering programme with our associate Globe in one of the hardest hit areas, the Compostela Valley in Davao.

In March 2013, 76 volunteers – 16 from SingTel and 60 from Globe – toiled under the scorching sun for around five days to build homes for the families displaced by Typhoon Bopha.

They were among the 80,000 people who joined the biggest Bayani Challenge, or Hero Challenge, organised by VWO Gawad Kalinga (which means 'to give care' in English) since its building project was launched in 2006. We were pleased to partner Globe and Gawad Kalinga for the 2<sup>nd</sup> time for our OVP.

Our staff volunteers were humbled, and at the same time, inspired and happy that they could contribute in a small way to directly improving the lives of the people in our regional communities.










## ENGAGE FUTURE LEADERS

Since the creation of the SingTel Group Undergraduate Scholarship in FY2009, 21 promising students have been awarded full scholarships at top universities. Academic disciplines are varied and the programme has since covered Indonesia, Philippines, Singapore and Thailand. In FY2013 there were five scholarships awarded: two in the Philippines and three in Singapore. Thailand awards will be made in mid-2013.

In addition to the significant financial support, scholars also enjoy mentoring and internship opportunities at the SingTel Group of companies both locally and overseas. The 1<sup>st</sup> local and overseas internships associated with the scholarships took place between May and August 2012 with students from the 2009 Thailand intake and the 2010 Singapore intake.

## Performance against sustainability goals

Key Areas of Focus	FY2013 Targets	FY2013 Performance
<b>Support community development</b>	<ul style="list-style-type: none"> <li>Raise more than S\$2 million for STLF beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li> Raised S\$2.7 million for STLF</li> </ul>
<b>Activate employee volunteerism</b>	<ul style="list-style-type: none"> <li>10% increase in number of staff volunteering hours (excluding 7,000 hours from one-off mass staff event of STLF Flag Day) from FY2012</li> <li>10% increase in number of VolunTeaming activities</li> </ul>	<ul style="list-style-type: none"> <li> Number of staff volunteering hours did not meet target due to a one-off volunteaming event by 600 colleagues from a department clocking 3,000 hours in FY2012</li> <li> Achieved a 54% increase</li> </ul>
<b>Engage future leaders</b>	<ul style="list-style-type: none"> <li>Continue programme in Singapore and with our associates</li> <li>Target of eight scholarship recipients</li> <li>Implement 1<sup>st</sup> overseas internship programme with AIS (2009 batch) and 1<sup>st</sup> local internship programme with SingTel scholars (2010 batch)</li> </ul>	<ul style="list-style-type: none"> <li> Continued programme in Singapore and in collaboration with our associates</li> <li> Total of five recipients for the SingTel Group Undergraduate Scholarships: 3 Singapore and 2 Philippines. Selection in Thailand to be held in mid-2013</li> <li> Implemented 1<sup>st</sup> overseas internship programme with AIS (2009 batch) in May - Jul 2012</li> <li> Implemented 1<sup>st</sup> local internship programme with SingTel scholars (2010 batch) in May - Aug 2012</li> </ul>

## Improvement targets

Key Areas of Focus	What We Will Do	
	Five-Year Plan (FY2011-FY2015)	FY2014 Targets
<b>Support community development</b>	<ul style="list-style-type: none"> <li>Review and chart the SingTel CSR roadmap and programmes until FY2015</li> <li>Achieve S\$28 million total funds raised for STLF by FY2015</li> <li>Initiate greater alignment of CSR programmes and key KPIs among all business entities under SingTel Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Raise more than S\$2 million for STLF beneficiaries</li> </ul>
<b>Activate employee volunteerism</b>	<ul style="list-style-type: none"> <li>Expand the scope and reach of SingTel's employee volunteerism programme*</li> <li>Increase number of employee volunteers in Singapore who contribute to community work by 50% from the participation rate in FY2010</li> <li>Work with HR department to incorporate CSR and staff volunteerism within staff performance objectives</li> </ul>	<ul style="list-style-type: none"> <li>10% increase in number of staff volunteering hours from FY2013</li> <li>10% increase in number of VolunTeaming activities</li> </ul>
<b>Engage future leaders</b>	<ul style="list-style-type: none"> <li>Continue to extend the SingTel Group Undergraduate Scholarships programme to joint ventures/associates regionally</li> </ul>	<ul style="list-style-type: none"> <li>Continue programme in Singapore and with our associates</li> <li>Target six scholars under the SingTel Group Undergraduate Scholarships: 2 Singapore, 2 Philippines, 2 Thailand</li> </ul>

\* Previously referred to SingTel Recreation Club Community Service Group's employee volunteerism programme. This programme has now been subsumed under SingTel's wider volunteering initiatives.

# GRI Index Table

SingTel's disclosures on sustainability are mostly located in our Sustainability Report, however certain sections refer to our Annual Report. Both can be accessed via download or online. This report is aligned with the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines and this table provides a guide to SingTel's responses to required information and specified indicators. The GRI Telecommunications Sector Supplement Pilot has also been drawn upon and some information has been disclosed in line with these requirements.

	GRI Principles													
	Standard Disclosures											Telecommunications		
	I. Profile Disclosures				II. Disclosures on Management Approach	III. Performance Indicators						Sector Specific Indicators		
Main chapters of the Sustainability Report 2013	Strategy and Analysis	Organisational Profile	Sustainability Report Parameters	Governance, Commitments, and Engagement		Economic	Environmental	Social: Labor Practices and Decent Work	Social: Human Rights	Social: Society	Social: Product Responsibility	Category: Internal Operations	Category: Providing Access	Category: Technology Applications
01 About This Report		✓	✓											
02 Message from Group CEO	✓				✓									
03 About SingTel	✓	✓	✓		✓	✓							✓	
04 Sustainability at SingTel			✓	✓										
05 MARKETPLACE				✓	✓	✓			✓	✓	✓	✓	✓	✓
06 PEOPLE				✓	✓	✓		✓				✓		
07 ENVIRONMENT					✓		✓							✓
08 COMMUNITY					✓	✓							✓	
Refer to Annual Report		✓		✓	✓	✓				✓				





## Statement GRI Application Level Check

GRI hereby states that **Singapore Telecommunications Limited** has presented its report "Engage. Listen. Execute. (2013)" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 13 June 2013

A handwritten signature in blue ink, appearing to read "N. Arbex".

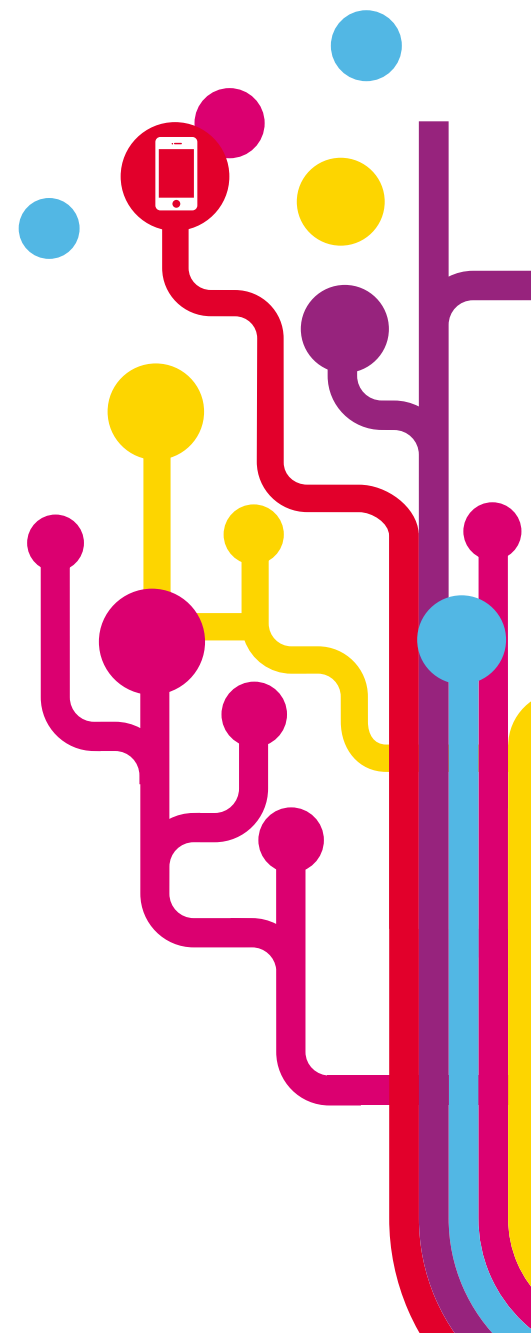
Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because Singapore Telecommunications Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 June 2013. GRI explicitly excludes the statement being applied to any later changes to such material.





# 10

## UN Global Compact Principles

Principle	Description	Page Reference
<b>HUMAN RIGHTS</b>		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	21-22, 29-30
Principle 2	make sure that they are not complicit in human rights abuses.	21-22, 30
<b>LABOUR</b>		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	34
Principle 4	the elimination of all forms of forced and compulsory labour;	21-22, 30
Principle 5	the effective abolition of child labour; and	21-22, 30
Principle 6	the elimination of discrimination in respect of employment and occupation.	21-22, 29-30
<b>ENVIRONMENT</b>		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	41
Principle 8	undertake initiatives to promote greater environmental responsibility; and	41-47, 54, 56
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	15-16, 45
<b>ANTI-CORRUPTION</b>		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	16-17, 21



# INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of Singapore Telecommunications Limited

Ere-S Pte Ltd [Ere-S] has been commissioned by Singapore Telecommunications Limited [SingTel] to carry out an independent assurance engagement on the Group's Sustainability Report 2013 [the Report]. As this is the second report from SingTel assured by Ere-S, our Assurance Team was able to better observe and comment on improvements made by the organisation since the previous reporting exercise.

## Standard and scope of assurance

The assurance engagement was executed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS 2008), which consists of:

- Evaluating SingTel's sustainability framework and processes using the inclusivity, materiality and responsiveness criteria of the AA1000 AccountAbility Principles (AA1000APS 2008).
- Evaluating the disclosed performance information and the relevant data collection processes against the GRI G3.1 Reporting Principles: sustainability context, completeness, balance, comparability, accuracy, timeliness, clarity and reliability.

The assurance encompassed the entire Report and focussed on all figures, statements and claims related to sustainability during the reporting period from April 2012 to March 2013.

## Level of assurance and limitations

A moderate (or limited) level of assurance was provided with desktop review and management-level data verification. The scope of work did not include historical information, acquisition and financial data, technical descriptions of equipment and production processes or other information not related to sustainability or already supported by existing documents, such as SingTel's previous Sustainability Report and Annual Report or third-party audits and certifications. Ere-S did not assess the figures and findings found in the report on the stakeholder engagement exercise initiated in 2012 by a third party appointed by SingTel.

## Responsibility and independence

This statement represents Ere-S' independent opinion. The management of SingTel was responsible for the preparation of the Report and all statements and figures contained within it. Ere-S' responsibility was to execute the assurance engagement, prepare the assurance report and this assurance statement for the management of SingTel alone and for no other purpose. Ere-S was not involved in the development of the Report or the disclosed management processes; neither has Ere-S been

engaged by SingTel for other projects. Ere-S' activities are independent of SingTel and contain no financial interest in SingTel's business operation.

## Assurance methodology

The engagement was carried out using the following methodology:

1. Identified over 300 statements and data sets, which were classified according to the relevant data owners and the type of evidence required for the verification process.
2. Carried out interviews with over 30 key functional managers and data owners at SingTel corporate office, NCS Hub and SingTel Learning Centre. Data verification included the following:
  - Asking a series of questions on the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems.
  - Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims.
  - Sampling quantitative data that originated from multiple sources.
  - Challenging the claims made in the Report and, where possible, confirming the presented evidence, including calculation methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources.
  - Crosschecking data with previous SingTel sustainability reports and SingTel's latest published financial results.
3. Assess the collected information and provide recommendations for immediate correction where required or for future improvement of the Report content.

## Conclusion

On the basis of the assurance work undertaken, Ere-S is satisfied that the claims in SingTel's Sustainability Report 2013 provide a credible and fair representation of the organisation's sustainability profile and a reasonable application of the AA1000 and GRI Principles. The assurance findings also provide confidence, within the limits of a moderate assurance, that the Report's statement and figures achieve an adequate level of reliability and accuracy.

## Findings and observations

### Evaluation of the adherence to AA1000 AccountAbility Principles

**Inclusivity** - How the organisation engages with stakeholders and enables their participation in identifying issues and finding solutions.

SingTel has maintained its effort to identify and engage a wide spectrum of stakeholders. Existing platforms such as surveys, meetings, online feedback channels and social media continued to play a pivotal role in the company's overall understanding of evolving stakeholder expectations. In line with the company's core businesses, the active adoption and utilisation of new engagement platforms was also observed through our assurance work, particularly for customers and employees.

There is also evidence of constant engagement with regulators, in order to stay abreast of evolving regulations and to partner on specific projects within the industry. It is also observed that union representatives were involved in decision-making processes throughout the preparation and execution of the transfer of 500 employees during the reorganisation. However, there is little evidence of similar formal stakeholder involvement in other areas of SingTel's sphere of influence and in decision-making processes. For example, the formation of a multi-stakeholder panel or regular meetings with group representatives could improve the company's understanding of material issues and strengthen its engagement with stakeholders.

#### Note on the stakeholder engagement exercise:

We particularly comment SingTel's decision to initiate in 2012 a comprehensive stakeholder engagement exercise, which spans over 3 years. A report showing some of the results of the engagement process with customers and investors, which was implemented as part of phase 1 of the programme, has been presented to our Assurance Team. These first results and the roadmap found in the report look promising and provide confidence that stronger engagement processes will be implemented within SingTel's sustainability framework in the near future.

**Materiality** - How the organisation recognises issues that are relevant and significant to it and its stakeholders.

Throughout the assurance engagement, we have observed processes that enable SingTel to understand the relevant issues affecting its business and its stakeholders. These include regular cross-unit meetings, Group CSR seminars, interactions with stakeholder representatives and social media.

Several on-going and new initiatives taken by SingTel show the active consideration being given to subjects that are material and specific to the industry. For example, in addition to general service quality, specific issues such as data protection, online security, service accessibility and regulatory changes receive critical attention on a regular basis. Greater concern on environmental externalities is evidenced by the voluntary internal survey, and the detailed assessment of SingTel employees' commuting trends, which are now included in GHG scope 3 emissions.

The most remarkable improvements in policies related to material issues are observed in SingTel's supply chain management, where a new Supplier Code of Conduct has been integrated into the vendor evaluation process to address key environmental and social subjects critical to SingTel's sustainability. We expect to see further progress in setting formal KPIs and reporting processes for the key issues addressed in the code of conduct. To facilitate the implementation of this process, SingTel may also consider establishing platforms for mutual learning and feedbacks from participating vendors. We believe the outcome of the company-wide stakeholder engagement exercise can help identify key issues and bridge any gaps arising from the implementation process.

**Responsiveness** - How the organisation responds to stakeholder issues and feedback through decisions, actions, performance and communication.

Evidence suggests that stakeholders' concerns are acknowledged and resolved in a timely manner, with dedicated departments responsible for engaging and responding. In particular, customers are given a wide range of channels through which they can provide feedback on the company and its product and services. Interviewed managers demonstrated good understanding of the way these channels are managed to ensure adequate response. We were also pleased to see that, as previously recommended, the whistle-blowing policy has been made available on the company's website and the portal for vendors. The new Supplier Code of Conduct is also communicated in a similar manner.

The Report would benefit from more disclosure of positive and negative cases, showing how stakeholders concerns are responded to and managed through these channels.

In addition, limited evidence was found to suggest a robust adaptation strategy for the impact of climate change within the industry; specifically with regard to infrastructure, global supply chain, logistics and international regulatory changes. Future Sustainability Reports can communicate on the company's mid- to long-term response to these critical issues and how it plans to adapt to them.

### Evaluation of the performance information and adherence to the GRI Principles

The Report presents information relating to SingTel's key sustainability issues and key stakeholders. Through the consistent representation of information and the inclusion of detailed target tables, SingTel's performance can be compared historically against previous reports. The Report is relatively balanced with the inclusion of negative disclosure relevant to some aspects, such as regulatory fines, environment and safety performance.

Disclosure of environmental performance has improved this year with the addition of employee commute into scope 3 of the company's generated CO2e emissions. Several philanthropic initiatives listed in the Report show a good use of the company's resources and expertise in the programs execution.

We observed overall good - but varying - levels of accuracy and reliability of the disclosed information. Most of the data sources and calculation methods presented were comprehensive, well prepared and demonstrated thoroughly by the relevant data owners. Information reliability and consistency were supported by well-structured spreadsheets and datasets generated from the organisation's data management systems in human resource and finance. In many instances, we were also able to conduct successful samplings.

In some cases, data calculation was found to be less precise but still within acceptable error margins. For example, the reported amount of recycled hazardous waste is partially based on load weight estimates and diesel used for generators is still calculated using a dollars-to-litres conversion factor instead of directly reading the litres from the supplier's invoices.

For this reporting period, most of environmental data sources from SingTel and NCS, which were previously stored and managed separately, have been merged into one data system to facilitate the verification process. However, the disclosed combined figures were verified from separate data sheets provided by SingTel and NCS. Although the complexity of such data consolidation is currently manageable, special attention will be required to avoid future miscalculation, input error or confusion due to data load increase and organisational change.

In summary, we have not found any major inconsistencies between the presented data and the Report disclosures, which have shown to be supported by verifiable sources and management processes. Where adaption was required, changes to the text and figures were applied by SingTel and crosschecked by our Assurance Team in the final version of the Report.

### Moving forward

It is recommended that the implementation of the Supplier Code of Conduct to be followed by an evaluation framework that covers all critical areas specified in the code. We also recommend that SingTel actively engages suppliers to create a mutual understanding of the objectives of the Code of Conduct. It would be valuable for the other wholly-owned subsidiaries of the Group, such as NCS and Optus, to adopt a similar approach or share already implemented practices. We believe there is an ample opportunity for SingTel to ensure the effectiveness of such a framework and its application to a greater network of suppliers.

We encourage further formalisation of alignment and, where possible, merging of the data management processes between SingTel and NCS. This will better channel the collection, calculation and verification processes of the data sources and improve accuracy and reliability of the disclosure. Integration of data collection and calculation processes with Optus and the newly acquired Amobee should also be evaluated in anticipation of global reporting on some or all sustainability aspects of the Group (e.g. health and safety figures).

The above findings and additional suggestions for improvement have been presented to the management of SingTel in a more detailed assurance report.

Singapore, 24 June 2013  
On behalf of the Assurance Team



Jean-Pierre Dalla Palma, Director & Certified Sustainability Assurance Practitioner



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