

# 04 Sustainability at SingTel

We are committed to creating sustainable and long-term growth for our business, while leading and shaping the positive change for our marketplace and customers, the communities we operate in, our people and the environment. We want to make a real and lasting positive impact on our stakeholders, leveraging our own resources and people and working closely with our strategic partners.

## CORPORATE VISION, MISSION AND STRATEGY

The SingTel Group, with our vast reach in Asia and Africa covering over 500 million mobile customers worldwide, is committed to making the world more connected and accessible in a sustainable manner. We aspire to be Asia Pacific's best multimedia and ICT solutions group. We are a key enabler to businesses and consumers through our broad suite of products and services covering communications, information, media, digital and technology.

We make communications easier, faster, more economical and reliable by:

- Breaking the barriers of distance, price, time and technology; and
- Building strong bonds among SingTel employees, and with our shareholders, customers, business partners and communities.

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.

Our sustainability vision and strategy set a clear agenda for sustainability at SingTel. Supported by 4 pillars – Marketplace and Customers, Community, People and Environment, our vision and strategy are the cornerstone of our initiatives, which we discuss in this report.

Creating and delivering value to our customers, shareholders and employees is fundamental to our business.

We place very strong emphasis on innovation within the company, and offer innovative products and services to our customers. We continue to invest in our networks and introduce services to meet the increasing demands of the ever changing market needs.

Through this report, we hope to provide 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 our sustainability journey.

### Objective and Pillars of SingTel's Corporate Sustainability Strategy

**To create sustainable and long-term growth for our business, while leading and shaping the positive change for our marketplace and customers, the communities we operate in, our people and the environment.**



Sustainability is at the core of SingTel's approach to achieving our corporate vision, the way we operate our business and how we engage our stakeholders. Our sustainability strategy, policies, practices and programmes, backed by our corporate core values, are an integral part of our corporate strategy. We believe we can make a difference by leveraging our resources and competencies, and working together with our people as well as our business and community partners.

Our stakeholders are increasingly joining the conversation on what makes a sustainable company. At SingTel, we are committed to understanding our internal and external drivers to stay ahead of competition while contributing to sustainable development in the markets where we operate. We therefore review and refine our sustainability strategies, practices and programmes on an ongoing basis.

This report is structured around the 14 sustainability goals which were derived from the materiality review conducted in late 2008. We have already met the majority of the goals set in our 5-Year Plan (FY2011-FY2015) ahead of time.

## Our sustainability goals

### Marketplace and Customers

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

### Community

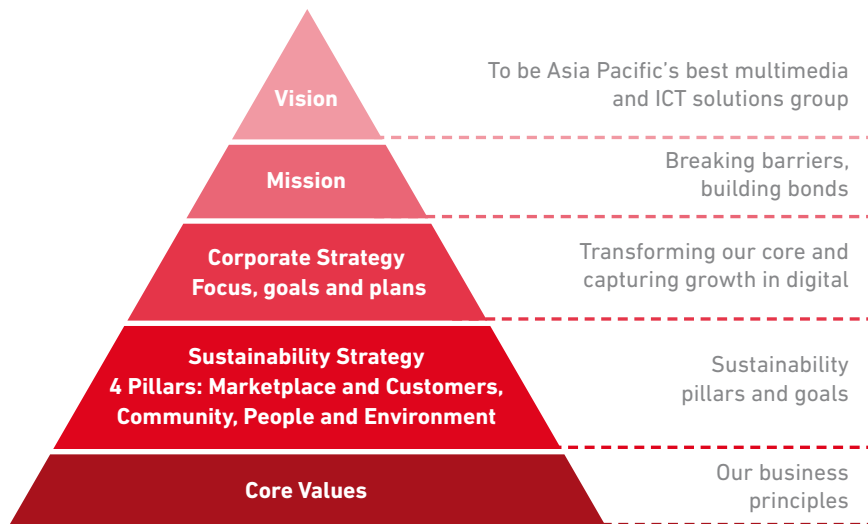
- Support community development
- Activate employee volunteerism
- Engage future leaders

### Environment

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

### Our People

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



The SingTel Group's core values form the foundation of our culture and the way we do business and go to market. The 5 core values illustrated below are the bedrock of our corporate strategy and drive our sustainability strategy. They underpin our desire to create a common purpose across the SingTel Group and foster a culture that is open and innovative, and that promotes mutual trust and engagement. These values drive our relationships with our customers, suppliers, people and all other stakeholders. Building our sustainability priorities on these core values enables us to demonstrate strong linkage between our corporate and sustainability strategies. As part of our formal performance appraisal, we review our people's achievements and performance against how well they embrace and execute according to these core values.

## Core Values

<b>Customer focus</b>	Our success is based upon our customer focus. We listen to, and connect with customers and treat them with dignity and respect. By understanding and anticipating their needs, we make it easy for our customers to do business with us. We aim to offer them value and quality services to enrich lives and enhance business success.	<b>4 Pillars of sustainability strategy</b> <ul style="list-style-type: none"> <li>• Marketplace and Customers</li> <li>• Community</li> <li>• People</li> <li>• Environment</li> </ul>
<b>Challenger spirit</b>	The creativity and innovation of our people set us apart. We look for better ways of doing business and share a passion for making a difference. When faced with challenges and opportunities, we do not say "Cannot" but ask "Why not?". We are tenacious and we compete fairly.	
<b>Teamwork</b>	By working as 1 team with shared goals, we believe we can achieve great things. We value ideas and contributions from everyone. We recognise, respect and value diversity in the team. We develop strong bonds by communicating and sharing knowledge. We encourage open discussion and commit to an agreed position. All of us have a part to play.	
<b>Integrity</b>	Our reputation is based upon our ability to fulfil promises to shareholders, customers and employees. We do so by being honest in our dealings, taking responsibility and being accountable for our actions. We treat everyone the way we would like to be treated. We are proactive in identifying issues and coming up with solutions. We ensure that the highest ethical standards guide us in making decisions.	
<b>Personal excellence</b>	Leadership and superior performance are achieved through the pursuit of personal excellence. We are committed to doing and being the best. We seek continuous improvement and take pride in what we do. We do things to the highest possible standards. We acknowledge the potential of the individual and create opportunities for all to grow and excel. Together, we celebrate our success and achievements.	

## GOVERNANCE

### Governance structure

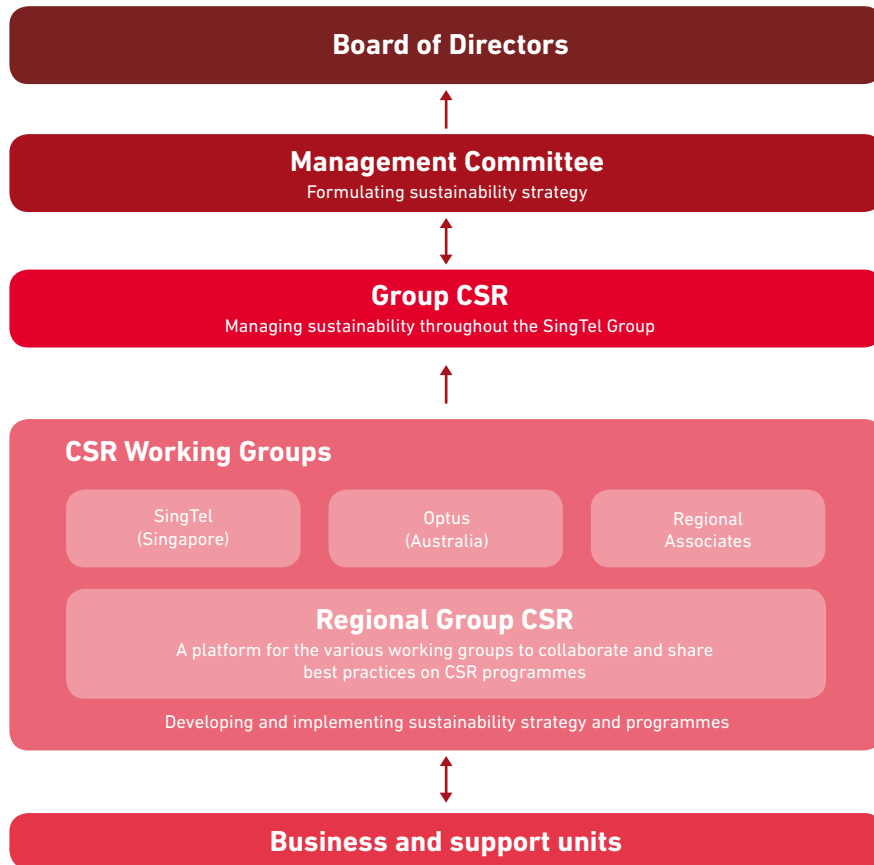
A dedicated Group CSR function manages sustainability throughout the SingTel Group. Led by SingTel's Group Director of Human Resources who is supported by Vice President of Group CSR, the function oversees the formulation, recommendation, coordination, execution and reporting of the Group's sustainability strategy.

This is done working in collaboration with Group Strategy and Group Risk Management in relation to materiality of the business as well as other key business units such as Procurement.

The Management Committee which comprises the 7 most senior executive members in the SingTel Group is responsible for providing the strategic direction and approval of the Group's Sustainability strategy. The sustainability strategy is presented to the Board annually. Every month, the Group CEO provides the Board a monthly progress update including sustainability matters.

There are 2 levels of sustainability management and oversight. At the Group level for Asia Pacific, we bring the working groups for SingTel in Singapore, Optus in Australia, and the regional associates together. The focus at this level is on driving and collaborating on CSR programmes in key markets, as well as sharing best practices.

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



## MATERIALITY REVIEW

We commenced a materiality review in May 2014 using the methodology prescribed by the new GRI G4 guidance. The objective of this exercise is to drive our sustainability strategy such that our priorities are relevant to our business, employees and external stakeholders.

This review is an important exercise to identify issues that influence our stakeholders' decisions and have an impact on SingTel's strategy. The results will refresh our priority areas and in the process, our sustainability goals defined in FY2010 will also be reassessed.

## STAKEHOLDER ENGAGEMENT

We identified 9 key stakeholders based on their relevance and influence. We conduct regular reviews to ensure an up-to-date list, given the constant changes in the industry.

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 dialogue.

### Stakeholder engagement exercise on sustainability issues

We commenced a structured stakeholder engagement exercise in FY2013. The purpose of the 3-year exercise is to review current practices, initiate new conversations with target stakeholder groups and assess their opinion on our sustainability strategy, issues and programmes.

The projected outcome is to help align our efforts on appropriate actions and responses, address the concerns and suggestions in our review, and subsequently feed into our future strategy and reporting.

The AA1000 Stakeholder Engagement Standard (2011) was used to guide the process and provide a framework for structure and best practices.

## Identified key stakeholders

Stakeholders	Engagement Goals	Selected engagement activities in FY2014
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>• Monthly SingTel customer experience survey</li> </ul>
Employees	We engage our employees with open and constant communication to create a cohesive and well-informed workforce.	<ul style="list-style-type: none"> <li>• Quarterly staff briefings</li> <li>• Annual staff engagement survey</li> </ul>
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> </ul>
Industry Bodies	We work with industry associations and professional organisations to promote, support and benchmark ourselves against best practices within the industry.	<ul style="list-style-type: none"> <li>• Presentations at industry seminars</li> <li>• Active membership in various industry bodies</li> </ul>
Investors	We provide timely and regular updates to the investment community including market development, business strategy, financial performance and other shareholder issues, allowing them to make informed investment decisions.	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Quarterly updates on financial results</li> <li>• Half-yearly investor roadshows by Top Management</li> </ul>
Local Communities	We support community development programmes to provide for the well-being and economic progress of communities in the markets where we operate.	<ul style="list-style-type: none"> <li>• Example: Discussion with a leading voluntary welfare organisation to support youth with disabilities for gainful employment</li> </ul>
Media	We engage the media to ensure the public obtains timely and accurate corporate information.	<ul style="list-style-type: none"> <li>• Regular interview sessions by Management</li> </ul>
Trade Unions	We engage the union to ensure a harmonious and collaborative partnership.	<ul style="list-style-type: none"> <li>• Regular Management-union dialogues</li> <li>• Management-union workshops and retreats</li> </ul>
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>• Supplier code of conduct</li> <li>• Vendor surveys</li> </ul>

## Key findings from Year 1 and 2 stakeholder engagement exercise

The results of the stakeholder engagement exercise in FY2013 and FY2014 provided relevant information for us to review our material issues and sustainability framework. We observed patterns across the engaged stakeholders as follows:

- A company's CSR programme is material to stakeholders' decision making; and
- Corporate governance and products and services continue to appear as 2 of the most important sustainability aspects.

