



04

SUSTAINABILITY AT SINGTEL

... We are committed to creating sustainable
... and long-term growth for our business, while
... leading and shaping positive change for our
... marketplace and customers, the communities we
... operate in, our people and the environment.

SUSTAINABILITY STRATEGY

Creating and delivering sustainable value to our customers, shareholders and employees is fundamental to us. This requires us to embrace responsible products and services, ensure customer satisfaction, monitor our supply chain, be an employer of choice, manage our environmental footprint, and support and invest in community development.

We want to make a lasting positive impact on our stakeholders, leveraging our own resources and people and working closely with our strategic partners. At the same time, we acknowledge that our industry can create unintended consequences. The Group's sustainability strategy seeks to create shared value and mitigate the risks to the company, our stakeholders and the environment.

With these objectives in mind, our sustainability strategy is built on four pillars – Marketplace and Customers, Community, People and Environment. These pillars form the structure of our sustainability priorities, allowing us to demonstrate a strong linkage between our corporate and sustainability strategies.

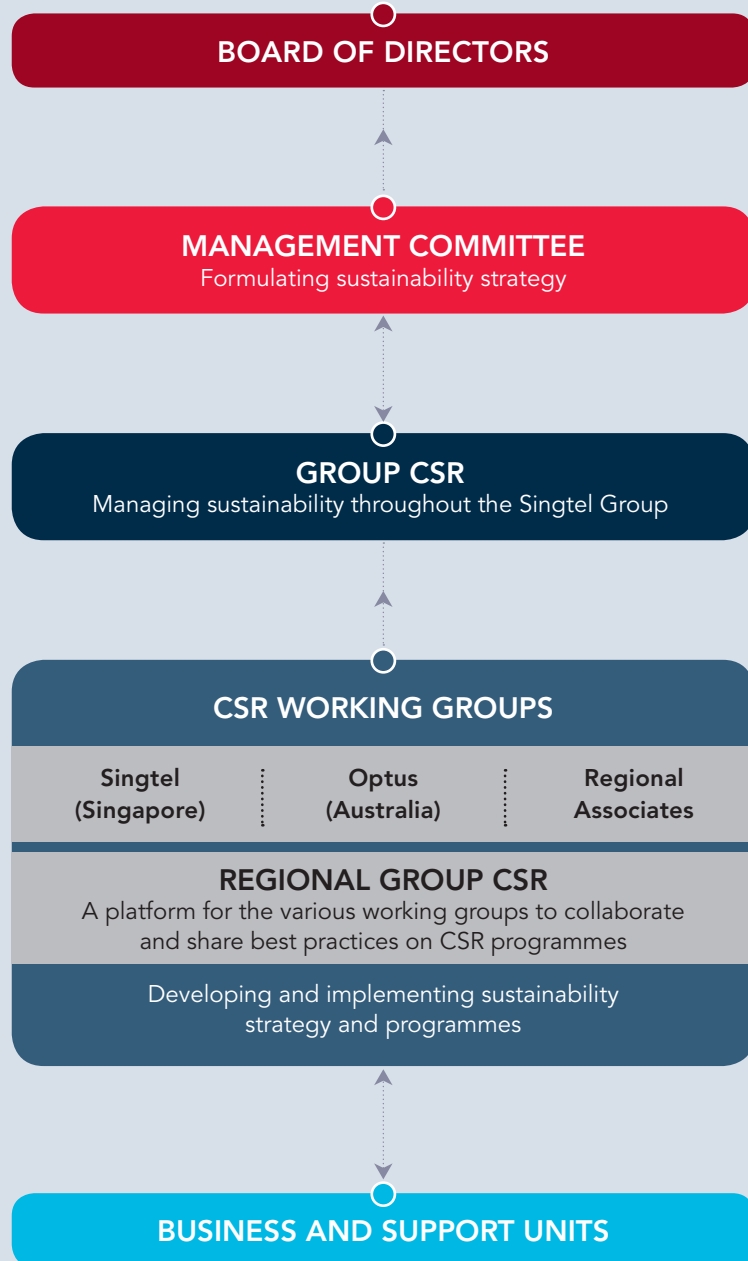
GOVERNANCE STRUCTURE G4-34

A dedicated Group CSR function is responsible for managing sustainability throughout the Singtel Group, and is headed by a Vice President who reports to the Group Chief Human Resources Officer. The function works in collaboration with group strategy, group risk management and other business units such as procurement to oversee the development, execution and reporting of the Group's sustainability strategy. The Management Committee, comprising the eight most senior executive members in the Singtel Group and chaired by the Group CEO, provides strategic direction to the CSR function and approves the Group's sustainability strategy.

Sustainability is on the Board's agenda and the Group's sustainability strategy is presented to the Board annually. The Group CEO provides the Board with regular updates on various sustainability programmes, upcoming activities as well as global and local trends that have an impact on our sustainability strategy.

At the execution level, we have formulated working groups for Singapore, Australia and regional associates. Comprising representatives from business and support units, the working groups are actively involved in developing and implementing sustainability strategy and programmes in their respective countries. We bring the various working groups together to drive and collaborate on CSR programmes in key markets, as well as sharing best practices across the Singtel Group of companies.

Figure 4.1: CSR Governance Structure



STAKEHOLDER ENGAGEMENT

Our ongoing engagement with stakeholders allows us to identify, review and prioritise our sustainability efforts. We ensure that our sustainability strategy and programmes are relevant and aligned to our stakeholders' perspectives and expectations. To achieve this we promote meaningful dialogue with a wide spectrum of stakeholders.

We have engaged a broad set of stakeholders to ensure that we have a diverse perspective on sustainability pertaining to our business. The channels and frequency of such engagement vary depending on the stakeholder group.

In Australia, a formal stakeholder survey was conducted during FY2015 in relation to our Group-wide materiality assessment.

In Singapore, we commenced a structured three-year stakeholder engagement exercise in FY2013 (page 11) to ensure that our sustainability programmes accurately reflect the issues that are the most important to our stakeholders.

We identified nine key stakeholder groups based on their relevance and influence. Through this exercise, we want to align our efforts to address the concerns and expectations of our stakeholders, and 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. G4-25

STAKEHOLDER ENGAGEMENT PROCESS G4-26

Identify: our stakeholders and spokespeople from key stakeholder organisations were identified to share their perspectives on our sustainability strategy and programme.

Engage: online and email surveys as well as interviews conducted by a third party agency were used to gather feedback from stakeholders. Participants were guaranteed anonymity and their comments were not attributable.
















Analyse: stakeholders' feedback was consolidated and key themes and recurring issues were identified. They will be considered when we review our CSR strategy and programmes where appropriate.

Respond: participating stakeholders will be informed on how we intend to address their feedback.

KEY FINDINGS FROM OUR THREE-YEAR STAKEHOLDER ENGAGEMENT EXERCISE

The table below lists various topics that were raised by different stakeholder groups in Singapore from our exercise. These include governance and transparency, data privacy and protection, customer health and safety, inclusion of vulnerable groups, cyber wellness, training and education and waste management.

Table 4.1: Stakeholder Engagement Topics and Response G4-27

How We Engage G4-24	Important Topics and Stakeholders' Expectations	Stakeholders	Our Response
 Civil society/Not-for-Profit/VWOs <ul style="list-style-type: none"> Example: Regular discussions with various Voluntary Welfare Organisations (VWOs) to identify support needs and trends 	Governance and transparency <ul style="list-style-type: none"> Lead in sustainability disclosure Disclose more data to demonstrate Singtel's climate change resilience and preparedness 		<p>We will continue to disclose our sustainability performance through our annual Sustainability Reports. This includes reporting on our strategy for addressing climate change through managing energy performance and building resilience (page 39–44).</p>
 Customers <ul style="list-style-type: none"> Monthly Singtel customer experience survey 	Data privacy and protection <ul style="list-style-type: none"> Be transparent about Singtel's data privacy and protection policies 		<p>Our Data Protection Policy is available at info.singtel.com/personal/dataprotection. We conform to the Personal Data Protection Act and will continue to introduce measures to protect our customer privacy (page 20–21).</p>
 Employees <ul style="list-style-type: none"> Quarterly staff briefings Annual staff engagement survey 	Customer health and safety <ul style="list-style-type: none"> Provide information on health and safety impact of mobile base stations and usage 		<p>We provide this information at info.singtel.com/about-us/sustainability/marketplace. We continue to monitor research findings on electromagnetic frequency risks and the relevant standards and regulations in the markets where we operate and the rest of the world (page 19–20).</p>
 Government and regulators <ul style="list-style-type: none"> Participation in consultation process Business roundtables to provide input on policy aspects 	Industry bodies <ul style="list-style-type: none"> Presentations at industry seminars Active membership in various industry bodies 		
 Investors <ul style="list-style-type: none"> Annual General Meeting Quarterly updates on financial results Half-yearly investor roadshows by Top Management 	Inclusion of vulnerable groups <ul style="list-style-type: none"> Focus on inclusion programmes to benefit marginalised and less well-off communities Focus on core competencies and areas aligned to the business, such as bridging digital divide 		<p>Inclusion and well-being is a key focus of our community strategy. We will continue with our programmes in this area and engage our stakeholders regularly to understand their needs that can be served through leveraging our core ICT competence (page 26–28, 30–31).</p>
 Media <ul style="list-style-type: none"> Regular interview sessions by Management 	Cyber wellness <ul style="list-style-type: none"> Support media literacy and cyber wellness 		<p>Cyber wellness is a key focus of our community strategy and we will continue to expand the scope and reach of our cyber wellness programmes in Singapore and Australia (page 29–30).</p>
 Trade unions <ul style="list-style-type: none"> Regular Management-Union dialogues Management-Union workshops and retreats 	Training and education <ul style="list-style-type: none"> Develop Singtel's talent pipeline through training and development 		<p>Attracting and retaining talent is our priority. We train and develop our people to their fullest potential (page 33–35).</p>
 Suppliers <ul style="list-style-type: none"> Supplier Code of Conduct Supplier surveys 	Waste management <ul style="list-style-type: none"> Encourage 'reduce, reuse and recycle' of handsets and hardware among consumers Facilitate and enable the disposal of electronic waste 		<p>We have extended our mobile phone recycling programme in Singapore to collect e-waste related to our product and services, and will establish recycling capability for the broader scope of e-waste in our operations (page 43–44).</p>



Includes engagement with Responsible Investors



Engagement with our suppliers will be carried out as part of our Sustainable Supply Chain Management framework implementation

MATERIALITY ASSESSMENT

We performed a Group-wide materiality assessment in May 2014 to complement our stakeholder engagement exercise. This assessment was conducted in accordance with the GRI-G4 *Principles for Defining Report Content*.

The assessment covered our operations in Singapore and Australia. The associate and regional businesses, minority stakes and shell entities were not included in this exercise. (G4-17)

Our sustainability goals and priority areas have been refreshed based on the results of the materiality assessment exercise.

The methodology of the materiality assessment process is depicted in Figure 4.2 and the material issues are prioritised based on:

- discussions with internal stakeholders (senior management and operations and support staff across various business functions)
- direct inputs from external stakeholders through our stakeholder engagement exercise
- value and supply chain analysis
- benchmarking research on industry and global best practices

With the findings from our materiality assessment and reporting at a Group level, we have reviewed our previous sustainability targets and have set new targets concerning the material topics that we have identified.

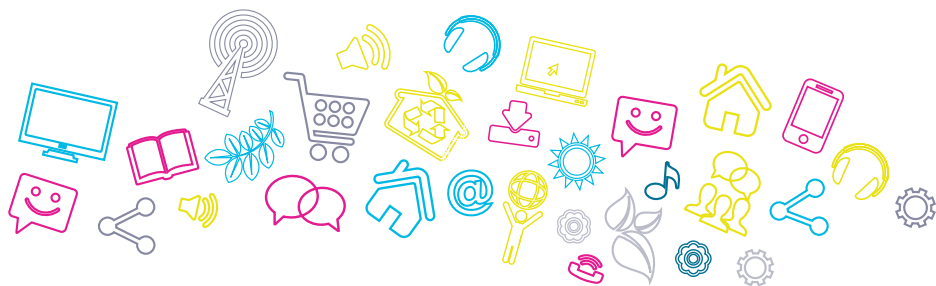
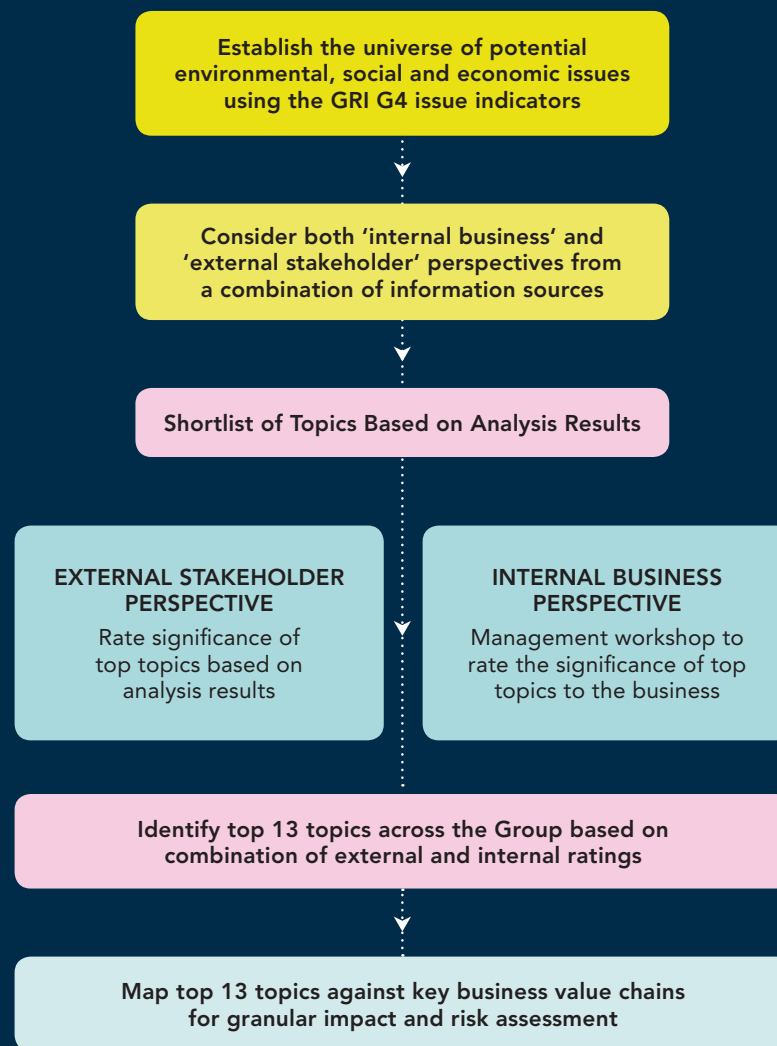


Figure 4.2: Materiality Assessment Process (G4-18)

Singtel Group's Materiality Assessment Process



RESULTS FROM MATERIALITY ASSESSMENT

The materiality matrix (Figure 4.3) plots the material topics and their impact on the Singtel Group's business, against their influence on our stakeholders.

For the purpose of reporting, we focus on the top 13 material topics. We also understand the importance of addressing the impact that occurs outside the organisation. Based on our value chain analysis, we have identified the impact boundary for each material issue covering a variety of stakeholders including our customers, suppliers, regulators, civil society and communities at large.

The top 13 material topics for the Singtel Group are categorised according to our four sustainability pillars, and we have indicated the relevant topics for our operations in Singapore and Australia as well as those outside our organisation (Table 4.2).

Figure 4.3: Singtel Group Materiality Matrix (G4-19)

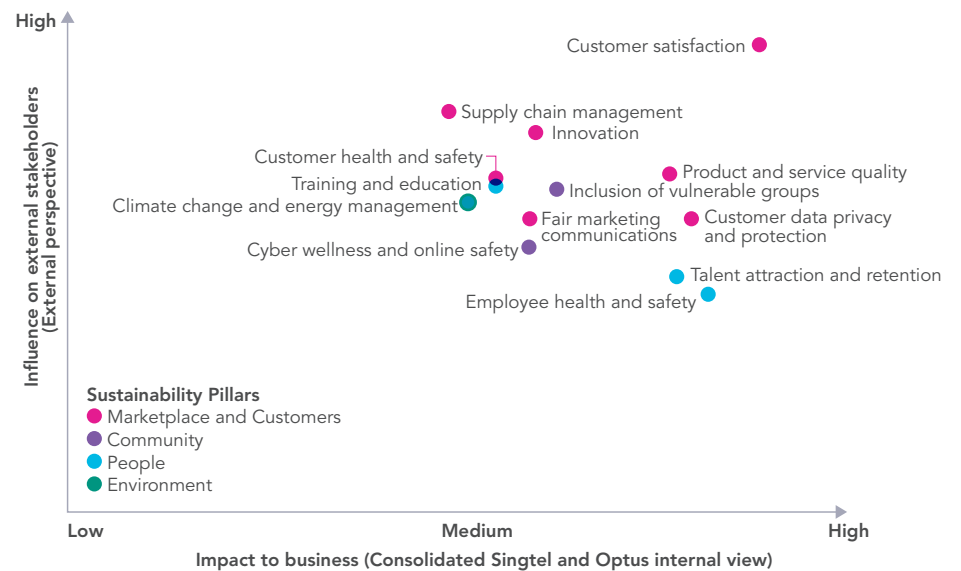


Table 4.2: Material Topics (G4-20) (G4-21)

Our Sustainability Pillars	Top Material Topics for the Singtel Group	GRI G4 Aspect Reported	Material for Singtel Group Entities			Material Outside the Organisation
			Singtel	Optus		
Marketplace and Customers	Customer satisfaction	Product and service labelling	✓	✓	✓	Distributors and customers
	Product and service quality	Compliance	✓	✓	✓	Customers and regulators
	Innovation	Indirect economic impacts	✓	✓	✓	Advertisers for digital marketing
	Customer health and safety	Customer health and safety	✓	✓	✓	Customers
	Customer data privacy and protection	Customer privacy	✓	✓	✓	Offshore and outsource vendors, particularly in India and Philippines
	Fair marketing communications	Marketing communications	✓	✓	✓	Customers and digital advertisers
	Supply chain management	Supplier human rights assessment	✓	✓	✓	Mobile and fixed broadband service vendors and distributors
Community	Inclusion of vulnerable groups	Economic performance	✓	✓	✓	Communities
	Cyber wellness and online safety	Local communities	✓	✓	✓	Communities, particularly youth
People	Talent attraction and retention	Employment	✓	✓		
	Employee health and safety	Occupational health and safety	✓	✓	✓	Distributors
	Training and education	Training and education	✓			
Environment	Climate change and energy management	Energy and emissions	✓	✓	✓	Society

VALUE AND SUPPLY CHAINS ANALYSIS

We have mapped our material topics to the value chains representing Singtel Group's key business units – Consumer, Enterprise and Digital Life. This analysis has helped us understand the boundaries of our material impact and risks.

During this analysis, four value chains (Mobile, Digital Marketing, Fixed Broadband and Managed Services) were selected based on business and stakeholder discussions, inputs from the materiality assessment working group, relevant documentation review and desktop research and analysis. We then identified the individual components of the key value chains, and applied the 13 material topics to identify relevance as well as our sphere of influence (Figure 4.4).

The output of these assessments has strengthened our materiality assessment and supported the development of our goals and action plans.

Figure 4.4: Key Sustainability Topics Across Singtel Group's Value Chain

