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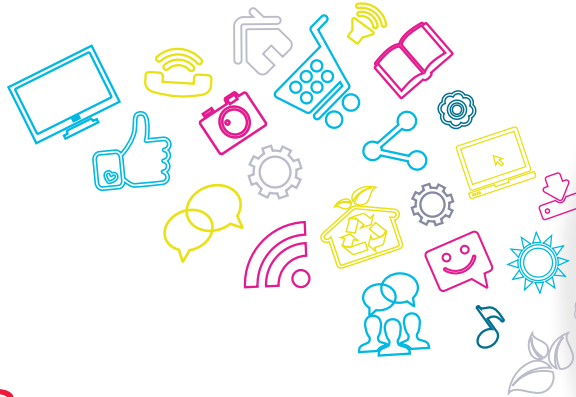
## MARKETPLACE AND CUSTOMERS

... We are committed to being a responsible and innovative market leader in the markets where we operate. Our strategy is underpinned by delivering an unparalleled customer experience, developing responsible and innovative products and services, and ensuring that our principles of sustainability and responsible business practices are adopted in our supply chain.

### CUSTOMER EXPERIENCE

In this fast-paced and competitive telecommunications and media industry, customer choice and loyalty are defined by the quality of service and care, as well as the range of innovative services and value offered by the operators.

The Singtel Group understands these dynamics and aims to meet the increasing expectations of our customers. Recently, we embarked in Singapore on a new brand promise to enrich customers' lives with better service, technology and content, and deliver seamless and effortless experiences. Enhancing customer satisfaction, pushing the barriers of innovation and improving the quality of our products are three key areas we have identified to achieve this aspiration.



### CUSTOMER SATISFACTION (DMA)

We tailor our service offerings to meet the varied needs of our customers and empower our employees to meet their expectations. We also monitor and gather feedback to improve our service quality and customer experience.

Understanding that our customers can be busy during the day, we have introduced options for booking appointments and service call-back according to their preferred times. We continue to promote self-service options for our customers to reduce waiting times during customer care and enquiry calls, including setting up Self-Help Kiosks at our Singtel Shops in Singapore.

We recognise that each customer is different and hence we offer a range of mobile plans to cater to their needs. For example, we launched Combo plans providing access to Singtel's Premium WiFi service at many hotspots across Singapore, giving consumers high-speed and seamless connectivity, over and above their 4G data allowance. Catering to the seniors and persons with disabilities, we introduced the Silver Plan and Lite Special Plan which are discounted and tailored to better meet their needs. In Australia, customers can get the most out of Optus' mobile data plans by sharing data with up to five mobile broadband devices, including smartphones, tablets and USB modems.

*My Singtel app allows customers to activate dataroom service, check data usage and view their bills easily at their fingertips*



*Our Starfish app empowers our staff to be proud Singtel brand ambassadors*

Employees are our brand ambassadors and they can play an active role in enhancing customer satisfaction and loyalty. We have invested in a number of customer-centricity training tools as part of our 'Up Your Service' programme. Since the introduction of these tools in FY2013, more than 9,000 employees across the Group have been trained to deliver service leadership.

Our Starfish Mobile app in Singapore, introduced in FY2014, allows our employees to help their family members and friends who have queries or issues with our products and services. To date, we have recorded over 5,000 downloads of the application and resolved more than 1,800 cases through our staff's active support.

Listening to customer feedback allows us to respond proactively to their needs and provide innovative solutions and services. For example, our Customer Experience team conducts tracking across major customer touch points in Singapore regularly and the results are available on our online staff

portal called Espresso to inform service performance and allow customer issues to be answered quickly. More than 30,000 customer interviews were conducted in FY2015. Over 70% of customers who transacted with us at our channel partners rated their experience as Excellent/Good for the period January to December 2014.

We consider compliments and complaints as good measures to judge the level of our customer satisfaction. Results from our surveys are a testament to our efforts for improving the satisfaction of our customers.

In Singapore, for every 10 customer complaints via the media, social media, our website and management, we received 16 customer compliments in FY2015.

In Australia, Telecommunications Industry Ombudsmen (TIO) complaints fell 47% year-on-year during the 12-month period ended June 2014. TIO complaints about Optus are the lowest out of the tier one telcos with 4.6 complaints per 10,000 services. (PR5)

Our commitment to customer satisfaction has been recognised both in Singapore and Australia. During the year, Singtel again topped the Customer Satisfaction Index of Singapore (CSIG) survey of the mobile segment. The survey is conducted annually by the Institute of Service Excellence, Singapore Management University and the Singapore Workforce Development Agency.

In Australia, Optus remains the only tier one telco with a positive Net Promoter Score (NPS). Our new 'Generation 6' stores, designed to give consumers an easy and intuitive path and assist in their purchasing decisions, scored Optus a Gold Award at the recent POPAI awards for retail marketing. POPAI is the global industry association for shopper marketing and marketing retail recognising creativity, innovation and inspiration.

## SINGTEL 101 AMAZING STORIES

We published our 101 Amazing Stories during the year where we highlight and celebrate service efforts of our people. We hope such success stories will inspire our people across all levels towards adopting a strong customer focus and delivering their best. Some stories bring a smile of gratitude while others express heartfelt human connections.

### Only a Call Away

– adapted from 101 Amazing Customer Experience Stories published by Singtel

**“A rigid and impersonal approach might just be the direct opposite of what it takes to provide an amazing customer experience.”** This thought played in Julius’ mind when he was contacted by his friend Annie. He was then a software analyst with the Singtel IT group.

Annie was working in Singapore but had to return home to the Philippines at short notice. She continued to keep her Singtel mobile line active as she was expecting some important calls.

Some weeks later, she contacted us from overseas to terminate her line but a communication lapse led her to think that she needed to come back to Singapore personally to do it, which was not a viable option. Julius learnt about Annie’s predicament and wanted to help her.

He logged on to our Starfish app and submitted her case. Within two days, she received a call from a Singtel customer care officer who gave her advice on authorising a third party to put in the termination request. The request was effected within two working days.

Very pleased with the assistance rendered by Julius and the Singtel team, Annie said that she would not hesitate to recommend Singtel to any of her friends who are planning to visit or relocate to Singapore.

Julius’ proactive response is commendable. He was willing to help his friend to solve a customer issue despite not working in the frontline.

**“I do not work in a customer-fronting role. With Starfish, I am able to participate in the process of addressing a customer’s needs. It is rewarding for me to be able to help someone in need.”** ~ Julius

## PRODUCT AND SERVICE QUALITY DMA

Giving our customers a great network and service experience is fundamental to our business. We continue to enhance the reliability, access and quality of our network.

### Enhancing Network Reliability

Ensuring consistency in network and service performance is critical. Hence, we continue to invest in new base stations and towers, upgrade our technologies and increase our user capacity. Our total capital investment amounted to S\$2.24 billion in FY2015 (Singtel S\$789 million, Optus A\$1.28 billion). Of this investment, S\$233 million and A\$793 million were invested in our mobile networks in Singapore and Australia. We invested heavily in our 4G mobile networks for enhanced indoor and outdoor coverage so that our customers in both countries can enjoy high-speed data services on the move.

### Expanding Network Access

We understand the importance of customers living and working in remote communities having access to reliable mobile coverage, particularly in a large geography such as Australia. We launched the Optus 10 Satellite which provides the connection for regional and remote areas across our mobile network in Australia. In Singapore, we continue to make basic telephone services available to any person in Singapore who requests the provision of such a service, and also provide emergency call and public payphone services, despite the popularity of mobile phones.

### Ensuring Quality Standards G4-15

As a leading communications group in Asia Pacific, we abide by the local laws and regulations. In Singapore, Singtel adheres to the specific quality standards set by the Media Development Authority (MDA) and Infocomm Development Authority of Singapore (IDA) for the services that we offer. IDA also publishes periodic performance reports on the various operators in Singapore covering broadband, mobile, fixed telephone and fibre connection services. We continue to meet or exceed the quality of service standards for service coverage, network availability, call success and drop rates, network latency etc. These reports can be found at [www.ida.gov.sg](http://www.ida.gov.sg).





Despite our commitment, there have been occasional shortfalls. In FY2015, Singtel paid a total of three fines imposed by IDA and MDA totalling about S\$6 million.

- A fire at the Bukit Panjang Exchange in October 2013 caused service disruptions to 60,000 fixed-line customers. We paid a S\$6 million fine in May 2014 to IDA for the service outage caused by the fire.
- Two financial penalties totalling S\$9,500 were levied by MDA for broadcasting two programmes containing Chinese dialect on our pay TV platform.

In Australia, there were a couple of service difficulties and outages due to our 4G upgrading work. We also experienced network service disruptions in South Australia, Western Australia and Victoria due to bushfires and in parts of Queensland due to power failures associated with the impact of Cyclone Ita in April 2014 and Cyclone Marcia in February 2015. PR9

## INNOVATION DMA EC8

With rapid technology advancement and changing customer needs, Singtel Group innovates continuously to stay at the forefront. We want to bring the latest and the best services and experience to our customers. This is done through driving innovation at both our core and digital businesses through organic innovation, acquisitions and partnerships.

### Partnering for Next Generation Technology

In November 2014, Singtel and Huawei announced plans to launch the Fifth Generation (5G) Joint Innovation Programme at the 2014 Global Mobile Broadband Forum held in Shanghai. This programme will serve as a research hub for the advancement of 5G mobile broadband technologies. Both parties will jointly conduct the 5G trial to deliver near-zero-delay experience to our customers.

The commercial operation of 5G services is expected to start globally by 2020 and is estimated to provide 1,000 times more capacity than current mobile broadband networks.

### NCS Boosts Singapore Healthcare with Smart Technology

NCS, the leading ICT provider in Singapore and our wholly-owned subsidiary, extended Singtel's capabilities in Singapore's healthcare sector with innovative technological solutions to provide better quality patient care services and efficient models of delivery.

During the year, NCS supported the launch of two healthcare solutions:

- The Outpatient Pharmacy Automation System helps hospitals to improve patient waiting time and increase efficiency and accuracy in medication dispensing processes.
- The Patient Flow Management System integrates hospital's patient administrative system into patient self-service capability, improving patient experience during hospital visits.

With the new dispensing system, over 80% of prescriptions are now filled within 30 to 45 minutes compared to an hour previously. Through the self-registration kiosks at the National Heart Centre, patients can get through their entire visit with just a single queue number and make a consolidated payment at the end for their consultation, tests and medication.



*The Outpatient Pharmacy Automation System is an intelligent conveyor system to dispense medication at the Singapore General Hospital*



### Enabling Mobile Commerce on the Move

In June 2014, Singtel collaborated with Standard Chartered Bank to unveil Dash, a ground-breaking mobile money service that has revolutionised mobile commerce and banking. Dash offers an innovative solution for users to access, save or borrow money, make payments and purchase insurance easily on-the-go. Dash integrates three important components – banking, payments and shopping – on the mobile platform. By bringing together other players in the banking and retail sectors, we are able to deliver a differentiating user experience.



Optus has made watches and smartphone even smarter by launching Cash by Optus, a contactless payment app that uses Near Field Communication (NFC) and Visa payWave technology. Our customers can now pay for those everyday purchases below A\$100 using a smartphone instead of a physical debit or credit card.

## LOOKING AHEAD

Our targets for an enhanced customer experience are as follows:



#### Customer satisfaction

Lead in 'Customer Experience' in major customer satisfaction measurement tools and indices over tier one telcos in Singapore and Australia



#### Product and service quality

Invest in our networks to achieve targeted network quality standards



#### Innovation

Develop new revenue streams and lines of ICT and Digital businesses from new products, innovation, partnerships and capabilities

## RESPONSIBLE PRODUCTS AND SERVICES

The Singtel Group strives to reduce the negative impact of our products and services. For us, responsibility encompasses safety, privacy and fair communications for our stakeholders in the marketplace.

### CUSTOMER HEALTH AND SAFETY DMA

We take any potential risk to the health and safety of our customers very seriously. It is perceived that the telecommunications industry might pose a risk to health and safety of people due to the emission of Electromagnetic Energy (EME) from mobile devices, base stations and tower infrastructure.

Since the 1990s, there has been a lot of research on EME and we keep abreast of the latest developments and publications. The World Health Organisation (WHO) has been active in promoting such research and awareness. They state that while several scientific studies have been performed over the last two decades to assess potential health risks, there is currently no conclusive evidence regarding adverse health effects caused by mobile phone usage.

### Our Compliance Efforts

While there is no substantiated evidence of health risks at large, perceived health risks can still be a concern for our customers, the community and regulators. We take necessary precautions to ensure compliance with local and global standards. We continue to monitor research findings on EME risks and their implications on relevant standards and regulations in the markets where we operate and the rest of the world.

In Singapore, the Radiation Protection & Nuclear Science Department (RPNSD), an office of the National Environment Agency (NEA), is responsible for all matters relating to EME exposure. According to RPNSD, the levels of mobile phone radiation permitted in Singapore complies with the WHO's 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. The ICNIRP Standards are adopted by many countries around the world and are considered best practice.

Whenever there are concerns from the public or building owners, Singtel engages NEA to conduct measurements near the mobile base stations, antenna locations and the locations of concern. In FY2015, there were 11 cases and all the measurements conducted showed that Singtel's mobile base stations complied with the radio frequency (RF) radiation levels and safety guidelines set by ICNIRP. The mobile phone handsets sold at our Singtel Shops also comply with regulatory guidelines set out by RPNDS and IDA.

In Australia, we design and deploy our network to comply with the relevant Federal Government mandated standards for exposure to EME. These standards are formulated and regularly reviewed by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). ARPANSA is part of the Commonwealth Department of Health. ARPANSA's Standards are based upon those recommended by the ICNIRP. G4-15

We also conduct audits of base stations and undertake predictive EME modelling and testing to ensure compliance at our sites with the Australian standards. All of our sites have EME reports available to the public at [www.rfnsa.com.au](http://www.rfnsa.com.au). PR2

## CUSTOMER DATA PRIVACY AND PROTECTION DMA

In our ICT industry, customer trust is a key aspect of what our brand stands for. Hence, customer privacy and data protection is a big focus across our operations and supply chain. This goes beyond just meeting regulatory and compliance requirements, but embedding clear policies, systems, processes and checks within our organisation.

Data privacy and protection is of paramount importance to our consumer and enterprise customers. Due to the nature of our business and industry, we hold a lot of customer information and we strive to keep their information secure. Our policy is to be open and transparent about how we collect, use, and disclose our customers' personal data.

### Investing in Data Protection

In Singapore, the full Personal Data Protection Act (PDPA) came into effect in July 2014. The data protection law comprises various rules governing the collection, use, disclosure and care of personal data. The Do Not Call Registry, which came into effect in January 2014, allows individuals to register their Singapore telephone numbers to opt out of receiving marketing phone calls, mobile text messages such as SMS or MMS, and faxes from organisations.

We conform to the PDPA and have invested S\$2 million to this effort. The steps that we have taken include the following: G4-15

- New policies have been developed for all staff to ensure that we meet the PDPA requirements.
- All employees must undergo mandatory training related to PDPA.
- Customers also expect our partners to protect their information, and we have introduced measures to ensure that our vendors and partners are PDPA-compliant.
- We have launched a feature on our customer portal to offer customers more control of what data can be used. They can select channels for receiving marketing messages from Singtel and our partners.
- A Data Protection Governance Committee, chaired by our Data Protection Officer, has been created to ensure that Singtel maintains full compliance with the PDPA.

We will continue to introduce measures to protect our customer privacy, for example, through compliance checks on our daily operations, and will work closely with our offshore and outsource partners. We will also continue to refine internal guidelines and drive awareness of the importance of privacy protection across the Group.

Optus reported three data privacy incidents in 2014 to the Office of the Australian Information Commissioner (OAIC), including what we did to address the specific incidents and improve our overall processes. On 26 March 2015, Optus committed to continuous improvement through offering an enforceable undertaking to the OAIC.

We did not record any substantial case of privacy breach in Singapore. PR8





Monitoring cyber risks at the Singtel FireEye Advanced Security Operations Centre

### Investing in Cyber Security

We aim to be a global cyber security service provider who can meet the diverse needs of governments and enterprises with trusted and differentiated solutions.

We have been building our capabilities organically and through investments and partnerships. In October 2014, we formed a partnership with FireEye, a global leader in managed cyber defence capabilities. Both companies will train up to 150 cyber security experts to enhance this ecosystem in Asia Pacific.

We also announced a five-year partnership with the Economic Development Board and will invest S\$500 million over the next five years and hire 1,000 engineers as part of a three-pronged strategy to build strengths in cyber security, smart cities and analytics.

### FAIR MARKETING COMMUNICATIONS DMA

We recognise that adopting fair marketing practices and transparency in the way we communicate can contribute to building trust and loyalty among our customers and develop positive word-of-mouth.

We have installed interactive screens in our retail stores to keep customers informed of the latest deals and promotions across Singapore and Australia. This also helps us with our efforts to reduce in-store paper brochures. Customers are alerted to the many complimentary Value-Added Services (VAS) when they sign a new contract with us. We send them SMS reminders before the promotion is about to end with an option to subscribe to or cancel the VAS.

We strive to ensure that our advertising and promotional materials comply with Singapore advertising guidelines and the Australian regulations. Our people in Australia undertake online compliance training annually and those who deal directly with our competitors have additional training on anti-competitive conduct.

In March 2015, we discovered that an agency and our staff had run a negative online media campaign against our competitors in Singapore. We immediately acknowledged the incident and issued an apology. We ceased working with the agency and the staff member involved is no longer with the company. PR7

We implemented measures to ensure that our staff and business partners understand and adhere to the high standards of professional values and integrity in the way we conduct our business. Our marketing policy is to focus on the strengths and differentiators in our products and services, and not to criticise our competitors.

## LOOKING AHEAD

Our targets for ensuring responsible products and services in FY2016 are as follows:



#### Customer health and safety

Maintain 100% compliance with RF radiation levels and safety guidelines set by local regulators and ICNIRP



#### Customer data privacy and protection

Reinforce the importance of information security and data privacy policy and framework at all levels of the company, and ensure compliance in relevant areas of our supply chain



#### Fair marketing communications

Strengthen internal controls to ensure that we and our partners uphold the highest standards of professional values and integrity



## CORPORATE GOVERNANCE AND ETHICS G4-56

Corporate governance, transparency and business ethics are at the core of the Singtel Group. We continue to receive recognition and accolades for our commitment and performance in these areas. For example, our sustainability efforts have been recognised through the inclusion of Singtel in the Dow Jones Sustainability Australia Index 2014 and the 2015 World's Most Ethical Companies ranking by Ethisphere Institute.

Our Audit Committee provides Board-level oversight of the adequacy and effectiveness of our fraud risk management framework, policy and process, including review of significant investigations into incidents of alleged fraud and corruption and whistleblower complaints.

We ensure that the Group's zero tolerance policy towards fraud, corruption and unethical actions is strictly adhered to. Our Group policies on Fraud Investigation and Whistleblower help with our fraud risk management. We conduct fraud and control awareness programmes throughout the year to constantly refresh and update our people in this area. All new hires are required to complete a fraud awareness training via e-Learning within one month of joining the company. Our whistleblower hotlines allow staff and any external party at any location to report any incident of misconduct.

Despite such controls and measures, there had been occasional instances of policy breaches. In Singapore, there was an incident of two employees from NCS, our ICT arm in Singapore, colluding with a vendor to create fictitious invoices. In Australia, there were two incidents involving contract value inflation and supplier preference. When these cases came to our knowledge, we immediately launched independent internal investigations, reported the matters to the police and terminated the services of the staff involved.

We disclose the high level nature of such incidents as part of our corporate transparency. We are however not at liberty to disclose specific details as these could prejudice ongoing investigations by the relevant authorities or criminal trials.

We also terminated our relationship with a blog advertising network agency for executing an online social media campaign in Singapore that ran against our business practices and code of ethics (page 21).

## SUPPLY CHAIN MANAGEMENT DMA

The Singtel Group is committed to collaborating with transparent, ethical, and environmentally and socially responsible suppliers. In our ongoing efforts to improve the way we purchase goods and services, our preference is to procure from vendors who currently are or working towards being responsible and sustainable companies.

### OUR SUPPLY CHAIN G4-12

The Singtel Group has extensive infrastructure and connectivity through our investments in our fixed and mobile networks, international submarine cables and satellites, data centre facilities, and IT and customer care delivery centres.

We contract local and global vendors for our different lines of businesses. In FY2015, we contracted around 6,000 suppliers worldwide. For our mobile services, which contribute the bulk of the Group's revenue, we work mainly with network infrastructure and equipment suppliers as well as handset and device manufacturers.

Similarly, for fixed broadband and pay TV services, our key suppliers include modem, router and other related-equipment such as set-top box suppliers. Our main suppliers for digital and entertainment services are advertising agencies and content providers.

### GOVERNING SUSTAINABILITY IN OUR SUPPLY CHAIN

The Group CSR unit works closely with Group Procurement to improve awareness of sustainable supply chain requirements. Key suppliers are assigned vendor governance officers (VGOs) to review vendor performance. VGOs cover economic, quality, and risk aspects and support communication and delivery of vendor-related CSR initiatives. We promote ethical behaviour and sustainability awareness with suppliers through our Group Supplier Code of Conduct and CSR surveys.





- Compliance of all suppliers with our Supplier Code of Conduct which includes:
  1. ILO Conventions on Human Rights
  2. Convention on the Rights of the Child & ILO Minimum Age Convention
  3. Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention
  4. BizSAFE Enterprise certification as part of the Workplace Safety and Health Act (WSHA) in Singapore
- Supplier CSR surveys and audits to monitor supplier compliance with our Supplier Code of Conduct and report on additional sustainability-related issues. In FY2014, Singtel conducted CSR surveys on five of our 22 Key Vendors. The surveys covered all five reporting aspects as compared to three in the audits, but with lesser depth. Both focus on labour rights and environment, followed by human rights, and society and product responsibility issues.

As our business expands into new markets, products and services, our supply chain grows in reach and complexity. The materiality assessment conducted during the year has identified that stakeholders expect us to ensure responsible management of our supply chain.

As we established the Group's Sustainable Supply Chain Framework (Figure 5.1), to ensure focus and priority, we factored in the important topics identified from our materiality assessment that are the most relevant to our supply chain. We considered our vendor and category spend, the risks in the geography of their operations as well as regulatory compliance. For in-depth reviews and audits, we decided to place a lower priority on the global tier one network and device equipment suppliers as these companies generally have well established supply chain practices.

Figure 5.1

Top Material Topics Relevant to Supply Chain

Top Vendors by Spend and Categories

Higher Risk Geographies

Higher Regulatory Compliance

**INITIAL PRIORITY FOCUS**

Supplier Code of Conduct and Self Assessment

Updated Code approved by Group Chief Procurement Officer for implementation in FY2016

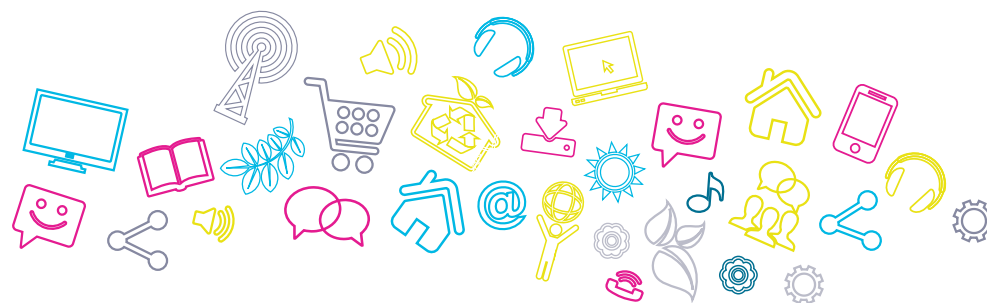
Network Delivery and Field Operations Vendors

Reviews completed in Singtel and Optus in FY2015

Offshore and outsource vendors:

- \* IT Development and Support
- \* Contact Centres and BPO

Commenced scoping with Optus Customer Operations and Group IT

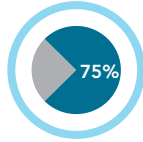


## LOOKING AHEAD

We target to implement the new Sustainable Supply Chain Management framework to effect the following:



100% of new contracts to adopt the Singtel Group Supplier Code of Conduct



Suppliers comprising 75% of our total procurement expenditure will be assessed against key material topics



Assurance review of relevant offshore/outsource suppliers

In the coming year, we will update our Supplier Code of Conduct with a more comprehensive coverage of the material aspects and ensure that all key aspects of the UN Global Compact principles are covered. Singtel has been a signatory of the UN Global Compact since 2007, supporting its principles for human rights, environment and anti-corruption. All new supplier contracts going forward will adopt the new Singtel Group Supplier Code of Conduct. G4-15 HR10

In the next two years, our focus will be on undertaking additional on-site reviews and assurance on customer data privacy and protection as well as workplace health and safety policies and practices at our offshore IT and contact centres. We will also ascertain other parts of our supply chain to concentrate on for the next phase, focusing on 75% of our total supplier expenditure and mapping out the associated risks. This is an extension of our effort in FY2015 when we completed reviews and audits of our major network contractors and vendors undertaking our infrastructure rollout in Australia and Singapore for compliance with workplace health and safety standards and policies.

We will conduct an Environmental Life Cycle Analysis in FY2016 (See Environment Chapter, page 44) to better understand the material environmental aspects throughout our business. At the same time, we will update our supply chain actions with environmental considerations in the next phase.

We acknowledge that instilling higher standards in the supply chain is not an overnight process. Such standards take time to embed within our internal operations as well as those of our vendors. Hence, our philosophy is that our supply chain relationships around sustainability issues should be collaborative and not adversarial in nature, as we take steps towards achieving our goal.

