SINGTEL GROUP

SUSTAINABILITY REPORT 2015

Singtel

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ABOUT
THIS REPORT

Over the last five years, Singapore Telecommunications Limited (Singtel) has been publishing annual Sustainability Reports for our operations in Singapore, where Singtel is headquartered. These reports covered the company's strategies, initiatives and performance in relation to environmental, social and governance issues. (G4-3) (G4-5) (G4-7) (G4-29)

This is the first Singtel Group Sustainability Report covering the sustainability performance of Singtel's business in Singapore and Optus, our wholly-owned subsidiary. Optus continues to produce a standalone Sustainability Report that gives details on our sustainability programmes in Australia (www.optus.com.au/about/sustainability/reports). (G4-17)

All data, statistics and improvement targets are in relation to the Group's operations in Singapore and Australia unless stated otherwise. Group-level figures are in Singapore dollars, using the exchange rate of A$1 to S$1.1234. This report is for the financial year 1 April 2014 to 31 March 2015 (FY2015) and will be published on an annual basis. The reported numbers at the Group level this year will form the baseline for trend analysis in subsequent reports. (G4-28) (G4-30)

GRI GUIDELINES
Based on an extensive Group-wide materiality assessment, this report has been prepared to be "in accordance with GRI G4 – Core Level". The GRI content index and the relevant references are provided on page 46. (G4-15)

EXTERNAL ASSURANCE
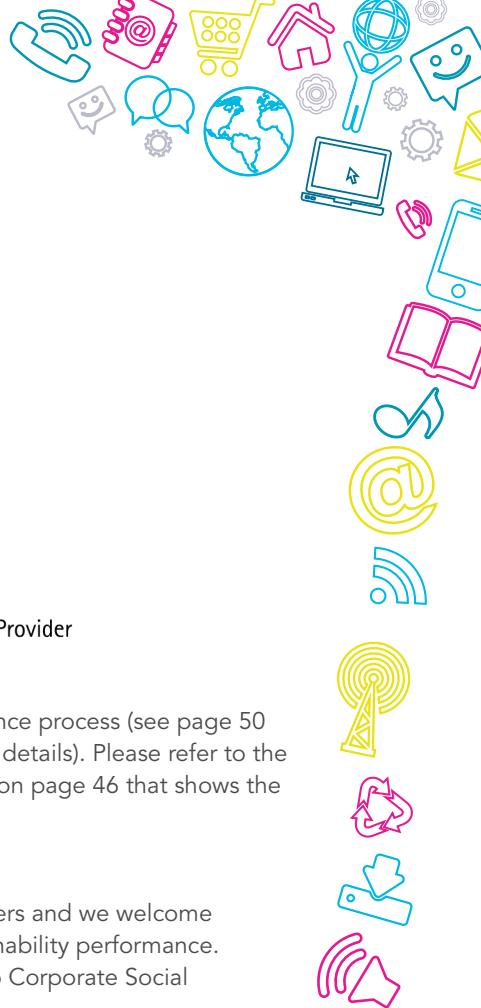
The report has been subjected to an external assurance process (see page 50 for the independent assurance statement and scope details). Please refer to the external assurance column of the GRI content index on page 46 that shows the assurance coverage of the performance indicators.

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 Corporate Social Responsibility (CSR), at csr@singtel.com. (G4-31)

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MESSAGE FROM GROUP CEO G4-1

2015 is a special year for Singapore as our nation celebrates its 50th birthday. This is testament to Singapore's understanding of sustainability – how a small country with limited natural resources has successfully embedded sustainability into its socio-economic development, allowing us all to enjoy a high quality of life in our famed garden city.

We at Singtel are proud to have played a pivotal role in helping Singapore to become a world-class telecommunications and media hub. Over the past 50 years, we have continuously looked for ways to contribute to the ongoing success and well-being of our country and people. And we still are.

OUR CUSTOMER EXPERIENCE PROMISE

Rapid technological changes have been the only 'constant' in our industry – with higher speed networks, smart devices and countless mobile applications that are now a part of our daily lives. These developments continue to transform how our customers work, play and live their lives.

In January this year, we made a new promise to improve and enrich our customers' lives and embraced a new brand identity to express this renewed commitment. We want to provide even better service, better content, better technology and seamless experiences. We believe every small effort makes a big difference to our customers.

CHAMPIONING CYBER WELLNESS AND ONLINE SECURITY

While our industry has brought positive change to people's lives and businesses, cyber wellness and online safety of children and youth is an area of increasing concern for many parents. Cyber wellness is a topic that the Board and Management are passionate about. As a responsible corporate citizen and leading communications provider in this region, we believe we can play a key role in raising awareness of the pitfalls of digital media technologies such as gaming addiction and cyber bullying.

During the year, we launched notAnoobie, a mobile app in English and Chinese for parents containing valuable information, tips and success stories on cyber bullying, gaming, inappropriate content and online privacy. Parents can now use this resource to help their children navigate the internet, protect themselves from potential dangers and be responsible netizens.

We've also partnered iZ HERO Labs to bring their UNESCO award winning cyber wellness programme to Singapore primary schools for the first time – engaging children on the topic in a fun and interactive manner. In Australia, our very own Optus Digital Thumbprint Programme that teaches high school students to be responsible members of the online community continues to gain traction and has reached more than 54,000 students in the last 18 months.

Our customers remain interested in understanding what we do to protect their data in our organisation's systems and processes and in our supply chain. The Group continues to enhance our policies, processes and practices in our operations to comply with and exceed the required standards. In FY2016, we will extend this review into our supply chain.

Enterprise customers and governments are also concerned with cyber security of their operations. We have extended our ICT capabilities into offering cyber security solutions to our enterprise customers. Our portfolio has been further strengthened through the acquisition of cyber security technologies and companies.

WIDENING OUR CONTRIBUTION AND REACH INTO THE COMMUNITY
As the nation celebrates SG50 to mark its 50th year of independence, we have also reaffirmed our commitments to the community.

Over the past 13 years, we have contributed over S$30m in cash to support the education of children with special needs in Singapore through our Singtel Touching Lives Fund.

In FY2015, the Singtel Group contributed S$20 million to community causes across Singapore and Australia through cash, staff volunteering hours, services-in-kind and also government's SG50 matching grants.

Part of this comprised a new community investment of S$1.1 million to build the Singtel Enabling Innovation Centre (SEIC), located at the SG Enable Village. The SEIC will support the training of persons with disabilities in IT and contact centre skills, and support their transition to work. In addition, the SEIC will host an incubation facility to encourage and support social entrepreneurs and innovation development that can aid the employability and productivity of persons with disabilities in the workforce. Singtel staff will also volunteer time and expertise at the centre.

Our employees continue to take an active role in our community, as individuals or as a team. During the year, our staff contributed more than 26,600 of volunteering hours supporting the community – from organising a carnival for 500 children from our STLF beneficiaries, sculpting balloons for disadvantaged kids, to mentoring youths from vulnerable backgrounds in Australia and even rebuilding homes destroyed by natural disasters in the Philippines.

Singtel is proud to be a major sponsor of the 2015 South East Asian Games. We have also contributed S$20 million to the recently opened National Gallery Singapore. This contribution will help the Gallery bring art from internationally renowned museums right to the doorsteps of Singaporeans, furthering too our national ambition to be an Arts hub for Asia.

BUILDING A FUTURE TALENT PIPELINE FOR THE NATION
People, our human capital, remain the most important asset especially as we adapt to the changing business environment. At Singtel, we play a role in talent pipelining not just for our own business needs but also for the broader industry and country.

In January this year, we introduced a diploma scholarship programme in support of SkillsFuture, a national initiative to help Singapore through its next phase of growth with an integrated system of education, training and career progression for all Singaporeans. The Singtel Cadet Scholarship Programme will fund 90 diploma scholarships to nurture young talent in the areas of Engineering, Cyber Security, Data Analytics and Customer Experience. The scholarships, which will start this year, are worth up to S$2 million a year and provide students with industry-relevant training, as well as employment and progression opportunities.

SUSTAINABILITY ACROSS THE REGION
Our efforts in sustainability don't just stop at Singapore and Australia. As a Group, we have worked closely with our regional associates, contributing cash, services and equipment when unfortunate natural disasters hit their territories. Our Overseas Volunteering Programme is now into its fifth year. More than 70 staff volunteers from Singapore and Australia, together with volunteers from our regional associates AIS and Globe, have helped to rebuild communities devastated by disasters in the Philippines and Thailand.

Through our forum for regional CSR collaboration, we have identified interest and opportunities to extend our cyber wellness programme with our associates as they also recognise the growing concern around this issue especially with the rapid adoption of smart devices among their younger customer segment.

ENGAGING AND LISTENING TO OUR STAKEHOLDERS

In the past 12 months, we have conducted a materiality review and engaged our stakeholders to understand what other areas of concerns they have relating to sustainability – be it in our telecommunications industry or other global issues they believe could impact our ecosystem. The review validated many of the topics that we previously reported on, such as customer experience, cyber wellness and talent development.

In this report, we discuss issues that are important to both our external and internal stakeholders, such as ensuring a sustainable supply chain and how the Singtel Group is managing them.

MINIMISING OUR IMPACT ON THE ENVIRONMENT

As our networks grow from coverage expansion and proliferation of data services, we recognise that we have an increasing impact on the environment mainly as a result of increasing electricity consumption, our main carbon impact, as well as packaging and disposal of electronic waste. Our infrastructure is also increasingly subject to impact from the frequency of natural disasters such as cyclones, which could be related to climate change.

To minimise our impact on the environment, we have taken the first step to establish a Group Environment Strategy, and within that, an Energy Management Strategy. While there is still much to be done in this area, our initial efforts have helped the Group to be listed in CDP 2014 with a score of 80B, an improvement from 76C in the previous year and the second highest ranking for Singapore companies that undertake carbon reporting. The index recognises global companies for achievements and transparency in tackling climate change and its scores are based on disclosure and performance.

This year, we intend to undertake a life cycle analysis to better understand the environmental impact of our business through our whole value chain. We will also undertake a review of our infrastructure and operations to identify where we need to further adapt the business in response to climate change.

INTO THE FUTURE

We recognise that our reputation and long-term success depend on how we respond to the social and environmental expectations of our stakeholders at home and throughout the world.

We are excited by the opportunities that our continuous reviews have identified, and we remain committed to building a sustainable business and growing with you and all our stakeholders.

We look forward to more discussions with you in the coming months, and I thank you for your continued support all these years.

CHUA SOCK KOONG
Group Chief Executive Officer

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ABOUT THE SINGTEL GROUP

The Singtel Group 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, Australia and Africa with over 550 million mobile customers in 25 countries, including India, Indonesia, the Philippines and Thailand. We also have a vast network of offices throughout Europe and the United States. Singtel is listed on the Singapore Exchange (SGX) and the Group employs more than 23,000* people worldwide, with about 10,000 employees in Singapore and 9,000 in Australia.

G4-6 G4-7 G4-8 G4-9

OUR BUSINESS UNITS G4-4

GROUP CONSUMER
Consolidates the Group's consumer-related functions, including our international business in the emerging markets.

GROUP DIGITAL LIFE
Drives the Group's efforts to be at the forefront in the digital space, focusing on creating new revenue platforms for the Group, such as premium over-the-top video, digital marketing and advanced analytics.

GROUP ENTERPRISE
Provides innovative and comprehensive ICT solutions to the Group's enterprise customers across geographical boundaries.

CORPORATE VISION AND MISSION
The Singtel Group aspires to be Asia Pacific's best multimedia and ICT solutions group. Creating and delivering value to our customers, employees and shareholders is fundamental to our business.

We help people and enterprises stay connected all the time, no matter where they are, by making communications easier, faster and more reliable.
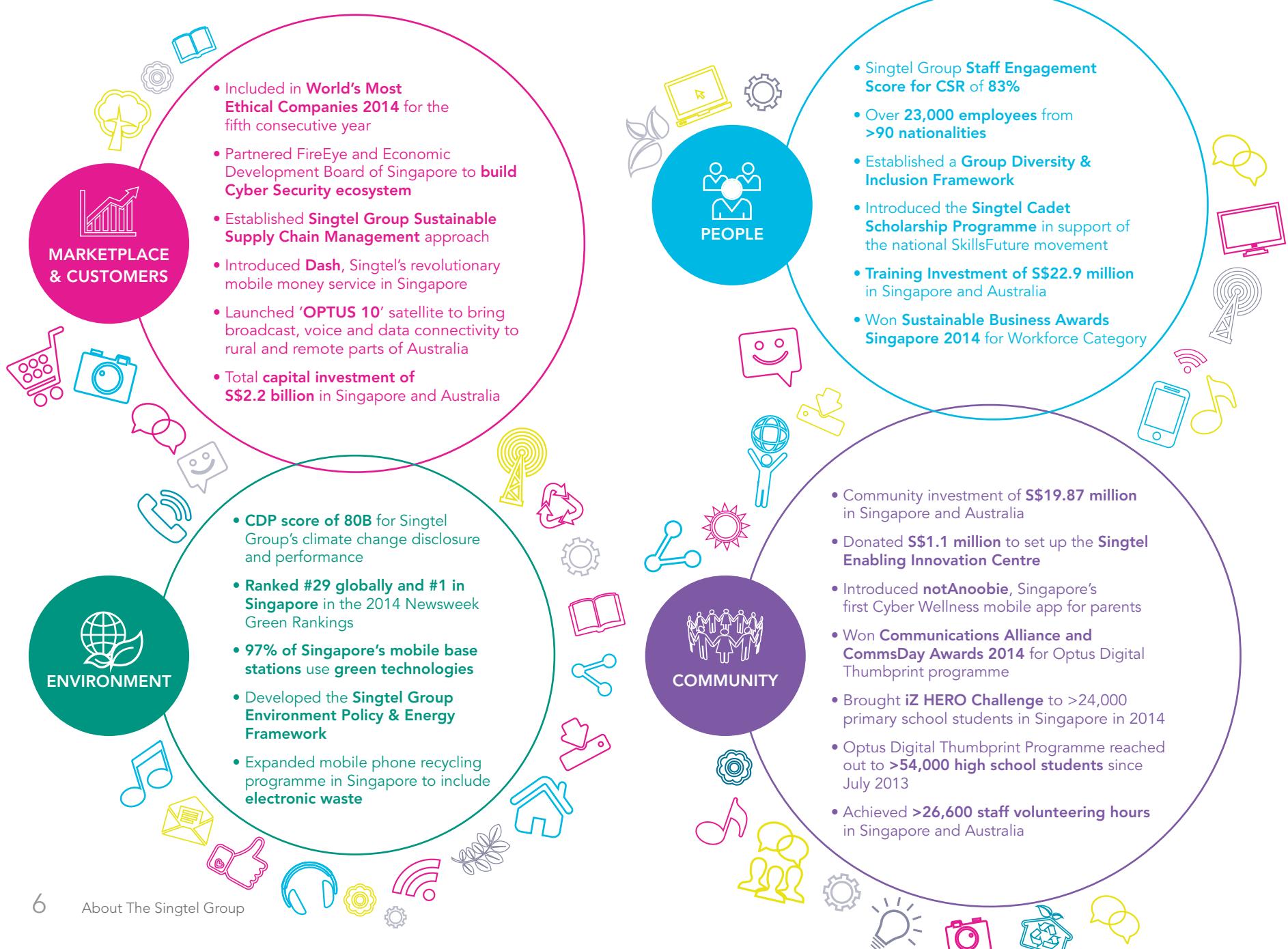
OUR CORE VALUES G4-56
The Singtel Group's core values form the foundation of our culture and the way we do business and go to market. The five core values of Customer Focus, Challenger Spirit, Teamwork, Integrity, and Personal Excellence are the bedrock of our corporate strategy and drive our sustainability 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.

* This includes employees based outside Singapore and Australia.

FY2015 KEY HIGHLIGHTS

MARKETPLACE & CUSTOMERS

- Included in **World's Most Ethical Companies 2014** for the fifth consecutive year
- Partnered FireEye and Economic Development Board of Singapore to **build Cyber Security ecosystem**
- Established **Singtel Group Sustainable Supply Chain Management** approach
- Introduced **Dash**, Singtel's revolutionary mobile money service in Singapore
- Launched '**OPTUS 10**' satellite to bring broadcast, voice and data connectivity to rural and remote parts of Australia
- Total **capital investment of S$2.2 billion** in Singapore and Australia

PEOPLE

- Singtel Group **Staff Engagement Score for CSR** of 83%
- Over **23,000 employees** from **>90 nationalities**
- Established a **Group Diversity & Inclusion Framework**
- Introduced the **Singtel Cadet Scholarship Programme** in support of the national SkillsFuture movement
- **Training Investment of S$22.9 million** in Singapore and Australia
- Won **Sustainable Business Awards Singapore 2014** for Workforce Category

ENVIRONMENT

- **CDP score of 80B** for Singtel Group's climate change disclosure and performance
- **Ranked #29 globally and #1 in Singapore** in the 2014 Newsweek Green Rankings
- **97% of Singapore's mobile base stations** use **green technologies**
- Developed the **Singtel Group Environment Policy & Energy Framework**
- Expanded mobile phone recycling programme in Singapore to include **electronic waste**

COMMUNITY

- Community investment of **S$19.87 million** in Singapore and Australia
- Donated **S$1.1 million** to set up the **Singtel Enabling Innovation Centre**
- Introduced **notAnoobie**, Singapore's first Cyber Wellness mobile app for parents
- Won **Communications Alliance and CommsDay Awards 2014** for Optus Digital Thumbprint programme
- Brought **iZ HERO Challenge** to >24,000 primary school students in Singapore in 2014
- Optus Digital Thumbprint Programme reached out to **>54,000 high school students** since July 2013
- Achieved **>26,600 staff volunteering hours** in Singapore and Australia

FY2015 SUSTAINABILITY PERFORMANCE HIGHLIGHTS G4-9 EC-1 LA-6 LA-9

Performance Indicators	FY2015		
	Singtel	Optus	Singtel Group
Marketplace and Customers			
Capital investment ($million)	S$789	A$1,280	S$2,240
Mobile network investment ($million)	S$233	A$793	S$1,132[1]
Community			
Community Investment ($million)	S$10.1	A$8.7	S$19.87
Total staff volunteering hours	15,109	11,505	26,614
People			
Total employees by gender			
Male	62%	68%	65%
Female	38%	32%	35%
Employee turnover (%)	13%	10%	12%
Total training investment ($million)	S$10.0	A$11.5	S$22.9
Average training hours per employee	33.3	32.2	32.8
Employee health and safety			
Workplace injury rate[2]	141.4	257.0	185.2
Accident frequency rate[3]	0.4	0.8	0.5
Accident severity rate[4]	7.3	16.6	10.6
Environment			
Total energy use (GJ)	1,338,904	1,533,360	2,872,264
Energy intensity (GJ/S$million revenue)	182	155	167
Total carbon emissions (tCO$_2$e)	176,454	402,750	579,205
Carbon Intensity (tCO$_2$e/S$million revenue)	24	41	34
Water use (m^3)	691,389	60,422[5]	751,811
Total waste, hazardous and non-hazardous (tonnes)	4,015	1,425	5,440
Economic Performance (S$million)			
Revenue	7,348	9,875	17,223
Operating costs	5,262	7,022	12,284
Staff costs	1,273	1,188	2,461
Tax expense	1,092	418	1,510
Net profit	2,840	942	3,782

[1] Exchange rate of A$1 = S$1.13359.
[2] Refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed (figures used are victim-based).
[3] Refers to the number of workplace accidents per million man-hours worked (figures are incident-based).
[4] Refers to the number of man-days lost to workplace accidents per million man-hours worked.
[5] Water use includes Optus Campus Sydney only.

LOOKING AHEAD

Based on the 13 important topics resulting from our materiality assessment conducted in FY2015 (page 13), we have set the following targets across our four sustainability pillars.

Marketplace and Customer

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

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

Sustainable Supply Chain Management
- 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

Community

Inclusion of Vulnerable Groups
Continue with our inclusion community support programmes

Cyber Wellness and Online Safety
Expand the scope and reach of our cyber wellness programmes in Singapore and Australia

People

Talent Attraction and Retention
Increase pipeline and intake for management associates and cadets, and improve retention of talent pool

Training and Education
Maintain at least 30 hours of training per employee per year

Employee Health and Safety
Improve employee health and well-being, and reduce workplace injury and accident rates

Environment

Climate Change and Energy Management
- Assess the long-term energy impact of new procured technologies within our operation
- Establish e-waste recycling capability for the broader scope of e-waste
- Conduct environment life cycle impact and climate change adaptation exercise

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.
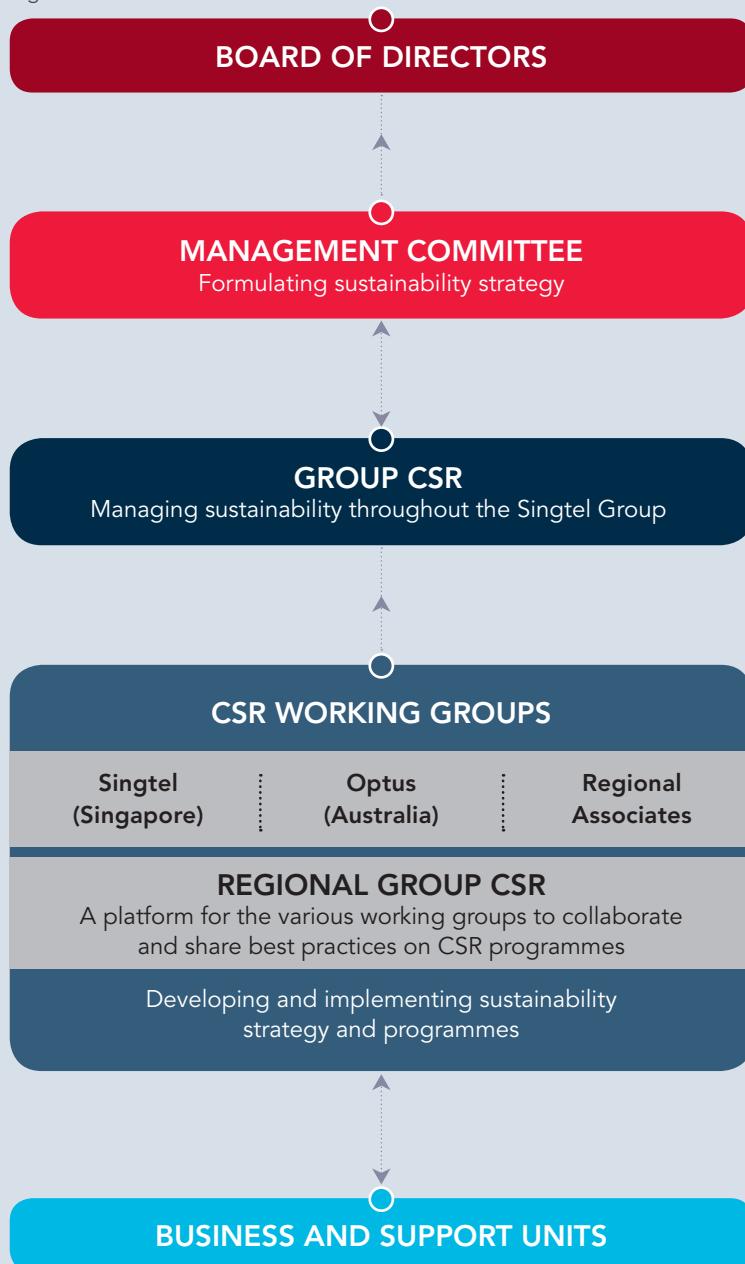
GOVERNANCE STRUCTURE G4-34

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

BOARD OF DIRECTORS

MANAGEMENT COMMITTEE
Formulating sustainability strategy

GROUP CSR
Managing sustainability throughout the Singtel Group

CSR WORKING GROUPS

Singtel (Singapore)	Optus (Australia)	Regional Associates

REGIONAL GROUP CSR
A platform for the various working groups to collaborate and share best practices on CSR programmes

Developing and implementing sustainability strategy and programmes

BUSINESS AND SUPPORT UNITS

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)

Civil society/Not-for-Profit/VWOs
- Example: Regular discussions with various Voluntary Welfare Organisations (VWOs) to identify support needs and trends

Customers
- Monthly Singtel customer experience survey

Employees
- Quarterly staff briefings
- Annual staff engagement survey

Government and regulators
- Participation in consultation process
- Business roundtables to provide input on policy aspects

Industry bodies
- Presentations at industry seminars
- Active membership in various industry bodies

Investors
- Annual General Meeting
- Quarterly updates on financial results
- Half-yearly investor roadshows by Top Management

Media
- Regular interview sessions by Management

Trade unions
- Regular Management-Union dialogues
- Management-Union workshops and retreats

Suppliers
- Supplier Code of Conduct
- Supplier surveys

Important Topics and Stakeholders' Expectations	Stakeholders	Our Response
Governance and transparency • Lead in sustainability disclosure • Disclose more data to demonstrate Singtel's climate change resilience and preparedness		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).
Data privacy and protection • Be transparent about Singtel's data privacy and protection policies		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).
Customer health and safety • Provide information on health and safety impact of mobile base stations and usage		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).
Inclusion of vulnerable groups • 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		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).
Cyber wellness • Support media literacy and cyber wellness		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).
Training and education • Develop Singtel's talent pipeline through training and development		Attracting and retaining talent is our priority. We train and develop our people to their fullest potential (page 33–35).
Waste management • Encourage 'reduce, reuse and recycle' of handsets and hardware among consumers • Facilitate and enable the disposal of electronic waste		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).

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.
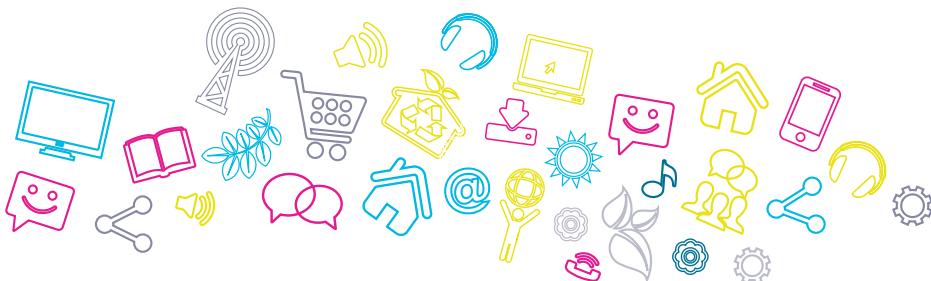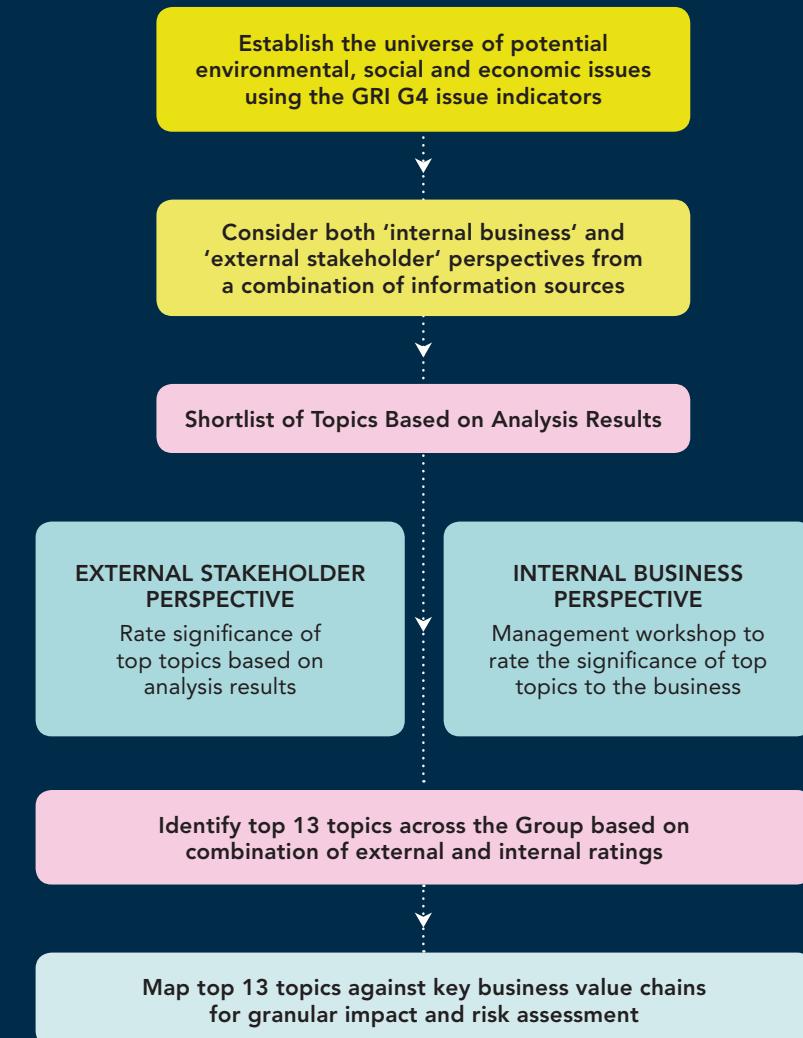
Figure 4.2: Materiality Assessment Process G4-18

Singtel Group's Materiality Assessment Process

Establish the universe of potential environmental, social and economic issues using the GRI G4 issue indicators

↓

Consider both 'internal business' and 'external stakeholder' perspectives from a combination of information sources

↓

Shortlist of Topics Based on Analysis Results

↓

EXTERNAL STAKEHOLDER PERSPECTIVE
Rate significance of top topics based on analysis results

INTERNAL BUSINESS PERSPECTIVE
Management workshop to rate the significance of top topics to the business

↓

Identify top 13 topics across the Group based on combination of external and internal ratings

↓

Map top 13 topics against key business value chains for granular impact and risk assessment

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
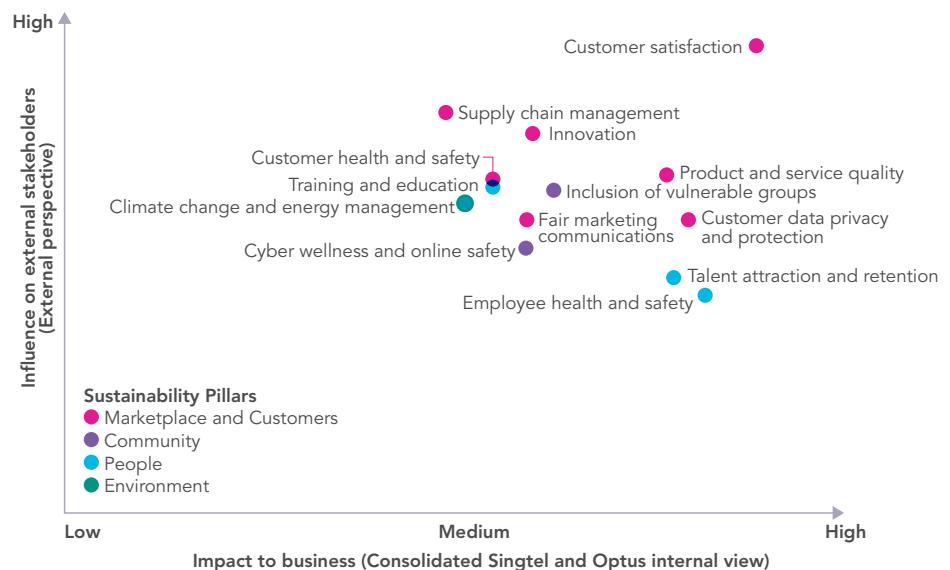
Table 4.2: Material Topics G4-20 G4-21

| 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
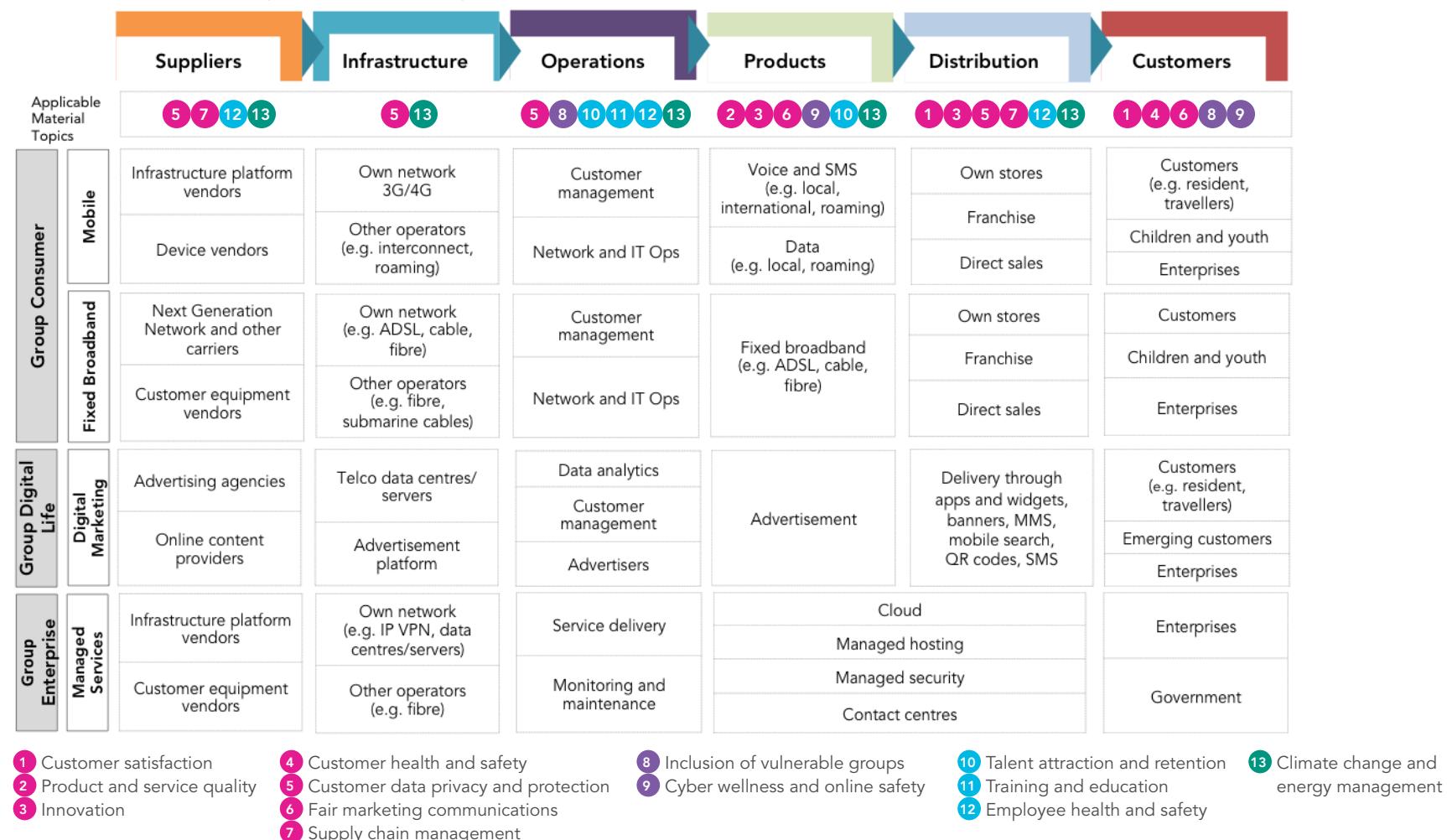
VALUE AND SUPPLY CHAINS ANALYSIS

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

	Suppliers	Infrastructure	Operations	Products	Distribution	Customers
Applicable Material Topics	5 7 12 13	5 13	5 8 10 11 12 13	2 3 6 9 10 13	1 3 5 7 12 13	1 4 6 8 9

Group Consumer

Mobile

| Infrastructure platform vendors | Own network 3G/4G | Customer management | Voice and SMS (e.g. local, international, roaming) | Own stores | Customers (e.g. resident, travellers) |
| Device vendors | Other operators (e.g. interconnect, roaming) | Network and IT Ops | Data (e.g. local, roaming) | Franchise / Direct sales | Children and youth / Enterprises |

Fixed Broadband

| Next Generation Network and other carriers | Own network (e.g. ADSL, cable, fibre) | Customer management | Fixed broadband (e.g. ADSL, cable, fibre) | Own stores | Customers |
| Customer equipment vendors | Other operators (e.g. fibre, submarine cables) | Network and IT Ops | | Franchise / Direct sales | Children and youth / Enterprises |

Group Digital Life

Digital Marketing

| Advertising agencies | Telco data centres/servers | Data analytics / Customer management | Advertisement | Delivery through apps and widgets, banners, MMS, mobile search, QR codes, SMS | Customers (e.g. resident, travellers) |
| Online content providers | Advertisement platform | Advertisers | | | Emerging customers / Enterprises |

Group Enterprise

Managed Services

| Infrastructure platform vendors | Own network (e.g. IP VPN, data centres/servers) | Service delivery | Cloud / Managed hosting / Managed security / Contact centres | Enterprises |
| Customer equipment vendors | Other operators (e.g. fibre) | Monitoring and maintenance | | Government |

1 Customer satisfaction
2 Product and service quality
3 Innovation
4 Customer health and safety
5 Customer data privacy and protection
6 Fair marketing communications
7 Supply chain management
8 Inclusion of vulnerable groups
9 Cyber wellness and online safety
10 Talent attraction and retention
11 Training and education
12 Employee health and safety
13 Climate change and energy management

05
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.
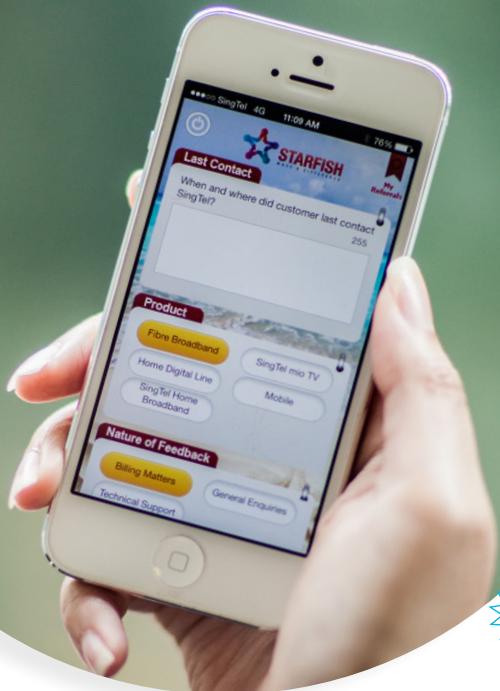
CUSTOMER SATISFACTION DMA

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.
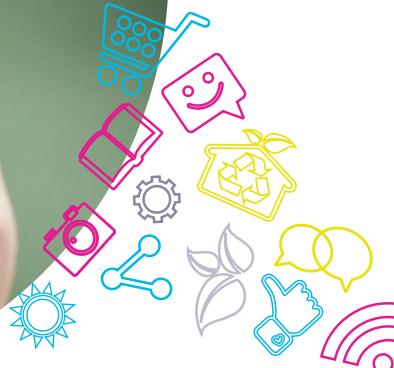
Understanding that our customers can be busy during the day, we have introduced options for booking appointments and service call-back according to their preferred times. We continue to promote self-service options for our customers to reduce waiting times during customer care and enquiry calls, including 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 dataroam 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.

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 RPNSD 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. [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.

The governance covers:
- 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.

RAISING THE BAR FOR A SUSTAINABLE SUPPLY CHAIN

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.
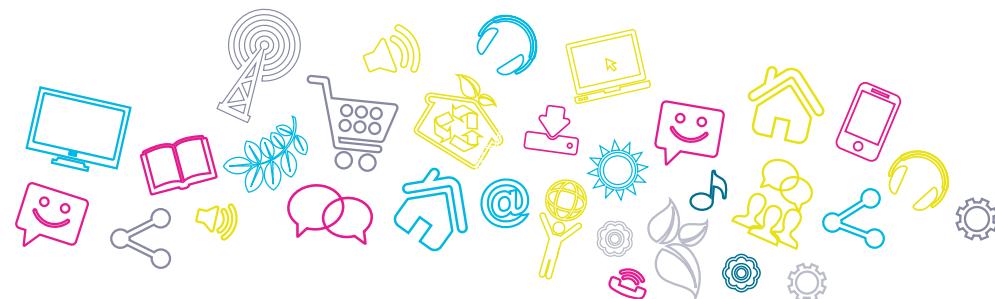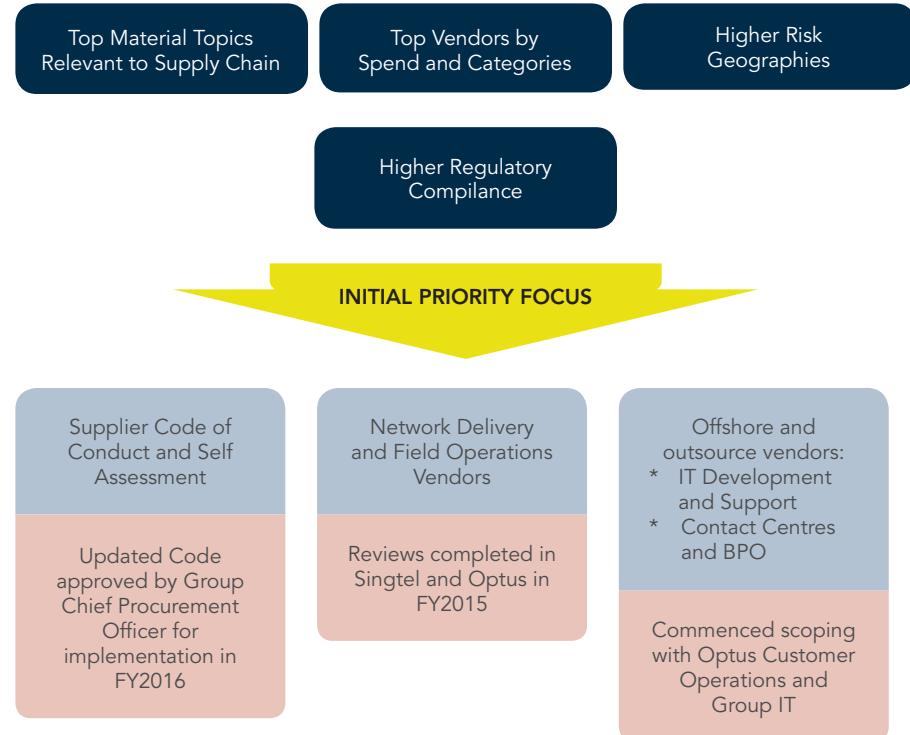
In FY2015, the Procurement teams in Singapore and Australia began working towards fully integrating and aligning policies, processes and systems under a One Procurement Framework for the Singtel Group. This provided the opportunity to update the overall management approach to holistically address other potential risks arising from the materiality assessment.

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.

This review framework identified customer data privacy and protection, and workplace health and safety as two key aspects in our supply chain. It also identified our network outsource vendors as well as overseas offshore and outsource IT development and contact centres as important areas of focus for these aspects.

Figure 5.1

**Singtel Group Sustainable Supply Chain Management Framework**

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

75%

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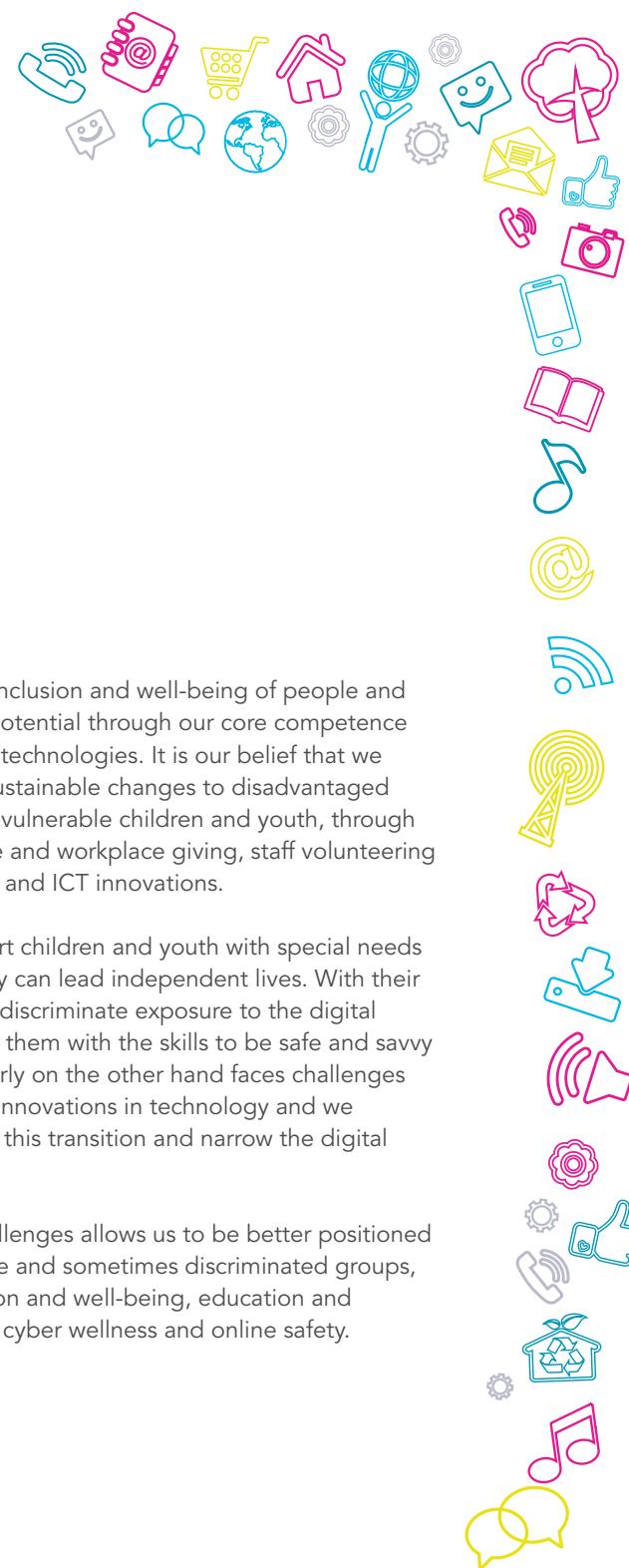
We acknowledge that instilling higher standards in the supply chain is not an overnight process. Such standards take time to embed within our internal operations as well as those of our vendors. Hence, our philosophy is that our supply chain relationships around sustainability issues should be collaborative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

06
COMMUNITY

The Singtel Group is committed to being a responsible corporate citizen in all the markets where we operate, driving positive and sustainable change for our communities.

SINGTEL GROUP COMMUNITY STRATEGY

To enable the inclusion and well-being of people, and help them realise their potential through our digital technologies and innovative programmes.

Cyber Wellness & Online Safety	Education & Employability	Inclusion & Well-being	Regional CSR Initiatives	Cash Donations
Funding (Singtel Touching Lives Fund & Optus Community Grants)	Staff Engagement (Volunteerism)	Capability & Competence	Product & Technology	Partners & Associates

OUR APPROACH

We want to enable the inclusion and well-being of people and help them realise their potential through our core competence in digital and infocomm technologies. It is our belief that we can drive positive and sustainable changes to disadvantaged communities, especially vulnerable children and youth, through the support of corporate and workplace giving, staff volunteering and leveraging our skills and ICT innovations.

Our programmes support children and youth with special needs in Singapore so that they can lead independent lives. With their broad and sometimes indiscriminate exposure to the digital world, we want to equip them with the skills to be safe and savvy digital citizens. The elderly on the other hand faces challenges in adapting to constant innovations in technology and we want to support them in this transition and narrow the digital generational divide.

Understanding such challenges allows us to be better positioned to assist these vulnerable and sometimes discriminated groups, focusing on their inclusion and well-being, education and employability, as well as cyber wellness and online safety.

INCLUSION AND WELL-BEING

Our community programmes aim to leverage our ICT core competence and our people through general and skilled volunteering.

INCLUSION OF VULNERABLE GROUPS (DMA)

In FY2015, we conducted a broad range of community programmes that supported these vulnerable groups. Singtel Group's total community investment* in FY2015 was S$19.87 million (Singtel S$10.1 million, Optus A$8.7 million), which included direct financial support, in-kind charitable sponsorships and staff time. (EC1)

In support of the Care and Share movement held in conjunction with Singapore's 50th birthday celebrations in 2015, Singtel contributed S$4.1 million towards Comchest. Of this amount, S$1.1 million was donated to SG Enable to set up and operate the Singtel Enabling Innovation Centre. This is the single largest contribution by a corporate donor to date. The other S$3 million is raised through Singtel Touching Lives Fund (STLF), our flagship philanthropy programme in Singapore.

Since 2002, STLF has been raising money for programmes that help children and youth with special needs. The current six beneficiaries are: APSN Chaoyang School, APSN Tanglin School, Cerebral Palsy Alliance Singapore School, Eden School, MINDS Lee Kong Chian Gardens School and the Singapore Cancer Society (SCS)'s Help the Children and Youth Programme. STLF has since raised over S$30 million for more than 20 beneficiaries.

In FY2015, Singtel also donated over S$1 million to non-STLF charitable organisations and about S$366,000 in-kind sponsorship of telecommunications and media services to charities and social enterprises in Singapore.

The 'yes' Optus Community Grants programme is our major initiative supporting inclusion and well-being of young Australians since 2008. We have given out 237 grants to organisations that work with these youths, amounting to over A$1.5 million. Each year, programmes supporting indigenous groups are well represented in the grants distributed.

During the year, we awarded 34 Optus Community Grants of up to A$10,000 each to not-for-profit organisations to help them with their good work. An example is the Cobram and District Special School with their Bluearth Active Kids programme that delivers structured fitness plans tailored for children with special needs, teaching them how to incorporate exercise into their daily routines and lead an active lifestyle.

Singtel Group CEO Chua Sock Koong (second from left) presenting Singtel's S$3 million donation to representatives of the SG50 committee and National Council of Social Service

* We adopted the London Benchmarking Group (LBG) Guidelines to assess and calculate our community investment

Bringing Joy to Children with Special Needs
At the second Singtel Carnival, our mass staff volunteering platform, 500 children from the STLF beneficiaries were treated to fun and games at 35 stalls organised and manned by 1,000 staff volunteers. This was a key activity under our VolunTeaming initiative, where employees volunteer at a department level. Many departments such as consumer sales, finance and treasury participated at this annual event.
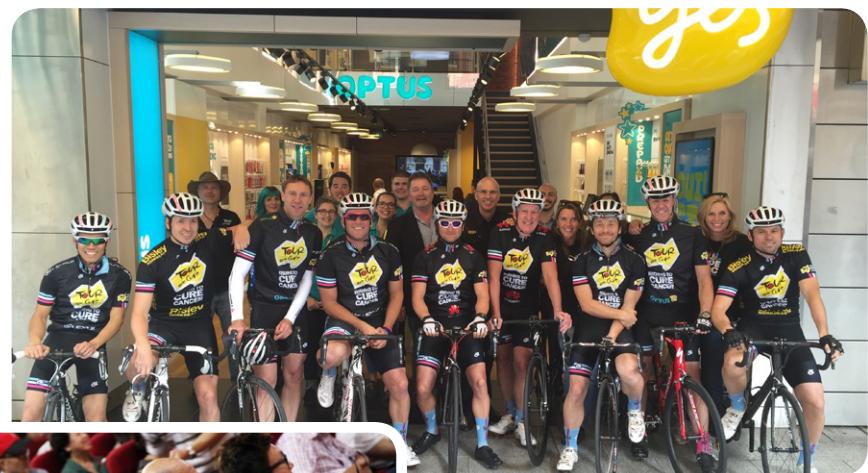
In-house talents became our carnival emcees, singers and dancers, as well as our popular staff balloon sculptors who twisted balloons into various shapes and figurines that were an instant hit with the children.

The Singtel Carnival provides a great opportunity for our people to interact with the STLF beneficiaries, and our volunteers look forward to bringing joy to these children!

The Singtel Group also supports the cancer cause given its pervasiveness in society. Besides supporting SCS' Help the Children and Youth Programme in Singapore since 2009, we are the title sponsor for the annual Race Against Cancer awareness and fundraising campaign that SCS has been organising for the past six years. In Australia, we supported Tour de Cure for the fifth year, a cycling marathon covering 1,576 kilometres from Sydney to Hobart over 10 days. More than 100 riders participated and six employees formed the Optus Tour De Cure team, raising A$365,000.

We conduct regular 'Silver Mobile Workshops' for the seniors in Singapore. We have reached around 6,000 seniors who attended 10 workshops since May 2014. At the workshops, they get to learn how to use a smartphone, apps such as instant messaging, and popular social media platforms like Facebook. They also learn online safety tips – how to protect their online privacy and be wary of online scams.

Optus Tour De Cure team rode from Sydney to Hobart over 10 days in support of cancer awareness

Attentive seniors learnt about smartphones and popular apps at our Silver Mobile Workshop

EDUCATION AND EMPLOYABILITY

In FY2015, we extended our education support for children with special needs to supporting the training needs of persons with disabilities and help them gain employment. This current gap in the social sector resonates with our community strategy.

We worked with national agency SG Enable and donated S$1.1 million to set up the Singtel Enabling Innovation Centre in Singapore. This is a community space with services and experts who assist young people to lead independent lives and enhance their employability. In addition, we will support the curriculum development and provide the expertise and time to support training programmes for the contact centre and ICT literacy courses at the facility, which is expected to be ready by end-2015.

Through staff crowdfunding and company matching in Australia, we raised A$10,000 to support an additional Australian Business and Community Network (ABCN) Scholarship. The ABCN Scholarship Foundation provides financial and mentoring scholarships to high potential students facing economic, family or social challenges that adversely affect their study or capacity to pursue their desired tertiary pathways. Our efforts meant that one more promising student was able to benefit from the scholarship, which covers school fees and other education-related expenses. G4-16

We continue to support The Smith's Family mobile student2student programme, a peer tutoring reading module that pairs students with reading difficulties with older students who act as their buddy readers. During the year, 500 students aged 8 to 14 read to their buddies using mobile phones supplied and powered by Optus. This intensive reading programme is conducted two to three times a week over 18 weeks in the school year. At the completion of the 2014 programme, 94% of students improved their reading skills and 90% of participants agreed their reading has improved since participation.

We are also committed to creating opportunities for indigenous people in the communities where we have presence. Recognising that direct regional employment opportunities are limited, we partnered Diversity Dimensions, whose Retail Ready Program provides young indigenous Australians with the skills and opportunity to apply for work in the retail sector. Local supermarket retailer Woolworths is also ready to accept suitable graduates of our sponsored training programme in Kempsey, New South Wales (NSW), which has a high indigenous population.

Optus supports The Smith's Family mobile student2student programme to help improve reading skills of students

Mr Yuen Kuan Moon (first from left), Singtel's CEO Consumer Singapore and STLF Chairman, at the SG Enable's ground breaking ceremony

CYBER WELLNESS AND ONLINE SAFETY (DMA)

Internet and mobile apps have brought significant benefits to everyone, whether it is access to information, entertainment and learning, or just keeping in touch. However, the unintended consequences are the associated risks that children and youths are increasingly becoming vulnerable to – cyber bullying, device, social network or gaming addiction, loss of privacy and access to inappropriate content.

The Singtel Group recognises the significance as well as the possible consequences of this issue. Hence, we strive to play a proactive role in educating customers and promoting cyber wellness and online safety especially among vulnerable children and youth. (SO2)

PROVIDING INFORMATION TO PARENTS

In July 2014, we introduced notAnoobie, a cyber wellness mobile app designed specifically for parents to gain a deeper insight into the digital space that their children are engaging in – both the benefits and pitfalls. Parents can then be in a better position to guide their children to be safer citizens in the cyber world.

It was co-developed with TOUCH Cyber Wellness, a not-for-profit organisation that provides cyber wellness services to youths. Available in English and Chinese, notAnoobie contains useful information, tips and success stories on gaming, social media and device addiction, online privacy, cyber bullying and inappropriate content.

REACHING OUT TO YOUNG CHILDREN

In FY2015, we became a strategic partner of iZ HERO Lab, whose award winning educational programme iZ HERO teaches young children to navigate cyber space safely. We piloted the iZ HERO Challenge from July to November 2014. Assembly talks, classroom sessions and web-based activities were used in a fun and engaging way to teach more than 24,000 students in 62 primary schools about cyber risks.

Mr Andrew Buay, Singtel's VP of Group CSR (third from left), at the launch of iZ HERO 2015 programme with our partners

notAnoobie mobile app is a one-stop information resource created for parents

CYBER WELLNESS FOR CHILDREN WITH SPECIAL NEEDS

In this digital age, children with special needs, especially the teenagers, can be quite social media-savvy and also face the same cyber pitfalls and dangers such as inappropriate content and cyber bullying. These children are equally susceptible to online stranger-danger situations, bullying and harassment. We believe that timely education can minimise risks and maximise the child's development, especially for children with special needs.

In FY2015, we initiated the development of a cyber wellness curriculum for Special Education Schools in Singapore, targeting children with special needs. This involved conducting numerous engagement workshops with 120 teachers and counsellors from three of our STLF beneficiary schools. We plan to pilot this curriculum in the three schools in FY2016. More information on our cyber wellness programme can be found at singtel.com/cyberwellness.

OPTUS DIGITAL THUMBPRINT PROGRAMME

In Australia, our Optus Digital Thumbprint programme uses face-to-face workshops to teach high school students to be savvy, responsible and proactive members of the online community. Since the programme was launched in 2013, we have reached more than 54,000 students through 1,800 workshops in NSW and Victoria. In 2014, our programme was recognised with a Communications Alliance and Communications Day ACOMMS award and also a finalist in the Melbourne Community Awards.

Our partnership with Kids Helpline provides much needed intervention for children who have difficulty in coping with challenges in their daily lives. Increasingly, the issues raised and addressed through the helpline are related to cyber bullying and staying safe online. In June 2013, we jointly developed Kids Helpline@School, focusing on education and prevention, particularly in relation to digital citizenship issues, for primary school children. Sessions are conducted using a range of digital technologies such as Skype as well as connected classrooms. We have reached more than 11,000 students in 408 sessions across 146 schools mainly in NSW and Victoria.

Optus Digital Thumbprint programme has reached out to over 54,000 students on how to be responsible online users since 2013

EMPLOYEE VOLUNTEERISM

We encourage staff volunteering on an individual or team basis. We believe that active employee volunteerism not only helps the community but contributes to the holistic development of our people in terms of empathy, perspective and character building.

We encourage our staff to work with our partner beneficiaries and take on a more active role in our communities. Besides giving our employee one day of paid volunteer leave each year, we encourage our business units to adopt VolunTeaming, our concept of teambuilding with a CSR or volunteering element, where our employees volunteer together as a department (see story on page 27: *Bringing Joy to Children with Special Needs).*

In FY2015, our employees contributed a total of 26,614 hours (Singtel 15,109 hours, Optus 11,505 hours) to community and environmental projects in Singapore and Australia.

For example, 2,200 Optus employees have volunteered over 22,000 hours and supported more than 6,200 students and school leaders under the ABCN programme since 2005. Optus is a founding member of ABCN, which provides practical support through a range of mentoring programs to students and teachers in areas of high need.

During the year, Singtel joined a global movement IMPACT 2030, a business-led effort that aims to bring together a global coalition of private sector leaders and other stakeholders to expand and encourage corporate and employee volunteering activities and address the United Nations' Development Agenda.

In Singapore, we are represented on the Volunteer Resource Committee spearheaded by the National Council of Social Service, a movement to promote staff volunteering among companies. We also hosted the first CSR roundtable discussion on corporate volunteerism with other like-minded companies. G4-16

An Optus staff volunteer working with a student at an ABCN programme

OUR REGIONAL CSR EFFORTS

Since 2011, we have organised five overseas expeditions involving staff volunteers from Singapore, Australia and our regional associates to rebuild communities devastated by natural disasters in the Philippines and Thailand.

Bantayan island, Cebu, Philippines
• Rebuilding homes and farms

2011

Ayutthaya, Bangkok, Thailand
• Refurbishing a school damaged by the floods

2012

Compostela Valley, Davao, Philippines
• Rebuilding homes for Typhoon Bopha victims

2013

Ormoc City, Leyte, Philippines
• Rebuilding homes for Typhoon Haiyan victims

2014

Nueva Ecija, Gabaldon, Philippines

Samut Prakan, Bangkok, Thailand

2015

In April 2014, 20 staff volunteers from Singtel and Optus, together with 60 volunteers from our regional associate Globe, helped to rebuild the village of Tambulilid in Ormoc City, Leyte in the Philippines, which was devastated by Typhoon Haiyan in late 2013.

That was our fourth overseas volunteering expedition and an extension of our disaster relief effort at that time comprising a S$50,000 corporate donation and a workplace donation of S$115,000 from Singapore and Australia.

This is part of Singtel Group's regional CSR efforts in providing community support and disaster relief assistance in the countries where we operate.

LOOKING AHEAD

Our Community targets are as follows:

Inclusion of vulnerable groups
Continue with our inclusion community support programmes

Cyber wellness and online safety
Expand the scope and reach of our cyber wellness programmes in Singapore and Australia

We will continue to execute our community strategy, focusing on the three key areas of inclusion and well-being, education and employability, as well as cyber wellness and online safety. We also look at ways to leverage our ICT competence to enable the vulnerable segments of our community.

A related area that we will work on is the impact measurement of our programmes. This will help to provide insights into the effectiveness of each programme – what is working well and what needs improvement. It will help to determine if our programmes have achieved the intended positive impact on the beneficiaries.

07
PEOPLE

Our people are key to the Group's growth and success. Our ambition is to be an employer that people want to be associated with and work for.

OUR APPROACH

Singtel is committed to growing with our people and making the company a vibrant workplace. We provide our people with a work environment that supports professional and personal development, offers a variety of career opportunities and creates high performance and collaborative teams.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Fostering a culture of diversity and inclusion has played a key role in the sustained success of our workforce. Valuing diversity at the Singtel Group means respecting and supporting these differences – gender, age, ethnicity, language, cultural background, physical ability, religious belief and lifestyle choice – and harnessing the richness of our varied backgrounds, ideas and perspectives.

The Singtel Code of Conduct for employees governs how we conduct ourselves in a multicultural environment and treat fellow colleagues with respect and consideration at all times, respecting the basic tenets of human rights. These principles are applied in our interactions, internally and externally, with our people, community and marketplace.

SINGTEL GROUP DIVERSITY AND INCLUSION STRATEGY

The Singtel Group believes in the inherent strength of a vibrant, diverse and inclusive workforce where the perspectives, backgrounds and life experiences of our people help us to forge strong connections with all our customers, engage confidently within an increasingly globalised marketplace, inspirationally lead and creatively innovate; thereby making better decisions for our business and the world in which we live.

Gender Diversity	Multigenerational Workplaces	Multicultural Awareness	Differing Abilities
* Supporting a gender balanced workforce and equal opportunities at all levels across the organisation * Ensuring an equitable remuneration structure that has no gender bias * Recognising that different needs and family dependencies differ at different life stages, and even across the geographies we operate in	* Recognising that different workforce generations have different workplace, family support, engagement, learning and career needs * Synergistically tapping the different perspectives, value-add and contributions of our multigenerational workforce to create an organisation that is dynamic, agile and innovative	* Celebrating our uniquely global workforce and leveraging the diversity and cultural experiences of our people and leaders to forge strong connections with our customers and communities across the region, driving innovation and engaging confidently in an increasingly globalised marketplace	* Recognising that there are valuable and productive abilities in everyone; and we aspire to build long-term opportunities for persons with disabilties * Respecting and supporting the needs of people with differing abilities

Critical Success Factors
A Culture of Inclusion: Leadership, Support and Advocacy

OUR EMPLOYEE MIX

Embracing diversity and inclusion makes our workplace an eclectic mix of staff, ethnicities and cultures. We are proud to have more than 23,000 employees from over 90 different nationalities across our global operations. [G4-10]

Female workers make up around 35% of our total workforce in Singapore and Australia (Singtel 38%, Optus 32%). Women represent 37% of Middle and Top Management positions, including Group Chief Executive Officer, Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer and Group Chief Information Officer.

In the area of gender diversity, we recognise that there is more work to be done in Australia, where structurally, women in the ICT sector have been under represented. As a start, we have increased the number of females in the Optus Management Associate Programme from 25% in 2014 to 42% in 2015. We are also increasing the networking and mentoring support provided to our female talent for their leadership and career development.

Supporting our female talent across the region through leadership networking sessions and coaching support

Yeo Say Kim (right), Service Support Executive, receives his 45-year Service Recognition Award from Simon Israel, Chairman of Singtel

Re-Employment of Employees who reached 62 years old in FY2015 in Singapore [LA10]

Job Level	No. of Employees who Reach 62	No. of Employees Re-employed	No. of Employees Retired
Operations & Support	92	71	21
Professional	18	12	6
Middle Management	2	2	0
Top Management	1	1	0
Total	113	86	27

Ethnic Distribution of Workforce in FY2015 in Singapore

Race	%
Chinese	72
Malay	8
Indian	10
Others*	10

* Singtel includes foreigners in this category

TALENT ATTRACTION AND RETENTION [DMA]

We need to build a strong pipeline of technical specialists and leaders to support Singtel Group's sustainable growth. Hence, attracting and retaining talent is our priority and we create a workplace environment where our people can develop at both professional and personal levels.

ATTRACTING TALENT

We hire people at two levels: experienced professionals and graduates who are just entering the workforce. Across the Group, we leverage relationships with local and international institutions, as well as social media platforms and career fairs to promote working for our company. We continue to develop our young talent pipeline through scholarships, cadetships and career coaching support.

Our successful Management Associate Programme, where our talents are rotated across the business over two years and provided with mentoring support, took in 54 graduates across Singapore and Australia in FY2015, compared to 43 graduates a year ago.

Singtel Cadet Scholarship Programme
In January 2015, we introduced the Singtel Cadet Scholarship Programme to build a pipeline of talent for the industry. This is a diploma scholarship programme in support of SkillsFuture, a national initiative that aims to help Singapore through its next phase of growth.

Under this programme, up to 90 students a year can receive scholarships to study diploma courses from Singapore Polytechnic and Republic Polytechnic in network engineering, cyber security, data analytics and customer experience. The scholarships are worth up to S$2 million a year in total and provide students with industry-relevant training, as well as employment and progression opportunities.

Singtel representatives and partners at the MOU signing ceremony of the Singtel Cadet Scholarship Programme

RETAINING TALENT
Career growth opportunities, recognition and reward and work satisfaction are important for employee retention. We therefore monitor our employee engagement scores and retention rates very closely.

Grooming Leaders
To foster career growth of our employees, we launched the SCORE leadership competencies in 2014. SCORE applies to how we lead ourselves, our people and business and covers all levels of the company – because we believe that every employee is a leader.

SCORE has been integrated into various aspects of the employee life cycle commencing from Recruitment, Learning and Development, Engagement and Talent Management.

The Regional Leadership in Action and Game for Global Growth programmes also continue to stretch and grow our future leaders across the Singtel Group of companies. 117 of our emerging and future leaders attended these two programmes in FY2015. These programmes help to raise participants' knowledge of the industry, impart leadership skills and better equip them to meet challenges in their present and future roles. Both programmes promote learning through interactive workshops, lectures and action learning projects.

Recognising that each of our talent's development needs is different, we have extended one-on-one career and leadership coaching to all levels of our talent pool through a team of internal and external coaches across Singapore and Australia.

Recognising and Rewarding Performance
Our rewards and recognition framework aims to retain, motivate and align the talent needed to grow and sustain our Group as a global multimedia and ICT solutions leader.

We regularly review our remuneration policies to ensure competitiveness and alignment with the marketplace and our internal reward strategies. Our competitive remuneration packages include a basic pay structure based on job roles and functions along with performance-based incentives. We also recognise and reward according to individual and team performance, and their embodiment of our core values. Our compensation model also builds in more value for risk-taking, innovation and entrepreneurial spirit.

We provide an annual performance and career development review for all our employees across the different levels in the organisation. LA11

ENGAGING OUR PEOPLE

We have been measuring staff engagement since 1998. The Singtel Group Your Voice Survey 2014 had 91% participation rate with a Group engagement score of 76, a 1% increase from a year ago. Full Advocates increased 1% to 68% – people who will recommend Singtel as a place to work and recommend our products and services. CSR continues to be among the top engagement drivers for our people, with a score of 83 at the Group level (Singtel 86, Optus 81).

We introduced an additional Empower to Engage (E2E) section this year to encourage employees to play a more active role in their own engagement. E2E helps employees identify what is most important to them at the workplace. In March 2015, we provided a personalised report to them suggesting ways on how they can improve their engagement with the organisation.

Positive Trade Union Relationships G4-11

We have about 5,900 bargainable employees in Singapore and about 4,400 in Australia who are covered by the Employee Partnership Agreement. The Union of Telecoms Employees of Singapore (UTES) is a valued partner in matters related to these employees. We are in regular discussions with the union and we make efforts to engage them immediately in case of any major organisational change.

In January 2015, we signed a Memorandum of Understanding with UTES to extend union representation to our entry level professional and executive employees.

TRAINING AND EDUCATION DMA

Learning and career development is one of the key drivers of engagement. We want to develop our people to their fullest potential and provide them with a fulfilling career.

In FY2015, our total training investment was S$22.9 million (Singtel S$10.0 million, Optus A$11.5 million) and our people undertook an average of 32.8 hours of learning.

We have a full range of management and technical training programmes. During the year, we developed a programme to facilitate a leader-led coaching culture based on the principles of Integral Coaching. The focused outcomes of the coaching programme include higher levels of confidence, empowerment and trust, as well as stronger collaboration between individuals and teams. About 300 of our leaders across Singapore and Australia attended this programme during the year, and we continue to roll it out across all leadership levels.

In addition, more than 2,000 employees also attended facilitated career management sessions, and career guides were developed and made available on the Group's intranet, Espresso.

One of our more popular events is the annual Learning Fiesta, which offers staff access to well-known keynote speakers, as well as short courses and other activities. In FY2015, there were more than 20,000 learning spaces for 170 courses. The Learning Fiesta is available to employees in Singapore, Australia, Malaysia and the US.

Our efforts have been recognised. Singtel was a 2014 Aon Hewitt Global Top 20 Top Companies for Leaders winner, while Optus won best eLearning Model for 'Aspire 2 Brilliance', our induction programme for our people in retail at the LearnXImpact awards.

Besides in-house training and education, we provide financial support and paid time-off for our people to receive formal qualifications including professional certifications, bachelor and masters degrees. LA10

The annual Singtel Group Learning Fiesta

EMPLOYEE HEALTH AND SAFETY (DMA)

Ensuring the health and safety of our employees is our responsibility. We strive to take care of our employees' safety, work-life integration, and physical and mental health. The Group's sustainable growth would not have been possible without our dedicated and healthy employees working in a safe environment.

EMPLOYEE HEALTH AND WELL-BEING

We work closely with healthcare providers to offer our employees a comprehensive, flexible health benefits programme. During the year, we improved the medical benefits for our staff in Singapore. For example, our re-employed and direct contract employees now enjoy better medical coverage and benefits.

Besides the convenience of an in-house clinic at our office premises in Singapore, all our employees have access to an extensive network of over 300 panel clinics island-wide. During the year, we introduced a new e-medical card as well as a clinic locator app for added convenience.

In addition, we offer a suite of health programmes to help them maintain a healthy lifestyle, such as free health checks, weight and chronic disease management, flu vaccination and smoking cessation. Gymnasiums and gym classes are also available on-site, together with staff cafeterias that provide a wide range of healthy dietary options in both our Singapore and Australia offices.

Providing Mental and Physical Wellness

We recently introduced the Healthy Minds Mental Health Awareness programme in Australia. This includes on-site psychological support for our people at our Sydney head office and will be extended to our Melbourne, Adelaide and Brisbane offices.

In Singapore, all employees and their immediate family members have access to professional counselling services on work-life issues through the Employee Assistance Programmes run by external consultants.

WORK-LIFE INTEGRATION AND EMPLOYEE BENEFITS

We understand the importance of meeting both work and family demands. We offer our people a variety of benefits ranging from part-time working and flexible working hours to telecommuting, various forms of family leave arrangements and on-site childcare facilities in Singapore and Australia.

We regularly review the competitiveness of our staff benefits. As part of our SG50 initiatives, we introduced the Singtel S$300 programme which aims to promote advocacy among Singapore-based staff by providing a S$300 annual bill rebate to offset against their subscription fees of Singtel services.

Singtel Wins 'Best Companies For Mums' Award

In July 2014, Singtel won the accolade for being one of the 'Best Companies for Mums' in recognition of the company's efforts in ensuring that our Flexible Work Arrangements are supportive of working mothers and human resource policies that foster work-life integration.

Carol Tang (second from left) at the award ceremony

Held for the second year, this contest was jointly organised by the NTUC Women's Development Secretariat and the Tripartite Alliance for Fair and Progressive Employment Practices. The contest recognises and applauds exemplary companies, supervisors and colleagues who have made a positive difference to the daily lives of parents, especially mothers.

"Singtel has created a conducive environment for working mothers. I consider myself lucky for being able to breastfeed my two kids beyond six months as Singtel provides nursing rooms at the workplace. I am also very grateful and thankful to have understanding and supportive supervisors and colleagues. Singtel deserves to be awarded the best company for working mothers."

– Carol Tang, Business Practice Manager who nominated Singtel for this award

A SAFE WORK ENVIRONMENT

We provide a safe work environment for our people and actively promote awareness on workplace occupational health. In Singapore, we have a Health, Safety and Environment policy statement that supports the Workplace Safety and Health (WSH) Act in Singapore. The WSH Act is a framework that promotes strong safety culture in the workplace. G4-15

In July 2014, we held a week-long WSH exhibition at our office premises during our CSR month to remind our staff the importance of WSH and that it is every individual's responsibility to look after their own safety. We also increased the number of automated external defibrillator (AED) at our office premises. We trained our pool of health managers on the use of such a device in an emergency as well as the correct method of putting on N95 masks in the event of a haze situation.

At Optus, we continue to evolve our WHS Management System, in line with new Australian legislations, and provide induction and training for all our people and contractors. We launched a major Contractor Management System which enables online incident reporting by our contractors. Since its launch in December 2014, we have captured about 600 small incidents across the business. While this is higher than the number previously reported, we are now better informed and can better prevent and manage further issues. This initiative has also helped improve our relationships with our contractors.

LOOKING AHEAD

Our People targets are as follows:

Talent attraction and retention
Increase pipeline and intake for management associates and cadets, and improve retention of talent pool

Training and education
Maintain at least 30 hours of training per employee per year

Employee health and safety
Improve employee health and well-being, and reduce workplace injury and accident rates

WSH exhibition at our office premises during the annual CSR month in July 2014
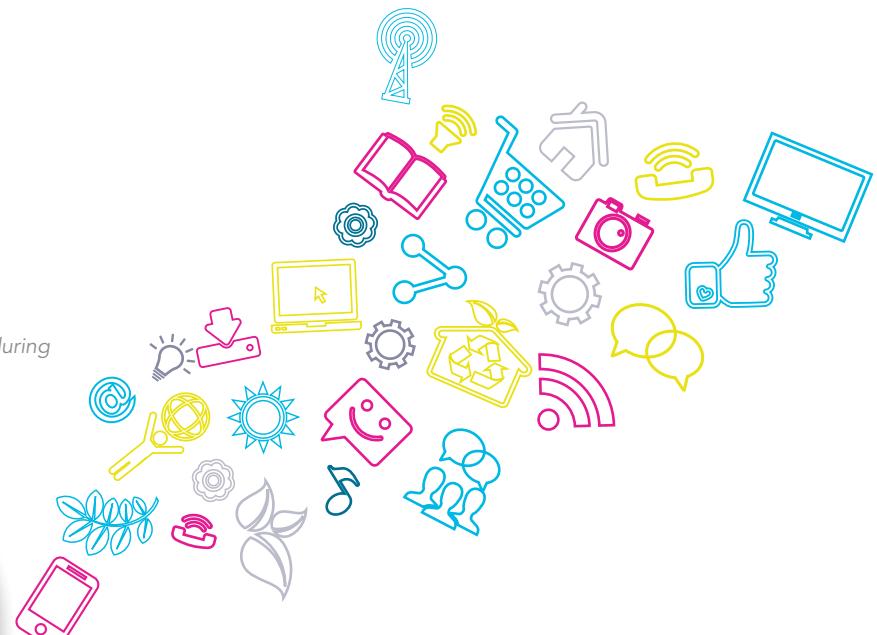
PEOPLE PERFORMANCE INDICATORS G4-10 LA1 LA6 LA9

People Performance Indicators[1]	FY2015		
	Singtel	Optus	Singtel Group
Total employees by gender			
Male	62%	68%	65%
Female	38%	32%	35%
Total employees by employment contract and gender			
Regular employees (Male)	60.2%	67.1%	63.4%
Contract employees (Male)	2.1%	1.3%	1.7%
Regular employees (Female)	37.4%	30.8%	34.3%
Contract employees (Female)	0.3%	0.8%	0.6%
Total regular employees by employment type and gender			
Full time (Male)	61.7%	65.6%	63.5%
Part time (Male)	0.04%	3.0%	1.4%
Full time (Female)	38.1%	26.2%	32.5%
Part time (Female)	0.2%	5.3%	2.6%
Total employees by age group			
<30 years old	14%	23%	18%
30–49 years old	64%	62%	63%
≥ 50 years old	22%	15%	19%
Gender mix by employee category (% Female)			
Operations and Support	45%	38%	42%
Professional	32%	28%	30%
Middle Management	37%	29%	32%
Top Management	33%	19%	22%
New hires by age group			
<30 years old	30%	51%	42%
30–49 years old	66%	45%	54%
≥ 50 years old	3%	4%	4%

People Performance Indicators[1]	FY2015		
	Singtel	Optus	Singtel Group
New hires by gender			
Male	62%	59%	62%
Female	38%	41%	38%
Employee turnover	13%	10%	12%
Employee turnover by gender			
Male	13%	9%	11%
Female	13%	13%	13%
Employee turnover by age			
<30 years old	19%	20%	20%
30–49 years old	15%	8%	12%
≥ 50 years old	4%	5%	4%
Salary ratio (Female:Male)			
Operations and Support	1 : 0.95	0.99 : 1	1 : 0.95
Professional	1 : 0.95	0.99 : 1	1 : 0.95
Middle Management	0.98 : 1	0.99 : 1	0.98 : 1
Singapore workforce ethnicity			
Chinese	72%	–	–
Malay	8%	–	–
Indian	10%	–	–
Others	10%	–	–
Total training investment ($million)	S$10.0	A$11.5	S$22.9
Average training hours per employee	33.3	32.2	32.8
Employee health and safety			
Workplace injury rate[2]	141.4	257.0	185.2
Accident frequency rate[3]	0.4	0.8	0.5
Accident severity rate[4]	7.3	16.6	10.6

[1] Employees under one-year contract are excluded from these indicators.
[2] Refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed (figures used are victim-based).
[3] Refers to the number of workplace accidents per million man-hours worked (figures are incident-based).
[4] Refers to the number of man-days lost to workplace accidents per million man-hours worked.

08 ENVIRONMENT

We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers.

OUR APPROACH

We will achieve this by delivering on our four strategic pillars of:

- Addressing climate change
- Integrating the environment agenda into our value chain
- Engaging our stakeholders on environmental issues
- Product and resource responsibility

As we expand our network and infrastructure to cater to the growing demand for our services, we need to ensure that we operate as efficiently as possible to minimise our impact on the environment.

In FY2015, we reviewed our environmental activities across the business and aligned our approach across Singapore and Australia. We have also updated the Singtel Group environmental policy, established a new strategy and revised our environmental governance structure.

SINGTEL GROUP ENVIRONMENT STRATEGY

We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers.

Addressing climate change	Integrating the environment agenda into our value chain	Engaging our stakeholders on environmental issues	Product and resource responsibility
• Mitigation of our greenhouse gas impact through performance and efficiency • Adapting to the impact of climate change and making our network resilient	• Ensuring our suppliers work in alignment with Singtel Group's core sustainability values, and work in partnership to minimise risk and maximise value • Implementing governance frameworks that will provide environmental and financial value to the Group	• Outlining the benefits of our ICT services to our customers • Engaging our staff through environmental sustainability by supporting this at work and personal level	• Responsible packaging and end-of-life treatment of product lines • Responsibility for end-of-life of our infrastructure and consumed products and services

Competent Delivery through Risk Management and Compliance

CLIMATE CHANGE (DMA) (G4-14)

We are guided by our Environmental Management System (EMS) which supports our commitment towards climate change. Aligned with the ISO 14001 management system, it provides direction on the management of key environmental aspects in the planning, design, construction and operation of our core network.

Singtel adopts the precautionary approach to address our potential environmental impact. For example, our Sustainable Supply Chain Management Framework considered the risks in the geography of our vendors' operations (page 22–24). We will also be conducting a Life Cycle Analysis and a climate change adaptation analysis in FY2016.

CLIMATE CHANGE AND ENERGY MANAGEMENT

To address climate change, we focus on two key areas. Firstly, we look at mitigating our greenhouse gas emissions by improving our energy performance and efficiency. We focus on reducing electricity and fuel use in our business operations which represents 95% of our total carbon emissions.

Secondly, we recognise the importance of building and maintaining a resilient network in the face of climate change. Hence, we are undertaking a detailed climate change adaptation analysis across the Singtel Group in FY2016.
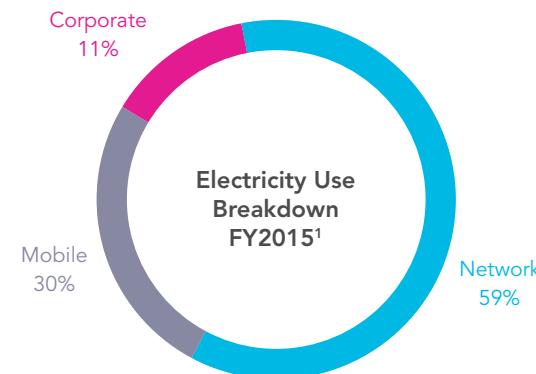
Today, smart technology and services such as cloud computing and audio or video conferencing provide opportunities to reduce emissions for our business and the wider community. We are investing in innovating solutions to reduce our energy and emissions across our network, exchanges, mobile business and office facilities (see story on page 42: *Supporting a mobile application on energy efficiency*).

Energy Performance and Efficiency

The growth in demand for mobile and ICT services has resulted in a corresponding increase in energy consumption to operate our networks. About 90% of Singtel Group's electricity consumption is associated with our networks (Figure 8.1). Hence it is important that we take active measures to improve our energy efficiency and minimise our dependency on non-renewable energy.

The main areas of energy use within our Group include network infrastructure (telephone exchanges, base stations, mobile access network and satellite earth stations), data centres, office buildings and retail stores. Our group's total energy use and energy intensity in FY2015 were 2.87 million GJ and 167 GJ/S$ million revenue respectively.

Figure 8.1: Distribution of electricity use

Corporate 11%
Mobile 30%
Network 59%

Electricity Use Breakdown FY2015[1]
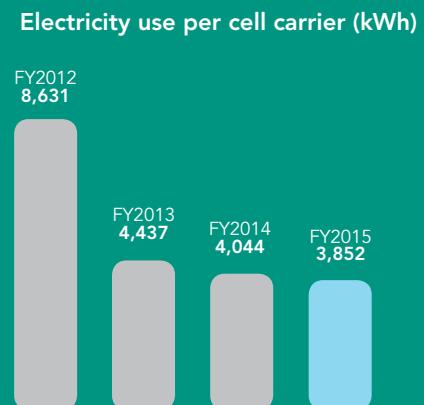
[1] Network refers to telephone exchanges and data centres
Mobile refers to base stations and mobile access network
Corporate refers to offices, centres and retail stores

**Energy Efficient Mobile Base Stations**
Over the past three years, we have put in place a plan to upgrade and convert existing mobile base stations to energy efficient ones in Singapore.

As at 31 March 2015, 97% of all our base stations, new and existing, was converted to 'green' base stations despite a rise in the number of base stations installed across the country.

Although the absolute electricity use from our base stations increased by 10 GWh in FY2015 compared to FY2014, we achieved a 5% reduction in energy use per cell carrier and have seen a steady reduction in the trend.

Electricity use per cell carrier (kWh)

FY2012 8,631
FY2013 4,437
FY2014 4,044
FY2015 3,852

Solar photovoltaic plant at Singtel's Seletar Satellite Earth Station

Getting Smart

In Australia, one of Optus' biggest programmes to reduce energy has been to upgrade over 500 base stations with smart metering. Just like meters on a home, they allow us to monitor the energy use at each station by the hour so that we can see when our consumption goes up or down due to network traffic. The data that these meters provide gives us the knowledge to better manage our energy consumption and ultimately helps us influence future equipment use and network design.

Next year, we plan to upgrade up to 500 base stations to continue to help us identify cost effective ways to save both energy and emissions.

In addition, we now enjoy cost savings at our telephone exchanges from free cooling, which is now a standard design feature of all new mobile facilities where the climate is suitable.

Sustainable Energy Sources in Singapore [EN6] [EN19]

Our stakeholders understand that reducing energy consumption while growing business simultaneously can be a challenge. To mitigate this, we constantly explore opportunities to utilise alternate forms of energy for our operations.

Since 2009, we have been exploring opportunities to use sustainable energy sources for our operations in Singapore in an effort to reduce our reliance on electricity from the grid.

2009 @ Pasir Ris Telephone Exchange

- Grid-tied Solar Photovoltaic System consisting 192 photovoltaic panels
- Energy savings of 1,008 GJ (equivalent to 141 tCO_2e*) to date

2011 @ Bukit Timah Hill Radio Station

- 100 solar panels
- 3 wind turbines
- Energy savings of 173 GJ (equivalent to 24 tCO_2e) to date

July 2014 @ Pulau Ubin Microwave Station

- Solar photovoltaic plant and use of biodiesel as part of the Energy Market Authority's test-bed micro-grid installation at Pulau Ubin island
- Estimated energy savings of 75 GJ (equivalent to 9 tCO_2e) per year

November 2014 @ Seletar Satellite Earth Station

- Solar photovoltaic plant installed with a solar tracker to harness as much available solar energy as possible during the day
- Estimated energy savings of 192 GJ (equivalent to 24 tCO_2e) per year

* Based on the latest simple operating margin grid emission factors by the National Environment Agency in Singapore

Energy Efficiency (EN6) (EN19)
We have begun to enjoy savings from energy efficiency projects implemented across our operations over the past years.

• Chiller Overhaul and Replacement Programme
Chillers are often a building's single biggest use of electricity. It is therefore important for us to ensure that our chillers operate in the most efficient manner. We do this through our chiller overhaul and replacement programme.

In FY2015, we overhauled six chillers in our Singapore operations and plan to do so for another six units in the coming year. We have also continued the cyclical replacement of ageing chillers, targeting those that have been in operation for 15 years or more. We replaced one unit of a 300RT chiller in Pickering Operations Complex with a higher efficiency unit and are currently in the process of replacing eight chillers located at our telephone exchanges and commercial buildings.

This programme alone has generated energy savings of 837 GJ (equivalent to 105 tCO_2e) since implementation in August 2014.

• Energy Saving Lighting System
Our first trial of the Performance Enhancement Lighting Management System (PELMS) was at the Telok Blangah Telephone Exchange in Singapore in 2012, allowing lighting levels to be automatically managed based on motion detection. The average energy savings achieved was about 45% of the lighting budget for the building.

The PELMS project has since been rolled out to seven telephone exchanges and two satellite earth stations in FY2015 with estimated energy savings of 859 GJ (equivalent to 107 tCO_2e per year).

Supporting a Mobile Application on Energy Efficiency
An Australian start-up Wattcost beat over 500 developers across India and Asia in the first ever Singtel Group-Samsung Regional Mobile App Challenge. Wattcost is a free mobile app which, along with an affordable wireless beacon, analyses energy use and sends real-time alerts to help customers optimise their energy consumption and save electricity costs. Wattcost will work with us and Samsung to take its app to over half a billion mobile customers across Asia and Africa.

The challenge is part of a larger Group-level collaboration to identify innovative start-ups and help them accelerate their development, while improving the smartphone experience for our customers.

Building Resilience
We understand the importance of our role as a leading provider of ICT services to our customers and community. This is why we are working to 'future-proof' our network against the impact of climate change.

In Australia, over the last 12 months, we have experienced devastation in Queensland with Cyclone Ita in April 2014 and Cyclones Lam and Marcia in February 2015. On both occasions our network team worked closely with local emergency services to restore affected mobile sites as quick as possible. With scientists predicting more extreme weather events in the future, it is critical that our networks and services are resilient to keep our customers, businesses and communities connected.

This work will continue to be a strong focus for us over the coming years in order to future-proof our infrastructure. We know we cannot do it alone to address this systemic issue. We are a founding partner and active member of the Australian Business Roundtable for Disaster Resilience & Safer Communities, as well as a member of the Australian Green Cross Business Adaptation Network. In both partnerships, we work with other major Australian companies to tackle this important issue and help Australian communities respond better to natural disasters. (G4-16)

VALUE CHAIN INTEGRATION
We are committed to collaborating with transparent, ethical and environmentally and socially responsible suppliers. While we understand the environmental risks present in our supply and value chain, we see this as an opportunity for us to integrate the environment agenda into our value chain.

We have established an approach to Singtel Group's Sustainable Supply Chain Management (page 23). This will ensure that our suppliers work in alignment with the Group's core sustainability values, and in partnership with us to minimise risk and maximise value to both parties. In Australia, we are also working to integrate key requirements of the Australian Packaging Covenant into our business operations.

STAKEHOLDER ENGAGEMENT ON ENVIRONMENTAL ISSUES

Our employees are our greatest asset and the Singtel Group is committed to ensuring that they have opportunities to learn about environmental issues and volunteer in this space. Since the launch of our Project LESS Environmental Campaign in Singapore in 2011, we have invited subject matter experts on environmental issues to talk to our employees, organised eco-trips to places of environmental interest and seven runs of the popular annual Plant-A-Tree Day, and introduced several initiatives such as saying NO to sharkfin and our electronic waste recycling programme.

We understand that our enterprise customers are looking for better solutions for their businesses today. Hence we also focus on delivering efficient green ICT solutions such as providing the best cloud computing and security services while optimising our environmental impact. To ensure that we are focusing on the right impact areas, we will undertake a Life Cycle Assessment of our direct and indirect environmental impact in FY2016.

More than 1,600 staff volunteers have planted 800 trees in Singapore since 2009

Optus supports Mobile Muster in Australia

PRODUCT AND RESOURCE RESPONSIBILITY

We actively monitor our waste management practices both as part of doing business and in the corporate office environment. We continued to undertake initiatives in FY2015 to create awareness among employees and promote best practices in waste management.

Electronic waste has a significant impact on the environment. Many electronic devices contain heavy metals such as lead, cadmium, mercury and arsenic. If not handled properly, these can poison our environment and threaten the health of individuals and communities.

E-waste contains a combination of reusable raw materials as well as toxic materials. The raw materials have value and can be reused to manufacture new products. The appropriate handling of e-waste can prevent serious environmental damage and recover valuable materials especially metals.

We encourage our customers and employees to reduce, reuse and recycle.

- We offer our customers a buy-back scheme so that end-of-contract phones can be reused. In Optus, we have been proudly supporting Mobile Muster since 1998, enabling customers to recycle their old mobile phones free of charge by taking them to any Optus retail outlet. In Singapore, we have extended our mobile phone recycling programme in FY2015 to collect e-waste related to our products and services such as laptops, modems, routers and cables. G4-16

- We are committed to responsible packaging and have responsibilities under the Australian Packaging Covenant. This year we commenced a packaging review with a multi-stakeholder group to implement a best–in-class packaging campaign. This has identified some key initial improvements in our choice of cardboard products. G4-16

- We also reuse and recycle all our Optus IT equipment like servers and computers. We recently undertook a significant sustainable asset management disposal programme that saved significant cost. We were able to identify key pieces of equipment for reuse and achieved above 90% recycle rates on materials that would otherwise have been disposed to landfill. This successful initiative has continued as part of our day to day operations.

LOOKING AHEAD

We target to implement the new Singtel Group Environment and Energy framework to effect the following:

Assess the long-term energy impact of new procured technologies within our operation

Establish e-waste recycling capability for the broader scope of e-waste

Conduct environment life cycle impact and climate change adaptation exercise

Undertaking a Life Cycle Assessment (LCA) is an effective way to determine the direct and indirect environmental impact across our business. In FY2016, we will undertake a detailed LCA that will help us build on our existing environmental programmes to address areas of the business that create the biggest impact. The LCA will also guide our sustainable supply chain work.

To ensure that we operate a resilient, extensive and quality mobile network, we will undertake a detailed climate change adaptation analysis across Singapore and Australia. This exercise will help us understand the projected impact of climate change on our assets and ensure that we build resilience measures into our design, construction and upgrade of new and existing facilities.

In FY2016, we will identify and assess which facilities, networks and base stations that are the most exposed to the physical impact of climate change such as bush fires, sea level rising, floods, fire and cyclones so that we can develop plans to adapt and ensure business continuity and limit down-times during emergencies.

Singtel e-waste recycling programme in Singapore

ENVIRONMENTAL PERFORMANCE INDICATORS (EN3) (EN5) (EN15) (EN16) (EN17) (EN18)

Environmental Performance Indicators	FY2015		
	Singtel	Optus	Singtel Group
Total Energy Use (GJ)	1,338,904	1,533,360	2,872,264
Energy Intensity (GJ/S$million revenue)	182	155	167
(i) Electricity Use (GJ)	1,316,905	1,494,342	2,811,247
Network	848,989	801,349	1,650,338
Mobile	247,855	610,268	858,123
Corporate	220,061	82,724	302,786
Electricity Intensity (GJ/S$million revenue)	179	151	163
(ii) Electricity use from renewable sources (GJ)	303	464[1]	768
(iii) Fuel use from non-renewable sources (GJ)	21,696	39,018	60,243
Total Carbon Emissions (tonnes CO_2 equivalent)[2]	176,454	402,750	579,205
Scope 1	5,947	2,694	8,641
Refrigerants	4,477	N.A.[3]	4,477
Fuel combustion	446	252	698
Company fleet	1,024	2,442	3,466
Scope 2	164,577	374,825	539,402
Scope 3	5,931	25,231	31,162
Contractor fleet	766	6,954	7,720
Air travel	3,141	8,564	11,705
Employee commute	1,821[4]	9,713	11,534
Retail franchisees	202	N.A.	202
Carbon Intensity (tCO$_2$e/S$ million revenue)	24	41	34
Total Water Use (m^3)	691,389	60,422[5]	751,811
Total Waste – hazardous and non-hazardous (tonnes)	4,015	1,425	5,440
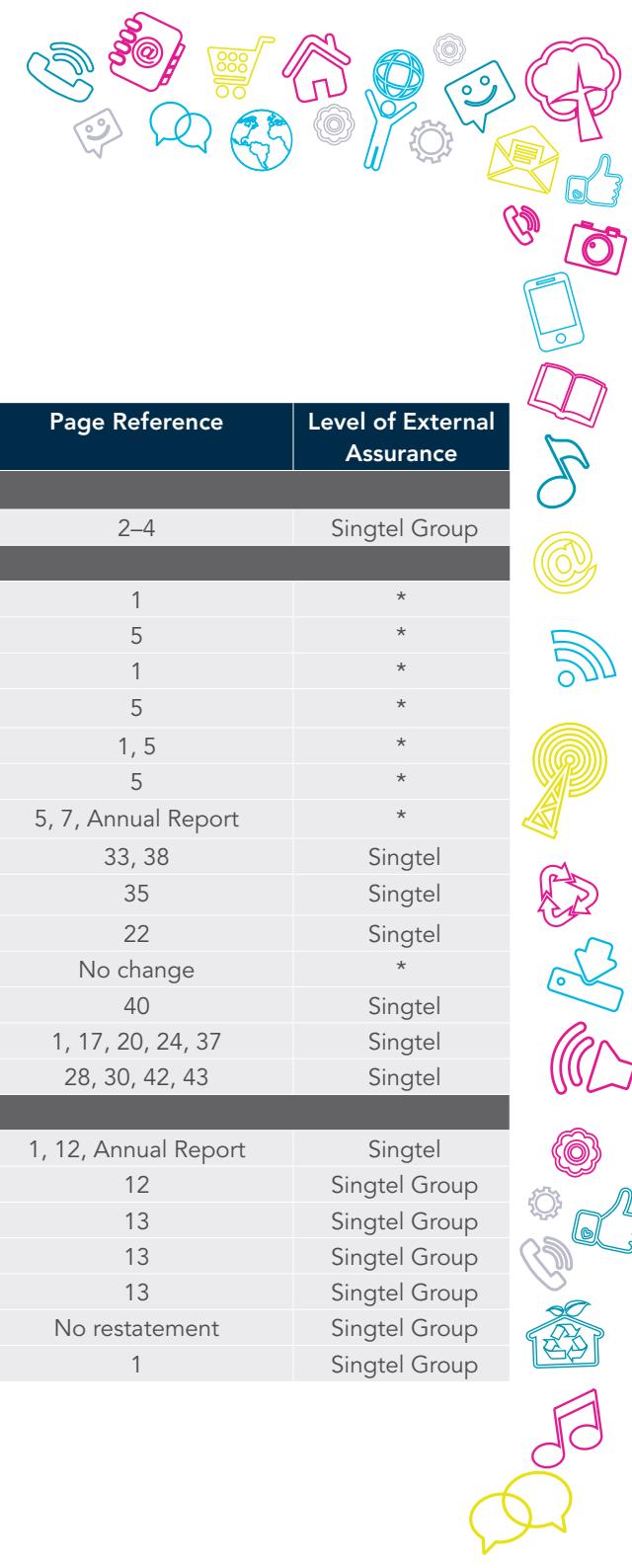
[1] Optus electricity use from renewable sources has been accounted for in total Electricity Use.

[2] The carbon emissions reported in the table is based on the reporting requirements of the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'. The equivalent CO_2 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 and from corresponding states in Australia. Scope 1 direct emissions are calculated using the 2010 Guidelines to DEFRA/DECC's GHG conversion factors for company reporting (Annex 1). 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] Optus uses a combination of air, water and refrigerant cooling systems. Refrigerants are not included in this report for consistency with the reporting requirements set by the Australian National Greenhouse and Energy Reporting Act 2007.

[4] Employee commute carbon emissions data will be updated only when there is a significant change in our company's operations or workforce.

[5] Water use includes Optus Campus Sydney only.

09
GRI INDEX TABLE

GENERAL STANDARD DISCLOSURES

Item	Description	Page Reference	Level of External Assurance
Strategy & Analysis			
G4-1	Statement from Chairman and the CEO	2–4	Singtel Group
Organisational Profile			
G4-3	Name of the organisation	1	*
G4-4	Primary brands, products, and/or services	5	*
G4-5	Location of headquarters	1	*
G4-6	Countries of operation	5	*
G4-7	Nature of ownership and legal form	1, 5	*
G4-8	Markets served	5	*
G4-9	Scale of the organisation	5, 7, Annual Report	*
G4-10	Size of workforce	33, 38	Singtel
G4-11	Employees covered by collective bargaining agreements	35	Singtel
G4-12	Organisation's supply chain	22	Singtel
G4-13	Change in organisation's size, structure, ownership, or its supply chain	No change	*
G4-14	How precautionary approach is addressed	40	Singtel
G4-15	Externally developed charters, principles, or other initiatives to which the organisation subscribes	1, 17, 20, 24, 37	Singtel
G4-16	Membership of associations and advocacy organisations	28, 30, 42, 43	Singtel
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements	1, 12, Annual Report	Singtel
G4-18	Process for defining the report content and the aspect boundaries	12	Singtel Group
G4-19	List of identified material aspects	13	Singtel Group
G4-20	Aspect boundary of material aspect within the organisation	13	Singtel Group
G4-21	Aspect boundary of material aspect outside the organisation	13	Singtel Group
G4-22	Restatement of information	No restatement	Singtel Group
G4-23	Significant change from previous reporting periods in the scope and aspect boundaries	1	Singtel Group

* Information is publicly available

Item	Description	Page Reference	Level of External Assurance
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged	11	Singtel Group
G4-25	Basis for identification and selection of stakeholders with whom to engage	10	Singtel Group
G4-26	Approach to stakeholder's engagement	10	Singtel Group
G4-27	Key topics and concerns raised through stakeholder engagement	11	Singtel Group
Report Profile			
G4-28	Reporting period	1	Singtel Group
G4-29	Date of most recent previous report	1	Singtel Group
G4-30	Reporting cycle	1	Singtel Group
G4-31	Contact point for questions regarding the report or its contents	1	Singtel Group
G4-32	GRI content index	46–48	Singtel Group
G4-33	External assurance	50–52	Singtel Group
Governance			
G4-34	Governance structure	9	Singtel Group
Ethics and Integrity			
G4-56	Values, principles, ethics and standards	5, 22	Singtel Group

SPECIFIC STANDARD DISCLOSURES

Material Issue	GRI Aspect	Indicator		Page Reference	Level of External Assurance
Customer satisfaction	Product and service labelling	DMA	Disclosures on Management Approach	15–17	Singtel
		PR5	Customer satisfaction survey results	16	Singtel
Product and service quality	Compliance	DMA		17–18	Singtel
		PR9	Non-compliance concerning provision and use of products and services	18	Singtel
Innovation	Indirect economic impacts	DMA		18–19	Singtel
		EC8	Significant indirect economic impacts	18–19	Singtel Group
Customer health and safety	Customer health and safety	DMA		19–20	Singtel
		PR2	Non-compliance concerning the health and safety impact of products and services	20	Singtel
Customer data privacy and protection	Customer privacy	DMA		20–21	Singtel
		PR8	Complaints regarding breaches of customer privacy and loss of data	20	Singtel

Material Issue	GRI Aspect	Indicator		Page Reference	Level of External Assurance
Fair marketing communications	Marketing communications	DMA		21	Singtel
		PR7	Non-compliance concerning marketing communications	21	Singtel
Supply chain management	Supplier human rights assessment	DMA		22–24	Singtel Group
		HR10	New suppliers screened using human rights criteria	24	Singtel Group
Inclusion of vulnerable groups	Economic performance	DMA		26–28	Singtel
		EC1	Direct economic value generated and distributed	7, 26	Singtel
Cyber wellness and online safety	Local communities	DMA		21, 29–30	Singtel
		SO2	Operations with actual and potential negative impact on local communities	29	Singtel
Talent attraction and retention	Employment	DMA		33–35	Singtel
		LA1	New hires and employee turnover	38	Singtel
Training and education	Training and education	DMA		35	Singtel
		LA9	Average hours of training per employee	7, 38	Singtel Group
		LA10	Programmes for skills management and lifelong learning	33, 35	Singtel
		LA11	Employees receiving performance and career development reviews	34	Singtel
Employee health and safety	Occupational health and safety	DMA		36	Singtel
		LA6	Workplace injury, lost days and fatality rates	7, 38	Singtel Group
Climate change and energy management	Energy	DMA		40–42	Singtel
		EN3	Energy consumption within the organisation	45	Singtel Group
		EN 5	Energy intensity	45	Singtel
		EN 6	Reduction of energy consumption	41–42	Singtel
	Emissions	EN 15	Scope 1 emissions	45	Singtel Group
		EN16	Scope 2 emissions	45	Singtel Group
		EN 17	Scope 3 emissions	45	Singtel Group
		EN 18	Green House Gas (GHG) emissions intensity	45	Singtel
		EN19	Reduction of GHG emissions	41–42	Singtel

10 UN GLOBAL COMPACT PRINCIPLES

Principle	Description	Page Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	23, 32
Principle 2	make sure that they are not complicit in human rights abuses.	23, 32
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	35
Principle 4	the elimination of all forms of forced and compulsory labour;	23, 32
Principle 5	the effective abolition of child labour; and	23
Principle 6	the elimination of discrimination in respect of employment and occupation.	32-33
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	40
Principle 8	undertake initiatives to promote greater environmental responsibility; and	39–44
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	40–42
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	22

INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of Singapore Telecommunications Limited

Ere-S Pte Ltd (Ere-S) has been engaged by Singapore Telecommunications Limited (Singtel) to conduct an independent assurance of the Singtel Group Sustainability Report 2015 (the Report). The engagement took place in May and June 2015.

Scope and Limitations

The scope of the assurance included sustainability-related figures, statements and claims associated with Singtel operations in Singapore and Australia by its wholly owned subsidiary Optus during the reporting period April 2014 to March 2015. Group-level management approaches, such as policies and procedures, were also covered.

Disclosures on initiatives, processes and performance data specific to Optus were not assessed, with the exception of the following aspects, which were verified as part of a separate assurance engagement conducted on Optus Sustainability Report 2015: Energy use within the organisation (G4-EN3); GHG emissions scope 1, 2 and 3 (G4-EN15, G4EN16, G4EN17); Injury rates (G4-LA6); Average training hours (G4-LA9), Indirect economic impacts (G4-EC8) and Supplier human rights assessment (G4-HR10).

Therefore, with the exception of the above indicators, Ere-S findings and conclusion do not apply to performance figures where the totals include Optus data.

The assurance excluded information not related to sustainability or already supported by existing documents, such as third-party audits or certifications, the Singtel Annual Report and previous Singtel Sustainability Reports. Financial figures, technical descriptions of equipment, software and production processes were also excluded. It was not within Ere-S's remit to verify that all elements provided in the GRI guidance (what to report) on each GRI indicator had been fully reported.

Type of Assurance and Criteria

The assurance process was conducted under a moderate (or limited) level of assurance in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). A moderate assurance is limited to desktop review and management-level evidence gathering and data verification with restricted sampling at lower levels in the organisation.

The assurance also conforms to the AA1000 Assurance Standard (2008) Type 2, which requires evaluating the company's overall sustainability framework with regard to material issues assessment and stakeholder engagement. This was conducted using the AA1000 AccountAbility Principles (AA1000APS 2008) of inclusivity, materiality and responsiveness. AA1000 Assurance Standard also requires an evaluation of the quality of the reported sustainability performance information. For this, Ere-S employed the G4 Reporting Principles (reliability, accuracy, balance, comparability, timeliness, clarity, sustainability context and completeness).
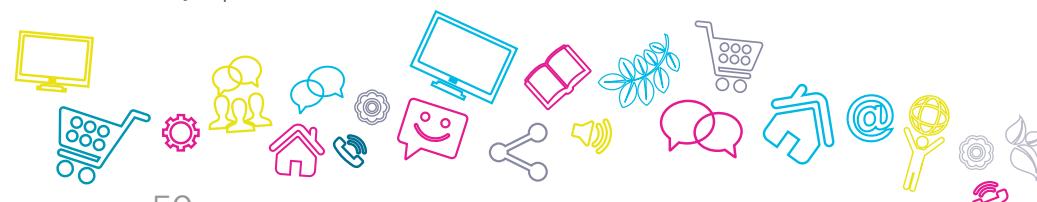
Responsibility and Independence

This statement represents the independent opinion of Ere-S. The management of Singtel was responsible for the preparation of the Sustainability Report and all statements and figures contained within it. The responsibility of Ere-S is to provide the assurance, to express conclusions in relation to the agreed scope and to prepare the assurance report and this assurance statement for the management of Singtel alone and for no other purpose. Ere-S has not been involved in the development of the Report or the disclosed management processes; neither has Ere-S been engaged by Singtel for other projects. The activities of Ere-S are independent of Singtel and contain no financial interest in Singtel's business operations. Ere-S does not accept responsibility for any actions taken by other parties as a result of the findings presented in this assurance statement.

Assurance Methodology

The assurance methodology used for this engagement was developed by Ere-S and consists of the following steps:
1. Identify and classify statements and data sets (over 200 for this engagement) according to the scope, data ownership and the type of evidence required for the verification process.

2. Carry out interviews with key data owners (32 for this engagement) at Singtel's headquarters in Singapore. Interview sessions included the following tasks:

- Enquiring about the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems within the assurance scope

- Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims. This includes sampling of quantitative data originating 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.

3. Assess the evidentiary information and provide recommendations for required correction and future improvement of the Report content.

FINDINGS AND OBSERVATIONS

Since the previous assurance conducted by Ere-S, Singtel's reporting approach has significantly changed. Improvements include the full inclusion of Optus data in the disclosures on key material aspects, management approaches and performance indicators. Although the Report is less detailed in terms of disclosures that are specific to Singtel operations in Singapore, it has gained clarity and focus in showing material issues, policies and performance at Group level, especially in environmental aspects. Several statements on identified gaps and negative performance, such as incurred fines and cases of breach of fraud policy, provide balanced content.

The coverage of material aspects within the boundaries defined in the Report appears to be good and Ere-S observed improvement in the alignment between the methodologies used to calculate performance figures for Singtel, NCS and Optus. However, short-term (less than one year) contract employees are omitted from the total headcount used to calculate labour-related performance indicators. Similarly, smaller subsidiaries of the Group that are not operating in Singapore or Australia are excluded from the calculations. The impact of these two omissions on the final figures of the Group performance has yet not been measured.

Overall, the level of accuracy and consistency of the data sets provided by the data owners during the assurance was found to be good and information could be traced to the source when requested. Ere-S found only minor inconsistencies, which included miscalculations in data sheets and small discrepancies between top-level aggregates and data sources. Singtel's reporting team took the required corrective actions and followed the majority of other recommendations put forward by Ere-S to improve the clarity and accuracy of the Report content. Ere-S crosschecked the final version of the Report to confirm the application of the required corrections.

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.

Ere-S found evidence of engagement with stakeholders during the reporting period. Groups including NGOs, unions, government agencies, responsible investors and media, were individually surveyed as part of the last phase of the broader stakeholder engagement exercise initiated in 2013. Other notable engagement initiatives that were observed and which are part of Singtel's regular management approaches included multiple feedback channels for employees and customers. To a lesser extent, engagement was also seen for the other stakeholder groups, such as interactions with external agencies to discuss new regulations or community-related projects.

There is still little evidence of effective engagement processes with suppliers. However, internal documents presented during the assurance tend to confirm that Singtel will establish formal interactions with suppliers on environmental and social issues as part of the implementation of their new Sustainable Supply Chain Management System.

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

In 2014, Singtel carried out a Group-wide materiality assessment resulting in the definition of a set of key material issues. Material issues continue to be identified by the Group's CSR function, the CSR working groups of each business units and the relevant management approaches, which were assessed by EreS during the assurance. These include global Fraud Investigation and Whistle Blower policies, the Data Protection Governance Committee, as well as frequent communications between Singtel and Optus teams to normalise and strengthen environmental and social performance measurement and reporting.

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

The assurance findings show that actions were taken by Singtel in response to stakeholder concerns during the reporting period. Evidence of timely response and issue resolution is more notable among customer and employee groups.

Responses to concerns from other stakeholder groups are observed in the multiple initiatives and policies implemented before or during the reporting period to mitigate the identified key material issues. Responsiveness to supplier concerns appears to be the weakest, which reaffirms the necessity for comprehensive engagement approaches within the new Supply Chain Management System.

Conclusion
On the basis of a moderate assurance engagement and according to the agreed scope* and criteria, nothing has come to our attention that causes us not to believe that, in all material respects, Singtel Group Sustainability Report 2015

- provides a credible and fair representation of the organisation's sustainability profile and a reasonable application of the AA1000 AccountAbility Principles, and

- includes statements and figures* that achieve an adequate level of reliability and accuracy.

Within the scope of the assurance, the findings also provide confidence that the Report has been prepared in accordance with the GRI Reporting Principles.

* Group figures comprising Optus performance are not included (see "External Assurance" column in GRI Content Index for assurance coverage).

Moving Forward
For further improvement of sustainability reporting by Singtel, Ere-S recommends the following:
- While Singtel progresses in the formalisation of its global sustainability framework, standardised methodologies for data quality control should be put in place within all business units to strengthen the accuracy of the reporting procedures.

- Singtel should also ensure that its performance disclosures are aligned with GRI reporting guidelines, particularly concerning the calculation methodologies and categories definition, such as the types of employees to be included in the labour-related indicators. Similarly, future reports should also better reflect all Group operations, including subsidiaries and small overseas business units.

- Although reporting focus is at Group level, assessment and disclosure of sustainability issues specific to each location and business units should not be disregarded in future reporting exercises. Short individual reports and case studies detailing local performance will complement the Group's future sustainability reports.

- Singtel is encouraged to report on any negative findings resulting from the up-coming engagement exercise with suppliers and the due diligence processes that arise from the Group's Sustainable Supply Chain Management System. This should also include the plans and actions taken to mitigate the issues.

- Ere-S commends Singtel's plan to implement a Group-wide sustainability data management system, which should help fill many of the above-mentioned gaps and ensure consistent reporting procedures and stronger reliability, accuracy and traceability of all data.

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

Singapore, 17 June 2015

JEAN-PIERRE DALLA PALMA
Director, Ere-S,
Lead Certified Sustainability Assurance Practitioner

Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and CSR training. Our assurance team is composed of assurance practitioners with expertise in CSR and each member is required to follow Ere-S' assurance code of conduct, which can be found at http://www.ere-s.com/assurance-code-of-conduct/

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