04 Sustainability at Singtel

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



SUSTAINABILITY STRATEGY

As a leader in the market, we are in a position to unlock the potential of connectivity and make a difference to the lives of our customers and the wider community, through our network investments, product and service innovations, and the skills and passion of our people.

Our sustainability strategy focuses on four key pillars: Environment, People, Community, and Marketplace and Customers.

GOVERNANCE STRUCTURE AND ESG ACCOUNTABILITY

Sustainability is governed across various levels in the organisation. All stakeholders including the board, management, business units, local and regional working groups are involved in driving our sustainability agenda (see website for details).

Our environmental, social and governance (ESG) performance is integral to our success as we strive to build a sustainable future. Our Senior Management is assessed through a

balanced scorecard based on two broad target categories: Business targets (financial, strategy, customer and business processes which embed ESG aspects) and People targets (leadership competencies, core values, people development and staff engagement). The ESG KPIs vary for each management executive.

Our Group CEO has specific ESG KPIs tied to her performance-based compensation such as creating a bigger impact in the four areas of our community strategy: enabling innovation, digital citizenship, volunteerism and community involvement, and ensuring safety and health considerations in corporate processes and decision-making. Our Group Chief Information Officer is primarily accountable for data privacy and protection across the business and supply chain, as Chairperson of the Data Protection Governance Committee. Group Chief Corporate Officer who looks after Group Procurement has responsibility and oversight of the sustainable supply chain management strategy. These are examples of how we ensure clear lines of overall ownership and accountability for ESG issues among our senior management. [102–18]

STAKEHOLDER ENGAGEMENT AND MATERIALITY REVIEW

We are fully committed to on-going engagement with our stakeholders such as employees, community partners, non-profit organisations and government agencies. We find regular engagement very effective for keeping pulse on what is happening on the ground and what concerns and priorities our stakeholders have. This often gives us the opportunity to initiate collaboration and be part of formulating or facilitating a solution.

We take employee engagement seriously as we know that engaged employees feel happier at work, perform better and are more motivated to succeed – ultimately contributing to our business performance.

The Singtel Group Your Voice Survey 2016 had 92% participation rate with a Group engagement score of 79, a one-point increase from a year ago. We found that many of our employees strongly believe in our core values and are committed to achieving our common goals. Corporate social responsibility and Sustainability continues to be among the top staff engagement drivers for the Group, indicating that most of our people identify with and support the company's community and environmental programmes.

We actively engage external stakeholders, such as our involvement in national committees like the Singapore Enabling Masterplan 3 and the National Volunteer Resource Committee, and through the Australian Business Roundtable (ABR) for Disaster Resilience and Safer Communities. We also actively participate in and host panel discussions and roundtables to learn, contribute, advocate and seek opportunities for collaboration. Further details of our stakeholder engagement can be found on our website. [102–40] [102–42] [102–43] [102–44] [SDG 17]

Sustainability is governed across the various levels in the organisation. All stakeholders including the board, management, business units, local and regional working groups are involved in driving the sustainability agenda within the Singtel Group.

MATERIALITY REFRESH [102–46]

Following an extensive materiality assessment in FY2015, we conducted a Group-wide exercise during the year to review the relevance of our material topics, identify if there has been any shift in priorities among our stakeholders and examine any emerging areas of concern.

The assessment was conducted according to the GRI Standards' Principles for defining report content and covered our operations in Singapore (Singtel) and Australia (Optus). Our associate and regional businesses, minority stakes and shell entities were not included in this exercise.

We applied the materiality principle for defining report content based on inputs from:

- Survey results from both internal (top management and employees) and external stakeholders (e.g. consumers, corporate customers, investors and key suppliers)
- Findings of the Life Cycle Assessment
- Review of industry practices and global peers

Sustainability at Singtel

The findings from this materiality review has helped us to prioritise the important topics for Singtel, Optus and the Singtel Group. The exercise also provided an opportunity for us to formally receive and understand how our stakeholders perceive the importance and impact of each topic, and address their concerns (Figure 4.1).

RESULTS FROM MATERIALITY ASSESSMENT

The findings of the materiality assessment have been plotted in the materiality matrix based on their impact to the Group's business, and against their importance to both internal and external stakeholders (Figure 4.2).

Figure 4.1 Singtel Group's Materiality Review Process



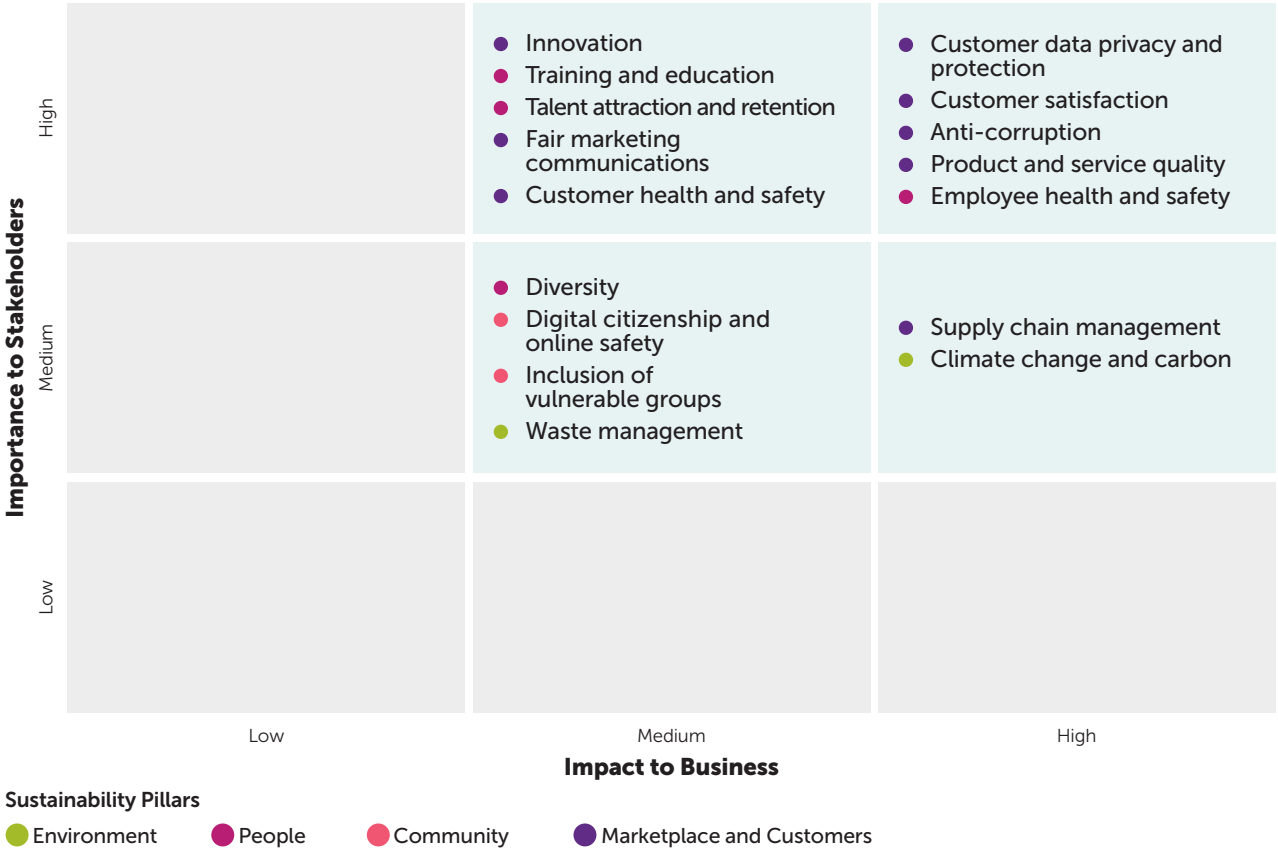
Three new topics – anti-corruption, diversity and waste management – have emerged from this review, bringing the total number of material topics from 13 to 16. We have been reporting on these three topics in our last two Group sustainability reports. We also assessed their relevance and impact on our Singapore and Australia operations and which specific stakeholder groups outside our organisation as part of our Value Chain and Supply Chain analysis update (Table 4.3). [102–49]

It is noteworthy that Customer Data Privacy and Protection has moved up to become the most important topic among our stakeholders, who have also singled out Corruption. These can be attributed to greater awareness and the high profile global incidents of cyber attacks on corporate networks and social media accounts as well as corporate corruption scandals.

While Supply Chain Management is now rated lower in importance compared to its previous ranking, our stakeholders recognised this topic has an even greater impact on our business. In this year's review, community-related topics on Inclusion of Vulnerable Groups and Digital Citizenship and Online Safety are both rated medium in importance to stakeholders and impact on business. Waste management has also become a new material topic raised by our stakeholders.

For the purpose of the report structure and clarity, the material topics are grouped into key themes and categorised according to our four sustainability pillars of Environment (E), People (S), Community (S), and Marketplace and Customers (G), which

Figure 4.2 Singtel Group Materiality Matrix



correspond to the ESG framework. The relevant GRI Standards disclosures have been linked to each topic and the topic's impact boundary has been established (Table 4.6).

A HOLISTIC APPROACH TO ADDRESS OUR MATERIAL TOPICS

While these represent individual material topics and themes identified through our stakeholder engagement and materiality review process, many are related with interdependencies.

Hence, we adopt a holistic approach to address our material topics, for instance, the way we address data privacy in our operations, educate the young in our community on safety and responsibility in the cyber world, and offer cyber security solutions to our enterprise customers.

Innovation, for example, does not apply only to our products and services but also social innovation, where we build capacity with our broader ecosystem to solve social issues.

ESG matters are equally a focus in our own operations as with our supply chain. We will provide more examples of how these issues are interrelated and interdependent in this report.

For the purpose of the report structure and clarity, the material topics are grouped into key themes and categorised according to our four sustainability pillars.

Value Chain and Supply Chain Analysis [102–9] [103–1]

Table 4.3

	Suppliers	Infrastructure	Operations	Products	Distribution	Customers
Applicable Material Topics	1 2 6 13 15 16	1 2 13	1 2 3 4 5 6 7 13 15	1 4 8 10 11 13 14	1 2 6 9 11 13 16	2 7 8 9 12 13 14 15

Group Consumer	**Mobile**	Infrastructure platform vendors	Own network 3G/4G	Customer management	Voice & SMS (e.g. local, roaming, international)	Own stores	Customers (e.g. residents, travellers)
		Device vendors	Other operators (e.g. interconnect, roaming)	Network & IT operations	Data (e.g. local, roaming)	Franchise	Children & youth
						Direct sales	Enterprises
	Fixed Broadband	Next Generation Network & 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 & IT operations		Franchise	Children & youth
						Direct sales	Enterprises
Group Enterprise	**Managed Services**	Infrastructure platform vendors	Own network (e.g. IP VPN, data centres/servers)	Service delivery	Cloud		Enterprises
					Managed hosting		
		Customer equipment vendors	Other operators (e.g. fibre)	Monitoring & maintenance	Managed security		Government
					Contact centres		
Group Digital Life	**Digital Marketing**	Advertising agencies	Telco data centres/servers	Data analytics	Advertisement	Delivery through apps & widgets, banners, MMS, mobile search, QR codes, SMS	Customers (e.g. resident, travellers)
				Customer management			
		Online content providers	Advertisement platform	Advertisers			Emerging customers
							Enterprises

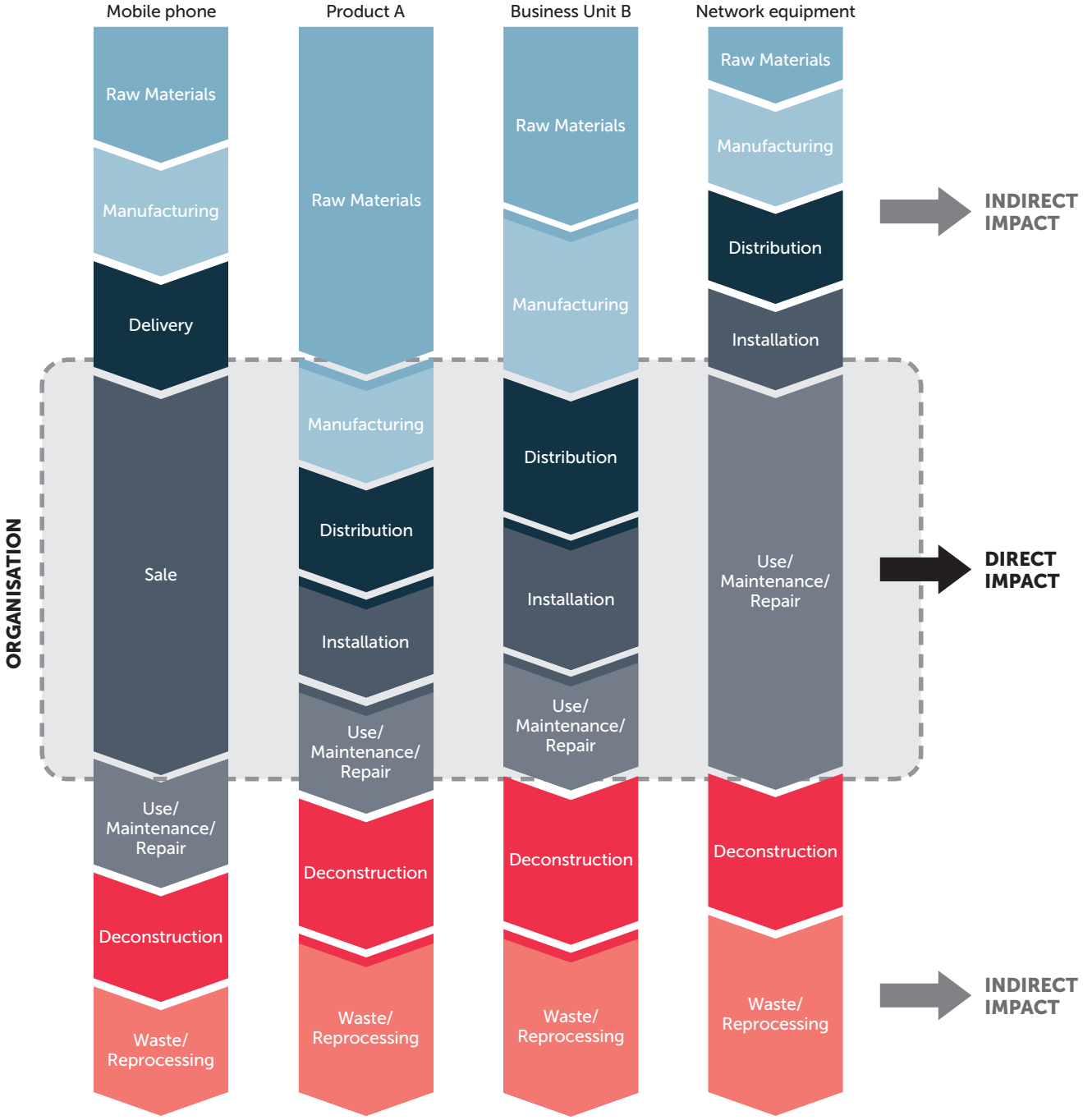
Legend:

1 Climate change and carbon
2 Waste management
3 Diversity
4 Talent attraction and retention
5 Training and education
6 Employee health and safety
7 Inclusion of vulnerable groups
8 Digital citizenship and online safety
9 Customer satisfaction
10 Product and service quality
11 Innovation
12 Customer health and safety
13 Customer data privacy and protection
14 Fair marketing communications
15 Anti-corruption
16 Supply chain management

Life Cycle Assessment

Our Life Cycle Assessment (LCA) looked at the direct and indirect impacts of our whole business operations. The LCA looked at key areas across our business and our top 90 suppliers, including consideration of sector-specific economic forces and social hotspots, such as human and labour rights issues.

Figure 4.4 Life Cycle Assessment of our business operations



UN Sustainable Development Goals

Table 4.5 Singtel Group programmes and UN SDGs

SDG	SINGTEL GROUP'S POSITION	SINGTEL GROUP'S EFFORTS AND PROGRAMMES
 **Goal 3: Good Health and Well-being** Ensure healthy lives and promote well-being for all at all ages	The Singtel Group views any potential risk to the health and safety of our stakeholders seriously, and we actively promote health, safety and well-being at the workplace and in the broader community.	**Workplace health and safety:** We provide a safe work environment for our people and actively promote awareness of workplace occupational health and safety. All our Field Operations employees must attend mandatory training that will enable them to perform their assigned roles safely and effectively. We achieved bizSAFE Star certification and our WSH management system was certified to the Singapore Standard SS506 and OHSAS 18001. page 34–35 ▶ **Digital citizenship:** Our efforts in cyber wellness and digital citizenship are part and parcel of the well-being and safety agenda. page 42–43 ▶ **Electromagnetic energy:** We monitor research findings on EME and comply with ICNIRP and ARPANSA standards. In Singapore, we engage NEA to conduct EME measurements at locations of concern. In Australia, we design and deploy our network to comply with the relevant Federal Government mandated exposure standards. page 46–47 ▶
 **Goal 4: Quality Education** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	The Singtel Group has an important role in enabling the progress, development and inclusion of vulnerable segments of the society through the support of education and skills development opportunities.	**Staff training and development:** We invest heavily in skills training, education and development of our people. page 34 ▶ **Vulnerable children and youth:** We support the education of children with special needs, at-risk youth and young people transiting to the workforce. page 39–43 ▶ **Digital citizenship:** We actively promote responsible digital citizenship. We became a strategic partner of the #DQEveryChild learning programme which created the world's first measurement of Digital Intelligence Quotient. page 42–43 ▶
 **Goal 5: Gender Equality** Achieve gender equality and empower all women and girls	The Singtel Group treats everyone with respect and consideration at all times, regardless of gender, age, ethnicity, language, cultural background, physical ability, religious belief and lifestyle choice.	**Gender representation at work:** Female employees are well represented across all levels of the organisation. The Singtel Group has an equitable remuneration structure that has no gender bias and is based on work performance. We established new recruitment standards that require a minimum of one female candidate to be shortlisted and one female interviewer to be included for middle management roles at Optus. We launched a Gender Diversity Project to better understand the working experience of female employees in Optus Networks and their retention drivers. page 29–30, 37 ▶ **Staff awareness:** We celebrated International Women's Day across the Group by thanking our female staff for their contributions. We also created a special microsite where we curated videos of inspiring women and their work, with a section for employees to dedicate a message to the women in their life. page 30 ▶
 **Goal 7: Affordable and Clean Energy** Increase substantially the share of renewable energy in the global energy mix	The Singtel Group is committed to adopting cleaner energy to reduce our reliance on fossil fuels.	**Sustainable energy sources:** We continue to explore opportunities in alternative energy forms to reduce our grid dependency. Details of our efforts can be found at our website. page 25 ▶ **Greening our networks:** We continue to invest in greening our networks and implement energy efficiency programmes. page 23–25 ▶
 **Goal 8: Decent Work and Economic Growth** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	The Singtel Group is committed to growing with our people and making the company a vibrant workplace across our global operations.	**Multigenerational workplace:** We worked with UTES and revised our re-employment terms and conditions by enhancing medical benefits, approving eligibility for flexible family leave and implementing consistent base pay for employees who reach retirement age. page 30 ▶ **Fair employment:** We employ over 25,000 people worldwide representing about 90 different nationalities. We strive to create an open and trusting work environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We have been a signatory of the UN Global Compact since 2007. We also have a sustainable supply chain management programme to promote and monitor human and labour rights practices among our vendors. page 28–31, 50–51 ▶

With the launch of the UN SDGs 2030 in 2015, we undertook an additional mapping last year to assess how our key focus and programmes relate to these goals, and the areas that we believe we have most impact as a business. Table 4.5 shows some of our key efforts and programmes in relation to the key SDGs.

SDG	SINGTEL GROUP'S POSITION	SINGTEL GROUP'S EFFORTS AND PROGRAMMES
 **Goal 9: Industry, Innovation and Infrastructure** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	The Singtel Group innovates continuously to stay at the forefront to bring the latest and the best services to our customers, and works with changemakers to bring creative solutions to solve social problems.	**Social innovation:** Our social innovation programme, the Singtel and Optus Future Makers, supports charities, social entrepreneurs and social enterprises that believe technological innovation plays a key role in addressing social causes in Singapore and Australia. page 44 ▶ **Infrastructure:** We continuously invest in our fixed and mobile networks to offer a superior customer experience. We also invest in cyber security to protect the ICT infrastructure of our enterprise customers as well as training of cyber security and smart cities professionals. page 32, 46 ▶ **Innovation:** We continuously innovate to bring the latest and the best services and experience to our customers. page 46 ▶
 **Goal 10: Reduced Inequality** Reduce inequality within and among countries	The Singtel Group is committed to creating equal opportunity for both our people and our communities.	**Workplace diversity:** We create an open and trusting workplace environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We launched a Group Diversity microsite on our staff portal to help drive awareness and serve as a one-stop information site for upcoming events, trainings, useful resources and news on various diversity topics. page 28–32 ▶ **Equal opportunity:** We supported SG Enable's pilot 12-week RISE Mentoring Programme in Singapore with four executives from Consumer Operations, Finance, HR and IT who mentored tertiary students with disabilities. page 31 ▶
 **Goal 11: Sustainable Cities and Communities** Make cities and human settlements inclusive, safe, resilient and sustainable	The Singtel Group leverages our ICT competence to develop solutions that improve quality of living, and focuses on building a resilient network infrastructure.	**Inclusive smart cities:** We actively support Smart City and Smart Nation visions and we are developing a suite of smart home solutions for our customers. We conducted workshops for senior citizens in Singapore to use smartphones and social media apps, as well as online safety tips like protecting their online privacy and against scams. We are also a founding partner of the Australian Business Roundtable for Disaster Resilience and Safer Communities. page 40 ▶
 **Goal 12: Responsible Consumption and Production** Ensure sustainable consumption and production patterns	The Singtel Groups actively monitors our waste management practices as part of our business operations and environmental conservation efforts.	**Going green:** We aim to reduce paper use in our business operations and actively promote the 3Rs – Reduce, Reuse and Recycle – to our people. We provide recycling facilities at our retails shops in Singapore and Australia. We launched a joint e-waste recycling programme in Singapore with SingPost. We continue to support the Mobile Muster programme in Australia, and during the year, backed the campaign 'Mobile for a Meal' where one meal was donated to a charity for every phone recycled. page 25–26 ▶
 **Goal 13: Climate Action** Take urgent action to combat climate change and its impacts	The Singtel Group is committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers.	**Environmental focus:** We undertook a Science Based Targets programme and engaged experts on developing science based targets to understand how the Singtel Group can align our business with the Paris COP21 climate deal to keep global warming below 2°C. These targets will focus on reducing our Scope 1 and 2 emissions using a science based approach, while Scope 3 emissions will also be addressed through our supply chain efforts. page 22 ▶
 **Goal 17: Partnerships for the Goals** Revitalise the global partnership for sustainable development	The Singtel Group is committed to establishing partnerships and collaborations to solve some of the most pressing social or sustainability needs, whether locally or globally.	**Key partnerships:** We have formed strong relationships with key partners for our strategic programmes targeting at meeting our sustainability and community needs. These partners include: ABCN, ABR, DQ Institute, Global Compact Network Singapore, National Council of Social Service, SG Enable, SPD, SingPost and Singapore Business Network on DisAbility. page 25–26, 39–40, 42–43 ▶

Summary of Material Topics and UN Sustainable Development Goals for the Singtel Group [102–46] [102–47] [103–1]

Table 4.6

Our Sustainability Pillars	Top material topics for the Singtel Group (Singtel and Optus)	GRI Standards disclosure	UN Sustainable Development Goals	Material outside the organisation
ENVIRONMENT	Climate change and carbon	Energy	7. Affordable and clean energy 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 17. Partnerships for the goals	Society and suppliers
		Emissions		
	Waste management	Effluents and waste		Society
PEOPLE	Diversity	Diversity and equal opportunity	3. Good health and well-being 5. Gender equality 8. Decent work and economic growth 10. Reduced inequalities	Society
	Talent attraction and retention	Employment		
	Training and education	Training and education		
	Employee health and safety	Occupational health and safety		Regulators
COMMUNITY	Inclusion of vulnerable groups	Economic performance	3. Good health and well-being 4. Quality education 8. Decent work and economic growth 9. Industry, innovation and infrastructure 10. Reduced inequalities 11. Sustainable cities and communities 17. Partnerships for the goals	Communities
	Digital citizenship and online safety	Local communities		Communities, particularly children and youth
MARKETPLACE AND CUSTOMERS	Customer satisfaction	–	3. Good health and well-being 5. Gender equality 8. Decent work and economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production	Distributors and customers
	Product and service quality	Socio economic compliance		Customers and regulators
	Innovation	Indirect economic impacts		Advertisers for digital advertising
	Customer health and safety	Customer health and safety		Customers and regulators
	Customer data privacy and protection	Customer privacy		Offshore and outsource vendors, particularly in India and the Philippines
	Fair marketing communications	Marketing and labelling		Customers, digital advertisers and regulators
	Anti-corruption	Anti-corruption		Suppliers and regulators
	Supply chain management	Supplier social assessment		Mobile and fixed broadband service vendors and distributors
		Supplier environmental assessment		