

06 Marketplace and Customers: The Best Experience

The Singtel Group is committed to being a responsible and innovative leader in the markets where we operate. Our strategy is underpinned by delivering an unparalleled customer experience while embracing responsible business practices across our operations and supply chain.

Customer Experience

We strive to deliver a superior customer experience that is defined by the quality of our products and services and customer care, as well as the range of innovative services and value that we offer to our customers.



CUSTOMER SATISFACTION

We focus on giving the best value and experience to our customers and deepening our engagement and relationship with them in this highly competitive market.

Focus groups and user studies are conducted to establish clear understanding of customer needs. We subject to-be launched products and services to rigorous testing to ensure that they meet customer expectations before introducing them to the market.

Singtel has embarked on an omni-channel strategy to compete in the new digital economy and maintain our leadership position in the market. By focusing on what truly matters to customers through extensive research and analytics, we leveraged an array of innovative technology to design a robust, customer-focused omni-channel experience that allows customers to interact with Singtel and get things done – from buying and recontracting services to viewing and paying bills – on their preferred device and channel anytime, anywhere. More importantly,

they are assured of a consistent and seamless experience regardless of how they choose to interact with us.

Singtel maintained its number one position on the Customer Satisfaction Index of Singapore (CSISG) - mobile sector - from 2013 to 2017 despite intense market competition. We were also voted Singapore Best Telco at HWM+HardwareZone.com Tech Awards 2017: Readers Choice.

In Singapore, for every 10 customer complaints via the media, social media, our website and management, we received 27 compliments in FY2018, up from 25 last year.

In Australia, the monthly average for Telecommunications Industry Ombudsman (TIO) complaints for phone and internet users about Optus was 3.7 complaints per 10,000 services, up from 2.66 a year ago.

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Big Data Analytics for Predictive Routing at Singtel Hotlines

We analysed over 60 million records at our hotlines from our data warehouses and used Six Sigma tools and statistical software like speech analytics to investigate and validate root causes.

These insights helped us with formulating advanced analytical models to predict the reason for our customer's call at the Interactive Voice Response system stage and enable smart routing for faster resolution and shorter waiting time.

PRODUCT AND SERVICE QUALITY

The Singtel Group is committed to offering our customers a great network and service experience. We therefore continuously enhance the reach, reliability and quality of our networks in Singapore and Australia.

Enhancing Network Reliability

Ensuring consistency in network and service performance is critical. We continue to invest in new base stations and towers, upgrade our technologies and increase our user capacity.

Ensuring Quality Standards

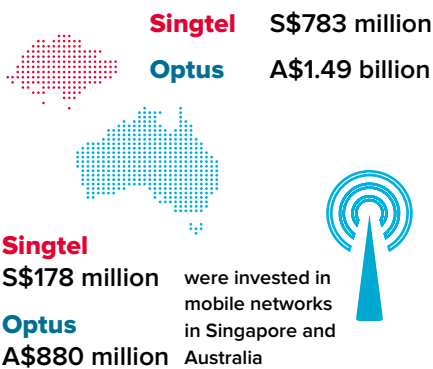
In Singapore, Singtel adheres to the Quality of Service standards set by the Info-communications Media Development Authority of Singapore (IMDA) for the services that we offer. The regulator publishes periodic performance reports on the various operators in Singapore covering broadband, mobile and fixed telephone services. We continue to meet or exceed the quality of service standards for service coverage, network availability, network latency, installation and fault repair time. These reports can be found at www.imda.gov.sg.

Despite our efforts, there were occasional service disruptions. We notify our customers via various channels such as social media and our hotlines' Interactive Voice Response once we confirm a specific network service disruption. Customers can also request to be notified via SMS when service resumes.

In FY2018, there was no legal action regarding anti-competitive behaviour and violation of anti-trust legislation against the Singtel Group. During the year, we paid two fines totalling S\$509,500 imposed by IMDA and there was no non-monetary sanction against Singtel.

- A S\$500,000 fine for a broadband service difficulty incident in December 2016 arising from a software design limitation.
- A S\$9,500 fine for broadcasting a drama series containing restricted adult themes without classification rating or advisory.

Total capital investment of S\$2.35 billion in FY2018



Optus CEO Allen Lew (3rd from right) at Bunbury, Western Australia, when Optus donated a new outdoor electronic scoreboard for the South Bunbury Football Club as part of our commitment to network investment in regional Australia

INNOVATION

The Singtel Group innovates continuously and keeps abreast of rapid technology advancement and changing customer needs. We want to bring the latest and the best services and experience to our customers.

Singtel Dash, our innovative mobile payment service, was named 'FinTech Innovation of the Year 2017' award at the FinTech Innovation Awards 2017 in Shanghai, China, and the Best Asian B2C Payments Initiative at Asia Seamless Awards 2017.

Singtel Group Future Makers

We continue to support charities, social entrepreneurs and social enterprises that leverage technological innovation to address social causes and scale their impact in the community. We do this through our Future Makers programme which we launched in 2016.

In FY2018, we extended Future Makers from Singapore and Australia to the Philippines, where our associate Globe adopted the programme to help support social entrepreneurs to address poverty related issues in the country. Across Singapore, Australia and the Philippines, we funded more than S\$500,000 in local and regional grants and provided capacity building support such as mentoring by cross-sector experts, competency workshops, networking and strategic partnership opportunities with the Singtel Group and our partners.

Our ecosystem of partners comprised the non-profit sector, social enterprises, corporates and venture capital companies. Their engagement and support came in many forms such as programme partners, mentors and speakers. Our in-house subject matter experts from various business units, including centre of operational excellence, digital marketing, enterprise

sales, HR, legal and strategy, were involved in roles like mentors and coaches as part of our skilled volunteering effort.

We also included challenge briefs from our community and corporate partners like Home Nursing Foundation, MINDS, SMRT and World Vision Australia, as we aimed to connect our start-ups with relevant community partners to help them better understand the challenges of some of these social issues and the solutions needed.

The three programmes by Singtel, Optus and Globe culminated in our inaugural Singtel Group Future Makers 2017. Six start-ups with regional potential were selected from 19 contenders from the local tracks – chosen from a total of over 250 applicants – to attend the regional track for support to scale their solutions and access into other markets where the Singtel Group operates.



The six regional finalist teams gathered in Sydney, Australia, in November 2017 where they participated in the two-day Impact Investment Summit Asia Pacific and a one-day workshop at the Optus campus. The teams had the opportunity to pitch their solutions for pressing social challenges to a panel of judges comprising representatives from Giant Leap Fund, Impact Generation Partners, Qualgro Venture Capital and World Vision Australia to score an additional S\$100,000 in funding from the Singtel Group, which would help them expand regionally for greater community impact

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Enabling Independent Travel for Persons with Disabilities

Transportation is one of the most basic needs in everyone’s daily life. Despite the sophisticated public transportation infrastructure in Singapore, commuters with special needs face challenges when taking public transport.

Through our Future Makers programme, we supported Hapticus, a Singapore technology social impact start-up, which is working on an online transportation booking system to cater to the transportation needs for persons with disabilities. We also facilitated a joint problem brief between Movement for the Intellectually Disabled of Singapore (MINDS) and public transport operator SMRT to address the gap in independent travelling for persons with intellectual disabilities. Hapticus then developed a prototype based on feedback gathered from this group and the caregivers. The first version of the app was piloted together with MINDS clients in January 2018. In addition, Hapticus was one of the two regional finalists selected to attend the Impact Investment Summit Asia Pacific 2017 in Australia and received an additional grant of S\$20,000 from the Singtel Group as well as capacity building workshops and networking opportunities. During the Summit, they had discussions with relevant ecosystem partners and investors to conceptualise their regional plans of expanding into the Australian market.

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Group Topical Mentoring Sessions

- Business Strategy
- Design Thinking
- Digital Marketing
- HR
- Leadership
- Personal and Brand Storytelling
- Sales

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Coaching and Mentoring Sessions Delivered

- 1-1 mentoring with VP Group Sustainability, Singtel
- Ad-hoc clinics with Singtel Legal team
- Monthly 1-1 coaching with programme coaches
- Monthly 1-1 mentoring with start-up mentors

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Workshops

- Business Modelling
- Corporate Engagement
- Financial Projections
- Go-to-Market Strategy
- Growth Hacking
- Product Development and Testing
- Social Impact Assessment
- Venture Landscape Sharing and Pitching
- Vision, Mission, Team Alignment

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Community and Other Events

- Impact Investment Summit Asia Pacific 2017 (Regional Track)
- TBN Asia Conference 2017
- Monthly Community Events:**
 - Programme Kickoff
 - Community Engagement
 - Know your Legal Rights
 - Pitching with Singtel Innov8
 - Pitching to Impact Investors

At Singtel, our objective behind each social investment project is to assess outcomes and benefits to understand the social impact created for the intended beneficiaries and stakeholders.

Read our [inaugural Singapore Impact Report](#) on the progress and milestones of selected social impact start-ups and alumni of the Singtel Future Makers programme.

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Ethical and Responsible Business Practices

The Singtel Group strives to reduce the negative impact of our products and services. Our responsibility encompasses governance and anti-corruption as well as safety, data privacy and fair communications for our stakeholders in the marketplace.

CUSTOMER HEALTH AND SAFETY

Today, the perceived health risks associated with the emission of Electromagnetic Energy (EME) from mobile devices, base stations and tower infrastructure remain a concern for our customers, the community and regulators. This is despite the absence of conclusive evidence on adverse health effects caused by mobile phone usage.

Please refer to our [website](#) for information on our efforts and measures to ensure compliance with both local and global standards for such emissions.

In Singapore, we continue to engage the National Environment Agency (NEA) during the year, which conducted eight radiation measurements at locations of concern island-wide. The results showed that our mobile base stations complied with the radio frequency radiation levels and safety guidelines set by International Commission on Non-Ionizing Radiation Protection (ICNIRP). The findings were shared with the stakeholders who raised the concern.

We also submit to IMDA a monthly report on newly commissioned base stations to ensure that their Effective Isotropic Radiated Power or transmission power is within its guideline.

In Australia, we conduct audits of base stations and undertake predictive EME modelling and testing to ensure compliance at our sites with the Australian standards. We publish the EME reports of all our sites at www.rfnsa.com.au.



CUSTOMER DATA PRIVACY AND PROTECTION

We conduct our business in compliance with data protection laws – the Personal Data Protection Act (PDPA) in Singapore and the Privacy Act and Telecommunications Act in Australia. These laws cover various rules governing the collection, use, disclosure and care of personal data. Singtel's Group Chief Information Officer is also our Data Protection Officer and reports to the Board Risk Committee to manage this important matter.

During the year, we conducted over 1,000 Privacy Impact Assessments in our Singapore and Australian operations to identify and assess personal data protection risks in our systems or processes that involve the handling of personal data, with recommendations addressing the risks.

We issued comprehensive guidelines on our staff portal Espresso to help our employees comply with the PDPA in Singapore. These guidelines cover the various aspects under three categories of collecting, disclosing and disposing of personal data. We also implemented a mandatory online privacy training for our

employees in Singapore and Australia. Our training programme was a finalist in the Australian Institute of Training and Development National Training Excellence Awards.

We recorded 21 minor incidents in Singapore and 48 cases in Australia of unintended data disclosure during the year, mainly due to human lapses and negligence, such as disclosing personal data to unintended recipients over the phone and sending documents containing personal data to the wrong email or postal addresses. Three of these cases were referred by the Personal Data Protection Commission of Singapore. We continue to work with our staff to reduce the recurrence of such lapses. From 22 February 2018, certain eligible data breaches are notifiable to the Office of the Australian Information Commissioner and Optus did not have such data breaches during the year.

To help enterprise customers protect their own data and their customer data, the Singtel Group offers a suite of cyber security solutions powered by our US-based subsidiary Trustwave and the Group's ten Advanced Security Operations Centres (ASOCs) across Asia

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Pacific, Europe and US. Supported by about 2,000 cyber security professionals, we leverage our ASOCs' global threat intelligence, threat data analytics and advanced security automation capabilities to provide our enterprise customers with real-time monitoring, response and remediation against advanced and evolving cyber threats.

To meet the demand for cyber security talent, we have partnered government agencies, tertiary institutions and leading cyber security service providers to build a sustainable cyber security talent pool.

FAIR MARKETING COMMUNICATIONS

We recognise that fair marketing practices and being transparent in the way we communicate are critical to build trust and loyalty among our customers. Our marketing code sets out the requirements that Singtel organisations and representatives must follow to ensure that all marketing activities comply with various laws and guidelines such as the Singapore Code of Advertising Practice, IMDA Codes of Practice and Guidelines and PDPA.

There were no cases of non-compliance with regulations and voluntary codes concerning marketing communications at Singtel in Singapore during the year. However, we received three consumer complaints from the Advertising Standards Authority of Singapore, of which two were found to be invalid claims that our advertisements were misleading. The third involved a new mobile phone brand that claimed to have the "largest capacity found in any smartphone". We amended the advertisement copy which was provided by the mobile phone manufacturer.

On 11 December 2017, the Australian Competition and Consumer Commission (ACCC) accepted a court enforceable undertaking from Optus in relation to claims about speeds available to consumers on our fibre-to-the-node and fibre-to-the-building broadband plans offered over the National Broadband Network (NBN) that were likely to

contravene the Australian Consumer Law. On 22 May 2018, Optus was fined by the Federal Court A\$1.5 million for making misleading representations to customers about their transition from our network to the NBN.

ANTI-CORRUPTION

We continue to manage the Group's exposure to corruption risks by applying and emphasising good corporate governance, business ethics and transparency while applying robust internal controls in business processes as our core approach. Our efforts in this area have been recognised through the 2018 World's Most Ethical Companies ranking by Ethisphere Institute for the eighth consecutive year. Singtel is the only company in Singapore as well as in Asia's telecommunications industry to be honoured with this accolade.

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 Programme underpin our fraud risk management framework and

processes. Please refer to our [website](#) for more information on this topic under Corporate Governance.

In August 2017, we published our [Singtel Group Anti-Bribery and Corruption Policy](#), which reinforces our longstanding zero tolerance approach to bribery and corruption of any form that is set out in our Code of Conduct. All Singtel Board of Directors, employees and third parties who represent us such as suppliers, contractors and business partners, must comply with this policy at all times. They must also comply with all relevant laws like the UK Bribery Act in countries where we conduct business.

We received a total of 103 cases via our whistleblower channels during the year. After investigation, 44 cases were substantiated and 42 cases were not, with the remaining 17 cases under investigation at the end of FY2018. Two of the substantiated cases took place outside Singapore and Australia. We closed 15 matters received in the prior year that were still under investigation as at 31 March 2017.



Number of cases received in FY2018 via Whistleblower Hotlines

	Received	Substantiated	Not Substantiated	Under Investigation
Singtel	37	11	17	9
Optus	66	33	25	8
Singtel Group	103	44	42	17



Number of confirmed incidents in which employees were dismissed or disciplined for corruption

Singtel **2** Optus **0**



Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption

Singtel **1** Optus **0**

Highlights of the substantiated cases:

- 22 cases involved breach of policy and gaps in business processes by employees
- 10 cases of identity theft related issues in Australia that affected customers or members of the public
- 9 cases of employee misconduct and inappropriate behaviour involving unethical behaviour, conflict of interest, breach of code of conduct and corruption
- 2 cases involving harassment of fellow employees
- 1 case of vendor fraud involving forged documents

When these cases came to our attention, independent internal investigations were immediately conducted by our Internal Audit or investigation teams led by our subject matter experts. When an alleged corrupt or other criminal act by an employee is substantiated, the persons of interest were terminated and the matters reported to the relevant law enforcement authority.

During the year, we amended the public communications in Australia so that calls regarding customer identity theft were directly referred to our Optus' ID Theft Hotline. This resulted in a significant decrease in call volumes to our Whistleblower hotline in Australia.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Singtel Group has an extensive supply chain ranging from equipment and infrastructure suppliers to advertising agencies and content providers.

Given the complex nature and the widespread geographical presence of our supply chain, we believe that by collaborating with socially and environmentally conscious suppliers, we can mitigate a significant proportion of our sustainability risks and impacts. Results from our Life Cycle Assessment and Social Hotspot Analysis are further testimony to the need for responsible procurement practices in our business. Please refer to our [website](#) for more details.

MANAGING SUSTAINABILITY IN OUR SUPPLY CHAIN

In FY2018, we circulated our self-assessment questionnaire to gather inputs from our next set of top 50 suppliers. This questionnaire was developed last year and covered eight key ESG categories. All new suppliers were also assessed through the questionnaire as part of their on-boarding tender process.

The Singtel Group
contracted
6,534
suppliers worldwide
in FY2018



From the assessment, we are generally satisfied with the approach our larger suppliers have for the key ESG matters of importance to the Singtel Group.

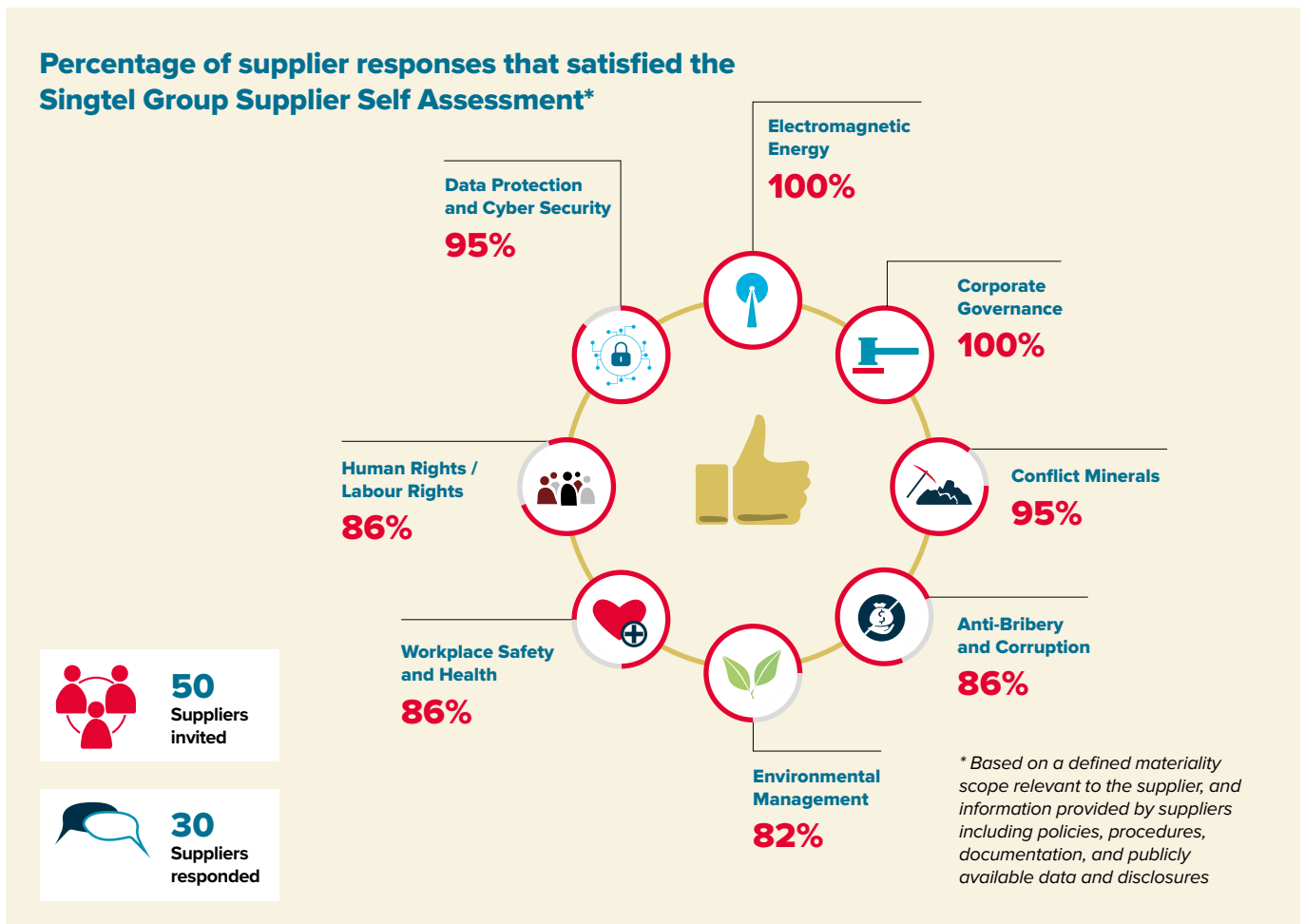
For suppliers who lack sufficient documentation to support their claims, we will request for more information regarding their areas of high sustainability risks. This will allow us to undertake a deeper dive into how our suppliers manage these key areas. If we are not satisfied that they have robust systems and methodologies governing the key ESG topics, we will request for further engagement and determine if there is a need to flag for third-party audits.

With the progress made with our Sustainable Supply Chain management programme, we are sharpening our focus on four key groups of suppliers who pose higher risks in our supply chain: Devices, Network equipment, IT hardware and Offshore call centres.

During the year, we also undertook a Security Compliance Assessment and visited 14 offshore secure locations to ensure that the facilities were set up according to the agreed regulatory security architecture and controls.

We are committed to inclusive procurement practices, which we believe will create long-term value for our partners and communities. Optus is a member of Supply Nation, a direct business-to-business purchasing link between corporate Australia, government agencies and Indigenous-owned businesses. As a Supply Nation member, we meet the requirements of the Australian Government's Indigenous Opportunity Policy and have access to an online database of Supply Nation-certified Indigenous business suppliers whom we seek to engage for services. We will proactively promote the services of Indigenous suppliers as part of our wider inclusion strategy.

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SAFETY OF OUR CONTRACTORS

We continued with the Singtel Safe Contractor Accreditation (SCA) scheme, a set of Singtel's Workplace Safety and Health (WSH) standards that we piloted last year for contractors who perform high-risk technical or physical work in Singapore. We identified 120 contractors in the high risk category who require SCA accreditation and failure to do so will disqualify them from obtaining future contracts with Singtel. Our contractors have made good progress in this area with elevated WSH standards, with 105 achieving our SCA accreditation.

We increased efforts to identify lapses on-ground and help our contractors put in place programmes to address any unsafe work practice. We also produced a manhole safety video highlighting common risks and safe procedures to carry out work. The video is based on actual work scenes so that viewers can easily relate to.

We continued to issue 'show cause' notices for cases where serious safety violations were observed. During the year, we conducted more than 2,000 inspections. Contractors found to have infringements attended our Safety Time Out Programme (STOP) and implemented necessary precautions before resuming work with Singtel.



Enforcement Actions

