

Marketplace and Customers

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 lack of conclusive evidence on adverse health effects caused by mobile phone usage.

More information on our efforts to ensure compliance with both local and global standards related to EME is on our [website](#).

In Singapore, we continue to engage the National Environment Agency (NEA) during the year, which conducted nine 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 submitted a monthly report to IMDA on newly commissioned base stations to ensure that their Effective Isotropic Radiated Power or transmission power is within its guidelines.

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. The Australian Communications and Media Authority received five complaints relating to Optus in 2017-2018 but no breach was found.

CUSTOMER DATA PRIVACY AND PROTECTION

Customer Data Privacy and Protection is the most important topic that emerged from our materiality review and identified by our stakeholders. 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 rules governing the collection, use, disclosure and care of personal data. Singtel's Group Chief Information Officer is our Data Protection Officer and reports to the Board Risk Committee on this matter.

Every year, all employees must go through a mandatory online refresher course on customer data privacy and protection. We continue to educate our employees by issuing comprehensive guidelines and regular e-newsletters to help them understand and comply with the PDPA. These guidelines cover various aspects under three categories – collecting, disclosing and disposing of personal data. Our e-newsletter reminds staff of the importance of customer data and carries case studies of breaches and findings by the Personal Data Protection Commission (PDPC) of Singapore, learnings and preventive actions.

During the year, we recorded 28 incidents in Singapore, nine of which were referred to us by PDPC. These incidents were mainly due to human error, resulting in documents containing personal data being sent to the wrong email or postal addresses. In addition, the service of an employee was terminated as he abused his access to customer information.

In Australia, we proactively probed our complaint online tracker database to check if any complaint should have been directed to our Data Protection Office. This helps us with analytics and to spot systemic issues. From our active search, we picked up 254 customer data related incidents caused mainly by staff error and negligence, and mostly affected individuals. We reported four data breaches cases to the Office of the Australian Information Commissioner. Two cases due to human error resulted in unintentional disclosure of individual customer details. The other two cases involved phishing and process errors which either disclosed contact details to a third party or published contact details of a select group of customers in online and printed directories.

We take a serious view of these incidents and will continue to educate our staff and improve practices and processes to reduce the recurrence of such lapses. Since FY2018, we have made it mandatory for every employee in Singapore and Australia to complete an online privacy training annually. We will continue to implement additional safeguards against mishandling of information by authorised staff and also remind our people to be vigilant when handling customer data.

The relevant authorities did not fine or impose non-monetary sanction against the Singtel Group over these incidents.



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FAIR MARKETING COMMUNICATIONS

We recognise that fair marketing practices and transparency in our communications 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.

There were no cases of non-compliance with regulations and voluntary codes concerning marketing communications at Singtel in Singapore during the year. We received a customer complaint via the Advertising Standards Authority of Singapore: a customer was incorrectly advised by our hotline officer on the early re-contract fee waiver terms stated in an online advertisement.

In October 2018, ACCC fined Optus A\$10 million for misleading conduct in relation to the Direct Carrier Billing (DCB) service. This relates to third party content, including premium content such as news websites and apps such as games and ringtones. We ceased offering the DCB service from 24 August 2018, other than a limited number of services for one-off content for TV shows, magazines and mobile gaming, all of which require expressed customer agreement to each purchase being charged to the customer's Optus account. We acknowledged that some customers might have inadvertently subscribed to content they did not want or could not easily unsubscribe from. We committed to undertake a comprehensive review of customers affected by this activity and provided refunds where appropriate.

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.

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 the Whistleblower Programme underpin our fraud risk management framework and processes. The Singtel Group Anti-Bribery and Corruption Policy reinforces our long-standing zero tolerance approach to bribery and corruption of any form that is set out in our Code of Conduct. All Singtel Board members, employees and third parties who represent us such as suppliers, contractors and business partners, must comply with this policy at all times. More information on this topic is on our [website](#).

Every year, all employees must go through mandatory online refresher courses, including Code of Conduct, Fraud awareness and Anti-Bribery and Corruption Policy. For instance, during the year, we engaged the Corrupt Practices Investigation Bureau of Singapore to conduct eight sessions of

Anti-Bribery & Corruption Talk
1.5 Hours | All Levels
Complementary | Course Code: 1704002

Course Overview
Corruption is receiving, asking for or giving any gratification to induce a person to do a favour with a corrupt intent.
Corruption is a serious offence.
A person convicted on a corruption offence shall be liable to a fine not exceeding \$100,000- or to imprisonment for a term not exceeding 5 years, or both, for each count of corruption.

Methodology
The 1.5 hour talk comprises a presentation, case studies, video and FAQ.

Learning Outcome

- Definition of corruption
- Singapore's success in keeping corruption under control
- Preventive measures
- Case studies

Target Audience

- All Levels

How to Register

- Click above to select the slot

Do You Know?
The Prevention of Corruption Act (PCA) is the primary anti-corruption legislation in Singapore and forms one of the key pillars in Singapore's fight against corruption. Under the PCA, CIB officers are also empowered to arrest, conduct a premise search or seize evidence without warrant if there is credible information or reasonable suspicion that a corruption offence has been committed.

DO NOT mess with corruption. Know your facts and Stay Safe.

connect grow

Eight anti-bribery and corruption talks were organised for staff in Singapore

anti-bribery and corruption talk as part of staff training. More than 700 employees in Singapore attended.

We received a total of 133 cases via our whistleblower channels during the year (see Figure 1). After investigation, 34 cases were substantiated and 59 cases were not, with the remaining 40 cases under investigation at the end of the year. Three of the substantiated cases took place outside Singapore and Australia. In addition, we closed the 17 matters received in the prior year that were still under investigation as at 31 March 2018, of which eight were substantiated.

Highlights of the 42 substantiated cases:

- 26 cases of employee or sales agent misconduct and inappropriate behaviour involving unethical behaviour, conflict of interest, breach of code of conduct and corruption
- 8 cases of fraud by staff for forging customer documents or submitting fraudulent timesheets, claims or referrals
- 6 cases involved breach of policy and gaps in business processes by employees or our sales agents
- 1 customer service complaint and 1 case related to identity theft in Australia

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 was substantiated, the employment of persons of interest was terminated and the matter was reported to the relevant law enforcement authority.

In early 2019, the Australian Parliament passed legislation that requires large organisations to maintain a whistleblower service and to comply with provisions concerning protection of whistleblowers that make certain types of disclosure. We are currently reviewing the Optus hotline and the Singtel Group Whistleblower Policy to ensure that they meet the requirements of the legislation.

During the year, there were no incidents of staff dismissal or disciplinary action nor termination or non-renewal of business partners for corruption. However, in April 2019, we were fined A\$25,000 by the NSW Land and Environment Court for non-disclosure of payments to attend ticketed political fundraising events made in 2014 and 2015, totalling A\$5,400, when submitting planning applications for sites in Thredbo and Perisher. We acknowledged the administrative error and noted that the Court found that the offence arose from carelessness, and it was certainly not intentional, reckless or negligent.

MOST WELL-GOVERNED AND TRANSPARENT COMPANY

Singtel was named the most well-governed and transparent company in Singapore for the fourth consecutive year in the Singapore Governance and Transparency Index 2018 by CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations, and Singapore Institute of Directors.

The Singapore Governance and Transparency Index (SGTI) assesses companies on board responsibilities, rights of shareholders, engagement of stakeholders, accountability and audit, as well as disclosure and transparency. The index is closely aligned with Singapore's Code of Corporate Governance and G20/OECD Principles of Corporate Governance. Singtel topped a list of more than 600 Singapore-listed companies, Reits and business trusts, with a score of 129 points out of a maximum 143 points.

During the year, we published Optus' inaugural **Tax Transparency Report 2018** which outlines the tax policy, strategy and governance for our Australian operations.



Figure 1:
Number of Cases from Whistleblower Channels

NUMBER OF CASES RECEIVED IN FY2019 VIA WHISTLEBLOWER CHANNELS

	SINGTEL	OPTUS	SINGTEL GROUP
Received	47	86	133
Substantiated	15	19	34
Not Substantiated	19	40	59
Under investigation	13	27	40

NUMBER OF CASES UNDER INVESTIGATION AS AT 31 MARCH 2019

	SINGTEL	OPTUS	SINGTEL GROUP
Opening Balance	9	8	17
Substantiated	5	3	8
Not Substantiated	4	5	9

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

Singtel: 0 Optus: 0

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

Singtel: 0 Optus: 0

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SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Singtel Group has an extensive supply chain ranging from mobile and network equipment and infrastructure suppliers to content providers, security and managing agents. Given the complex nature and the wide geographical presence of our supply chain, we believe that collaboration with socially and environmentally conscious suppliers will help us mitigate a significant proportion of our sustainability risks. Results from our earlier Life Cycle Assessment (LCA) and Social Hotspot Analysis are testimony to the need for responsible procurement practices in our business. More details are on our [website](#).

All new suppliers are assessed against ESG criteria through our sustainability questionnaire as part of their on-boarding tender process. This is applied to tenders above \$200,000 across the Singtel Group. 100% of such new suppliers were assessed against the criteria during the year.

We have earlier identified four key groups of suppliers who pose higher risks in our supply chain: Devices, Network equipment, IT hardware and Offshore call centres. In FY2019, Network equipment and Devices surfaced as pressing areas of concern due to the ban on certain Chinese 5G network manufacturers in some major markets.

We placed additional scrutiny on 14 suppliers with elevated risk and gathered responses of their self-assessments to better manage this risk and reduce Singtel Group's exposure.

During the year, we undertook a Security Compliance Assessment and visited 21 offshore facilities to ensure that they were set up according to the agreed regulatory security architecture and controls.

We also updated a three-year sustainable supply chain management roadmap for FY2020-FY2022 (see Figure 2).

Figure 2:

Three-year Sustainable Supply Chain Management Roadmap



The Singtel Group contracted

6,804 suppliers worldwide in FY2019



RESPECTING HUMAN RIGHTS

We respect and support the human rights of individuals regardless of who they are, and where they live. There are risks that we need to address to prevent breaches in our supply chain and tackle the growing global concern on modern slavery.

As a signatory of the UN Global Compact since 2007, we are committed to upholding its ten principles including human and labour rights. The UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights also guide our approach and policy development to help us better assess, mitigate and combat modern slavery impact in our operations and supply chain.

We took steps to ensure that we have robust measures to comply with the new Modern Slavery Act in Australia, which was passed in end-2018, among which is a Modern Slavery Act statement by the company. We examined our Supplier Code of Conduct and Master Service Agreement to ensure that they, especially the sustainability-related clauses, are aligned with the requirements of the Act and our suppliers are expected to conform to the revisions. We also looked into salient risk areas within our supply chain. We are currently developing an overarching human rights policy and plan to launch it by late FY2020 along with a Modern Slavery Statement in response to the new Australian Government legislation.

Enforcement Action:

Warning issued: **0 case**

'Show Cause' meeting with contractor: **1 case**

Under improvement monitoring: **0 case**

SAFETY OF OUR CONTRACTORS

We want to inculcate good Workplace Safety and Health (WSH) practices among all our contractors. A key initiative is the Singtel Safe Contractor Accreditation (SCA) scheme, a set of Singtel's WSH standards for contractors who perform high-risk technical or physical work introduced in April 2016.

During the year, we worked closely with 98 SCA accredited contractors, who went through their first year of surveillance audit to maintain their validity of their accreditation. Those who fail to do so will be disqualified from obtaining future contracts with Singtel (see Figure 3).

In addition, 68 contractors categorised under the high-risk group have all attained the bizSAFE Star status which is the highest achievement under the bizSAFE programme by the WSH Council in Singapore.

The WSH Council recognised Singtel's efforts and commitment to helping our service partners achieve continuous WSH improvements, hence we successfully renewed our bizSAFE Partner certification in April 2018 for the next two years.

Figure 3: **Workplace Safety and Health Inspections**

