

01 Message from Chairman and Group CEO



In 2019, Singtel celebrates 140 years of heritage. From the first telephone service in Singapore in 1879 to our latest developments in 5G, one thing that remains unchanged is our commitment to ensuring the sustainable growth of our business and meeting the long-term needs of all our stakeholders.

Today, the topic of sustainability has become even more pressing, fuelled by global economic volatility, climate change, breaches in business ethics and trust, growing social service needs and changing consumer expectations on the role of businesses. Increasingly, many of these environmental, social and governance (ESG) issues are coming under close scrutiny by regulators and investors.

With our regular stakeholder engagement and materiality assessments, the Singtel Board and management have earlier identified and deliberated on these emerging trends which shaped our sustainability strategy and helped us to set time-based targets with intended outcome and impact.

We are pleased to share the highlights of how we have progressed, where we believe we can do better and our focus going forward.

LEAVING THE SMALLEST ENVIRONMENTAL FOOTPRINT

2018 recorded some of the most extreme temperatures and weather conditions for Singapore and Australia not seen in decades. In Australia, extreme climate-related events continued to disrupt businesses and cause catastrophic damage to community and the wider ecosystem. These underscore the importance of our strategy and mitigation plans to address the long-term effects of climate change and product stewardship, both of which are material topics for the Singtel Group.

As the first company in Asia excluding Japan to have our carbon reduction targets approved by Science Based Targets initiative (SBTi) in 2017, we continue to focus on energy efficiency measures to reduce our energy and carbon emission levels.

While many of these programmes such as chiller replacements are multi-year initiatives, we are already seeing the

fruits of these efforts in levelling our energy growth. We have significantly reduced the carbon intensity of our business, even while our network infrastructure and customer base continue to grow.

The October 2018 Intergovernmental Panel on Climate Change (IPCC) Report has set a new 1.5 degrees Celsius limit for global warming, down from the earlier 2 degrees Celsius. To achieve and even exceed our 2030 target of 42% Scope 1 and 2 absolute carbon reductions, we are exploring long-term renewable energy supply options. These efforts will also pave the way for our aspiration to be carbon neutral by 2050.

A FUTURE-READY, DIVERSE AND INCLUSIVE WORKFORCE

Singtel is committed to fostering a diverse and inclusive workplace that is reflective of the markets we serve so we can better understand our diverse customer base. Our efforts were recognised globally this year, when we were one of four Singapore companies included in Bloomberg's 2019 Gender-Equality Index for supporting women in the workforce, in leadership and at the Board level.

A third of our board members, management and staff across the Group are women. During the year, two more senior female executives joined the Optus leadership team, including the Deputy CEO of Consumer Australia. We will continue to create a pipeline of female talent and leadership in all our enterprise businesses and technical groups.

We are updating our Optus Disability Action Plan for inclusive employment, physical accommodation and customer-facing channels, and continue to mobilise support for inclusive employment in Singapore via the Singapore Business Network on DisAbility, which we are currently co-chairing.

As we deepen our digitisation efforts, we are taking a proactive approach to ensure our leaders and workforce make a smooth transition into the digital economy. We invested S\$26.1 million in the year in staff learning and development across both Singapore and Australia to upgrade our skills.

ENABLING THE MOST CONNECTED COMMUNITIES

Beyond helping our staff to grow with our business, Singtel recognises that we are also well-positioned to support the inclusion and progress of the communities in which we operate. Our long-term community strategy is developed from our rigorous assessment of material social issues and engagement with the government and social service sectors.

We partnered the Australian e-Safety Commissioner in a series of national awareness campaigns launched on Safer Internet Day in February. As our mobile networks expand in regional Australia, our Digital Thumbprint programme continues to be embedded into our community engagement because we believe it is critical for consumers, both young and old, to maximise opportunities with our high-speed mobile data access without the

unintended consequences such as cyber bullying, screen time addiction and increased privacy risks.

The #DQEveryChild movement by DQ Institute, for which Singtel has been a strategic partner and funder from its beginnings, has grown into a global coalition of member organisations such as IEEE Standards Association, the Organisation for Economic Co-operation and Development and World Economic Forum. We are part of the working group to establish this digital intelligence framework as a global standard for digital literacy, skills and readiness to ensure people, especially children, have the social, emotional and cognitive abilities to thrive in our digital world. Meanwhile, our Thai associate AIS announced in February its intention to bring this programme to Thai students.

The Singtel Group Future Makers social innovation programme, launched in 2016, continues to expand in scope and reach. Last year, together with our regional associates AIS, Globe and Telkomsel, we supported ten regional social impact start-ups that are developing technologies and innovations targeting areas like healthcare, disability enablement and domestic violence. With an alumni of 46 social impact start-ups in Australia and Singapore, our plan in the new year is to support their next stage of growth, both locally and across our regional markets.

GOING FORWARD

While we have made significant progress in our sustainability journey, we recognise that there are areas where we need to improve on.

Australia has introduced a new Modern Slavery Legislation, which we will use to update our Supplier Code of Conduct and engagement process in the new financial year to ensure that our supply chain operates to the highest level of human and labour rights as well as environmental practices. With our 6,800 direct suppliers and many more in their own supply chain, these efforts will take

time. Hence, we are adopting a risk-prioritised approach to due diligence and supplier engagement.

In our sustainability report next year, we will report on our achievements against our mid-term goals set in 2015. We will undertake a new round of formal stakeholder engagement and materiality assessment as well as a Sustainable Development Goals prioritisation exercise to set our new mid-term targets for 2025 and refine our corporate sustainability strategy to guide our programmes. We hope to obtain your valuable input and perspective to help shape our sustainability agenda and strategy.

On behalf of the Board and Management of Singtel, we wish to thank all who have been with us throughout our sustainability journey. We look forward to your continued partnership and support.



SIMON ISRAEL
Chairman



CHUA SOCK KOONG
Group CEO