

YEAR	INITIATIVES/ MILESTONES	RELEVANT INSIGHTS INTO CLIMATE CHANGE AND CARBON	OUR ACTIONS	REPORT
2017 and 2018	Singtel Group achieved A- (Leadership) for carbon reporting in CDP	Strong environment strategy as well as baseline and external assurance of carbon footprint. Also critical for basis to perform forward projection and modelling for SBTi and TCFD.	Preparatory groundwork for SBTi began in FY2017.	SR2018 and SR2019
2017 and 2018	Early adopter to support recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June 2017	Structured framework and approach to progressively strengthen Governance, Strategy, Risk Management and Metrics/Performance of climate-related financial risks.	<p>Governance Singtel Board approves material topics, including climate change strategy and targets, reviews progress and performance of business.</p> <p>Strategy Scenario planning already completed for network adaptation and carbon reduction targets setting.</p> <p>Risk Management Climate change updated to Singtel Group's risk register and discussed at Risk Management Committee.</p> <p>Metrics and Targets Carbon and energy intensity and SBTi-approved carbon reduction targets. Work-in-progress for climate-related financial drivers and modelling.</p>	SR2018
2017 and 2018	Science Based Targets initiative (SBTi) approved Singtel's absolute carbon reduction target, first in Asia ex-Japan in October 2017	42% absolute reduction in Scope 1 and 2, and 30% reduction in Scope 3 carbon between 2015 and 2030 for Singtel Group's Singapore and Australia operations.	<p>Ongoing initiatives to improve energy and carbon efficiency in the business.</p> <p>Investigation of larger scale renewable energy sources.</p>	SR2018 and SR2019

Singtel's Efforts on SBTi and TCFD

SBTi

We provide a progress update of our ongoing efforts and results from organic energy efficiency initiatives in this report. However, these efforts alone will not be able to move the needle in achieving a significant reduction in our carbon footprint. Hence, we are currently requesting for proposals from suppliers of larger scale sources of renewable energy over a longer period of time leading up to 2030, and aligned with our SBTi targets.

We plan to report on the assessment outcome in next year's report.

In October 2018, the IPCC released an updated report calling for governments and corporates to work towards a more aggressive target of <1.5°C. Singtel was an early adopter of the SBTi in 2016, having our carbon targets based on <2°C approved in 2017. SBTi acknowledged the early work of companies like Singtel and has given

us up to five years from the original approval date to update our scenarios and targets.

While this needs to be done before 2022, our current focus and priority are to identify the roadmap and initiatives we can take to exceed our original approved absolute carbon reduction targets. We also plan to work towards a more aggressive aspiration target of being carbon neutral by 2050.

Environment

Climate Change and Carbon

Table 2:
Singtel's Indicative Climate Risk Related Financial Indicators

	INCOME IMPACT	BALANCE SHEET IMPACT
<p>Physical Risks Climate-related natural disasters affecting business performance and network resilience and continuity</p>	<ul style="list-style-type: none"> Revenue impact Market share impact Insurance premiums Operational cost of disaster recovery Supply chain risks Customer revenue from ICT service diversity 	<ul style="list-style-type: none"> Asset impairment or write-down from damage Capital investment for adaptation or resilience building Capitalised cost of disaster recovery
<p>Transitional Risks Towards a low carbon economy</p>	<ul style="list-style-type: none"> Carbon tax Energy costs Carbon offsets Renewable energy purchase ICT solutions enabling carbon footprint reduction for customers 	<ul style="list-style-type: none"> Investments in energy efficient technologies or upgrades (e.g. chillers and lighting) Renewable energy projects
<p>Liability Risks Contractual and legal obligations</p>	<ul style="list-style-type: none"> Service Level Agreement with enterprise customers 	<ul style="list-style-type: none"> Provisions for contingent liabilities

TCFD

We endorsed the TCFD recommended framework in mid-2017 and have made progress towards its adoption. The topic of climate risks has since been embedded in our updated corporate risk register and reviewed at various levels of management and the Board with mid to long-term targets.

During the year, we began our engagement with various parts of the business to identify key indicators

and business drivers which may have a direct or indirect financial impact from the long-term effects of climate change. We summarise what some of these climate-related financial risks and opportunities may be, organised by physical, transitional or liability risks that have an impact on Singtel Group's income and balance sheet performance in the long run (see Table 2). Our next steps include verifying the financial data and modelling to validate how material these indicators are to Singtel's long-term financial performance.

Internal: Having identified the relevant indicators, our focus for the next two years is to engage our internal stakeholders in progressively identifying the financial data sources to build, test and refine the historical data allocated to climate-related risks. We believe that baselining historical financial information is critical before we begin overlaying forward-looking assumptions and modelling, which will be based on previous and emerging scenarios as well as sensitivity analysis on the different climate change scenarios.

External: We will engage our external stakeholders to test and refine these indicators identified above, especially with the growing interest by investors and major funds. We also recognise that these stakeholders are also starting their own journey of understanding and applying the TCFD guidelines.

