

Our Sustainability Approach

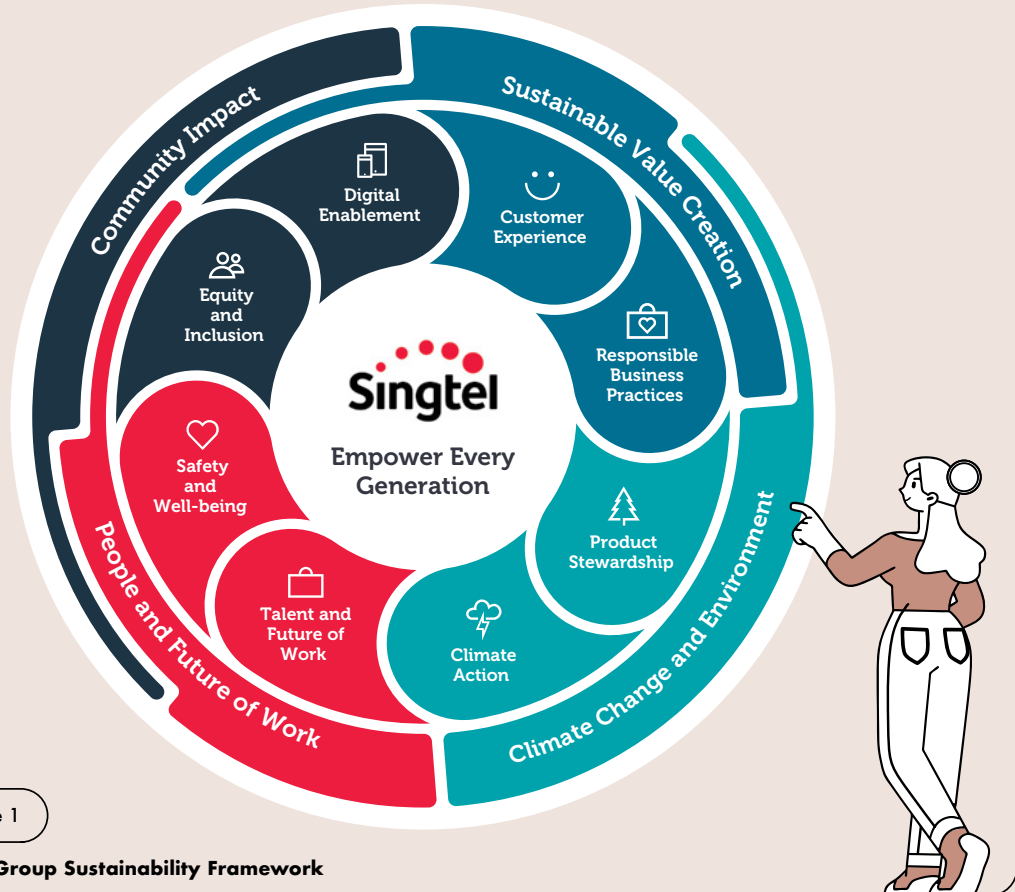


Figure 1

Singtel Group Sustainability Framework

As Asia's leading communications technology company, the Singtel Group aims to create sustainable value for all our stakeholders. We want to attract, develop and retain our people, connect and enrich the lives of our customers and community through innovation, and create a positive impact on our environment.

Under our strategic reset last year, we refreshed our sustainability framework comprising four sustainability pillars of Climate Change and Environment, People and Future of Work, Community Impact and Sustainable Value Creation to better align sustainability with our business strategies and how we engage our key stakeholders (see Figure 1).

Our Group purpose, Empower Every Generation, guides Singtel's sustainability framework and our four sustainability pillars (see Figure 2).

Underpinning this is our focus on empowering our stakeholders, including our employees, customers, communities and suppliers, to create sustainable value and an equitable and inclusive future for all. This is supported by our six corporate values: Cultivate a growth mindset; Operate with integrity; Make customers first; Maximise teamwork; Innovate with a challenger spirit; and Take ownership, which form the mnemonic COMMIT, demonstrating our commitment to excellence, innovation and sustainability.

Our Group purpose and values serve as a compass to guide our strategy, governance, programmes and performance so that we deliver long-term business growth and value creation for stakeholders while delivering purpose and care for our people and the environment.

At the workplace, we want to empower our people to create sustainable and positive impact through the work they do. These refreshed core values will guide their daily

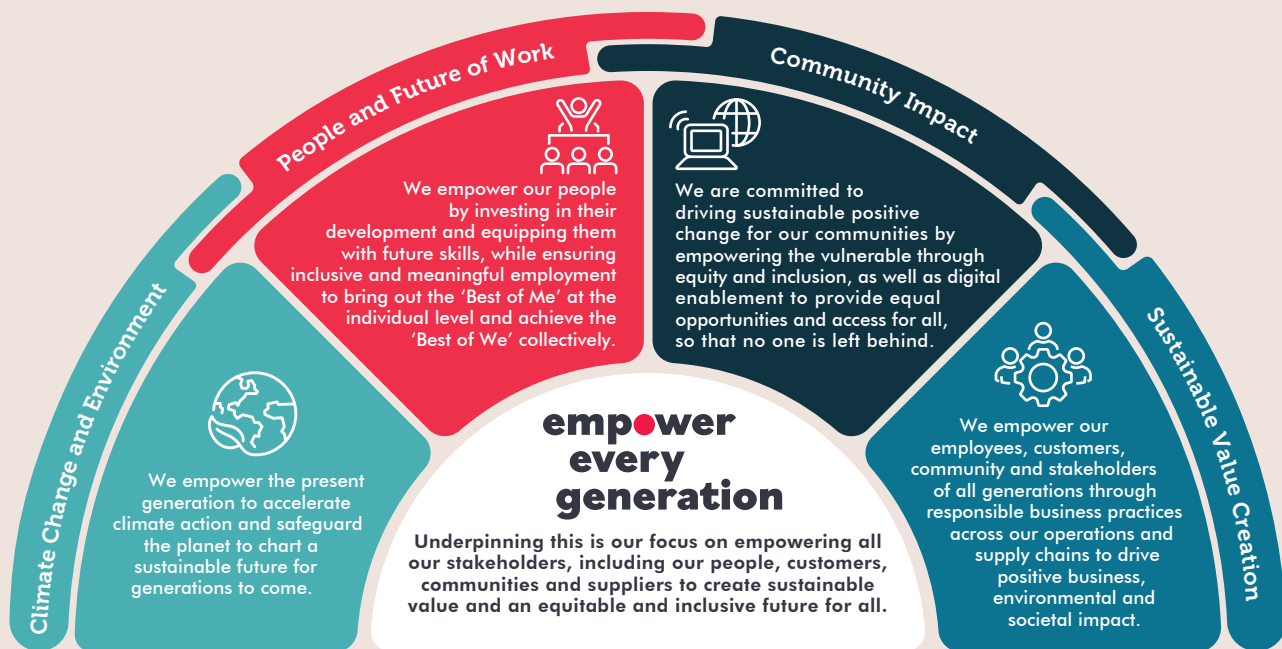


Figure 2: Singtel Group Purpose and Sustainability Framework

actions and support the development of a purpose-driven culture. For example, in alignment to our core value of operating with integrity, our people and workforce across our value chain are expected to behave responsibly and ethically. This is critical for building trust with stakeholders like customers, partners, communities and fellow colleagues. We also cultivate a growth mindset among our people by encouraging them to keep on learning so that they can perform effectively while adapting to the complexities in this ever-changing operating environment.

Our sustainability framework supports the ten principles of the United Nations Global Compact (UNGC) which Singtel has been a signatory since 2007, our priority 2030 UN Sustainable Development Goals (SDGs) and the global and local initiatives that Singtel Group is committed to. For example, we are a member of The Valuable 500 and a founding member of the Singapore Business Network on DisAbility (SBNoD) to advance the equitable inclusion of persons with disabilities.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

We engage our internal and external stakeholders through regular dialogue on an extensive range of topics using various platforms and feedback mechanisms. This is on top of our regular interim and formal materiality assessments. With a deep understanding of all our stakeholders – their changing needs and interests as

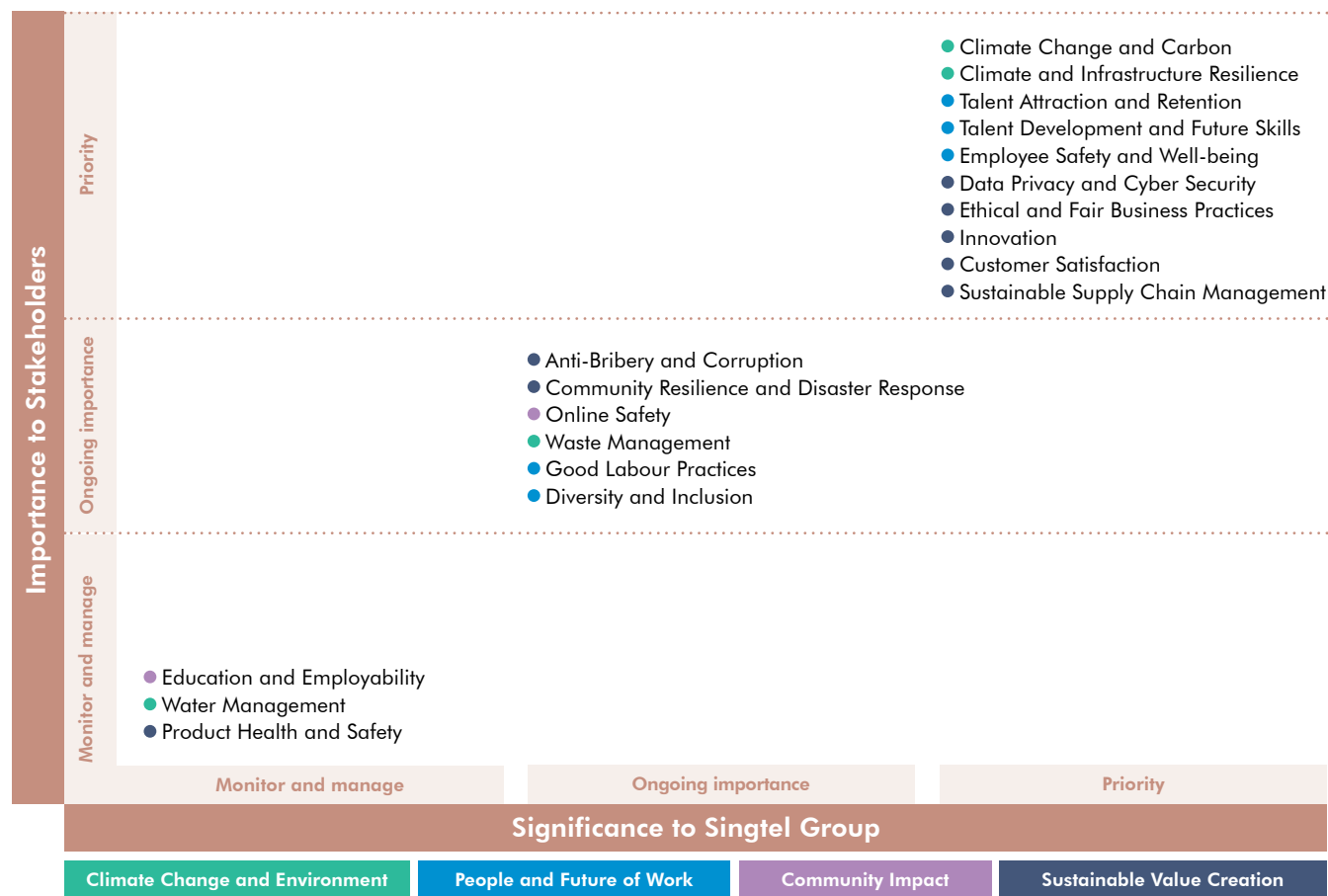
well as emerging concerns – we ensure the relevance of our sustainability strategy and programmes to deliver the intended outcome and impact. For example, as Environmental, Social and Governance (ESG) considerations become increasingly important investment criteria for investors, we engage them regularly to communicate our sustainability goals, plans and progress.

These sessions help us understand their views on sustainability and how it influences their investment decisions. For example, our investors are very interested to understand what Singtel is doing to address environmental impact and climate change, data protection, sustainable supply chain management and digital inclusion for underserved communities.

Through our sustainability-linked financing, we also give investors an opportunity to participate in our sustainability journey. More details of our stakeholder engagement and expectations can be found on our Sustainability [webpage](#).

We conducted our last formal stakeholder engagement and materiality assessment in 2021 across Singapore and Australia. This exercise identified a list of material topics and issues that our stakeholders are most concerned with (see Figure 3). These key topics formed our areas of focus from FY2021 to FY2025.

Figure 3: Singtel Group materiality matrix



Materiality methodology overview

Our materiality assessment aimed to identify and assess the ESG issues, risks and opportunities in areas that mattered most to our stakeholders and the Singtel Group. It adopted a rigorous data-driven approach that evaluated both internal and external perspectives, using extensive landscape research and in-depth stakeholder insights, and involved four phases:

1. Risk sensing

We analysed a wide range of global and industry studies on current and future sustainability trends to identify long-term sustainability success factors. This included literature guidance from internationally recognised standards and resources like the Science Based Targets Initiative (SBTi) and the GSMA Sustainability Assessment Framework.

We conducted competitive benchmarking of global telecommunication peers' sustainability goals and supported SDGs.

2. Stakeholder engagement

We obtained a detailed view of the ESG topics our stakeholders expected of the Singtel Group through direct engagement and feedback. We consulted close to

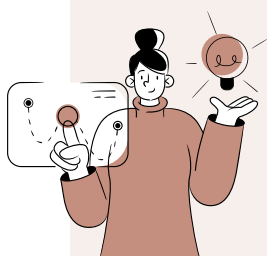
2,500 individuals from ten key stakeholder groups through online surveys and one-on-one interviews. Both internal and external stakeholders also evaluated our ESG performance and suggested areas for improvement.

3. Materiality workshop

The risk sensing and stakeholder engagement identified 19 material topics which were grouped into four main sustainability themes. These were validated at a materiality workshop with the sustainability teams at Singtel and Optus to ensure topic relevance and significance, and subsequently with the Singtel Management Committee and Board. In addition, we conducted supply chain sustainability and organisational life cycle assessments to identify direct and indirect environment and social impact as well as risks and opportunities across our business operations and value chain.

4. Material topic prioritisation

The 19 topics were plotted onto a materiality matrix based on the importance to stakeholders and significance to the Singtel Group. This gave us strategic clarity in responding to opportunities and risks, which we grouped into three clusters: Priority, Ongoing importance, Monitor and manage.



SUSTAINABILITY GOVERNANCE AT SINGTEL

Singtel Group is committed to implementing an effective governance structure to ensure that the entire business is aligned to sustainability and creating positive, long-term impact, guided by our Group purpose and sustainability framework. The various committees, including Board committees, oversee various aspects of our sustainability efforts to ensure that our actions are robust and rooted in integrity (see Figure 4).

Singtel Group complies with SGX's new requirement for Directors to undergo mandatory sustainability training. Some of our Board of Directors have attended and the rest will be attending sustainability training courses on ESG Essentials and Sustainability E-Training for Directors offered by the Singapore Institute of Directors and Institute of Singapore Chartered Accountants respectively.

Management ESG KPIs

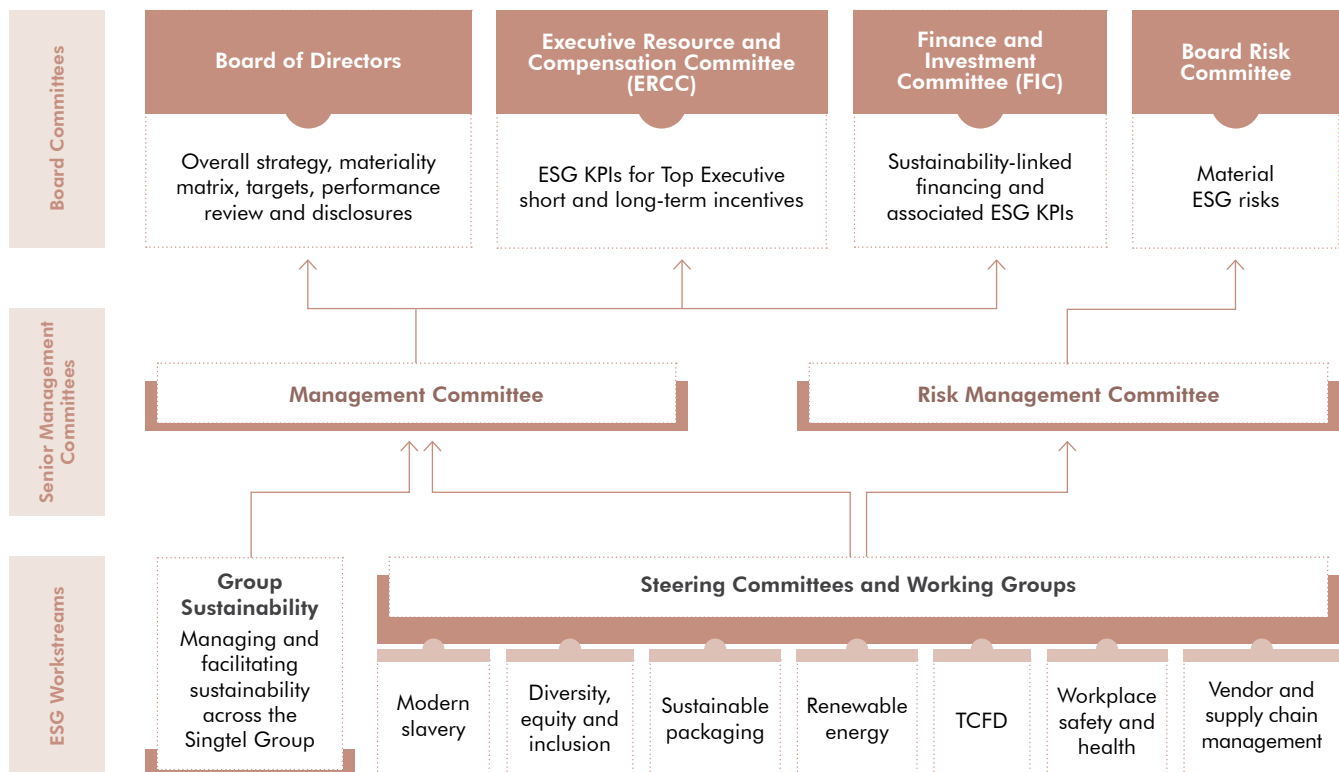
Given that many sustainability issues cannot be addressed overnight, our Top Executives have collective and common ESG targets representing 20% of their long-term incentive plans. These targets cut across key sustainability themes like climate change and

environment as measured by CDP, reputation and responsible business practices as measured by MSCI, community impact in terms of our digital inclusion and enablement targets, and talent and people including diversity and talent retention. They include specific, time-bound key performance indicators (KPIs) such as reaching 32% of female employees in management by FY2025. This is to advance the sustainability agenda and embed deeper accountability and ownership across the company.

In addition, our Management Committee members have related ESG targets for their short-term incentive plans, which comprise 10% of their annual balance scorecard performance. While they relate to common sustainability themes, the focus and weightage may vary for each executive given their different levels of influence and impact on these ESG KPIs.





The Management Committee's KPIs are also cascaded down to their business units, departments and employees, whose performance bonus and other incentives are tied to their KPIs. The Singtel Board is the highest governance body. For more information on our Board and Board Committee roles in sustainability governance, refer to our [website](#).

Figure 4: Singtel Group sustainability governance structure



2025 SUSTAINABILITY GOALS AND PROGRESS

We have set five-year 2025 sustainability targets for these ten most material topics for the Singtel Group and we report our plans, achievements and progress towards these targets in our annual sustainability reports. We also disclose our efforts for the remaining nine material topics in the reports.

Material Topic	2025 Targets	FY2022 Progress
Climate Change and Environment		
 Climate Change and Carbon	Reduce absolute Greenhouse Gas (GHG) emissions by 25% for Scope 1 and 2 by 2025, using 2015 as baseline, in line with our 2030 SBTi targets and 2050 net-zero ambitions	494,680 tCO ₂ e GHG emissions in FY2022 (page 25) or 3.3% reduction from 2015 (page14). Reduced emissions intensity (tCO ₂ e/TB) by 22% from the prior year. Maintained A- in CDP 2021.
 Climate and Infrastructure Resilience	Continue to invest in network adaptation and resilience, while disclosing long-term climate change risks and mitigation in line with the TCFD framework	Total capital investment of S\$2.2 billion in our networks. Completed nationwide TCFD analysis for Singapore and Australia, with a standalone TCFD report published.
People and Future of Work		
 Talent Attraction and Retention	Attrition of high performers at no more than 60% of normal attrition	58.9% of normal attrition rate in FY2022.
 Talent Development and Future Skills	Training investment of S\$90 million from 2021 to 2025	Training investment of S\$19.2 million (page 35). Cumulative S\$36 million of training investment since 2021.
 Employee Safety and Well-being	Zero fatality Well-being score above 80%	Zero fatality in FY2022 (page 38). Well-being score of 82% as measured in annual Your Voice Survey (page 29).
Sustainable Value Creation		
 Data Privacy and Cyber Security	Uphold the highest standards of customer data privacy protection and cyber security measures in adherence to data protection laws – Personal Data Protection Act (PDPA) in Singapore and the Privacy Act and Telecommunications Act in Australia – with zero major incident	We conduct our business in strict adherence to data protection laws in Singapore and Australia. There have been minor lapses due to IT, process or human errors. We continue to educate our employees, and improve practices and processes to reduce the recurrence of data breaches (page 49-51).
 Ethical and Fair Business Practices	Uphold the highest standards of responsible business practices with no major controversies that result in regulatory fines, sanctions and/or doubled monthly customer churn rate	We strive to uphold the highest standards of responsible business practices. We did not have any major controversy during the year (page 52-54).
 Innovation	Continue to develop new digital business and services to meet customers' changing needs	We continue to drive and embed innovation in our consumer, enterprise and digital businesses and operations, with 5G as an enabler for our customers, community and the environment (page 56-58).
 Customer Satisfaction	Continue to uplift customer experience and remain as service provider of choice	We continue to lead in customer experience and maintain our market leadership position. As of March 2022, we were leading the market with our Net Promoter Score in Singapore (page 56).
 Sustainable Supply Chain Management	No major human rights incident in our supply chain	We published the Singtel Group Human Rights Statement during the year, reaffirming our commitment to upholding and protecting the human rights of all individuals, including those in our supply chain. There were no human rights incidents in FY2022 (page 54-56).

We also mapped our ten priority material topics and their relevance within our value chain, according to the impact we contributed or caused. This allowed us to visualise areas of impact that we could make within our business and supply chain. We also undertook a Sustainable Development Goals (SDGs) prioritisation exercise for Singtel Group using a weighted scoring system. The six priority SDGs (see Table 1) reflect where we can best contribute and create impact, aligned to our key focus areas and programmes.

Building a sustainable future for all requires the commitment and effort of all stakeholders in the ecosystem. SDG 17 – Partnerships for the Goals – therefore underpins our sustainability strategy as we seek to collaborate with our stakeholders to create shared value and positive impact.

Table 1: Six priority UN SDGs for Singtel Group

UN SDGs	Description	Singtel Group's Position	Examples of Singtel Group's Efforts
	Goal 3: Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages	The Singtel Group strives to ensure good physical and mental health for our people in the workplace and in our community, including online safety and cyber wellness	<ul style="list-style-type: none"> Launched the iCare programme to our Singapore employees to raise greater awareness of the importance of mental well-being Continued with our Optus Digital Thumbprint programme and partnered leading organisations like DQ Institute and TOUCH on outreach to students and parents on staying safe online
	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 developing our people and the community and creating a vibrant work environment across our global operations that enables individual, business and market success	<ul style="list-style-type: none"> Formalised and published the Singtel Group Human Rights Statement, covering critical human rights topics including child rights Partnered the Union of Telecom Employees (UTES) in Singapore and enhanced employees' remuneration and benefits packages, as well as worked closely through the Company Training Committee to accelerate reskilling of unionised employees and co-create pathways to help them transform their roles Renegotiated the Optus Employment Partnership Agreement (EPA) with enhancements focused on diversity A founding member of the Singapore Business Network on DisAbility and partnered Australian Network on Disability in Australia to advance equitable employment opportunities for persons with disabilities and improve staff awareness
	Goal 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	The Singtel Group innovates continuously to bring the best services to our customers and collaborates with change makers to build an effective and sustainable ecosystem	<ul style="list-style-type: none"> Continued to support and empower impact start-ups that leverage technology to address social and environmental issues in the community through Singtel Group Future Makers, our regional social innovation accelerator and capacity building programme Invested in our 5G network and the Optus Living Network
	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 societal inclusion, and focuses on building a resilient network infrastructure	<ul style="list-style-type: none"> A founding member of the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR) to build nation's climate resilience and helped to shape Australia's first National Disaster Risk Reduction Framework Supported small and medium enterprises to transform their operations with digital solutions in order to operate with agility, efficiency and productivity
	Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns	The Singtel Group actively monitors and improves our resource and waste practices to increase circularity in our business operations and supply chain	<ul style="list-style-type: none"> Submitted our inaugural report on packaging, including plans for reducing, reusing and recycling, as part of the National Environment Agency's Mandatory Packaging Reporting requirements in Singapore Committed to the principles of the Australian Packaging Covenant Organisation since 2007
	Goal 13: Climate Action Take urgent action to combat climate change and its impacts	The Singtel Group is committed to minimising our environmental footprint in our business operations and value chain and meet our carbon reduction targets	<ul style="list-style-type: none"> Played an active role on the GSMA Board and its Climate Action Committee to lead the industry in embarking on a landmark science-based sector-specific decarbonisation pathway to reduce GHG emissions and achieve net-zero emissions by 2050 Completed nationwide TCFD analysis for Singapore and Australia, with a standalone TCFD report published