Corporate Sustainability

The Group takes a holistic approach towards sustainability, with a focus on four key areas: Marketplace, People, Environment and Community.

CORPORATE SUSTAINABILITY MILESTONES

- O Optus and The Smith Family kicked off mobile Student2Student programme with 650 students – April 2012
- Optus staff donated over 200 blankets to Mission Australia for the homeless
 July 2012
- Optus hosted Carols for a Cause pop-up events where celebrities busked for charity and helped raise funds for Kids Helpline and The Smith Family - December 2012
- Sixteen volunteers built houses in a village in Compostela Valley, Philippines under SingTel's 3rd Overseas Volunteering Programme - March 2013

- O Two hundred SingTel employees planted 100 trees at 4th Plant-A-Tree Day - July 2012
- SingTel's business partners and associates raised S\$870,000 from annual Charity Golf event - August 2012
- Optus staff donated over A\$6,500 worth of toys to the Salvation Army for annual Christmas Appeal
 December 2012

- O SingTel and staff donated S\$200,000 to help children affected by cancer - July 2012
- ýves' Optus Community Grants programme celebrated its 5th year, distributing grants to support local projects which reconnect disengaged youths and build social inclusion – November 2012
- SingTel and Optus supported Earth Hour 2013, switching off façade lights at key office premises - March 2013

CORPORATE SUSTAINABILITY

- In another amazing fundraising year, SingTel, our staff, business partners and members of the public raised S\$2.7 million for children and youths with special needs in Singapore
- 2 Optus funds Augustinian Volunteers Australia in developing an electronic colloquial language guide which helps Redfern's indigenous community reconnect young people with their traditional languages
- 3 SingTel and Globe volunteers join forces to build houses for Compostela Valley residents affected by Typhoon Bopha in December 2012
- 4 SingTel supports Globe's relief operations during Typhoon Bopha



Corporate sustainability is core to the way the SingTel Group operates our business and the way we engage our stakeholders. We do this because we strongly believe we can make a difference by leveraging our resources and working together with our people as well as our business and community partners.

During the year, throughout all levels of the organisation across the Group, we put an added focus on two areas: People and Community. We believe that people and communities are at the heart of our sustainability programme. Thus, it is important to cultivate our staff's awareness and passion for sustainability and ensure that they understand their individual roles in the community. Broadening this advocacy is our focus for the next financial year.

TOUCHING LIVES, BRIDGING COMMUNITIES

We have an instrumental role to play in giving back to the community that has been behind our success. Across the region, our focus lies in four areas:

Making a Difference to Vulnerable and Disadvantaged Youths Supporting vulnerable children and youths is a primary focus of our community efforts to ensure they thrive and become successful in tomorrow's society.

Into its 11th year, the SingTel Touching Lives Fund (STLF) was set up to raise funds for children and youths with special needs in Singapore. We raised a record S\$2.7 million in 2012 and a total of over S\$24 million since inception. In addition to our own donation, contributions also came from staff, business partners and members of the public. SingTel underwrites all fundraising costs, hence every dollar raised by the STLF goes directly to our six beneficiaries: APSN Chaoyang School, APSN Tanglin School, Eden School, MINDS Lee Kong Chian Gardens School, Singapore Cancer Society's "Help the Children and Youths Programme" and Spastic Children's Association School.

In Australia, our community focus is to give vulnerable youths a brighter future. We do this through our partnerships with The Smith Family, Kids Helpline and the Australian Business Community Network (ABCN). Through The Smith Family, a children's charity helping disadvantaged youths with education initiatives, Optus staff have donated through workplace giving and Back-to-School fundraising programmes as well as direct volunteer work with the beneficiaries. The number of school students engaged in the Student2Student mobile literacy programme has also increased 25% and 80% of participants improved their literacy levels.

We also offer community grants which support projects to reconnect disengaged youths and help build social inclusion. In 2012, Optus awarded 37 charity organisations with A\$250,000 worth of grants, bringing the total grants to over A\$880,000 since 2008.

Connecting Disadvantaged Communities with Technology

To help the disadvantaged, we often tap into what we do best – communications. In Singapore, we introduced Project Silverline in October 2012, to provide senior citizens with refurbished smartphones donated by our customers. The phones are installed with a suite of apps specially designed by SingTel and our partners to help the elderly take better care of their health (e.g. water intake and medication reminder), call for emergency help and connect with family and friends at a single touch.

We also sponsored data SIM cards for a technical trial to aid autistic children. Designed by a Singapore social enterprise, the phone app enables caregivers to send instructions to special vests that will tighten around the special child's shoulders and waist, thus creating a hug and therefore calming the child down.

Using our Broadband on Mobile service, we partner a start-up on a technical and service trial for an app that allows the physically disabled to book transportation offered by voluntary welfare

CORPORATE SUSTAINABILITY



organisations such as the Handicapped Welfare Association or volunteers who use their own private cars. This real-time matching platform cuts down the minimum advance booking notice from days to as and when required.

Support for Cancer Research and Treatment

The Group has actively supported research into cancer cures and treatment. Over 500 staff, family and friends participated in the SingTel-Singapore Cancer Society Race Against Cancer run to raise funds for children affected by the illness. Together with SingTel's contributions, we raised a total of \$\$200,000 for the event.

Similarly in Australia, our staff and senior leaders participated in an annual cycling tour organised by Tour de Cure, a not-for-profit organisation focused on creating awareness as well as research and treatment for cancer.

Lending Our Support to Disaster Relief

The Group actively works with our regional mobile associates to support their community and disaster relief efforts. In December 2012, we contributed 500,000 Philippine Pesos to help victims of Typhoon Bopha through Globe Bridging Communities, Globe's corporate social responsibility (CSR) programme. Our donation was used to buy relief items for affected families in the hardest hit areas by the typhoon. Globe also donated 800,000 Philippine Pesos to the efforts and set up stations to offer free phone calls and SMS services in affected areas.

In March 2013, a team of 16 SingTel staff volunteers from Singapore embarked on our 3rd Overseas Volunteering Programme, joining hands with 60 volunteers from Globe to build two houses in Compostela Valley for families displaced by the typhoon.

During the year, Australia experienced several major natural disasters, such as the Tasmania bushfires and Queensland floods. Field technicians, engineers and other staff worked round the clock to restore service and assist the affected communities such as

5 Student benefiting from The Smith Family's Student2Student programme

- 6 Staff in Singapore contributed over 5,500 hours towards about 40 VolunTeaming activities with beneficiaries of the STLF and local charitable organisations
- 7 Optus' Customer Operations team contributes to the battle against HIV by volunteering with Youth Empowerment Against HIV (YEAH)

providing communication services to the residents and authorities. About A\$18,000 was also raised by employees and matched by Optus for the relief efforts.

POWERING UP OUR PEOPLE

Our community strategy is to encourage donations with active staff involvement and volunteering with the beneficiaries in our programme. We find this approach develops emotional engagement with our staff when they directly experience the challenges of our beneficiaries and the benefits we create. To encourage this, every employee in Singapore and Australia is given one day of paid volunteer leave, which may be used for the benefit of any charitable organisation.

Corporate sustainability also remains as one of the key drivers of our staff engagement across Singapore and Australia.

Through ABCN, our staff and leaders are actively involved in mentoring and coaching business leaders and students such as those from Intensive English Centres across Australia. These centres assist youths including asylum seekers, refugees and non-native English speaking students through an intensive English programme to help them integrate into society and the high school system.

In 2013, our staff also contributed their time with the Optus RockCorps initiative. About 80 staff members gave four hours of their time each to refurbish an Asylum Seeker Centre in Sydney, and as a result were able to attend an exclusive Optus RockCorps concert featuring popular music artistes.

Optus employees have collectively volunteered more than 60,000 hours since 2007 with beneficiaries such as ABCN and The Smith Family.

Our Workplace Giving programme also encourages employees to pledge a portion of their salary towards 13 charity partners in Australia,

with the company matching the contributions. Since 2005, the programme has seen contributions of over A\$2 million.

In Singapore, our employees regularly volunteer in teams for community projects. During the year, our people contributed over 5,500 hours towards about 40 VolunTeaming activities.

In one project, SingTel partnered APSN Tanglin School's "Reach Up to Reach Out, Reach Out to Reach Up" project, a week-long initiative held in July 2012. The programme was designed to enable the over-300 special students to participate in a range of activities to bring out their potential, as well as strengthen their understanding of the reciprocal relationship between self and society. About 90 staff volunteers served as facilitators, chaperons, speakers and even as instructors for balloon twisting and Latin dance.

LEADING THE MARKET WITH SUSTAINABLE BUSINESS PRACTICES

Managing risks that have an impact on our environment, customers, workforce (including vendors and contractors) and talent are a key component of our sustainability strategy, which is also actively monitored as part of a comprehensive Enterprise Risk Management framework (see Risk Management on page 78).

Besides these risk management approaches, the company actively promotes staff awareness and involvement in these areas.

Environment

We proactively manage our environmental footprint through resource conservation, pollution prevention and promoting awareness among employees and customers.

In Australia and Singapore, our continuous mobile network upgrade and new network rollout saw the commissioning of the latest generation of green base stations that are more energy efficient while supporting higher traffic capacity and multiple technologies like 2G, 3G and Long Term Evolution or 4G.

During the year, a new initiative to provide a more comprehensive overview of our carbon footprint was the inclusion of emissions from staff travel to and from work in Singapore.

As part of our annual Project LESS (Little Eco StepS) environmental campaign, we introduced Eco-Expressions, which highlighted the impact of consumerism and demonstrated how waste can be recycled and even transformed into works of art. Students from Temasek Polytechnic's School of Design crafted sculptures entirely from recyclable materials, which were displayed at our premises in Singapore.

SingTel also took an official stand to say "no" to shark fin products. The practice is applied to all business lunches and dinners as well as gift hampers.

In addition to observing Earth Hour 2013, SingTel created a challenge for staff based on Earth Hour's global theme "I Will If You Will". Participating employees made a pledge to adopt a more environment-friendly habit and challenge their colleagues to do something green in return.

As an extension of the concept, SingTel and the other two local telecommunication operators joined hands to challenge customers to decline shopping bags with their purchases at our respective retail outlets in March 2013. In return, staff from the three companies participated in a clean-up of East Coast Park, a popular beach in Singapore.

Promoting Product Safety and Respecting Customer Data Privacy

As part of our marketplace sustainability strategy, we are committed to the safety and protection of our customers. An Optus research revealed that cyber safety still has a relatively low level of awareness among Australian parents. This is despite the fact that children spend an average of 95 minutes a day on the internet. We addressed the growing issue of cyber safety with a proactive campaign with our partner Kids Helpline, Australia's only free and confidential counselling service for young people. In Singapore, SingTel introduced a Family Protection application for computers and a mobile internet filter for smartphones and tablets. Parents can install the app on the devices to protect their children from inappropriate content and other online threats.

SingTel respects customer data privacy and has stringent processes to ensure that data is accessed for authorised use and by authorised employees only. Customer data is protected via security measures such as encryption, verification and audits. Promotional messages are labelled as advertisements in compliance with the Spam Control Act and customers can easily unsubscribe from our mailing lists.

Ensuring Sustainability

Since 2007, SingTel has been a signatory of the United Nations Global Compact. We are committed to upholding its 10 principles that cover the realms of human rights, labour, environment and anti-corruption.

Our regional CSR working group members from SingTel, Optus and the regional mobile associates regularly share best practices and identify joint programmes to promote the sustainability cause. We meet once a year at our annual Regional CSR Workshop.

As a Group, we constantly engage our stakeholders via a variety of communication channels to identify sustainability issues that are of concern to them and roll out appropriate responses and measures accordingly. A review of these issues is underway to ensure that we maintain a good balance of internal and external views.

Singapore Telecommunications Limited and Subsidiary Companies Annual Report 2013

Our People

"Engaging and energising our people is a key building block in our vision"

> Chua Sock Koong, Group CEO

OUR PEOPLE

- 1 New graduates beginning their dynamic careers at Optus
- 2 Embracing our core value of Integrity



The environment the SingTel Group operates in is changing rapidly. To ensure our long-term sustainability, the Group restructured itself to be better aligned with our customers. We recognise that to successfully transform, we need to ensure our people are future-ready. Thus, maintaining a highly engaged workforce as well as one that is fully committed across our businesses globally is critical.

Our core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence have proven more important than ever, serving as the common foundation for over 21,000 of our people across geographies and businesses, including newly acquired companies.

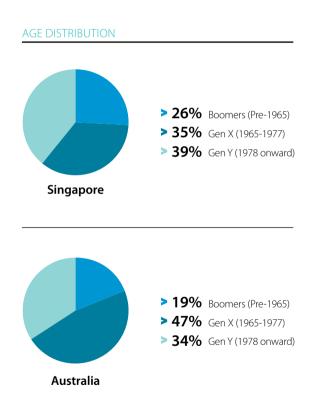
Connect and Grow

We are committed to helping our employees "Connect and Grow" by building strong relationships among our people, and developing talent across the company. We deliver avenues for employees to "connect" with their passions, hone their talents and improve productivity and innovation – thereby empowering them to "grow" as individuals and as professionals.

We connect with them even before they join the Group. Besides offering various local scholarships, internships and attachments across the Group, we partner our regional mobile associates to provide full tertiary scholarships at top local universities to students in Indonesia, the Philippines, Singapore and Thailand, under the SingTel Group Undergraduate Scholarship Programme.

Our approach to learning and development takes into account the diverse nature of our workforce – an increasingly global pool of talent across multiple generations and organisational levels. We appreciate that, beyond building critical domain capabilities, our people should be able to operate effectively across different geographies, cultures and businesses.

We harness technology in our efforts to accelerate knowledge transfer and promote a culture of continuous learning and sharing. An example of this is SingTel ESPRESSO, our enterprise social network which allows staff to share ideas and documents across the SingTel Group.



OUR PEOPLE



- 3 SingTel flag flying high at the Singapore Corporate Community Games
- 4 Optus staff learning the ropes at the Sales Induction Programme

Our annual employee engagement survey guides ongoing actions to ensure our people remain engaged and feel enabled and energised to take on the challenges ahead.

Grooming Talent and Leaders

The Group's transformation hinges on having a strong pipeline of talent.

Talent management at SingTel is an integrated and continuous process, from attracting the right talent to developing and retaining them. We focus on developing competencies that support our business agenda by identifying talent at all levels of the organisation, in both general management and functional leadership tracks. We adopt the approach that an individual is responsible for his or her own personal development, while business leaders are responsible for developing talent for their team and the organisation as a whole.

Our Group-wide executive development programmes and other leadership programmes, along with targeted development interventions and a rigorous succession planning process, ensure a robust pipeline for critical roles across the organisation. As we continue to expand into new areas of business and geographies, the ability to operate effectively across diverse cultures is a vital leadership attribute. Experience outside their home country is essential for our key talent.

Aligning Performance

In SingTel's high-performance culture, the success of our business and people are directly related. Employees understand the company's strategic direction and the part they play in contributing to our vision and mission. Corporate strategies are translated into actionable objectives and cascaded throughout the organisation. We adopt a meritocratic approach, where employees are rewarded according to both team and individual performance and their embodiment of our core values. Managers are measured on and rewarded for not only the achievement of business results, but also how well they engage, lead and develop their teams. Incentives are designed to motivate continued excellence while ensuring ongoing relevance to evolving business and market contexts.

Employee Relations and Wellbeing

We remain uncompromising on ensuring a safe, healthy work environment and fostering solid employee relations.

Supporting health and wellbeing – physical, mental and social – is a key component of our people management strategy. We actively promote employee wellness through a series of activities, such as talks, health screenings and professional counselling services. We also encourage employees to take control of their own health.

Health clubs and gymnasiums are available onsite across various locations, while healthy food options are made available at all staff cafeterias. Family-friendly policies, including flexible work and leave arrangements, are also offered, as are onsite childcare facilities at some locations.

We foster a proactive and collaborative partnership with employees directly, as well as through the Union of Telecoms Employees of Singapore. Our Employment Partnership Agreement in Australia, a collective agreement made directly between Optus and employees since 1994, was renewed in late 2012 for another three years.

- 5 Leadership programme participants from SingTel and the regional mobile associates strengthen competencies and build peer networks
- 6 Celebrating the lunar new year at SingTel



Commitment to Workforce Diversity

We believe that workforce diversity is essential to building and sustaining our competitive advantage. Such diversity fosters innovative thinking and creative solutions to business challenges, beyond any single individual employee or department's experience and capabilities.

Diversity at the Group refers to the ways in which we differ, including gender, age, ethnicity, language, cultural background, physical ability and lifestyle choice. We accept and respect these differences, and leverage the richness of our varied backgrounds, ideas and perspectives to support the Group in realising our potential in a global market.

As a leading employer, we are committed to developing and maintaining an inclusive and collaborative workplace and culture. Through our values, policies and behaviours, we aim to promote an environment where individual differences are recognised and valued. All employees have the opportunity to realise their potential and contribute to our overall success.

This commitment includes establishing measurable diversity objectives, beginning with gender diversity in our main employee populations in Australia and Singapore. We will continuously improve the proportion of women across all levels of our workforce, ensuring that females are well represented across the Group throughout our pipeline of talent.

GENDER DISTRIBUTION

(%)

Singapore

Operational Support	44	56
Professional	35	65
Middle Management	38	62
Top Management	36	64
Total	39	61

Australia

Operational Support	41	59
Professional	27	73
Middle Management	19	81
Top Management	9	91
Total	30	70

> Female > Male