Featuring Singapore Apex Corporate Sustainability Awards 2016 Winners

CORPORATE SUSTAINABILITY
CASE STUDIES 2016

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The Singtel Group is one of the Asia’s leading business entities involved in a portfolio of services which include voice and data solutions over fixed, wireless and internet platforms, as well as infocomm technology and pay television. A home grown enterprise, Singtel is one of the largest public listed company in the Singapore Exchange by market capitalisation. The Group’s business presence extends to over 22 countries across Asia, Australia and Africa, and also operates a vast network of offices in Europe and the United States.

The Singtel Group has over 640 million mobile subscribers as of financial year end 2016-2017. It has partial ownership of leading mobile network providers of India, Thailand, Indonesia and the Philippines among others, while Optus in Australia is Singtel’s wholly owned subsidiary. In terms of local market share, the company has a majority 82% of the fixed-line segment, 47% of mobile segment and 43% broadband internet segment respectively. As of end 2016, the Group reported total operating revenue close to S$16.9 billion across all its business entities.

**EARLY HISTORY**
Singtel’s birth can be traced to as early as 1879 when a 50-line telephone exchange system was set up by the then Eastern Extension Telegraph Company. Approximately 100 years later and through multiple change of business ownership, the Singapore Telephone Board (STB) was established in 1955. Subsequently in 1974, STB merged with the Telecommunication Authority of Singapore to form a new company called Telecoms.

In 1989, the Singapore government initiated a three-year corporatisation programme and Telecoms was restructured and renamed as Singapore Telecom. Singtel was revamped to be more commercially focused and customer service oriented, with a number of strategic business units set up. The company made its entry into the Singapore Exchange in 1993 with an initial public offering (IPO) through state investment arm Temasek Holdings.

**OVERSEAS VENTURES AND INVESTMENTS**
Having dominated the local market for close to 40 years, Singtel’s strength and expertise enabled the company to venture into overseas markets to diversify its portfolio. Strategically, the Group positioned itself for overseas investment to sustain long-term growth. In the 1980s the Group set up Singapore Telecoms International (STI) which provided consultancy and operations services to international clients.

By 2000, Singtel participated in various joint-ventures in both Asian and European markets with other telecommunication providers and expanded its investment to over US$600 million.

Singtel then gradually shifted its focus to emerging economies and acquired stakes in several telecom operators in Taiwan and India. The Group materialised an opportunity to dive into the Australian in 2001 with the acquisition of Australia’s Cable & Wireless Optus. The deal was worth S$13 million and Singtel was listed in the Australian Market Stock Exchange under the name of Singtel Optus. These acquisitions propelled the company to new heights as they pushed on to acquire more stakes in countries such as Indonesia, Bangladesh and Pakistan.

**FOCUS ON INFOCOMM TECHNOLOGY**
From 2003, Singtel started concentrating solely in its core business of telecom and infocomm technology by divesting its stakes in Singapore Post and Yellow Pages. The company planned to further build its expertise in the overall telecom and media ecosystem to differentiate itself from competitors. A dedicated Content and Media Services business unit was created to look into television, advertising, and digital content markets. Singtel grew its focus on pay television with exclusive rights on sports viewership in 2009. With that, the company’s television subscriber base grew three-folds from 87,000 to 292,000 in a span of three years.
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CORE BUSINESS
The Group’s primary business areas span across the entire landscape of infocommunications, telecommunications, multimedia content, and digital advertising. Singtel categorises its business functions into three infocomm divisions:

GROUP CONSUMER
This segment focuses purely on consumer related functions and operations, which include both domestic and international markets. It provides a comprehensive suite of services covering the mobile, broadband, television and fixed-line network services to its customers.

GROUP ENTERPRISE
Prioritising the business-to-business customers, this particular business division looks into innovative and integrated ICT solutions across geographical boundaries. The wide-ranging services and solutions include workforce mobility, data hosting, cloud services, network infrastructure, analytics and cyber-security capabilities.

GROUP DIGITAL LIFE
This arm is dedicated to drive the Group’s efforts to be a leader in the digital industry ecosystem by uncovering areas to create more revenue lines such as premium video services, digital marketing and advanced analytics for customers. The division is also responsible for bridging a connection with upcoming start-ups which can potentially contribute to the overall business of the Group.

CORPORATE ViSiON ANd MiSSiON
Singtel aims to be Asia-Pacific’s best communications technology company which creates shared value for its customers, employees and stakeholders. The business works to help people and enterprises stay connected despite their locations, and by making communications easier, faster and reliable.

STRATEGIC PiLLARS OF BUSINESS
Singtel is highly committed towards being a responsible corporate citizen by creating sustainable value and positive impact for all its stakeholders. This goes hand in hand with the company’s long-term business objective that not only looks at profits, but also at making a difference to the people in the community in which they operate. As an established market leader, Singtel uses the following strategic pillars that guide its business decisions to achieve sustainable growth.

MARKETPLACE ANd CUSTOMERS
The company puts equal emphasis on both its customers and the marketplace. As Singtel offers services to both end-consumers and businesses, focusing on delivering unparalleled customer experience, achieving highest standards of corporate governance, and implementing responsible business practices serve as the guiding principles.

Key outcomes:
• Ranked among World’s Most Ethical Companies for seventh consecutive year in 2017,
• Rated top spot in Best Customer Experience, Best Contact Centre, Best use of CEM Technology at Customer Experience Asia Excellence Awards 2016,
• All new suppliers in FY2017 assessed in accordance with company’s social and environmental criterion through sustainability questionnaire.

COMMUNITY
Community serves as a key aspect for any business after its customers. For companies that work closely around and within communities they operate in, the inclusion and well-being of people, driving positive changes to help disadvantaged communities’ especially vulnerable children and youth, and workplace giving make it key for Singtel to achieve success in business.

Key outcomes
• Investment of over $17 million in community related projects in both Singapore and Australia,
• ‘Singtel Touching Lives Fund’ and ‘Pathways to Employment’ programme helping vulnerable people in various ways,
• Supported 18 start-ups and NGOs with grants over $500k and other forms of benefits.

PEOPLE
Singtel always aims to be an employer of choice for present and future potential employees wishing to join the telecommunications industry. Besides providing employment, the company focuses on developing its human resource to reach full potential as employee efficiency will result in organisational success.

Key outcomes
• Training investment of over $25 million in Singapore and Australia during FY2017
• Launched Cyber Security Associate and Technologists (CSAT) Programme to develop new talent pipeline
• Continuously working with tertiary students with disabilities with SG Enable’s RISE Mentoring Programme to bring them into employment.
ENVIRONMENT
Today, managing and minimising environmental impact is crucial for companies to survive, regardless of their size. As such, Singtel has formulated a robust working approach which addresses climate change impacts, value chain impacts, and engages stakeholders and makes products in a responsible fashion.

**Key outcomes:**
- Adoption of science-based target programme to achieve carbon emissions reduction,
- Attained an A- “Leadership level” score for its 2017 climate disclosure with CDP, one of four companies in the Hong Kong and Southeast Asia region to do so,
- Launched company’s first Green Mark Platinum certified building in Singapore.

SUSTAINABILITY FRAMEWORK
The idea of sustainability and its approach at Singtel percolates to each and every business unit and its functions. The company has established the sustainability framework in a way that puts accountability in every step of its governance. Apart from working committees responsible for implementing sustainability initiatives, all employees at Singtel have specific ESG factors tied to their overall performance scorecards. This includes the board, senior management committee members and the chief executives of business units who evaluate an overall check on progress of such initiatives. Furthermore, as seen from Figure 1, Singtel’s sustainability governance spreads equally to its four key strategic pillars of business discussed above.

MATERIALITY ANALYSIS AND REVIEW
To embolden the Group’s stakeholder engagement process, an annual materiality refresh exercise is conducted by the company to re-evaluate key material issues that impact the business. The assessment is conducted as per established GRI principles and involves a holistic viewpoint from internal and external stakeholders that truly matter to Singtel’s business. In their latest materiality assessment, a total of 16 topics have surfaced as material issues to business with anti-corruption, diversity and waste management emerging as new ones. Although the order of importance varies, Singtel addresses each topic with equal importance.

LIFE-CYCLE ASSESSMENT
The implementation of the LCA further enhances the sustainability stance of the company by taking into account the direct and indirect impacts of business operations. Through this process, the company better understands the impacts it has on the whole supply chain and where it can work on gaps to improve the processes. Singtel has plans to include LCA in key areas of business as well as for supplier assessment for sector-specific economic, environmental and social issues pertaining to the business.
SUSTAINABLE DEVELOPMENT GOALS
As a company with a global footprint, the Group has aligned its strategic business pillars with the broader UN’s sustainable development goals. Singtel acknowledged that many initiatives were already focused towards certain SDG topics, but a formal realignment helped to bring out the Group’s position in terms of making a difference to society. The company has adopted a total of 11 sustainable development goals tied with its four strategic business pillars that will aid its objective of creating shared value for its stakeholders.

ACHIEVEMENTS
MAKING THE SMALLEST FOOTPRINT
Addressing climate change impacts and carbon emissions has been Singtel’s absolute priority areas for its group environmental strategy. The Group is the first company in Asia ex-Japan to have its carbon reduction targets approved by the Science Based Targets initiative. A collaboration between CDP, World Resources Institute, World Wide Fund for Nature (WWF) and the United Nations Global Compact, the initiative recognises organisations aligned with the COP21 Paris Agreement to keep the rise in global temperature below 2°C.

The company has also made significant progress in reducing emissions from energy performance and efficiency. The overhauling and retrofitting of its chiller plants was one key initiative that resulted in energy and cost savings. As these cooling systems are the biggest consumers of a building’s electricity demand, cyclical replacement of aging chillers are critical to reduce energy consumption. The air-handling units at exchange locations were also improved from Constant air volume to Variable air volume, thus reducing oversupply.

Mobile-base stations were made ‘green’, and as of FY2017, 98.8% of base stations in Singapore were assessed to be energy efficient. Figure 2 displays the drop in electricity usage per cell carrier over the last four years at Singtel. In addition, the company’s first Green Mark Platinum certified building in Singapore further aids its achievements in energy efficiency. These programmes have resulted in accomplishing estimated energy savings of 543 Gigajoules/year, which equate to roughly 65 tonnes of CO₂ equivalent.

E-WASTE MANAGEMENT
E-waste is a cause for concern for technology-focused companies primarily due to the risk it possesses from improper disposal. However, companies are also embracing remanufacturing techniques and closed-loop supply chain to make operations resource-lean and produce less waste. Singtel took this opportunity and partnered with SingPost to launch a joint e-waste recycling programme on the backdrop of the World Environment Day in June 2017. Titled ‘ReCYCLE’, the programme encourages customers to dispose their used electronic devices either at any Singtel outlet, or through any 57 post offices located across the island, or via post using any of the 740 post boxes across Singapore.

Singtel has developed an extensive infrastructure to practice a robust sustainable supply chain network. In FY2017, the Group developed its Sustainable Supply Chain Management Programme through which a self-assessment supplier questionnaire was prepared for suppliers. The questionnaire covers key ESG factors which help Singtel to evaluate and work with like-minded organisations going into the future. Figure 3 highlights the results of the survey, which has been highly positive till date. In FY2017, all new suppliers were assessed using the questionnaire as part of the on-boarding to this new programme.

![Figure 2: Electricity use (in kWh) per cell carrier in Singapore.](image)

![Figure 3: Snapshot of Singtel’s supplier survey results.](image)
ENGAGING PEOPLE
With about 13,000 employees in Singapore and over 9,000 employees in Optus, its staff are its greatest assets as well as its key stakeholders. The Group puts strong emphasis on human capital development through various employee training programmes. To further boost training outcomes, a Learning Fiesta (first launched in Singapore) has now been extended to staff in Australia, China, HK, Israel, Malaysia, Philippines and the USA offices.

In FY2017, the Group invested close to $25 million in employee training, compared to $22.1 million invested in FY2016 (see Figure 4). Besides training, Singtel’s multiple partnerships with tertiary institutes help the company attract young talent. The flagship Singtel Cadet and Undergraduate Scholarships (SHINE) offers scholarship support for up to 90 students a year. In FY2017, 48 students received this scholarship.

CONCLUSION
Singtel has engraved its place in society and the business community as a strong and responsible corporate citizen. The company’s comprehensive sustainability strategy addresses the impact the business has on a holistic level. This helps the Group as a whole to evaluate its position and figure out ways to reduce its impact, while at the same time ensure premium quality of products and services. Such accolades and recognition strongly acknowledge the company’s commitment, drive and push for ways to achieve sustainable development. As a global corporate citizen, Singtel is truly connecting communities, creating a smaller environmental footprint and producing the best experience for its customers.
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THE WINNERS OF THE INAUGURAL SINGAPORE APEX CORPORATE SUSTAINABILITY AWARDS 2016 ARE:

- EN-TRAK
- KEPEL CORPORATION
- LOOLA ADVENTURE RESORT
- MEINHARDT GROUP
- ONG&ONG GROUP
- SINGTEL
- STARHUB LTD
- SUNSEAP
- WENERGY GLOBAL PTE LTD

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