

SUSTAINABILITY REPORT

SUSTAINABILITY CONTENTS

INTRODUCTION

Sustainability at StarHub	103
Sustainability Targets: 2019	105
Supporting the UN Sustainable Development Goals	105

ENVIRONMENT**A. Addressing Environmental Challenges**

Our Environmental Strategy	107
Implementing E-waste Programmes	107
Addressing Climate Change and Other Environmental Challenges	108
Environmental Stewardship	109
Environmental Performance	109

SOCIAL**B. Investing in our People**

Reorganising and Right-sizing for Agility and Growth	111
Talent Acquisition, Retention and Development	111
Employee Training, Benefits and Leave	112
Workforce Snapshot 2018	113
Employee Engagement	114
Employee Health, Safety and Wellness	115

C. Investing in our Community

Our Approach	116
Our Contributions	116
Supporting Local Communities	117

GOVERNANCE & MARKETPLACE**D. Improving Customer Experience**

Service Quality	119
Clarity of Pricing and Billing and Product Simplification	120
Data Security and Customer Privacy	120
Cyber Security Solutions for our Customers	120

E. Being a Responsible Business

Responsible Business Practices	121
Responsible Marketing	124

STARHUB VALUE CREATION SCORECARD 125**APPENDIX**

About this Report	126
Engaging with our Stakeholders	126
Our Materiality Process	127
Material Topics and Boundaries	128
Memberships and Associations in 2018	129

GRI Content Index	130
Independent Limited Assurance Report	135

SUSTAINABILITY AWARDS AND RECOGNITION IN 2018



SUSTAINABILITY REPORT

TOWARDS A SUSTAINABLE FUTURE

Introduction

We are pleased to present our Sustainability Report 2018, our eighth annual sustainability report detailing our environmental, social and governance (ESG) performance. As in our previous reports, we have followed the Global Reporting Initiative (GRI) principles for defining content and quality and have prepared the report in accordance with the GRI Standards: Core option. The GRI content index can be found within the Appendix at the end of this report.



Sustainability Governance Structure

- 1 RISK COMMITTEE**
Our Risk Committee provides guidance on sustainability topics to be identified as material to the business and ensures the alignment and integration of our sustainability strategy and approach with our business practices.
- 2 MANAGEMENT RISK COMMITTEE**
The Management Risk Committee comprises StarHub's Senior Leadership Team and is responsible for reviewing and determining material sustainability topics, developing sustainability strategy, and considering stakeholder feedback and expectations as well as establishing priorities, goals and targets.
- 3 CORPORATE SUSTAINABILITY ADVOCATE**
The Corporate Sustainability Advocate is responsible for developing, implementing and coordinating programmes and initiatives with the support of cross-functional representatives.

The Board, as supported by the Risk Committee, reviews and considers sustainability issues as part of its strategic formulation. This includes the determination, management, target-setting and monitoring of material ESG factors, as set out in this report.

Sustainability at StarHub

For StarHub, sustainability means using our core strengths as a Group to help spread the benefits of our ICT solutions in Singapore, while strengthening our business and upholding the highest standards of responsible conduct.

With the roll-out of our strategic transformation plan in 2018, which includes our operational efficiency programme and the associated internal re-organisation, our approach to sustainability and ESG performance has also evolved to align with our key business objectives and our material sustainability risks and opportunities. Our 13 sustainability material topics in 2018 have remained unchanged from last year. These have been identified following a comprehensive materiality assessment, including extensive engagement with our internal stakeholders and senior management.

Our Sustainability Material Topics



ONLINE SAFETY



SERVICE QUALITY



CUSTOMER PRIVACY



DATA SECURITY



CLARITY OF PRICING AND BILLING



RESPONSIBLE MARKETING



TALENT ACQUISITION, RETENTION AND DEVELOPMENT



EMPLOYEE HEALTH, SAFETY AND WELLNESS



EMPLOYEE ENGAGEMENT



SUPPORTING LOCAL COMMUNITIES



RESPONSIBLE BUSINESS PRACTICES



ADDRESSING CLIMATE CHANGE AND OTHER ENVIRONMENTAL CHALLENGES



E-WASTE PROGRAMMES

▶ See pages 127-128 for more on our materiality process and 13 Material Topics and Boundaries.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

Addressing Our 13 Material Topics Through Our 5 Sustainability Objectives

ENVIRONMENT



A. Addressing Environmental Challenges

ICT companies such as StarHub are significant energy users and a source of greenhouse gas emissions associated with climate change. We also believe

StarHub has a role in promoting responsible consumption and disposal of electronic waste (e-waste).

Preserving our planet is central to our sustainability plan and we are keen on reducing our environmental footprint as well as helping businesses and communities in Singapore tackle the same challenge.

Further details of our environmental efforts can be found on pages 107-110 of this report.

SOCIAL



B. Investing in our People

Supporting our employees and developing their skills for both current and future roles is fundamental to our long-term business success. Similarly, ensuring their welfare, well-being and safety while at work is essential to StarHub's operations. We constantly review and improve our HR practices to ensure StarHub has a strong corporate culture to drive individual as well as Group success.

Further details can be found on pages 111-115 of this report.

C. Investing in Our Community

The rapid growth of digital technologies in the workplace has enhanced productivity for many companies. However, the increased use of technology has led to a sharp reduction in the number of traditional semi-skilled and back-office jobs. As a result, unemployment can generate a range of serious social and economic challenges for communities.

We believe that StarHub can play an important role in helping young people in particular to gain the skills required to thrive within the global digital economy through our community investment.

Further details can be found on pages 116-118 of this report.

GOVERNANCE & MARKETPLACE



D. Improving Customer Experience

Our business depends on building strong, long-lasting relationships with a variety of customers that expect the best from our services and solutions. We use a wide range of methods to gather feedback from customers, and ensure we are meeting their expectations. We also innovate within our core businesses to provide solutions and empower people to manage every aspect of their own lives in a smarter way through networks and improved connectivity.

Further details can be found on pages 119-120 of this report.

E. Being a Responsible Business

Acting responsibly is integral to business performance. Strong governance is paramount. As our business relies on a large supply chain spanning over 1,000 companies, we look beyond our own operations and seek to ensure the safety, well-being and ethical treatment of all who work with StarHub in any capacity, anywhere in the world.

Further details can be found on pages 121-124 of this report.

Sustainability Targets: 2019

Moving into 2019, our Board has identified the following five sustainability targets that we will commit to:

- Increasing our renewable energy capacity to 10% by 2022
- Increasing the volume of e-waste collected by StarHub annually to 125 tonnes by 2022
- Establishing a Climate Risk Framework
- Establishing a formal governance structure to implement our new Supplier Code of Conduct
- Enhancing our corporate social responsibility through employee engagement. Driving participation to do good together as a Group

Continuing from last year's focus on aligning our sustainability approach with our business objectives, we have established the sustainability direction and targets for the upcoming year. This is geared towards aligning action plans with our overall business strategy and priorities, driven and owned across functions. StarHub is committed to communicating clear targets in the coming sustainability reports, along with each objective and the progress made in meeting these targets.

Supporting the UN Sustainable Development Goals

Our 13 Materiality Topics and five sustainability targets are mapped to the global UN Sustainable Development Goals (SDGs). We hope to help create a better world in which our business can grow while being able to assist people to improve their lives through learning.

We aim to contribute to addressing these global issues on a local scale in Singapore. For StarHub, operating responsibly is an important first step in supporting the global UN SDGs. Beyond that, we have identified eight SDGs where we believe we have an opportunity to make the biggest impact through our business practices, products and services, programmes, as well as partnerships, by addressing growing inequality, high youth unemployment, market disruption caused by technology and artificial intelligence, and pressure on our natural resources.



SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

2018 Spotlight on priority SDGs: Consumption and Climate



How StarHub supports SDG 12

The amount of e-waste generated globally is rapidly growing as consumers dispose of older gadgets for newer and more sophisticated mobile phones, laptops and/or electronic devices. In the course of providing ICT solutions, our products and customers form part of this cycle. We are therefore committed to responsible consumption and production.

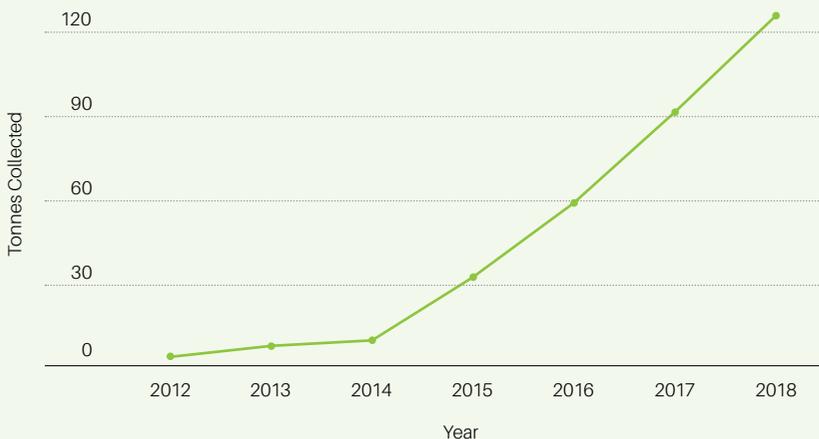
StarHub handles and disposes electronic equipment and devices daily as part of our services. We collect e-waste and ensure it is recycled by licenced e-waste contractors.

StarHub recycles the e-waste generated in our own operations. Through our flagship e-waste recycling programme, RENEW (Recycling the Nation's Electronic Waste),

we also encourage the Singapore public to recycle their unwanted electronic products through the network of over 460 designated bins provided by StarHub nationwide across 419 locations. All brands of e-waste are accepted as part of RENEW, extending the reach and impact of the programme. RENEW has been running since 2012. It is encouraging to see greater volumes successfully collected each year. This year saw a significant extension of the programme, with four major electronic retailers joining us in partnership, and adding an additional 20 recycling bins in their stores across Singapore.

▶ See page 107 for the types of e-waste collected from the RENEW recycling bins all over Singapore in 2018.

RENEW - amounts of e-waste recycled



How StarHub supports SDG 13

2018 was the year of climate action in Singapore, focusing on reducing emissions, adapting to climate change, harnessing green growth opportunities and forging international collaborations. In support of this, StarHub has pledged to do our part in addressing climate change by reducing our energy consumption and measuring our carbon footprint, as well as educating our stakeholders on the importance of taking climate action.

We focus on operating in an energy-efficient manner and adopting energy-efficient technologies. We will continually work to further drive our energy efficiency. We are committed to increasing our use of renewable energy to 10% by 2022 to help us realise our commitment to reducing our carbon footprint.

We have been monitoring our carbon footprint since 2011 and track all our Scope 1, Scope 2 and Scope 3 emissions.

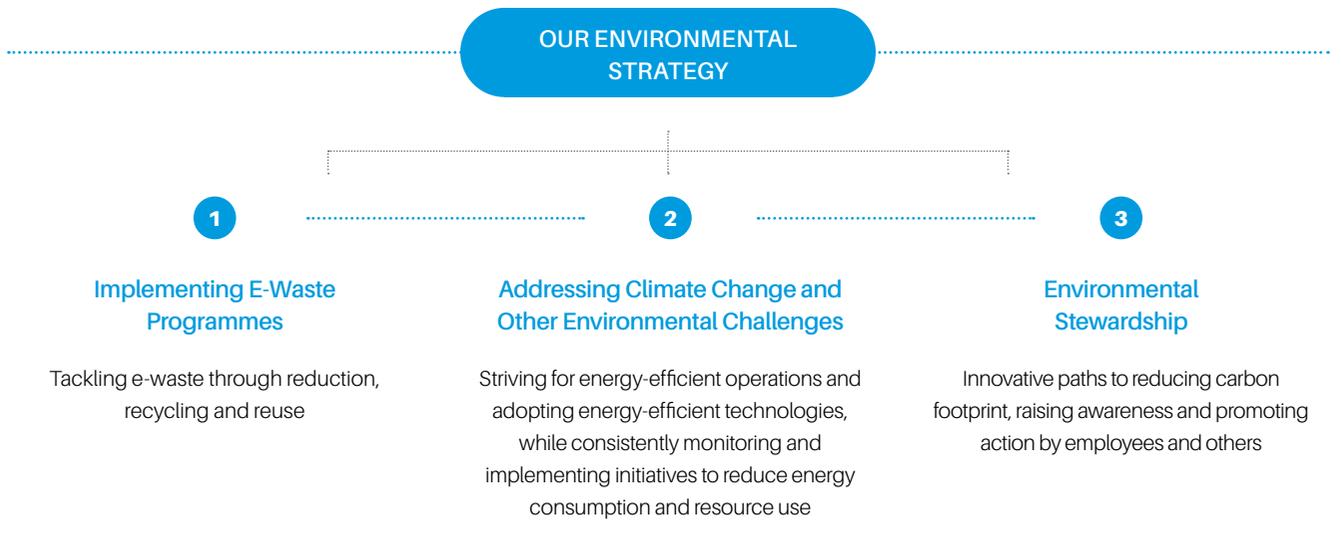
We are also committed to developing a Climate Risk Framework to protect and enhance the resilience of our infrastructure, products and services as well as intensify our efforts on climate action to future-proof our business in preparation for a changing climate.

▶ See page 108 for how we are trialling new energy reduction initiatives in our networks and infrastructure.



A. Addressing Environmental Challenges

At StarHub, we are conscious of the need to understand and minimise our environmental impact as we continue to enhance our competitiveness and expand our business and network infrastructure. We focus on monitoring and managing our energy consumption, greenhouse gas emissions and e-waste. We also strive to motivate employees, customers and communities to respect the environment and encourage them to apply the same values in their personal lives. Our Corporate Sustainability Advocate works with cross-functional representatives to implement various environmental initiatives.



Our Environmental Strategy 1: Implementing E-Waste Programmes (Material Topic)

We generated 212.9 tonnes of e-waste from our operations in 2018. All e-waste generated is collected and recycled by licensed e-waste contractors.

RENEW is StarHub’s flagship public e-waste recycling programme launched in 2012 that encourages the local community to recycle their unwanted electronic products.

The top five items recycled through RENEW are:

- Cables: 16 tonnes
- Laptops: 11 tonnes
- Modems/Routers: 8 tonnes
- Mobiles: 2 tonnes
- CPU Computers: 2 tonnes



Expansion of RENEW

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

RENEW first expanded in 2014 when we started our collaboration with DHL and TES, a trusted e-waste recycling company, providing more opportunities for the public to recycle by simply depositing their unwanted electronic products into the RENEW bins. DHL collects the e-waste from all the RENEW bins in Singapore and delivers them to TES's e-waste recycling facility. To celebrate World Environment Day in 2018, the initiative was significantly expanded, with four major electronic retailers – Best Denki, COURTS, Gain City and Harvey Norman – joining the RENEW programme to further encourage e-waste recycling in Singapore. The signing of the collaboration agreement was graced by Minister for the Environment and Water Resources, Mr Masagos Zulkifli, and Senior Minister of State, Dr Amy Khor, at StarHub Green.

▶ See page 106 for more on our priority SDGs and promoting responsible consumption.

This collaboration is timely, given the growing amount of e-waste being generated in Singapore and the implementation of the national e-waste management system by 2021.

“The support of individuals, communities and the private sector is crucial in building a robust recycling culture in Singapore. I am heartened by DHL, StarHub and TES's leadership, in the creation of Singapore's largest voluntary e-waste collection and recycling programme, and commend Best Denki, COURTS, Gain City and Harvey Norman for joining this effort to encourage e-waste recycling. I encourage members of the public to make use of these bins, and more businesses to take action in tackling climate change and working towards our vision of a circular economy for Singapore.”

**Mr Ronnie Tay, CEO
National Environment Agency (NEA)**

Since the launch of RENEW in 2012, the amount of e-waste collected has increased

exponentially year on year. The programme has cumulatively collected more than 327 tonnes of e-waste since 2012. Over 126 tonnes of e-waste have been collected from the public in 2018, 34 tonnes more than in 2017, and a significant jump from the two tonnes collected in 2012.

StarHub has identified RENEW as one pillar of our sustainability targets for 2019, with the aim of further increasing the volume of e-waste collected annually. We will continue to champion this initiative.

Our Environmental Strategy 2: Addressing Climate Change and Other Environmental Challenges (Material Topic)

Singapore has pledged to reduce national emission intensity by 36% from 2005 levels and to stabilise the country's emissions with the aim of peaking around 2030. Singapore will also be implementing a carbon tax in 2019 on large direct emitters which produce over 25,000 tonnes of carbon dioxide equivalent of greenhouse gases a year.

At StarHub, we constantly monitor our energy consumption and emissions. We implement initiatives that reduce our energy consumption and improve energy efficiency. We also seek to increasingly track emissions

from additional sources that were not tracked previously to help us better understand our carbon footprint. These include adding a robust measurement of refrigerant gases and expanding the coverage to business travel emissions in 2018.

Our technical centres, such as data centres and base stations, are our key infrastructure and the basis of our products and services. They are also our main energy consumption sources. As such, we focus on operating our technical centres in an energy-efficient manner and adopting energy-efficient technologies. Despite a decrease in our petrol consumption, our total energy consumption has increased this year. The increase is due to the expansion of our measurement of energy consumption to include two additional technical centres. We will continue to evaluate opportunities to reduce our emissions, including a focus on increasing our renewable energy capacity.

Besides energy consumption, our resource usage also includes water consumption. As a service provider, our water consumption is mostly contained within our offices, shops and data centres. We draw all our water from municipal sources. Even though the impact of our operations on water conservation is limited, we regard it as integral to our



School Green Day 2018

environmental practices. Based on our utilities bills, our water consumption across the Group in 2018 is 24,695m³. This does not include water consumption at our data centres for which we were not billed.

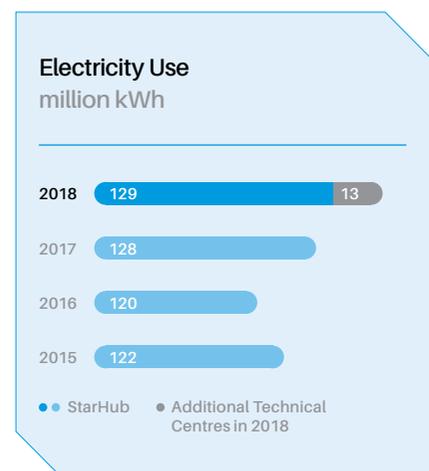
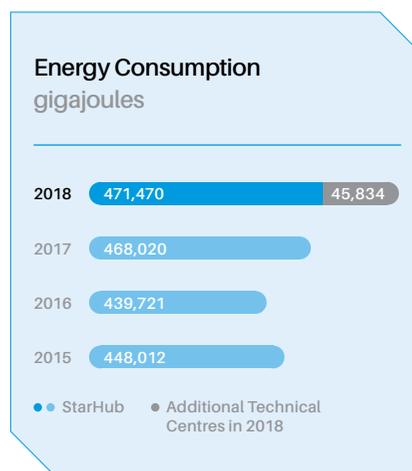
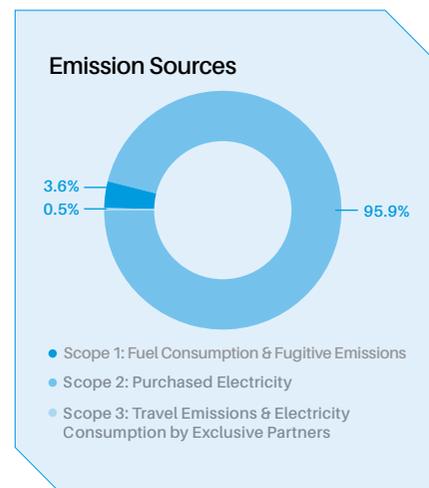
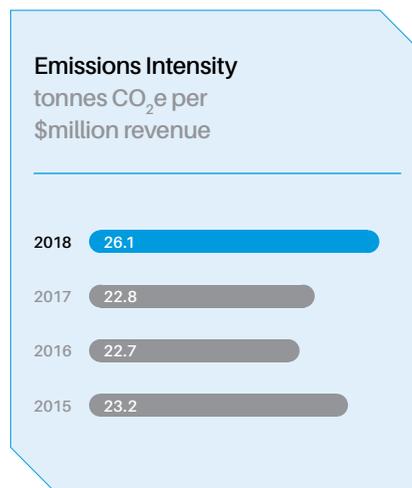
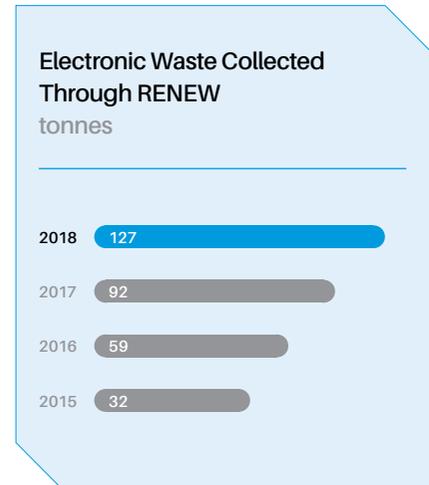
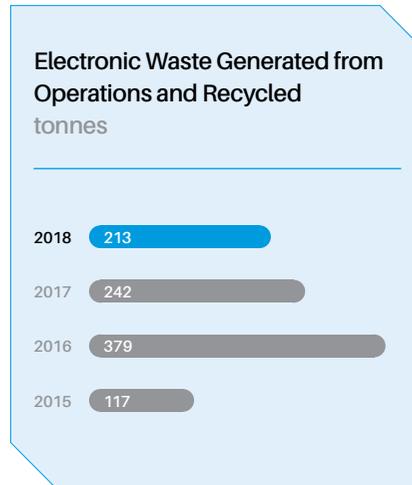
StarHub Green was awarded Green Mark Gold by the Building & Construction Authority in 2016 for its environmental efficiency.

Our Environmental Strategy 3: Environmental Stewardship

StarHub boosted our support of environmental initiatives in 2018 through four key programmes and events.

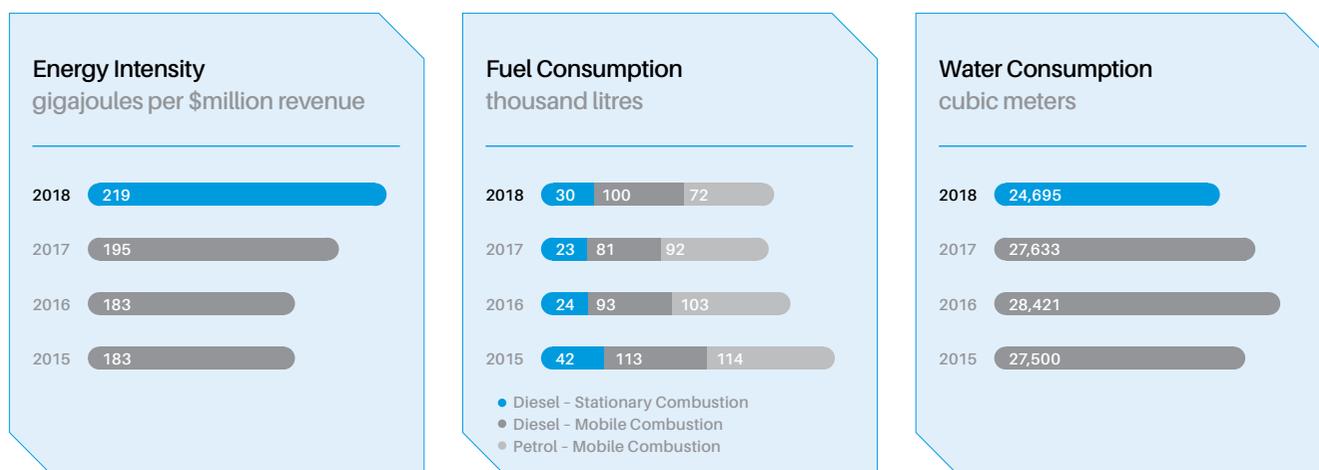
- Singapore Environment Council (SEC)** – We sponsored the SEC-StarHub School Green Awards (SGA) 2018 with \$125,000 and another sum of \$10,000 towards the Schools E-waste challenge. The Schools E-waste challenge included biodiversity learning trails for underprivileged students, led by SEC and assisted by our employees. Through this, we hope to foster environmental awareness and climate action in the students.
- National Parks (NParks)** – As part of the Schools E-Waste Challenge, we invited the top five schools with the highest e-waste collection to a tree planting event to raise further awareness about e-waste and climate change. We donated \$10,000 and planted 50 trees in East Coast Park which we hope the community will enjoy for generations to come.
- World Wide Fund for Nature Singapore (WWF Singapore)** – StarHub raised \$10,000 from collected e-waste in the Schools E-waste Challenge which was donated to WWF-Singapore’s Forest Restoration Programme in Indonesia.
- BirdLife International** – StarHub committed \$10,000 to wildlife and biodiversity conservation.

Environmental Performance



SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)



EMISSION SOURCES	FY2018 ¹	FY2017	FY2016
Scope 1			
Stationary combustion	81	61	65
Mobile combustion	436	426	487
Fugitive emissions (refrigerant gases)	1,721	-	9
Total Scope 1 emissions (tonnes CO₂e)	2,238	487	561
Scope 2			
Purchased electricity	59,188	54,145	53,957
Total Scope 2 emissions (tonnes CO₂e)	59,188	54,145	53,957
Scope 3			
Electricity consumption by Exclusive Partners	179	190	187
Employee business travel (air)	111	-	-
Total Scope 3 emissions (tonnes CO₂e)	290	190	187
Total emissions (tonnes CO₂e)	61,716	54,822	54,705

¹ The CO₂ equivalent emissions for fossil fuel sources are calculated based on the United Kingdom Greenhouse Gas Inventory that is compiled according to the Intergovernmental Panel on Climate Change (2006) Guidelines. The CO₂ equivalent emissions for electricity purchased is calculated based on the Singapore Energy Statistics 2018 by the Energy Market Authority.



B. Investing in our People

Our People Strategy 1: Reorganising and Right-sizing for Agility and Growth

Our workforce consists of 2,216 permanent employees.

Our strategic transformation plan was announced in October 2018. Recognising the pressures from intense local competition and disruptive industry trends, we initiated an operational efficiency programme to improve productivity, improve speed in decision-making and lower operating expenditures across the board. The strategic review process resulted in a reduction of workforce.

Workforce reductions primarily affected non-customer facing functions, with approximately 300 employees impacted. Working closely with Singapore Industrial and Services Employees' Union (SISEU), NTUC's e2i (Employment and Employability Institute) and other agencies such as Workforce Singapore, we provided comprehensive career transition assistance and outplacement counselling, including career coaching and skills upgrading programmes, to our impacted

employees. Impacted employees are paired with employability coaches to discuss their career needs and are invited to attend an employability workshop to build and develop job search skills. The coaches also assisted with job matching such as job referrals as well as encouraging attendance at events such as career fairs to meet prospective employers.

"We wish to recognise the extensive contribution that our impacted employees have made to the company's past development and growth. Such decisions are never taken lightly. I am very aware of the impact on all our employees, and we are making every effort to support those impacted through this challenging transition. The redundancies are not an individual performance issue but one of strategic realignment of StarHub. We have been extremely fortunate to have many competent people in our team, but some positions are not sustainable given the current industry pressures."

Mr Peter Kalioropoulos, CEO

The strategic transformation plan is aimed at simplifying our corporate structure, product offerings and customer touchpoints with an ultimate aim to be more agile, to deliver better customer experience and to drive sustainable growth. While reducing overall resources, StarHub will continue to grow its workforce in specific areas such as cyber security, home and enterprise solutions and customer care. We remain committed to supporting our employees and providing a safe, respectful and collaborative workplace.

Our People Strategy 2: Talent Acquisition, Retention and Development (Material Topic)

Our talent acquisition, retention and development management approach remains focused on investing in people development to build a high-performing organisation. The need for highly-skilled employees with learning agility in the ICT sector will continue to grow as our business implements technology such as the 5G network and the Internet of Things (IoT).

Employment Culture

Our policies promote:

- | | | |
|---|----------------------------------|--|
| 1 Merit-based hiring and remuneration | 2 Teamwork | 3 Safe and healthy working conditions |
| 4 Reward and recognition for performance | 5 People development | 6 Career growth |
| 7 Work-life balance | 8 Diversity and inclusion | 9 Employee volunteering |

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

StarHub management regularly reviews HR policies and practices such as hiring, diversity and inclusion, equal opportunity, training and performance management. We adhere to fair employment practices, strive to provide a safe, non-discriminatory work environment and continually strengthen our workplace policies to provide a level playing field for our employees.

Our People Strategy 3: Employee Training, Benefits and Leave

Career Development and Training

We invested \$1.4 million on training in 2018 and received \$159,701 in training subsidies from various government agencies. In total, we provided 41,206 hours of training with an average



Building diversity and respecting fair employment practices

training expenditure of \$618 per employee. To maximise the learning and funding opportunities for our employees, we have also established partnerships with multiple

government agencies such as SkillsFuture Singapore, the Info-communications Media Development Authority (IMDA), and the Economic Development Board.

Highlight for 2018: Diversity

In October 2018, StarHub was awarded the top honours in Asia Pacific for Gender Equality and is ranked fifth globally amongst corporate stalwarts such as General Motors and L’Oreal in Equileap’s list of the world’s top 200 companies, leading the way in gender equality. Equileap is the leading organisation providing data and insights on gender equality in the corporate sector.



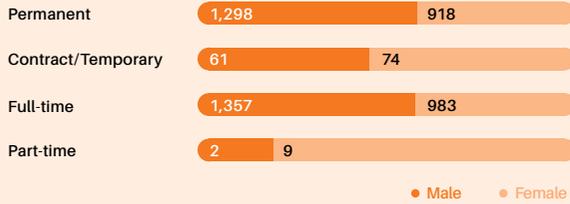
Veronica Lai, StarHub’s Chief Corporate Officer, received the award for StarHub:

“It is our privilege and honour to be recognised as the leader in Asia Pacific in advocating gender equality. Women still face challenges in the workplace, so it is important that we recognise and support their aspirations both at work and at home. Only then can we retain and develop the best talent for the company’s growth. This recognition will spur us to continue advocating that gender equality is not only beneficial for women, it is also ultimately advantageous for businesses.”

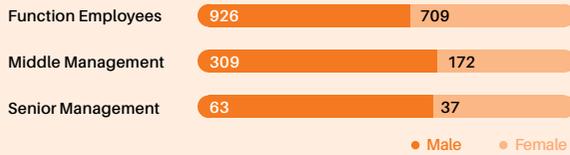
Currently, there are three female directors out of 12 (or 25%) on StarHub’s Board of Directors. This is significantly higher than the average representation of board seats held by women at Singapore’s top 100 listed companies (14.7% - Diversity Action Committee Singapore).

Workforce Snapshot 2018

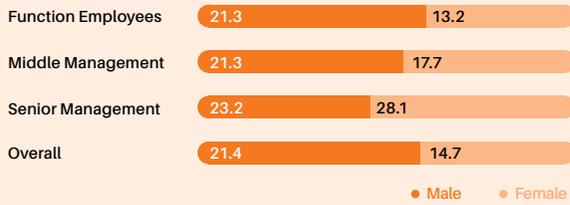
Employment Profile



Seniority of Permanent Employees



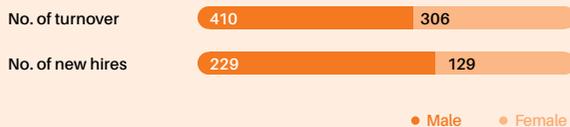
Employees' Average Training Hours



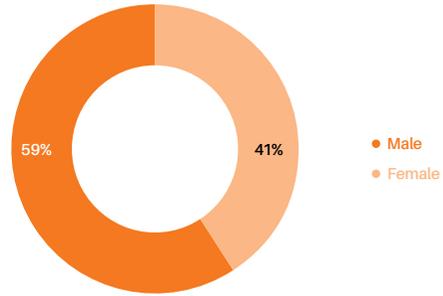
Permanent Employees by Age



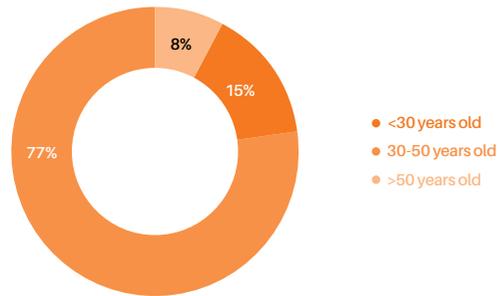
Turnover & New Hires by Gender



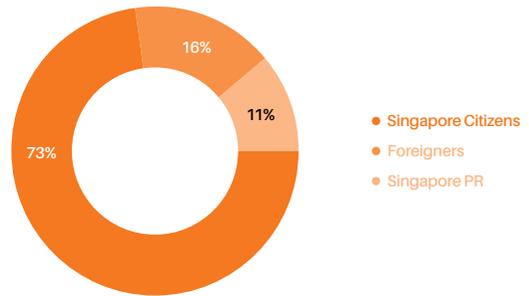
Gender Diversity



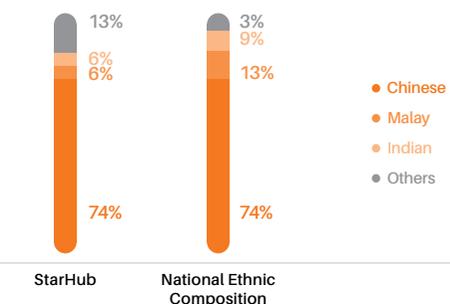
Age Diversity



Local Employees



Ethnic Diversity



SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

At the beginning of the year, key skills and capabilities were identified to support our employees in carrying out their roles. These include cyber security, robotics, virtualisation and mobile network. To this end, we have secured the IMDA Company-Led Training (CLT) funding to invest in our employees' upskilling to ensure they have the relevant learning and development opportunities to build functional and technical skills to succeed in their jobs. In addition, we continue to invest in our leaders by continually building management and leadership skills, through our People Leadership programmes, to enable them to engage and motivate teams to perform effectively.

StarHub employees received regular performance and career development reviews in 2018 as part of our performance management system. Personal targets are set by supervisors and employees under four categories: Business, Customer, Process and People. Behavioural goals are also set according to StarHub values and behaviours.

Employee and Leave Benefits

We offer employees competitive remuneration packages that are commensurate with their job responsibilities, performance and experience.

In addition to product benefits, we also provide additional leave benefits for our permanent employees, including birthday leave, examination leave, eldercare leave and volunteerism leave. All remuneration and benefits packages comply with the relevant statutory requirements related to employment in Singapore. In accordance with Ministry of Manpower guidelines, StarHub employees are also entitled to maternity leave, paternity leave and shared parental leave. Parental leave is available for all employees. Eligible working fathers are entitled to two weeks of paid paternity leave and up to four weeks of shared parental

leave. In 2018, 145 of our employees applied for the parental leave with a 99% return rate. We also had a retention rate of 57% for those employees that returned to work after taking parental leave in 2017.

MOU with Employee Union

We have signed a Memorandum of Understanding with SISEU which allows rank and file employees to participate in recreational and social activities organised by SISEU. We maintain a collaborative partnership and have open and timely dialogues with SISEU and will continue to work closely with SISEU to ensure our employees' skills stay relevant as we undergo our business transformation.

Our People Strategy 4: Employee Engagement (Material Topic)

We believe that happy and engaged employees lead to happy customers. It is therefore important to take the experiences of our employees into consideration while growing our business.

We encourage our employees to volunteer their time and skills in these initiatives. All employees are entitled to two days of volunteering leave. In 2018, our employees contributed 328 hours in volunteer service with 3.3% of our workforce using their volunteering leave allowance.

Employee engagement activities in 2018 focused on two areas:

GREEN LEARNING JOURNEYS AND WORKSHOPS

To raise employees' environmental awareness and appreciation of nature through educational events

- StarHub volunteers took part in an eco-workshop on greening lifestyles and office areas in conjunction with Earth Hour 2018.
- StarHub volunteers planted 50 trees along East Coast Park, together with winners of the top schools for the Schools E-Waste Challenge.
- Partnering with LIEN Aid to host an exhibition open to all tenants and visitors at the StarHub Green lobby on water issues and conservation.
- StarHub volunteers joined A Walk in the Park session, accompanying youths from Care Corner Crossroad Youth Centre on a biodiversity learning trail.
- StarHub volunteers joined over 100 children as part of the Nurture programme for a day out at the Singapore Science Centre to learn more about climate change.
- StarHub volunteers and their family members took part in the annual Community Chest Heartstrings Walk 2018.

SOCIAL OUTREACH

To give employees the opportunity to contribute to the community

With these efforts, we are seeing that employees are becoming more aware of initiatives through our community investment arm, the Sparks Fund, as well as other social and environmental issues. Through these events, our employees are motivated to do more for the environment and the community.

Enhancing our corporate social responsibility employee engagement is one of our key sustainability targets for 2019. We aim to get more volunteers involved and ramp up our initiatives to do good together as a Group.

 *More details about our community initiatives can be read in Investing in our Community on pages 116-118 of this report.*

Our People Strategy 5: Employee Health, Safety and Wellness (Material Topic)

The health and safety of our employees is important and is one of the factors that contributes towards their performance in the Group. We have a responsibility to create a workplace environment that promotes the health and ensures the safety of our employees. Exclusive benefits for StarHub's permanent employees include comprehensive health screening, as well as additional insurance coverage for medical, dental and group life and accidents.

Our management approach is to ensure workplace health and safety by creating employee awareness and taking preventive measures based on assessment of risks. StarHub's Workplace Safety and Health Review Committee (WSHRC) is represented by both management and employees and consists of a representative and an alternate from each work area within StarHub. The WSHRC works closely with employees, business units and external parties with the relevant expertise and knowledge for the effective implementation of workplace health and safety. The WSHRC periodically reviews policies, procedures and practices relating to occupational health and safety and monitors the effectiveness of our approach.



Team building through dragon-boating

The WSHRC provides updates, as needed, to the Management Risk Committee (MRC) which comprises members of Senior Management. Enterprise Risk Management also sits in the WSHRC and act as secretariats for the MRC. Additionally, the chairman of the WSHRC is also a member of the MRC. Workplace health and safety-related incidents are escalated where necessary.

StarHub continues to be a certified bizSafe Level 3 organisation, which is awarded by the Workplace Safety and Health Council Singapore (WSH Council) based on an independent audit. We

continue to grow our pool of first-aid trained employees year-on-year to deal with any medical emergencies.

We adopt the WSH Council's calculation methodology for our health and safety indicators. In 2018, there were no fatalities and one reported incidence. Looking forward, we aim to strengthen the implementation of workplace health and safety initiatives.

Employees may provide feedback on health and safety matters via the Workplace Safety and Health Feedback Form on StarHub's intranet.



Beach cleaning at Pasir Ris

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)



C. Investing in our Community

While our community relies on StarHub services to support their daily personal and business needs, we understand that digital disruption can also have a negative impact. New technology requires new skills which can be hard for disadvantaged groups to develop, such as those with learning or physical disabilities or at-risk youths. Such skills are now essential for everyday life, especially in terms of employability. StarHub is therefore committed to taking steps to overcome this digital divide and share the benefits of technology with everyone.

Our Approach

Our social and digital inclusion as well as employability activities to help disadvantaged groups are areas we care deeply about.

We empower people with disabilities by supporting several organisations that equip them with workforce-ready skills. These activities aim to increase their self-reliance and connect them to professional opportunities that benefit our community. As ICT is a core enabler that allows people with disabilities to successfully integrate and

contribute to society, we provide access to ICT and integrate it into the community programmes we support which allows people with disabilities to achieve a greater degree of independent living.

We also invest in programmes that provide at-risk youths with life skills and career paths.

We value our partnerships with innovative organisations and government agencies which allow us to drive positive benefits throughout our community. StarHub is a strong advocate for these issues and continuously seeks to raise awareness among our customers and business partners.

Our Contributions

In 2018, StarHub committed a total of \$826,698 to 16 voluntary welfare organisations and non-profit organisations to promote employability and essential life skills of underprivileged youth, families and to persons with disabilities.

 *More details about our employee engagement initiatives can be found in Investing in our People on pages 111-115 of this report.*

\$826,698

committed
to local community programmes in 2018

16

charity partners

7,311

people
have benefited from programmes supported by StarHub



Day out at the Science Centre with children from the Nurture Programme



StarHubbers at the Community Chest Heartstrings Walk 2018

Our Community Investment Strategy: Supporting Local Communities (Material Topic)

Social and Digital Inclusion

The StarHub Open, our annual charity golf event, raised \$200,000 this year in partnership with our corporate clients to support social and digital inclusion causes. Through Community Chest, we donated these funds to three voluntary welfare organisations that provide services to people with intellectual or developmental disabilities and mental health issues to help them live independently. Beneficiaries obtain life and vocational skills that prepare them for employment opportunities and assist them with integrating into the community.

- **Metta School** - 398 students with intellectual disabilities were equipped for a more promising future through a specialised employability and life skills programme to help them integrate better into society.
- **MINDS Towner Garden School** - 197 students with autism and moderate intellectual or developmental disability between the ages of 6 and 18 are currently enrolled in this programme teaching critical employment skills.
- **Singapore Anglican Community Services (SACS)** - 50 employers and co-workers were trained to enhance their knowledge and skills for working with people suffering from mental health issues (PMHIs) as part of Project H.I.R.E. Vocational

and social skills training was also provided for PMHIs, following which five were assessed to be ready for employment and all five are currently employed.

We also piloted a project with the Alzheimer’s Disease Association and Autism Association of Singapore in 2018 to enhance the mobility and connectivity of

100 elderly and youths. StarHub contributed over \$25,000 to provide SIM cards, service bundles (talk time, data and SMS) and tracking devices to allow caregivers and parents to monitor the location of their loved ones, to have peace of mind. This empowered both the elderly and youths to travel more independently.

We have been supporting the Nurture programme run by the Central Singapore Community Development Council (CDC) since 2011. With a contribution of \$120,000 in 2018, the programme supported 380 underprivileged children in their academic studies and life skills through two core modules - communication and problem-solving. The programme also served as a platform to help build their character and encourage values that would inspire them to give back to the community.

CASE STUDY EXAMPLE

Nurture 3.0, Central Singapore CDC



Ricarda, 10 years old and Richley, 8 years old

Ricarda and Richley are siblings. While Richley would come to class in high spirits, Ricarda tended to be more serious. Teachers soon discovered that Ricarda was often sternly scolded by her mother, causing her to be reserved in class. With the help of her Lead Teacher and volunteers from the programme funded by StarHub, Ricarda is gaining confidence and is even participating more actively in lessons and helping her younger brother in class.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

In 2018, we also supported The Business Times Fundraising Concert for the Muscular Dystrophy Association (Singapore) and School of the Arts Assistance Fund with \$10,000. This unique concert serves as a platform to promote a more inclusive society in Singapore by showcasing differently-abled students on the concert stage and provided opportunities for creative and talented individuals to contribute to the community in different ways. StarHub was honoured to be recognised as a Silver Sponsor.



Engaging the youths from Care Corner Crossroad Youth Centre in an Amazing Race

CASE STUDY EXAMPLE

Employment Support Programme (SPD)



Navin Nair

Navin was born with cerebral palsy, and was assessed by SPD in 2017 after a year of unemployment. As part of the Employment Support Programme funded by StarHub, he completed the Digital Skill Enabling Training in 2018, which equipped him with essential IT and work-readiness skills. Navin is now employed as a recruitment specialist, and is an advocate for the employment of persons with disabilities.

Youth and Employability

StarHub contributed \$130,000 in 2018 to fund the Employment Support Programme (ESP) by SPD (formerly known as the Society for the Physically Disabled). ESP equips persons with disabilities (PWDs) with Microsoft Office skills as well as job matching or sheltered workshop options after the course completion. During the year 167 PWDs were trained, of whom 83 were subsequently successfully and purposefully employed. Client satisfaction is measured at the end of every module.

Since April 2017, StarHub partnered with Care Corner Crossroad Youth Centre which reaches out to at-risk youths aged between 11 and 18 that lack meaningful engagement at home and in school. The objective is to prevent delinquency by providing them with after-school programmes and services, teaching critical life skills and offering study support. We contributed \$52,450 to the programme in 2018 (together with an additional \$10,000 in-kind donation), to support the enrolment of 106 youths into the programme. Street

outreach also engaged 416 youths to raise awareness of counselling programmes and other supportive resources.

Through a donation of \$25,000 to the 'Football with a Heart' charity fundraiser organised by the 2018 Singapore Community Games, we supported Boys' Town as well as Shine Children and Youth Services and helped reach 5,500 beneficiaries.

Boys' Town is a charity that provides residential care, street outreach and fostering as well as community and school-based programmes for disadvantaged families, children and youths. The programme equips beneficiaries with the skills they need to become responsible contributing members of society.

Shine Children and Youth Services aims to address the needs of underprivileged youths aged between 5 and 21. This programme offers academic intervention, remedial programmes and counselling to equip them with critical life skills to enhance their employability.



D. Improving Customer Experience

A customer’s experience starts from their very first contact with StarHub, whether through various media channels or via interactions with our service staff. It is these interactions that are essential in creating a safe, secure and reliable environment for our customers to connect with and access pre and aftersales service support. We are committed to being fair, transparent and responsible in dealing with customers and strive to listen to their needs and recommend best fit solutions to create a positive experience for them.

Customer Experience Strategy 1: Service Quality (Material Topic)

In a highly competitive environment, service quality plays an ever-growing important role in maintaining customer interest and loyalty. Faster and better network coverage with minimal interruptions requires the continuous upgrading of infrastructure to provide stable, reliable and high-speed data and network services to our customers.

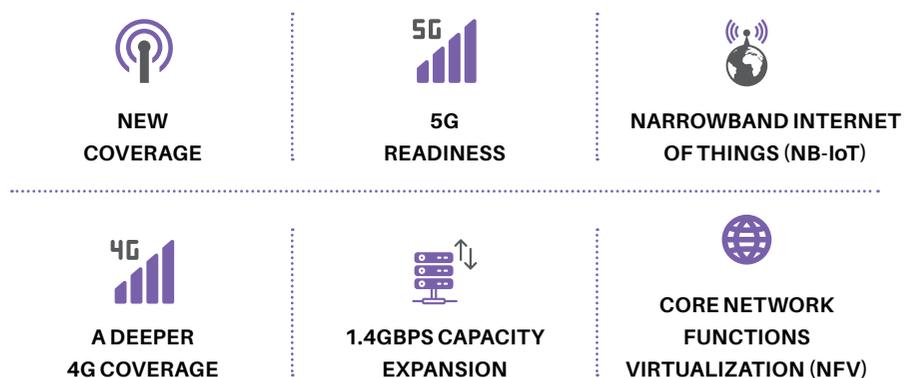
We continue to invest in infrastructural upgrades that would:

1. Improve the resilience of our network services that allow our customers to surf the internet and stream multimedia content smoothly even during peak hours and mega events.
2. Make our networks faster and more efficient to enhance connectivity for the IoT age, support Singapore’s Smart Nation initiatives and to prepare for next generation mobile services (5G).
3. Provide better quality of service, pricing and capability for our customers with the transition to StarHub’s own fibre network.
4. Ensure prompt service recovery with minimal human intervention in the unfortunate event of service disruption.
5. Optimise our service delivery lead time.



Providing personalised offerings to customers

As part of our 5-year implementation plan, we are focusing on:



In 2018, we upgraded our Mobile-Single RAN network to enable peak 4G speeds of 1Gbps and NB-IoT. As testament to our efforts, we clocked Singapore’s fastest mobile speeds according to OpenSignal’s independent analysis. In terms of 5G, we completed Singapore’s first outdoor 5G New Radio pilot

using trial 3.5GHz spectrum towards the end of the year. Through 2019, we will continue to monitor developments and conduct 5G trials, in readiness for the 5G future.

We are continuously developing our customer service to provide a seamless

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

experience across all touch-points, sales and service transactions. We take customer feedback seriously as it is a key mechanism for us to listen to and understand consumer preferences and enhance our product and service offerings. We collect feedback from customers through surveys and across various touchpoints. We use the Net Promoter System (NPS) index to gauge customers' overall satisfaction with our products and services, as well as customers' loyalty and follow up with those who have submitted unfavourable ratings for our products or services to address their concerns.

Customer Experience Strategy 2: Clarity of Pricing and Billing and Product Simplification (Material Topic)

We strive to make our bills clear and easy to read so that we can build a relationship of trust with our customers. When new products and services are launched, our customer service staff are trained to clearly communicate to our customers our pricing structure and contract terms. Customers may also access our Finance & Billing page on our website for details on understanding, managing and paying their bills. Illustrations and explanations are also provided on the website for the various scenarios, products and services.

During 2018, our initiatives included (a) the simplification of our Terms and Conditions to be more customer-friendly in plain English and updated for the latest legal developments, (b) the simplification of the presentation of our SIM Only plans to better communicate the plan's key details, and (c) the simplification of the presentation of our Hubbing Plan to make pricing and new services clearer.

With a focus on simplicity for the customer, we launched our new unique SIM Only mobile plans in 2018 which marked the start of our "Hello Change" journey to do different and better by providing truly contract-free options to give customers extra-large

data bundles that are easy to buy, use and modify. Customers now have just three SIM Only mobile plans to choose from: \$25 SIM Only, \$50 SIM Only and \$80 SIM Only. The plans are devoid of hidden charges for customers to enjoy peace-of-mind. In a market-first, StarHub scrapped all one-time administrative, activation and SIM card fees, as well as monthly subscription fees for caller number display and auto-roam, which add up to about \$200 over 12 months for a typical customer. In 2019, we will continue to focus on product simplification and maintain clarity in pricing and billing for our customers.

Customer Experience Strategy 3: Data Security and Customer Privacy (Material Topic)

Keeping our customers' data secure means protecting the data and supporting our customers to keep their own data secure.

Personal Data Protection Act

We take customers' privacy seriously. We expect all our employees as well as contractors, telemarketers, service providers and temporary staff to comply with the Singapore Personal Data Protection Act (PDPA) and observe our Personal Data Protection Policy in the course of their daily work.

We have appointed a Data Protection Office which oversees the Personal Data Protection Policy within StarHub to achieve PDPA compliance. The Data Protection Office together with the Legal and Regulatory departments monitor upcoming legislative changes and ensures our operations are aligned. Our Internal Audit function serves as the monitoring arm to provide assurance to management on the effectiveness of the control measures. Our Personal Data Protection Policy is reviewed and updated as needed.

In 2018, there were no complaints received concerning breaches of customer privacy and zero identified leaks. We have also

received inputs from internal and external security sources which we have reviewed and taken the necessary actions to enhance our control measures. We aim to maintain zero leaks and breaches of customer privacy in 2019, but we also recognise that the cyber security environment is ever evolving and additional threats appear almost daily.

The public may refer to our Data Protection Policy webpage that helps interested parties to understand how StarHub manages the collection, usage and disclosure of personal data.

Customer Experience Strategy 4: Cyber Security Solutions for our Customers

StarHub delivers end-to-end cyber security solutions to organisations in Singapore and overseas markets. Our capabilities comprise Professional Services, Systems Integration and Managed Security Services, as well as unique telco-centric and network-based security monitoring capabilities to provide enhanced security for enterprises and critical infrastructure.

In 2018, Ensign InfoSecurity Pte. Ltd. (Ensign InfoSecurity), Southeast Asia's largest cyber security provider, became part of our Group. Ensign InfoSecurity is our new joint venture with Temasek Holdings, which brought together StarHub's Cyber Security Centre of Excellence and our security infrastructure subsidiary, Accel Systems & Technologies Pte. Ltd. (now known as Ensign InfoSecurity (Systems) Pte. Ltd.) with Temasek's integrated security subsidiary, Quann World Pte. Ltd. (now known as Ensign InfoSecurity (Cybersecurity) Pte. Ltd.) The newly-formed Ensign InfoSecurity is the only Singapore-based pure play cyber security company and aims to create scale and depth of expertise to address the multitude of cyber security risks facing both Government and Enterprise clients in Singapore and overseas.



E. Being a Responsible Business

Running a business responsibly and with integrity is expected by all our stakeholders. To earn the trust of our stakeholders, it is critical that StarHub upholds the highest ethical standards in our business conduct and seek to promote openness and transparency.

Responsible Business Strategy 1: Responsible Business Practices (Material Topic)

Cyber Security Resilience

Our objective is to ensure cyber security resilience, protection of data and compliance to the newly-passed Cybersecurity Act 2018.

Our Security Team references the ISO 27001 standard for an information security management system to create and ensure the implementation of relevant security policies including the Information Security Policy, Vendor Security Policy and Mobile Device Security Policy. Employees are required to comply with these policies which are supplemented with procedures, guidelines and checklists to ensure the confidentiality, integrity and availability of our assets.

Some of our service offerings (for example, Argonar Cloud) are ISO27001 certified.

Our Corporate Security Officer and Data Centre Team conduct an annual review of our employees' eligibility to access restricted areas (including data centres) based on their job responsibilities. We also set specific targets for security incidents, with performance against these critical Key Risk Indicators monitored by our Enterprise

Risk Management team. In 2018, all incidents detected were mitigated. These incidents include Distributed Denial-of-Service attacks, failed logins, vulnerability scans, trojans and malware, as well as hacking tool activities.

We are also compliant with the Secure and Resilient Infrastructure Code of Practice requirements from the IMDA with regards to our broadband infrastructure. Audits are performed pursuant to the Code. In 2019, we will continue to ensure compliance to the Code and the Cybersecurity Act.

Corporate Governance

As a public company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST), we adhere to the listing requirements as well as the Code of Corporate Governance issued by the Monetary Authority of Singapore. The Singapore Governance and Transparency Index (SGTI) is the leading index for assessing corporate governance practices of Singapore listed companies. As testament to our commitment to responsible corporate governance, our SGTI score has been increasing every year, achieving 100 out of a maximum of 143 points in 2018, with our ranking also moving up one place since 2017 to the joint 17th position in Singapore. Our ISS¹ score is 2 out of 10 in 2018 (where a smaller number indicates lower governance risk), a testament of our strong corporate governance.

 For more details, refer to the Corporate Governance section on pages 52-82 of the Annual Report.

Anti-Corruption and Whistle Blowing

We do not tolerate ethical or legal violations, including corruption. We have put in place an Employee Code of Conduct and Ethics (Employee Code), a Corporate Gift and Hospitality Policy as well as a Supplier and Vendor Policy to set out the standards of behaviour, business conduct and procedures for employees when dealing with customers, business associates and other stakeholders. These are accessible to all employees and stakeholders via the StarHub intranet as well as on our website. Employees are also required to disclose personal relationships and business activities with StarHub's vendors and business partners, as well as relationships with any personnel employed by such vendors and business partners.

Our whistle blowing policy aims to encourage responsible and secure reporting of any irregularity, inappropriate behaviour, legal or ethical violation or other serious breaches of internal processes by lending confidence that whistle-blowers will be treated fairly and accorded due protection against reprisals. The policy is publicly available on our website. Reporting channels include a dedicated whistle blowing email and a direct channel to the Audit Committee Chairman and the General Counsel (via email and/or mail).

Errant employees will be subject to appropriate disciplinary and legal actions (including dismissal), for any non-compliance with the Employee Code or the applicable policies. We are pleased to report that there was no incidence of corruption in 2018.

¹ Institutional Shareholder Services Inc (ISS) is a global leading provider of corporate governance and responsible investment solutions for institutional investors through objective governance research.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

Fair and Competitive Market

Apart from our customers and employees, our industry peers are also a driving force for us to pursue the new development of products and service excellence to improve our performance. As such, we respect and comply with relevant legislation, licence obligations and codes of practice relating to anti-competitive behaviour for our business.

We are pleased to report that there was no legal action taken against StarHub for anti-competitive behaviour in 2018.

Promoting Supply Chain Integrity

StarHub seeks to ensure the integrity of our international supply chain by responsibly applying human rights, labour, environmental and anti-corruption considerations throughout our business. We understand that supply chains are challenging to manage, and we continue to strive for transparency, honesty and integrity across our operations.

In 2018, we began the second phase of our approach to supplier management to ensure that companies supplying StarHub with products or services are aligned with our values and are compliant with the applicable regulations. Upon the completion of this second phase, we aim to establish a robust governance structure for the new Supplier Code to promote sustainable and responsible business practices across StarHub.

Commitment to UNGC

We have been a signatory member of the United Nation Global Compact (UNGC) since 2012. As part of this commitment, we have pledged to implement the UNGC's Ten Principals across our operations.

StarHub is represented on the Management Committee of the Global Compact Network Singapore, the Singapore chapter of the UNGC network.

A Member of:



StarHub made this public commitment to our employees, suppliers, customers and other stakeholders by sharing our Supplier Code of Conduct (Supplier Code) in 2018 after a risk assessment that started in 2017. Moving forward, we plan to develop materials to grow the awareness of our employees and suppliers in the Supplier Code.

Our business also has policies in place to guide procurement decisions, which are available on our website and managed by StarHub's Corporate Purchasing team. Our procurement performance targets are laid out in our Corporate Purchasing Targets statement.

Supplier Code of Conduct

Our Supplier Code was updated in 2018. All StarHub suppliers need to meet or exceed the basic requirements in our Supplier Code. In jurisdictions where local laws or national regulations have stricter requirements, suppliers will be held to the higher standard. We will support our suppliers to meet these objectives and overcome any obstacles.

Our Supplier Code has ten core areas, namely:

1. Across our supply chain and the communities in which we operate, StarHub shall respect internationally proclaimed human rights.
2. Our suppliers' operations shall not be complicit in human rights abuses. Workers shall be treated with dignity and respect on a physical and emotional level.

3. StarHub suppliers shall respect workers' right to freedom of association in accordance with local laws and collective bargaining.
4. Our suppliers' workers shall be free to enter and terminate their employment. Compensation paid to workers will comply with applicable local laws, including those relating to minimum wages, working hours, overtime hours and legally mandated benefits, and at least one rest day per week is offered. Workers will be provided with a safe and healthy workplace.
5. Suppliers shall comply with all local minimum working age laws or regulations and not use child labour.
6. Discrimination, in all its forms, in terms of employment practices shall not be tolerated.
7. Suppliers shall take a precautionary approach to environmental challenges while complying with relevant local and international environmental standards and laws.
8. Suppliers shall adopt initiatives to encourage environmental responsibility. This will include avoiding the use of rare minerals, where possible, as well as materials and resources to minimise negative environmental impact.
9. Suppliers shall encourage the development and scaling of environmental technologies.
10. Suppliers will adhere to ethics and business integrity will be adhered to in combatting corruption. Suppliers will not offer gifts, entertainment, hospitality or other gratuities to StarHub employees to influence their affairs with our business.

Moving forward, we will develop training for our Corporate Purchasing team to actively promote and implement our Supplier Code, helping them engage with our suppliers and their representatives.

Risk Assessment

Our supplier risk assessment started in 2017. In 2018, we identified the level of risk that certain suppliers may pose to our business. This assessment is key to our resilient and responsible sourcing strategy. We value our relationships with our suppliers and aspire to work together to go beyond commercial interests, to minimise social and environmental risks.

1

A COMPREHENSIVE INVENTORY OF SUPPLIERS



COMPLETED:

In 2017, StarHub developed a system to track suppliers and monitor the risk they pose relative to our Group. We categorised risk, using a weighted approach, based on relevant issues for each supplier category.

2

A RISK-BASED SEGMENTATION



IN PROGRESS:

The results from the segmentation in 2017 highlighted 47 suppliers as high-risk. StarHub will be conducting due diligence on such suppliers. While we intended to complete this in 2018, we delayed the process due to our 2018 strategic transformation plan. This will resume in 2019.

3

DUE DILIGENCE, GOVERNANCE AND ESCALATION PROCESS



NEXT STEPS:

In the future, StarHub will tailor due diligence activities to specific supplier risk categories. The high-risk suppliers which were previously identified, will undergo additional scrutiny.

We will establish governance structures and processes to ensure that our business is internally aligned throughout this process.

As a final step, StarHub will develop an escalation mechanism to remediate potential issues.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

Responsible Business Strategy 2: Responsible Marketing (Material Topic)

StarHub is committed to communicating and advertising our products and services responsibly. We comply with relevant local regulations and guidelines such as the Television and Radio Advertising and Sponsorship Code.

Our Data Protection Office oversees the compliance with our Do Not Call (DNC) Policy that guides and ensures that we comply with the PDPA - Do Not Call Registry provisions. Targeted marketing messages will not be sent to any Singapore mobile number that has been registered with the National DNC Registry, and any messages sent will be prefixed as a notification to ensure the clear intent of our communication.

Our Customer Communication Guidelines provide support to our DNC Policy and serve as further guidance on our customer communication materials. We use a combination of local regulations and

guidelines as well as internal policies and guidelines when working with external creative and media agencies.

In 2018, StarHub had no incidence of non-compliance with regulations concerning marketing communications including advertising and promotion.

As an ICT Group, we are cognisant of our ability to contribute to promoting social cohesion through our products and services. We see cause-related marketing as part of our direction towards responsible marketing. On an annual basis, we celebrate our nation's independence with the launch of a campaign that highlights different segments of our society and champions various social causes. #TogetherWeCan was the theme for 2018, honouring the can-do and never-give-up Singapore spirit by shining the spotlight on the stories of five inspiring Singaporeans. We also took the opportunity to engage

our customers by providing them with an opportunity to redeem their reward points in support of these causes via our Rewards Redemption platform, which allowed customers to redeem 53 StarHub Rewards Points in exchange for a \$5 contribution by StarHub to their desired cause.

Airtime Sponsorships of Social and Environmental Causes

StarHub provided airtime sponsorships totalling \$800,000 in 2018 for social and environmental campaigns. We are firm believers in using our assets to do good for society. These included \$300,000 for WWF Earth Hour 2018, \$400,000 for President's Challenge and \$100,000 for 2018 National Day celebrations.

2018 National Day Campaign



From Left to Right:

1. Mr Lim Seng, Team Lead of GoSpace, who hopes to realise his dream of launching the first Singaporean into space.
2. Ms Sarah Pang, Professional Tennis Player, who is pursuing to compete in the WTA.
3. Mr Sazzad Hossain, Founder of SDI Academy, who is providing basic English education to help migrant workers adapt to Singapore.
4. Mr Peter Draw, Creator of the Ai Movement, who uses his art to inspire the world with love and happiness.
5. Mr Joel Seah, social worker at Care Corner Crossroad Youth Centre, who guides youths and organises workshops to equip them with skills to excel in life.

StarHub Value Creation Scorecard

Performance Indicators	FY 2018	FY 2017	FY 2016
Environmental			
CO ₂ e emissions generated (tonnes)	61,716	54,822	54,705
Carbon emission intensity per \$million revenue (tonnes CO ₂ e)	26.1	22.8	22.7
Energy intensity per \$million revenue (gigajoules)	219	195	183
Water consumption (cubic metres)	24,695	27,633	28,421
Internal e-waste recycled (tonnes)	213	242	379
Paper recycled (kilogrammes)	17,797	24,230	16,012
Electricity used (million kWh)	141.6	128.0	119.9
Social			
Employees			
Permanent employees	2,216	2,541	2,685
Local employees (Singapore citizens)	73%	75%	75%
New hires	358	332	283
Female employees	41%	42%	42%
Female managers (% of Senior level)	37%	36%	37%
Female managers (% of Middle level)	36%	36%	36%
Female Heads of Department (% of HODs)	36%	30%	33%
Average training hours per employee	19	17	19
Training expenditure per employee	\$618	\$994	\$784
Employee turnover rate	32%¹	20% ¹	12%
Number of reported work injuries	1	0	2
Fatal Accidents	0	0	0
Community			
Employee volunteerism participation	3%	7%	5%
Community investment and donations to charities (\$million)	0.8	0.7	0.8
Governance & Marketplace			
Revenue (\$million)	2,362	2,401	2,397
Net profit (\$million)	200.5	250	341
Dividends paid to shareholders (\$million)	277	294	346
Suppliers			
Share of local suppliers as % of total supplier payments	86%²	93% ²	86%
Proportion of local suppliers	89%²	84% ²	85%

¹ Figures include voluntary and involuntary turnover. These refer to employees who are effectively no longer part of the Group's headcount within the period from 1 January 2018 to 31 December 2018.

² Figures for all purchase orders raised during 2018, except for those related to content acquisition. Most of our procurement is done through purchase orders. Suppliers are classified as local if the purchase order is raised for an entity located in Singapore, as these entities contribute to Singapore's economy, for example, through employment and taxes. As far as possible, we try to support local suppliers.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

Appendix

About This Report

This is StarHub's eighth annual sustainability report. The information in this report covers StarHub's financial year 2018 (1 January 2018 to 31 December 2018). The scope of the report content covers all business units, StarHub shops (excluding Exclusive Partners unless otherwise stated), data centres, subsidiaries and associated companies (excluding D'Crypt Pte Ltd and Ensign InfoSecurity, being new subsidiaries acquired in 2018).

This report is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards): Core option. The GRI content index can be found at the end of this sustainability report. Please refer to pages 130-134.

As in our previous reports, we have followed the GRI principles for defining the sustainability report content and quality. We have determined the report content using the principles of stakeholder inclusiveness, sustainability context, materiality and completeness. To ensure quality of the report, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

This report also adheres to SGX-ST Listing Rule 711A on preparing an annual sustainability report and describes our sustainability practices with reference to the primary components set out in SGX-ST Listing Rule 711B.

There are no restatements of previously published information.

StarHub has sought an independent limited assurance for this sustainability report to provide greater confidence to our readers on the accuracy of the information reported. Please refer to pages 135-138 for the assurance statement and scope of data assured. The findings of the assurance procedures are shared with StarHub's Board.

This report is printed on FSC paper on soy-based ink.

Share with us your feedback on our sustainability practices by contacting starhubcsr@starhub.com.

Engaging with our Stakeholders

2018 has been a year of change for StarHub. With the roll-out of our strategic transformation plan, our operational efficiency programme and the associated internal re-organisation, our stakeholder engagements have focused on business activities and our day-to-day procedures ensuring quality services and products.

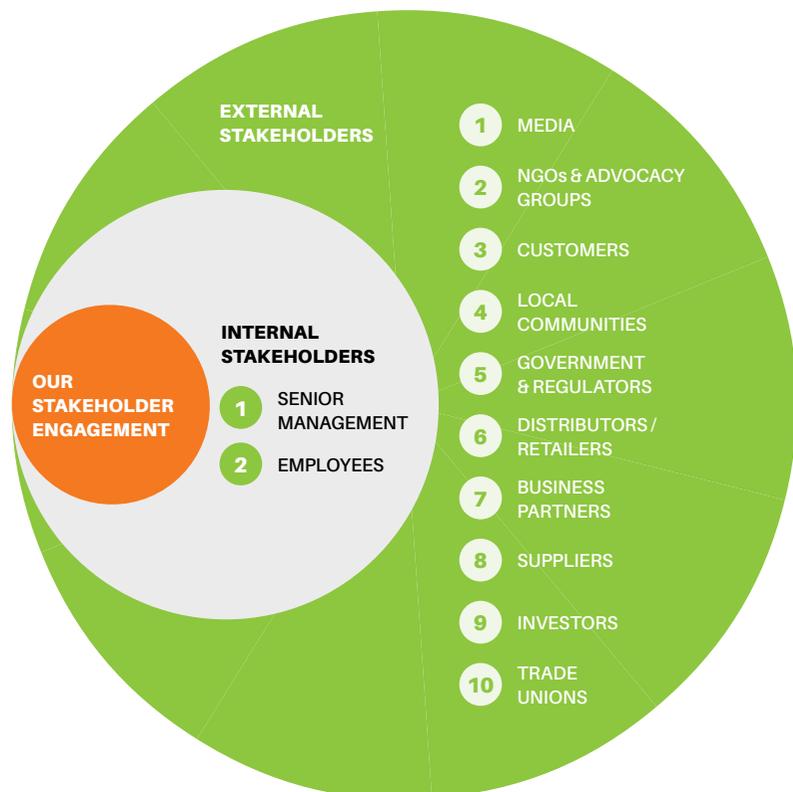
Many different people within and outside StarHub have a stake in our business. Everyone from our customers, being both businesses and individuals, to our investors, employees and suppliers are impacted by the actions we take.

We are committed to listening to our stakeholders and responding to their needs. We believe their perspectives offer valuable insights for improving our business, implementing our sustainability strategy, and meeting our goal to deliver our sustainability vision.

We engage our stakeholders through a variety of means, ranging from one-on-one discussions to surveys, feedback forms, written communications, focus groups, roadshows and social media channels.

Engagement specifically around our sustainability initiatives and reporting in 2018 has been limited to internal discussions and preparations for the coming year.

In 2019, we will continue to find the most effective channels for interacting with our stakeholder groups.



Our Materiality Process

We focus on the topics that matter most to our business and our stakeholders. Our material topics in 2018 have remained unchanged from last year, where we undertook a comprehensive materiality assessment following best practices outlined by the globally recognised international reporting standards by GRI. This assessment included extensive engagement with our internal stakeholders and senior management, resulting in the 13 topics we believe remain most material at this time.

Materiality Matrix



SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

Material Topics and Boundaries

Our Material Sustainability Topics	Where Impact Occurs/Boundary									
	Government and Regulators	Customers	Employees	Suppliers	Distributors and Retailers	Investors	Local Communities	Trade Associations	Trade Unions	NGOs
Online Safety		X					X			X
Service Quality		X		X	X					
Customer Privacy	X	X					X			
Data Security	X	X		X	X					
Clarity of Pricing and Billing	X	X			X			X		
Responsible Marketing	X	X					X			
Talent Acquisition, Retention and Development	X		X						X	X
Employee Health, Safety and Wellness	X		X						X	
Supporting Local Communities			X		X		X			X
Employee Engagement			X		X	X			X	
Responsible Business Practices	X		X				X			
Addressing Climate Change and Other Environmental Challenges	X		X					X		X
Implementing E-waste Programmes	X	X					X			X

Memberships and Associations in 2018

Advertising Standards Authority of Singapore	Global Compact Network Singapore	Singapore Advertisers Association
American Chamber of Commerce in Singapore	Global TD-LTE Initiative	Singapore Business Federation
Asia Digital Marketing Association	GSMA	Singapore Chinese Chamber of Commerce & Industry
Asia Pacific Network Information Centre	Institute of Advertising Singapore	Singapore Computer Society
Asia Video Industry Association	Institute of Service Excellence at SMU	Singapore Corporate Counsel Association
Association of Small & Medium Enterprises	Institute of Singapore Chartered Accountants	Singapore Hotel Association
Association of Media Owners (Singapore)	Investor Relations Professionals Association of Singapore	Singapore Human Resource Institute
British Chamber of Commerce, Singapore	IMDA Tech Skills Accelerator Governing Council	Singapore InfoComm Technology Federation
Business China Singapore	ISS Management Board	Singapore Institute of Directors
Cable Television Laboratories	Law Society of Singapore	Singapore International Chamber of Commerce
Chartered Secretaries Institute of Singapore	Lawnet for Legal Research	Singapore National Employers' Federation
Cloud Security Alliance Singapore Chapter	Pacific Telecommunications Council	Singapore Training & Development Association
Conexus Mobile Alliance	Promax Asia	Singapore-Guangdong Collaboration Council
Consumers Association of Singapore	Singapore Academy of Law	Wireless Broadband Alliance
Contact Centre Association of Singapore	Singapore Advanced Research & Education Network	

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

GRI Content Index

GRI STANDARD	GRI DISCLOSURE	Page(s)
General Disclosures		
	102-1 Name of the organisation	StarHub Ltd
	102-2 Activities, brands, products, and services	10
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	Mainly Singapore
	102-5 Ownership and legal form	262-263
	102-6 Markets served	10-11
	102-7 Scale of the organisation	111
	102-8 Information on employees and other workers	111-115
	102-9 Supply chain	122-123
	102-10 Significant changes to the organisation and its supply chain	Roll-out of strategic transformation plan in 2018, including an operational efficiency programme and the associated internal re-organisation. For further details refer to pages 111, 122-123.
	102-11 Precautionary principle of approach	90-93
	102-12 External initiatives	106-109, 115-118, 120-124
	102-13 Membership of associations	129
	102-14 Statement from senior decision-maker	126
	102-16 Values, principles, standards, and norms of behaviour	52-85
	102-18 Governance structure	102
	102-40 List of stakeholder groups	126
	102-41 Collective bargaining agreements	30% of our workforce are general members of SISEU.
	102-42 Identifying and selecting stakeholders	126
	102-43 Approach to stakeholder engagement	126
	102-44 Key topics and concerns raised	127
	102-45 Entities included in the consolidated financial statements	198-201
	102-46 Defining report content and topic boundaries	127-128 For a detailed description of the materiality assessment and process please refer to StarHub Sustainability Report 2017.
	102-47 List of material topics	128
	102-48 Restatements of information	126
	102-49 Changes in reporting	126
	102-50 Reporting period	126
GRI 102: General Disclosures 2016		

GRI STANDARD	GRI DISCLOSURE	Page(s)	
General Disclosures (Cont'd)			
GRI 102: General Disclosures 2016 (Cont'd)	102-51	Date of most recent report	StarHub Sustainability Report 2017; published March 2017
	102-52	Reporting cycle	126
	102-53	Contact point for questions regarding the report	126
	102-54	Claims of reporting in accordance with the GRI Standards	126
	102-55	GRI Content Index	130-134
	102-56	External assurance	135-138
Topic-Specific Disclosures			
Addressing climate change and other environmental challenges			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	107
	103-2	The management approach and its components	107
	103-3	Evaluation of the management approach	107
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	108-109
	302-2	Energy consumption outside of the organisation	110
	302-3	Energy intensity	110
	302-4	Reduction of energy consumption	108
GRI 303: Water 2016	303-1	Water withdrawal by source	108
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	110
	305-2	Energy indirect (Scope 2) GHG emissions	110
	305-3	Other indirect (Scope 3) GHG emissions	110
	305-4	GHG emissions intensity	109
Implementing e-waste programmes			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	107
	103-2	The management approach and its components	107
	103-3	Evaluation of the management approach	107
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	107-108: specifically relating to the material topic of e-waste.
			In 2018, StarHub generated 45,950kg of general waste (non-hazardous) that was disposed to the municipality for incineration. A total of 17,797kg of paper (non-hazardous) was also collected and recycled.

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

GRI Content Index

GRI STANDARD	GRI DISCLOSURE	Page(s)	
Topic-Specific Disclosures (Cont'd)			
Supporting local communities			
GRI 103:	103-1	Explanation of the material topic and its boundary	116
Management Approach 2016	103-2	The management approach and its components	116
	103-3	Evaluation of the management approach	116
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	116-118
Online safety			
GRI 103:	103-1	Explanation of the material topic and its boundary	120
Management Approach 2016	103-2	The management approach and its components	120
	103-3	Evaluation of the management approach	120
Non-GRI	OS1	Commitment to and active management of cyber security policies and systems	120-121
Responsible marketing and clarity of pricing and billing			
GRI 103:	103-1	Explanation of the material topic and its boundary	120, 124
Management Approach 2016	103-2	The management approach and its components	120, 124
	103-3	Evaluation of the management approach	120, 124
GRI 417: Marketing and labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	124
Data security and customer privacy			
GRI 103:	103-1	Explanation of the material topic and its boundary	120
Management Approach 2016	103-2	The management approach and its components	120
	103-3	Evaluation of the management approach	120
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	120
Non-GRI	DS1	Total number of identified digital attacks or digital security breach	120
Service quality			
GRI 103:	103-1	Explanation of the material topic and its boundary	119
Management Approach 2016	103-2	The management approach and its components	119
	103-3	Evaluation of the management approach	119

GRI STANDARD	GRI DISCLOSURE	Page(s)
Topic-Specific Disclosures (Cont'd)		
Responsible business practices		
GRI 103:	103-1	Explanation of the material topic and its boundary
Management	103-2	The management approach and its components
Approach 2016	103-3	Evaluation of the management approach
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken
GRI 206: Anti-competitive behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers
Talent acquisition, retention and development and employee engagement		
GRI 103:	103-1	Explanation of the material topic and its boundary
Management	103-2	The management approach and its components
Approach 2016	103-3	Evaluation of the management approach
		113
		Further 2018 breakdown:
		New hire rates:
		• Male: 18%
		• Female: 14%
		• <30 years old: 39%
		• 30-50 years old: 13%
		• >50 years old: 6%
		Turnover rates:
		• Male: 32%
		• Female: 33%
		• <30 years old: 41%
		• 30-50 years old: 29%
		• >50 years old: 43%
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
		114
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
		114

SUSTAINABILITY REPORT

Towards a Sustainable Future (Cont'd)

GRI Content Index

GRI STANDARD	GRI DISCLOSURE	Page(s)
Topic-Specific Disclosures (Cont'd)		
Talent acquisition, retention and development and employee engagement (Cont'd)		
		114
		Further 2018 breakdown:
		• All full-time employees are entitled to parental leave, being 1,298 males and 918 females in 2018.
		• 93 males and 52 females took parental leave in 2018.
		• 92 males (99%) and 52 females (100%) returned to work after taking parental leave in 2018.
		• In 2018, 49 males (59%) and 31 females (53%) were still employed 12 months after returning to work from parental leave taken in 2017.
GRI 401: Employment 2016 (Cont'd)	401-3 Parental leave	
GRI 404: Training and education 2016	404-1 Average hours of training per employee	112
	404-2 Programs for updating employee skills and transition assistance programs	112, 114
Employee health, safety and wellness		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	115
	103-2 The management approach and its components	115
	103-3 Evaluation of the management approach	115
	403-1 Workers representation in formal joint management-worker health and safety committees	115
		Further 2018 breakdown:
		• 1 minor injury (female) reported at a minor injury rate of 45.13 per 100,000 employed persons (rate of 108.93 per 100,000 employed females).
		• 0 major injuries reported at a major injury rate of 0 per 100,000 employed persons.
		• Accident frequency rate of 0.2 per million working hours.
		• Lost Day Rate of 0.10 per million working hours.
		• Absentee Rate of 3049 per million working hours.
		• Occupational disease rate of 0 per 100,000 employed persons.
GRI 403: Occupational health & safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
	403-3 Workers high incidence or high risk of diseases related to their occupation	Zero occupational disease incidents recorded in 2018.

SUSTAINABILITY REPORT

Independent Limited Assurance Report

To the Directors of StarHub Ltd

Conclusion

We were engaged by the Board of Directors of StarHub Ltd (the Company) to provide limited assurance on the accompanying StarHub Sustainability Report 2018 for the year ended 31 December 2018 (the Report), as set on pages 90 to 124, and the selected Global Reporting Initiative Sustainability Reporting Standards disclosures (Selected GRI Disclosures) as identified below.

Based on the evidence we obtained from the procedures performed as described in the Auditors' Responsibilities section of our report, nothing has come to our attention that causes us to believe that:

- (a) the Report has not described the sustainability practices on a comply-or-explain basis with reference to the following components as listed under Rule 711B of the Singapore Exchange's (SGX) Listing Manual;
 - Material environmental, social and governance factors;
 - Policies, practices and performance;
 - Targets;
 - Sustainability reporting framework; and
 - Board statement;
- (b) the Report is not presented, in all material respects, in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards): Core option; and
- (c) the Selected GRI Disclosures as identified in the table below, are not calculated, in all material respects, in accordance with the relevant topic-specific disclosures requirements in the GRI Standards.

SUSTAINABILITY REPORT

Independent Limited Assurance Report (Cont'd)

Material topic	GRI Standards topic-specific disclosure		Selected GRI Disclosures		
Energy	GRI 302-1	Energy consumption within the organization and outside of the organization	517,304 gigajoules (GJ)		
	GRI 302-2				
	GRI 302-3	Energy intensity	219 GJ per \$million revenue (including Exclusive Partners)		
Water	GRI 303-1	Water withdrawal by source	24,695 cubic metres		
Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	2,238 tonnes CO2e		
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	59,188 tonnes CO2e		
	GRI 305-3	Other indirect (Scope 3) GHG emissions	290 tonnes CO2e		
	GRI 305-4	GHG emissions intensity	26.1 tonnes CO2e per \$million revenue		
Effluents and Waste	GRI 306-2	Waste by type and disposal method	Internal e-waste recycled: 213 tonnes Paper recycled: 17,797 kilograms		
Employment	GRI 401-1	New employee hires and employee turnover		Male	Female
			Number of new employee hires	229	129
			Number of employee turnover	410	306
Training and education	GRI 404-1	Average hours of training per year per employee		Male	Female
			Function employees	21.3	13.2
			Middle management	21.3	17.7
			Senior management	23.2	28.1
			Overall	21.4	14.7
Procurement practices	GRI 204-1	Proportion of spending on local suppliers	Share of local suppliers as a percentage of total supplier payments: 86% Proportion of local suppliers as a percentage of total suppliers: 89%		

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Singapore Standard on Assurance Engagement 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information (SSAE 3000). Our responsibilities are further described in the Auditors' Responsibilities section of our report.

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of Management

Management is responsible for:

- preparing and presenting the Report in accordance with the GRI Standards and Rule 711B of the SGX Listing Manual, and the information and assertions contained within it;
- determining StarHub's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues;
- establishing and maintaining appropriate internal control systems that enable the preparation and presentation of the Report and the selected GRI disclosures that are free from material misstatement, whether due to fraud or error;
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and
- ensuring that staff involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant reporting units.

The directors' responsibilities include overseeing the Company's sustainability reporting process.

Auditors' Responsibilities

Our responsibility is to carry out a limited assurance engagement in accordance with SSAE 3000 and to express a conclusion based on the work performed. SSAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. The extent of our work performed depends on our professional judgement and our assessment of the engagement risk.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of StarHub's processes for determining the material issues for StarHub's key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.

SUSTAINABILITY REPORT

Independent Limited Assurance Report (Cont'd)

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report.
- Visits to offices and data centres operating in Singapore selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.
- Enquires about the design and implementation of the systems and methods used to collect and report on the GRI Disclosures, including the aggregation of the reported information.
- Comparing the GRI Disclosures presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been appropriately included in the GRI Disclosures.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Restriction on use

This report has been prepared for the Directors of StarHub Ltd for the purpose of providing an assurance conclusion on the Report and Selected GRI Disclosures and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of StarHub Ltd, or for any other purpose than that for which it was prepared.



KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

28 February 2019