SUSTAINABILITY REPORT

INTRODUCTION

M1 is committed to conducting its business in a responsible, ethical and sustainable way. Through our efforts, we aim to create long-term value for our stakeholders, make a positive impact on our community and minimise our environmental footprint.

1,551

NUMBER OF EMPLOYEES WORKING IN M1

This annual sustainability report covers M1's economic, environmental, social and corporate governance performance for 2016.

These are described over four sections, namely "Our Business", "Our People", "Our Community" and "Our Environment".

To ensure comparability, we have used internationally accepted measurement units for the reporting of performance data and indicators. A full listing of reported General Standard Disclosures and Specific Standard Disclosures is available at pages 95 to 100 of this Annual Report.

M1 continually reviews its sustainability performance, monitoring and reporting processes, as well as new developments in sustainability reporting, to ensure ongoing improvements.

We welcome feedback on this report and possible areas of improvement at corpcomms@m1.com.sg.

REPORTING SCOPE AND BOUNDARIES

The M1 sustainability report has been prepared in accordance with the Global Reporting Initiative's (GRI) G4 "Core" level guidelines, in describing key materiality issues and impact on our stakeholders, and is limited to M1's operations under its direct control for the period 1 January to 31 December 2016.

We reviewed the key environmental, social and governance issues highlighted by our stakeholders. The GRI's G4 reporting principles, including stakeholder inclusiveness, key materiality, the sustainability context, and indicator comparability, have been applied to identify the key material issues most relevant to our business operations and stakeholders, and we have presented the results accordingly.

Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
Consumer and corporate customers	• 24-hour contact centre • M1 Shop outlets • Mobile sales team • Corporate sales team • Technical support team • M1 website and Facebook page feedback forms	• Reliable, quality network access • Relevant and affordable products and services • Effective customer service • Data protection	• Continual investment in networks and training to enhance customer experience • Constantly review and update products and services to ensure they are relevant and offer meaningful value • Clear disclosure of all information relevant to customers in marketing materials • Controls in place to ensure the privacy of our customers' personal data
Institutional and retail investors	• Access to our Investor Relations team and senior management through: – Emails – Teleconferences – Meetings – Investor conferences – Investor roadshows – Annual General Meetings (AGM) – Annual Reports	• Sustainable business growth • Create long-term shareholder value • Good corporate governance • Transparency in business strategy and operations • Consideration for minority shareholders' interest • Relevant corporate social responsibility (CSR) initiatives	• Provide relevant and prompt updates on company developments • Respond to investors' queries in a timely manner • Opportunities to engage with senior management through investor meetings, emails, teleconferences, roadshows and AGM • Strong CSR programme in place
Business partners and suppliers	• Meetings • Emails • Telephone	• Transparent and fair procurement and other business practices • Compliance with terms and conditions of business contracts	• Communicate M1's business policies to employees • Transparent business processes in the selection of winning tenderers • Avenues to report incidence of abuse and corruption • Whistleblower policy • Supplier Code of Conduct in place for best practices in procurement
Employees	• Employee feedback • Team building sessions • Annual employee appraisal sessions • Bi-annual townhall events • Open door policy • Quarterly CEO messages • Grievance handling channel through Human Resource Department • Union representation	• Safe working environment • Fair remuneration and benefits • Non-discriminatory practices • Career growth • Relevant employee training	• Maintain a safe and inclusive working environment • M1 offers employees competitive remuneration packages commensurate with their experience, performance and job responsibilities • Recruit, reward and promote employees based on performance and merit • Continual investment in human capital

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Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
Regulators	• Regular formal and informal discussions • Teleconferences • Active participation, including written submissions, in relevant industry consultation sessions	• Compliance with regulations and service requirements • Deliver continued socio-economic benefits to society • Work with industry to maintain consistent technological standards	• Policies to ensure compliance with regulations, laws and quality of service standards • Swift remedial action in case of any regulatory or legislative violation
Analysts and the media	• Access to our Corporate Communications and Investor Relations team through: – Emails – Teleconferences – Meetings – Organised visits and industry events – Quarterly results conferences and teleconferences	• Timely and transparent disclosure of corporate information • Prompt response to queries • Access to senior management	• Provide relevant and prompt updates on company developments • Respond to media and analysts' queries in a timely manner • Work closely with media and analysts to advance Company's interests
Trade associations	• Membership in and engaging with trade bodies and associations, including the Contact Centre Association of Singapore, National Trade Union Congress, Singapore Internet Exchange, and Singapore National Employer Federation	• Make available industry approved products and services • Adoption of industry best practices	• Participation in industry events and dialogue sessions • Harmonise our policies and networks with globally accepted technologies and standards
Non-governmental organisations and community partners	• Discussions with community groups • Participation in relevant conferences • Reporting on our sustainability strategy and performance	• Minimise any social, public health or environmental impact • Support deserving community efforts and underprivileged groups	• Continual support of adopted community causes and conservation efforts • Ensure products and services address the needs of and are available to underserved communities • Continually review and improve sustainability performance and reporting

KEY MATERIALITY ISSUES, ASPECTS AND SUSTAINABILITY CONTEXT

The following section summarises the key material sustainability issues for M1, as determined through our engagement with stakeholders and inputs from our management and employees. We have provided an indication of the impact of the issues, and a summary of our management approach for each issue.

Material issues	Material aspects and targets	Sustainability context	Management approach	Internal impact	External impact
Network access and coverage	• Continue to deliver good quality and reliable network access • Offer good customer value in our products and services • Strengthen digital inclusion efforts	• We provide mobile and fixed services to over 2 million customers • The availability and affordability of our services greatly enhance our customers' productivity and quality of life • Enabler for other sectors by providing essential connectivity infrastructure for functioning and growing in the digital economy	• As at end-2016, we have invested more than S$1.9 billion into our mobile and fixed networks. We will continue to invest in technology to enhance our customers' mobile and fixed experience	Yes	Yes
Ethics and integrity	• Ensure transparency in business practices including marketing communications, recruitment and procurement • Continue to protect customers' data privacy	• Maintaining a high standard of corporate governance is key to protecting the interests of our stakeholders, including customers, employees, business partners and shareholders	• The Company has strict guidelines and policies with regard to procurement and staff conduct in our business, and we abide by all relevant laws including those governing data protection	Yes	Yes
Employees	• Offer staff a safe and conducive working environment • Continually provide relevant training	• We provide employment to 1,551 employees, who form an important stakeholder segment and a critical component to our continued success in a competitive marketplace	• We maintain a safe and conducive working environment • We have a merit-based recruitment and promotion policy • Our human resource colleagues, management and employees work together to identify suitable and relevant training programmes to enhance employees' skill sets	Yes	No

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Material issues	Material aspects and targets	Sustainability context	Management approach	Internal impact	External impact
Economic performance	• Create long-term value for stakeholders	• We contribute toward Singapore's economy by creating jobs, responsibly paying our taxes and introducing business opportunities for our business partners • Our shareholders benefit through regular dividend payouts and long-term share price performance • Our employees share in the company's success, through monetary rewards and staff benefits • Our continuous network investments and introduction of innovative products and services have a positive impact on the level of competition in our industry for the benefit of both retail and corporate consumers in Singapore	• We continually invest in our networks to enhance customer experience, deliver relevant products and services that bring value to our customers, and provide a positive customer experience, to drive our business forward	Yes	Yes
Community support	• Continue our support for deserving community initiatives and underprivileged groups	• We believe that for a company to be successful in the long-term, it should help create value for the community it operates in	• We are a long-term supporter of various charity causes, by providing financial assistance and conducting outings through the efforts of the M1 SunCare Club volunteers • We focus our efforts on the arts and sports causes in their start-up stage, where our contributions can make a meaningful impact	Yes	Yes
Environmental footprint	• Minimise energy usage where possible	• Energy is consumed in our business • As a non-extractive business, M1 does not have a significant environmental footprint	• We continually review our environmental footprint to identify feasible initiatives to make the most efficient use of limited resources in a sustainable way	Yes	Yes

In addition to the material issues highlighted above, there may also be other important sustainability-related issues, such as our impact on biodiversity. We have not included these issues in our report as they are not material to our business, due to our operating environment or the nature of our business.