SUSTAINABILITY REPORT

INTRODUCTION (GRI 102-53)

M1's sustainability goals are to create value for our stakeholders, make a positive impact on our community and minimise our environmental footprint

8

key stakeholders engaged

14

material topics identified

We are committed to behaving responsibly and ethically in all our endeavours; tackling the challenges of sustainability to create enduring value and meet the expectations of all our stakeholders, both now and into the future.

In this sustainability report, the Company's seventh, we present the economic, environmental, social and corporate governance performance of our operations in Singapore during 2017. Our achievements, progress and targets for the reporting year are detailed in four sections, each representing a key area of focus for our operations, namely: Our Business, Our People, Our Community and Our Environment.

OUR BUSINESS

We pursue sustainable growth and performance for our business, based on a high standard of corporate governance and risk management policies and processes.

OUR PEOPLE

We strive to provide a safe, motivating and inclusive workplace that develops and rewards talent.

OUR COMMUNITY

Through our sustained corporate social responsibilities programmes in three focus areas – the arts, sports and youth causes – we aim to deliver a lasting and positive impact on our community.

OUR ENVIRONMENT

We conduct our business operations responsibly and efficiently, and constantly seek to minimise our environmental footprint and make effective use of limited resources.

We welcome feedback on this report, any aspect of our sustainability performance and possible areas of improvement at corpcomms@m1.com.sg

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REPORTING SCOPE AND BOUNDARIES
(GRI 102-54, 102-12, 102-56)

This M1 sustainability report has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards[1]: Core option, and is limited to operations under our direct control for the period 1 January to 31 December 2017. The GRI content index and the relevant references are provided on pages 109 to 112 of the report. To ensure comparability, we have used internationally-accepted measurement units and conversion factors for the reporting of performance data and indicators.

We regularly review our sustainability performance, monitoring and reporting processes, as well as new developments in sustainability reporting, to ensure ongoing improvement. This report has been updated to incorporate changes to Singapore Exchange's sustainability reporting guidelines and the latest GRI Standards. We have sought assistance from a sustainability consultancy to ensure that alignment between the report content and the requirements of these two frameworks has been respected.

The content of this report has not been externally assured by any independent party.

SUSTAINABILITY MANAGEMENT WITHIN M1 (GRI 102-18)

The evaluation of M1's economic, environmental and social performance is carried out at top management level by our Chief Operating Officer, supported by the heads of our key departments. Engagement approaches with our stakeholders, material topics and relevant mitigation measures are discussed and prioritised based on expectations and best practices within the current local and global sustainability contexts, but also on the risks and opportunities relevant to M1's business operations. M1's management approaches and performance data are regularly re-assessed according to defined targets and adapted if necessary.

Key outcomes, performance updates and proposed changes in our sustainability framework are presented to the Board of Directors for their approval and input. The Board also has oversight of M1's sustainability reporting agenda.

STAKEHOLDER ENGAGEMENT AND MATERIALITY (GRI 102-42)

We have identified eight stakeholder groups whose engagement with M1 is key to our sustainability efforts. We have strengthened existing engagement channels and created new ones to understand the expectations of each stakeholder group and identify the topics that are material to them.

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[1]   We have chosen GRI Standards (2016) as this is the latest version of the most widely used global and independent sustainability reporting framework.

M1 STAKEHOLDER GROUPS (GRI 102-40, 102-43, 102-44, 102-46)

Stakeholders	Main engagement channels	Stakeholder's expectations
Consumers and corporate customers	• 24-hour contact centre • M1 Shop outlets • Mobile and fixed sales team • Corporate sales team • Technical support team • M1 website and Facebook page feedback forms • My M1 App	• Reliable, quality network access • Relevant and affordable products and services • Effective customer service • Data protection
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 • Long-term shareholder value • Good corporate governance • Transparency in business strategy and operations • Consideration for minority shareholders' interest • Relevant corporate social responsibility (CSR) initiatives
Business partners and suppliers	• Meetings • Emails • Teleconferences	• Transparent and fair procurement and other business practices • Compliance with terms and conditions of business contracts
Employees	• Employee feedback • Team-building sessions • Annual employee appraisals • Quarterly townhall events • Open-door policy • Quarterly CEO messages • Grievance-handling channels through line management and/or Human Resource Department • Union representation	• Safe working environment • Fair remuneration and benefits • Non-discriminatory practices • Career growth • Relevant employee training

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Stakeholders	Main engagement channels	Stakeholder's expectations
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

Analysts and the media	• Access to our Corporate Communications and Investor Relations team through:
	  – Emails
	  – Teleconferences
	  – Meetings
	  – Organised visits and industry events
	  – Quarterly results teleconferences
		• Timely and transparent disclosure of corporate information
		• Prompt response to queries
		• Access to senior management

Trade associations	• Membership of and engagement with relevant trade associations[2]	• Make available industry approved products and services • Adoption of industry best practices
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

The following table summarises the key material sustainability topics for M1, as determined through our stakeholder engagement channels and management discussion. The table identifies which stakeholder group is impacted by each topic, explains why it is important and outlines our management approach for each topic, as well as summarises our progress during the reporting period and identifies our targets for 2018.

In addition to the material topics highlighted in the table, there may be other important sustainability related topics, such as impact on biodiversity. This report does not include information and performance data on these topics, as they are not material to our business, due to our operating environment or the nature of our business.

[2] Contact Centre Association of Singapore, National Trade Union Congress, Singapore Internet Exchange, and Singapore National Employer Federation.

M1 KEY MATERIAL TOPICS (GRI 102-47)

Why the Topic is Material	M1's Management Approach	2017 Achievements	2018 Targets
OUR BUSINESS			
Governance, ethics and integrity	Impacted stakeholders: **All**		
Maintaining a high standard of corporate governance, in the economic, social and environmental aspects of our business, is key to protecting the interests of all our stakeholder groups. This includes seeking feedback from and communicating transparently with all parties	• We communicate our business policies to staff and ensure that management, staff and suppliers abide by strict guidelines, codes of conduct and regulatory compliance • We obtain annual Business Continuity Management (BCM) certification • We conduct appropriate risk and awareness training sessions for staff • We respond to media and analysts' queries in a timely manner and provide relevant and prompt updates on company developments • We work closely with media and analysts to advance the Company's interests • We continually review and improve sustainability performance and reporting	• No cases of regulatory non-compliance during the year • Increased number of performance indicators in the sustainability report	• Maintain our current record of zero cases of regulatory non-compliance
Responsible procurement	Impacted stakeholders: **Business partners and suppliers**		
Adopting a responsible procurement policy helps M1 to indoctrinate among its suppliers the same stringent sustainability principles and corporate values that it adheres to itself	• We review our Supplier Code of Conduct annually to ensure best procurement practices • We ensure transparency throughout the tendering process • Through our whistle-blower policy, we create avenues for reporting incidences of abuse and corruption	• Reviewed our Supplier Code of Conduct and found it to be valid	• Annual review of Supplier Code of Conduct
Data privacy	Impacted stakeholders: **Consumers and corporate customers**		
Given our role as a provider of mobile and fixed communications services, and being fully aware of the sensitivities that customers rightly have concerning data privacy, protecting that privacy is M1's prime material topic	• We subscribe to the principles and requirements of the Personal Data Protection Act 2012 (PDPA) to ensure the privacy of customers' personal data	• No regulatory breaches	• Maintain positive record of zero regulatory breaches

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Why the Topic is Material	M1's Management Approach	2017 Achievements	2018 Targets
OUR BUSINESS			
Transparency in customer communications	Impacted stakeholders: **Consumers and corporate customers, regulators**		
Being fully transparent in all forms of customer communications, builds trust and strengthens our engagement with our customers and other stakeholder groups	• We have a training roadmap for our frontline staff which enables them to provide customers with comprehensive and transparent information with which to make informed decisions regarding our products and services. The process covers both content knowledge and soft skills, and includes: • New staff academy training • Skills enhancement training • Refreshers on important topics • e-Learning platform	• All frontline staff were trained in key modules including compulsory on-the-job training	• Maintain 100% of frontline staff trained in key modules including on-the-job training
Customer satisfaction	Impacted stakeholders: **Consumers and corporate customers**		
Customer satisfaction impacts all stakeholder groups either directly or indirectly. Satisfied customers are more likely to be loyal customers who become ambassadors for the brand and build economic growth, which, in turn, leads to a better stakeholder experience for employees, investors and suppliers	• We continually invest in and review our products and services to ensure they are relevant, competitive and meet customer needs • We conduct regular and appropriate staff training to enhance the customer experience	• Achieved 85% customer satisfaction rating[3]	• Achieve at least 85% customer satisfaction rating
Public safety	Impacted stakeholders: **Consumers and corporate customers, regulators**		
Having a strong public safety record, particularly in the sensitive area of radio frequency (RF) radiation levels, builds confidence and support for M1 among our customer base and industry regulators	• We comply with the Info-communications Media Development Authority's (IMDA) strict controls over the installation and transmitter power limits of our base station equipment • We are open and transparent in the area of public health and safety, and work closely with the National Environment Agency and IMDA to ensure the levels of exposure of RF radiation from our networks are well within guideline limits • We have mechanisms in place to respond promptly to any public safety incidents	• No public safety incident	• Maintain record of no public safety incident

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[3]   Customer Satisfaction Survey across our customer touch points (Hotline, Customer Service Centres and Retail Shops).

Why the Topic is Material	M1's Management Approach	2017 Achievements	2018 Targets
OUR PEOPLE			
Attracting and retaining talent	Impacted stakeholders: **Employees**		
Our people form an important stakeholder segment and are a critical component to our long-term success	• We offer competitive remuneration packages commensurate with qualifications, experience and job responsibilities • We value diversity within our workforce • We promote employees based on performance and merit	• Employee attrition rate of 14.8% in 2017, from 13.1% in 2016.	• Achieve annual attrition rate equal or lower than industry norms
Training and education	Impacted stakeholders: **Employees**		
Investment in the training and education of our people gives M1 an edge in our ever-changing and highly competitive industry. By supporting their personal development, we are enabling our people to reach their full potential	• We provide continuous training programmes to build on our employees' knowledge and skills	• 3.66 days of training per employee	• An average of 4 days of training per employee per year
Workplace health & safety	Impacted stakeholders: **Employees, business partners and suppliers**		
Providing a safe and healthy workplace protects all stakeholders who carry out their professional responsibilities on M1 sites and strengthens our engagement with those same stakeholders	• We maintain a safe and inclusive working environment • We conduct regular workshops to keep employees up to date with M1's workplace safety and health procedures and regulations • We are a signatory to the Tripartite Alliance for Fair Employment Practices' Employers' Pledge of Fair Employment Practices	• No fatality	• Maintain zero fatality rate

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Why the Topic is Material	M1's Management Approach	2017 Achievements	2018 Targets
OUR COMMUNITY			
Supporting the community	Impacted stakeholders: **Non-governmental organisations and community partners, employees**		
We believe that for a company to be successful in the long term, it should help create value for the community within which it operates. Participation in CSR programmes is a significant motivation factor for our employees	• Through our strong CSR programmes, we continuously provide financial assistance and support to adopted community causes and conservation efforts • We focus our efforts on the arts and sports causes in their start-up stage, where our contributions can make a meaningful impact • We ensure products and services are available to and address the needs of underserved communities • We involve our employees through M1 SunCare Club volunteers	• We invested more than S\$1.9 million toward arts, sports and charity	• Make a combined community investment of more than S\$1.5 million toward arts, sports and charity
Digital inclusion	Impacted stakeholders: **Non-governmental organisations and community partners, regulators**		
As connectivity becomes an ever greater part of our lives, it is important to ensure that digital services are made accessible to all members of our society	• Participation in industry events and dialogue sessions • Harmonise our policies and networks with globally accepted technologies and standards	• M1 partnered with IMDA on the NEU PC Plus Programme, and the Home Access Programme and Digital TV Assistance Scheme	• Continue to partner government agencies to enable low-income households to benefit from digital/ connectivity services

Why the Topic is Material	M1's Management Approach	2017 Achievements	2018 Targets
OUR ENVIRONMENT			
Energy usage	Impacted stakeholders: **All**		
In line with the Singapore Government's 2015 pledge that the country will become more efficient in its economic activity by the year 2030, a reduction in the use of non-renewable energy sources is a priority for M1	• We continually measure and review our environmental footprint to identify feasible initiatives to make the most efficient use of limited resources in a sustainable way • We implement more energy-efficient technologies	• Total power consumption of our operations increased 0.1% despite an 11% increase in new base stations deployed	• Minimise increase in total power consumption, despite expansion of mobile networks and ICT systems
Carbon footprint	Impacted stakeholders: **All**		
It is essential to prevent our current actions on the climate from compromising the life of future generations. The Singapore Government's 2030 targets towards the global fight against climate change also highlight the need for companies to reduce their carbon footprint and look towards renewable energy sources	• We have implemented new approaches, such as use of solar panels, to reduce our consumption of non-renewable energy • We adopt new measures to reduce indirect carbon emissions (electronic equipment recycling and reduction in paper consumption)	• Launched e-waste recycling trial at selected M1 Shops and M1 buildings • eBill penetration at 15% (May 2017)	• Roll out e-waste recycling to more collection sites • Raise eBill penetration to 20% of customer base
Water usage	Impacted stakeholders: **All**		
The supply of fresh water in Singapore is limited. Maximising opportunity to replace fresh water with reclaimed water is an important step towards environmental sustainability	• We continually seek out opportunities to reduce our consumption of potable water and increase consumption of reclaimed NEWater, e.g. for cooling	• NEWater/potable water consumption ratio: 23/77	• Increase NEWater/ potable water ratio to 30/70