SINGAPORE POST LTD
Sustainability Report 2017/18

CONTENTS

1 INTRODUCTION

1.1 Board Statement

Even as we advance on the transformation of Singapore Post Limited ("SingPost") and its business, the Board remains fully committed to creating a sustainable business model geared towards achieving long term success for its stakeholders.

Building on our long heritage, the management of our economic, environmental, social and governance issues remains key for the business sustainability of SingPost.

The framework of SingPost's sustainability reporting is in line with the Singapore Exchange ("SGX") Sustainability Reporting Guide and the Global Reporting Initiative Standards.

In its inaugural Sustainability Report, SingPost sets out the environmental, social and governance matters identified and prioritised by management, validated by the Board as material to the business, with specific performance levels and targets.

SingPost's focus on people, planet and profit underpins the company's sustainability strategy. These will continue to guide its people, policies and processes to ensure the long-term interests of its stakeholders are met and the performance of SingPost is sustained. As we continue our sustainability journey, metrics and targets that are material to our business will be progressively added, providing even more insights in our next report.

We will continue to develop and deepen our sustainability roots over time, as we grow the SingPost Group into a global leader in eCommerce logistics and trusted communications.

1.2 About the Report

SingPost's inaugural Sustainability Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards – Core level, and the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard Listing Rule 711(B). The GRI framework is a broad set of globally applicable standards and appropriate for reporting on our industry and business.

The report covers Environment, Social, Governance ("ESG") performance across the three business segments – Postal, Logistics, eCommerce – in Singapore from 1 April 2017 to 31 March 2018 (FY2017/18), with historical performance (FY2016/17) included for comparison, where possible.

We have adopted a phased approach to our reporting; we will seek to provide additional disclosures and consider external assurance as our sustainability reporting matures over time.

We welcome your feedback on any aspects of our sustainability journey. Please address your feedback to Vice President, Corporate Sustainability, at csr@singpost.com.

1.3 Organisation Profile

With a heritage dating back to the founding of Singapore by Sir Stamford Raffles in 1819, SingPost has grown from a humble single mail office back in the 19th century to an international organisation with operations in 19 markets around the world. Today SingPost is listed on the SGX-ST, with its largest shareholders being Singapore Telecommunications Limited (21.8%) and Alibaba Group Holding Limited (14.9%).

Our vision is to be a global leader in eCommerce logistics and trusted communications. Our core values – Trust, Total Customer, One Team, Top Execution, and Transformation – foster and underpin a culture of openness, trust and accountability in the organisation.

Our people are key assets and drivers in SingPost's transformation. Guided by the strategic vision and objectives of the Group and benchmarked against best practices, we centre our efforts on building a sustainable workforce ready for the future through the "PRIDE" framework:

- **P**roviding top talent across the Group
  ▶ For talent pool and leadership bench strength, and succession pipeline
- **R**ewarding for performance
  ▶ For a high performance culture to achieve business results
- **I**nstilling a lean HR operating system
  ▶ For scalable and efficient processes through leveraging technology
- **D**eveloping and growing our talent
  ▶ For enhanced managerial and talent capability, and opportunities for growth
- **E**ngaging every employee in our transformation
  ▶ For high engagement and organisational drive

To cultivate our high potential talent, we have introduced an accelerated development programme called iLead, which comprises a series of developmental interventions over 12 to 18 months that will help targeted team members deepen their skill-sets and competencies, as well as prepare them for future critical and leadership roles within the Group.

A significant portion of the organisation's activities is performed by our own employees. As at FY2017/18, our staff strength in Singapore was 4,210, compared to 4,676 in FY2016/17. The reduction in employee numbers was due to natural attrition and alignment of the manpower base to the Group's business and operating needs as we re-engineer our operations to enhance competitiveness.

Gender composition was relatively even among the total staff strength. Among our middle and senior management, approximately 40% was female.

Figure 1: Total number of employees by employment contract and gender

FY2016/17

♂ : 391   ♀ : 1,374

Total Employees: 4,676

♂ : 1,911   ♀ : 1,000

FY2017/18

♂ : 331   ♀ : 1,156

Total Employees: 4,210

♂ : 1,791   ♀ : 932

■ Permanent   ■ Temporary
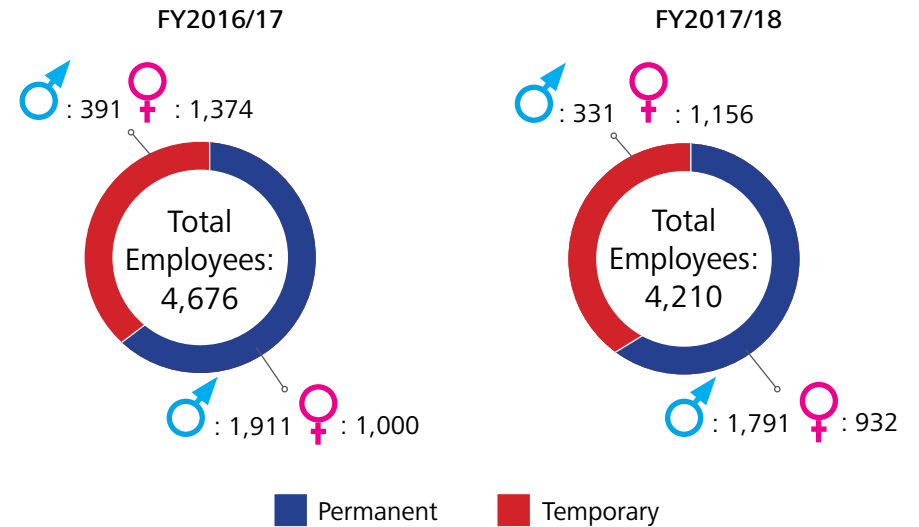
Figure 2: Total number of employees by employment type and gender

FY2016/17

♂ : 155   ♀ : 1,039

Total Employees: 4,676

♂ : 2,147   ♀ : 1,335

FY2017/18

♂ : 111   ♀ : 862

Total Employees: 4,210

♂ : 2,011   ♀ : 1,226

■ Full Time   ■ Part Time
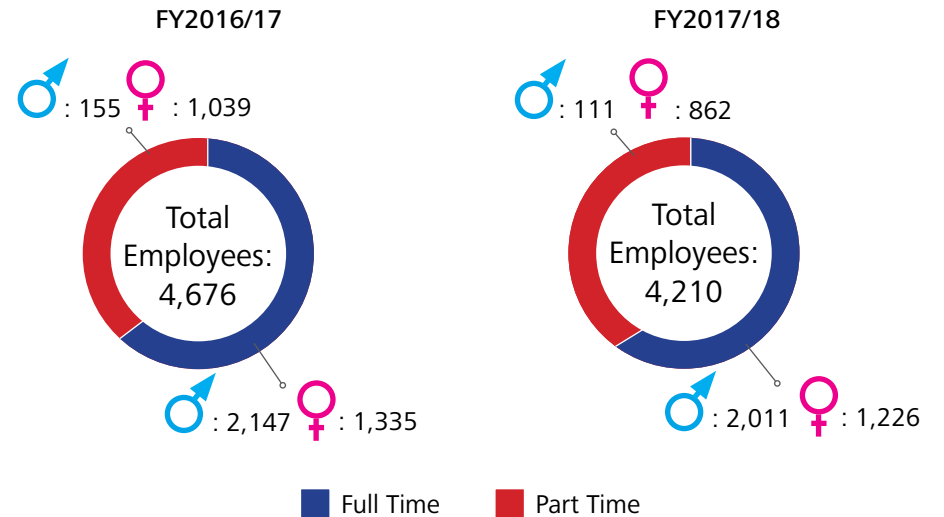
1.3 Organisation Profile (Cont'd)

We are committed to fostering a fair and inclusive workplace for our employees. Our HR codes of ethics and conduct set out standards for our team members who are required to act in a professional manner, with utmost integrity and objectivity at all times in their dealings with each other, competitors, customers, suppliers and the community.

Case Study
Creating an Inclusive Workplace Culture

As a trusted service provider to a multi-racial community, SingPost is proud to be made up of a diverse workforce. It emphasises hiring on merit and provides equal opportunities for employee development. The organisation also strives to provide work-life balance to employees, and has modified and restructured work arrangements to accommodate its team members and their lifestyle.

A good example is its novel Neighbourhood Postman scheme that enlists housewives to deliver post within the neighbourhood of their homes, making it easier to balance work while caring for their children.

Source: TAFEP (Employer Best Practice Case Studies)

Signatory to the Employers' Pledge of Fair Employment Practices by the Tripartite Alliance for Fair & Progressive Employment Practices ("TAFEP")

Re-employing retiring workers since 1994, prior to the re-employment law introduced in 2012

Support for annual UTES* - U Care Bursary awards – S$80,000 contribution towards bursaries for 221 children of our employees

* Union of Telecoms Employees of Singapore

2 STRATEGY & APPROACH

2.1 Sustainability Strategy

Our long history best illustrates what sustainability means to us at SingPost. Over the decades, we have continually invested in innovation and evolved our business and operations to meet the changing trends and needs of the communities we serve. In this digital and eCommerce era, we continue to advance on our transformation, connecting and bringing greater value to people, businesses and communities.

Our global footprint, proprietary technology and strategic partners place us well to take hold of the potential in eCommerce. Our strategy for transformation – called Leap23 – is focused along the following key themes.

- **Winning in our home market**
  - ▶ We want to win in our home market, extending our lead as Singapore's premier provider of last-mile delivery and driving scale of our eCommerce warehouse and fulfilment operations.

- **Igniting future growth engines**
  - ▶ We will ignite future growth engines by increasing global eCommerce flows on our network through strengthening our strategic collaboration with Alibaba and its associate companies. What will differentiate and give us the edge over the competition is our end-to-end solutions that harness proprietary technologies to enable retailers big and small to establish and grow eCommerce operations in the region.

- **Extracting the full value from investments**
  - ▶ We will extract full value from the investments we have made, especially from our international subsidiaries and associates. We will be integrating and scaling our eCommerce business in the US and Southeast Asia.

- **Drive to cost leadership**
  - ▶ Underpinning these strategies is our drive to cost leadership. We are undergoing cost transformations to optimise our cost base and give us a competitive edge in the market.

Advancing on our Transformation; Connecting Communities in an eCommerce World

WIN IN OUR HOME MARKET

- Gain leading share in Parcels

- Drive scale of eCommerce warehouse and fulfillment

- Harness innovative solutions to serve the urban logistics needs of a Smart Nation

DRIVE COST LEADERSHIP

- Optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers

- Drive productivity, reduce non-conformance

- Instill continuous improvement

IGNITE FUTURE GROWTH ENGINES

- Capture global cross border eCommerce flows

- Build out our eCommerce logistics capabilities in Southeast Asia

EXTRACT FULL VALUE FROM INVESTMENTS

- Integration across geographies

- Maximise potential of our overseas investments

Harness Technology

Capture Synergies

Leverage Partnerships

People Development

Postal

Logistics

eCommerce

SINGAPORE POST LTD Sustainability Report 2017/18

Postal

As the designated Public Postal Licensee in Singapore, we are committed to our service obligations. We offer reliable and quality domestic and international postal services, and end-to-end mail solutions. We have a wide network of touch points, with 57 post offices, 7 delivery bases, 300 self-service automated machines, 743 posting boxes and 157 POPStation smart lockers across Singapore.

We are transforming our post offices into a smart Post Office network, utilising technology to enhance service levels and operational efficiency. These include an enhanced self-service area that offers 24/7 access to the award-winning new generation SAM kiosk and a network of POPStation smart lockers for customers to send, collect and return parcels at their convenience.

Logistics

We are in a strong position to ride the growing eCommerce market in Asia Pacific with our end-to-end eCommerce logistics value chain. We provide a diverse range of logistics solutions - freight, warehousing, domestic and international distribution, and delivery services - through our subsidiaries. Quantium Solutions undertakes eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services, while parcel delivery is handled by SP Parcels. Famous Holdings is our freight forwarding arm, and General Storage operates self-storage solutions under the brand of Lock+Store.

Through strategic M&As since 2009, we have been developing and strengthening our eCommerce logistics capabilities. We have a network of warehouses in more than 10 countries in Asia Pacific. In Singapore, we invested $182 million in an automated parcel sorting and warehousing facility, the Regional eCommerce Logistics Hub, to serve the growing eCommerce market in Asia Pacific.

eCommerce

Through our subsidiaries Jagged Peak and TradeGlobal in the US and SP eCommerce in Singapore, we provide end-to-end solutions across the eCommerce value chain, including eCommerce technology solutions to leading international brands, creating and managing enterprise grade online stores, digital marketing and customer care. Jagged Peak has a proprietary end-to-end e-commerce supply chain technology – EDGE – that manages nearly everything an online retailer needs to manage: from setting up an e-commerce store to last-mile deliveries and taxes.

The acquisition of Jagged Peak, which has won accolades from industry analyst firms Forrester and Gartner as an efficient order management platform for online retailing and omni-channel sales, has enabled us to leverage its connections and technology prowess in helping US companies take advantage of Southeast Asia's eCommerce growth.

2.2 Sustainability Governance Structure

Sustainability matters are governed and managed across various levels in the organisation.

The Board of Directors has overall responsibility for SingPost's sustainability. The Group CEO is accountable for the management and monitoring of sustainability matters, including strategies, policies and practices, and for the sustainability performance and targets.

To provide greater focus on SingPost's sustainability agenda, a sustainability department was set up in FY2016/17 to help initiate, drive and monitor various aspects of SingPost's sustainability practices. The sustainability function, which reports to the Group Chief Brand & Communications Officer, works with other business and support units on sustainability matters relating to the Group.

Various ESG matters fall within the purview of senior management and their departments, and are also overseen by working committees. For instance, SingPost's Environment Committee, comprising mainly the heads of operating units that are major energy consumers, has oversight over the Group's environmental stewardship. The Crisis Management Team is chaired by the CEO (Postal Services) and consists of senior management from the key support units of finance, legal, corporate secretariat, human resources, communications, technology and relevant operating units.

Board of Directors

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Group CEO

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Sustainability Department

Relevant Departments Committees / Working Groups
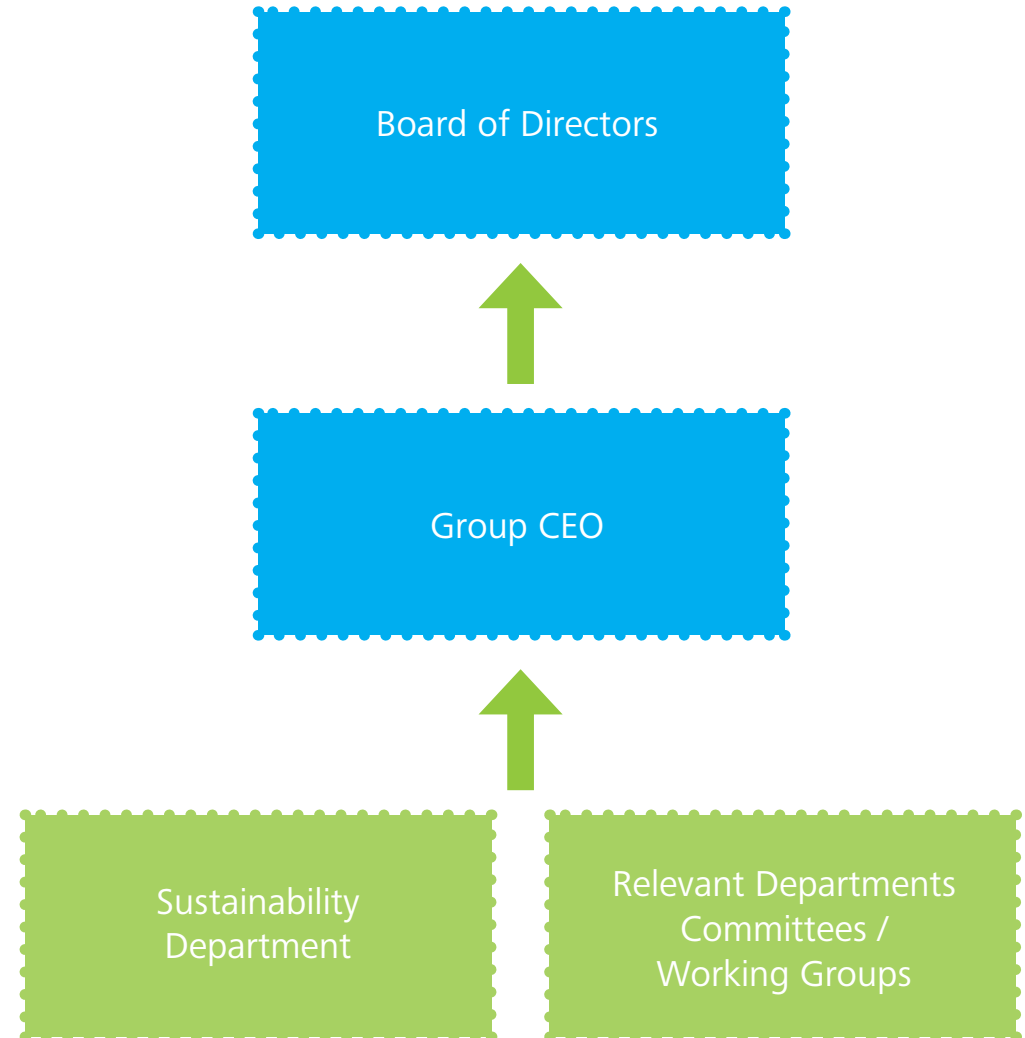
2.3 Stakeholder Engagement

Trust is built over the years as we listen to and communicate with our stakeholders regularly. As a trusted organisation connecting people, businesses and communities over the decades, we continue to engage our stakeholders and take action to address their needs and create value.
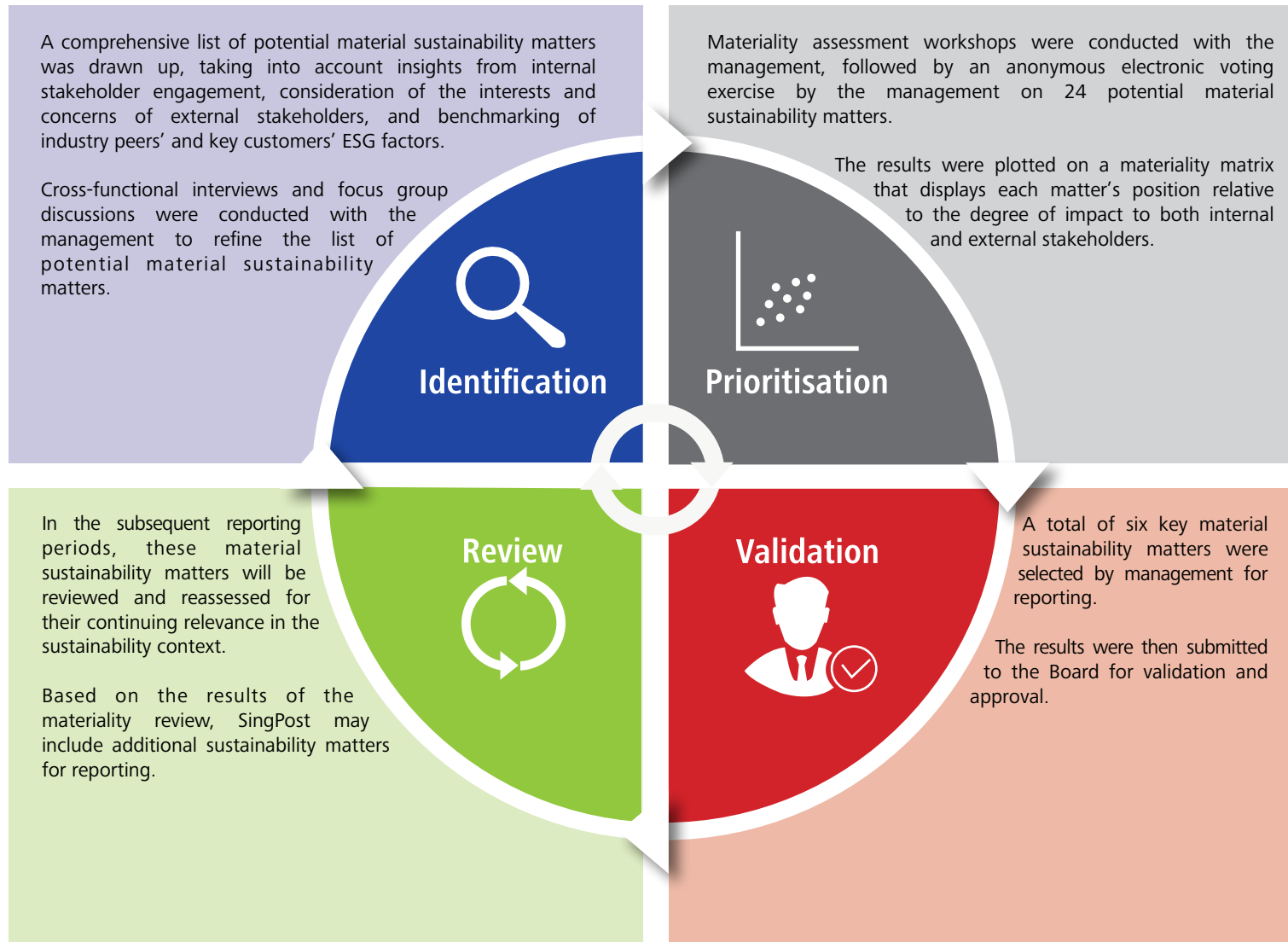
Stakeholders	Basis for engagement	Method of engagement and frequency	Key concerns of stakeholders	Our response (please refer to our Annual Report for details on initiatives)
Shareholders – institutional investors, equity analysts, retail investors, Securities Investors Association of Singapore	Provide opportunities for investors to engage with management; allow investors to gain a better understanding of business and operations Reach out to a wider network of investors to broaden and diversify shareholder base	Regular one-on-one and group meetings and conferences with investors, roadshows; retail investor day; site visits Quarterly results briefings for analysts Annual and extraordinary general meetings SGX announcements, annual report, circulars – as appropriate	Total shareholder returns Corporate governance of organisation	Strategic review undertaken in 2017; roadmap laid out to improve Group's performance Dividend policy revised in FY2016/17 to ensure sustainable dividends in the long term Corporate Governance Review completed and new governance framework put in place in FY2016/17
Employees / Other Workers e.g. contract and temporary workers	Align with and understand the company's goals and strategy, and update on corporate developments For greater employee satisfaction, retention and productivity	Quarterly townhall staff meetings Regular management meetings Regular staff recreational activities Voice of Employees annual survey Internal announcements and memos from GCEO and management – as appropriate	Fair HR policies and practices Workplace safety and health Career advancement, learning and development, remuneration and welfare	Engage employees with HR framework – PRIDE Certified a bizSAFE Level 3 organisation; measures in place to protect employees' hearing in the mail processing centre, and the health and safety of outdoor workers
Trade unions - Union of Telecoms Employees of Singapore ("UTES")	For mutual trust and openness Consult and collaborate on workplace decisions	Regular dialogues with union representatives	Welfare of union workers	Regular engagement develops a good and collaborative relationship
Customers – corporates, retail customers, general public	Meet or exceed customer needs Provide consistent and high service quality; resolve complaints	Network of post offices, mySAM portal and kiosks, SingPost apps, call centre, e-feedback forms Regular engagement by sales team Annual customer service surveys for corporate and retail customers	Service quality Product and service offerings	Provide convenient 24/7 access to services with online and offline channels, call centre Roll out new-generation smart Post Offices Introduce innovative product and service offerings

2.3 Stakeholder Engagement (Cont'd)

Stakeholders	Basis for engagement	Method of engagement and frequency	Key concerns of stakeholders	Our response (please refer to our Annual Report for details on initiatives)
Suppliers e.g. airlines, international postal agencies, delivery partners, etc	Meet SingPost's requirements Cost efficiency Meet or exceed quality standards and code of conduct	Tender documents and requirements (Requests for Proposal, Invitation to Quote) – as appropriate Tender briefing sessions – as appropriate	Transparent procurement policies	Provide clear expectations in tender requirements Reviewed and revised Supplier Code of Conduct in FY2017/18
Local communities	Contribute towards the well-being of the community	Ongoing corporate social responsibility ("CSR") programmes; regular staff CSR activities Regular meetings with community partners, non-profit organisations	Contribution towards community Promotion of environmental sustainability	A strategic CSR framework put in place, focusing on heritage, the environment and community Annual donations and sponsorships Ongoing CSR programmes
Government / Regulators e.g. Info-communications Media Development Authority, Singapore Exchange, Ministry of Manpower, National Environment Agency	Adherence to regulators' requirements Contribute towards public interest	Meetings – as appropriate Regulator queries – as appropriate Annual quality of service audits Participation in initiatives led by government agencies – as appropriate	Adherence to regulations Service quality standards and obligations as the public postal licensee Prompt redress of complaints by public/ customers Collaborations for public interest	Open and collaborative approach Review of systems and process to maintain high standards
Universal Postal Union ("UPU")	Adherence to regulators' requirements Discuss matters impacting SingPost's interest in the international mail distribution system	Participation in UPU meetings - as scheduled Participation in UPU working groups and committees - as appropriate	Obligations as UPU member Compliance to regulations and service quality standards	Regular engagement to address matters impacting SingPost's interests

2.4 Materiality Assessment

SingPost defines material sustainability matters as topics that encompass its significant ESG impacts and substantially influence the decision-making process of stakeholders. SingPost has put in place a formal materiality assessment process[1] to identify and prioritise such matters.

Identification

A comprehensive list of potential material sustainability matters was drawn up, taking into account insights from internal stakeholder engagement, consideration of the interests and concerns of external stakeholders, and benchmarking of industry peers' and key customers' ESG factors.

Cross-functional interviews and focus group discussions were conducted with the management to refine the list of potential material sustainability matters.

Prioritisation

Materiality assessment workshops were conducted with the management, followed by an anonymous electronic voting exercise by the management on 24 potential material sustainability matters.

The results were plotted on a materiality matrix that displays each matter's position relative to the degree of impact to both internal and external stakeholders.

Review

In the subsequent reporting periods, these material sustainability matters will be reviewed and reassessed for their continuing relevance in the sustainability context.

Based on the results of the materiality review, SingPost may include additional sustainability matters for reporting.

Validation

A total of six key material sustainability matters were selected by management for reporting.

The results were then submitted to the Board for validation and approval.

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[1] The materiality assessment process is primarily guided by the Reporting Principles of Sustainability Context, Completeness, Stakeholder Inclusiveness and Materiality, as set out in the GRI Standards.

2.4 Materiality Assessment (Cont'd)

The material ESG matters identified for reporting are as follows:

Key Material Sustainability Matters			
No.	**Sustainability Matters**		**GRI Standards Topics**
1	Governance	Compliance with Laws and Regulations	GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance
2	Governance	Ethics, Anti-bribery and Corruption	GRI 102: General Disclosure GRI 205: Anti-Corruption
3	Governance	Business Continuity Planning	GRI 102: General Disclosure
4	Environment	Fuel Usage and Associated Greenhouse Gas Emissions (from company controlled transport fleet)	GRI 302: Energy GRI 305: Emissions
5	Social	Data Security and Privacy	GRI 418: Customer Privacy
6	Social	Responsible Supply Chain	GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment

3 GOVERNANCE

3.1 Compliance with Laws and Regulations

Regulatory compliance is critically important to SingPost, serving to protect our integrity and reputation and foster trust among stakeholders. Observance of all regulatory requirements forms the basis of good corporate governance within the Group. The impact of any failure to meet regulatory requirements is not limited to the direct legal consequences of the breach - in fact, both the capability reputation and character reputation of the organisation, which are critical assets, risk negative impact in the event of regulatory non-compliance. Just as a positive reputation is likely to encourage stakeholders to maintain and deepen relationships, the converse can ultimately undermine the financial performance of SingPost.

SingPost is committed to a high standard of corporate governance for the long term sustainability of the Group's business. We have in place a framework of controls and policies; and adopt the best-in-class practices that reflect our commitment to accountability, transparency and protection of shareholders' interests. Our internal policies and procedures ensure that our activities and operations comply with existing regulatory requirements, and we regularly monitor, evaluate and audit the processes to ensure that they remain robust to meet the challenges of our activities and operations. Our Whistle-blowing Policy enhances transparency in dealings and provides a channel for employees and other stakeholders to report violations. Please refer to the Ethics, Anti-bribery and Corruption section for more information on the Whistle-blowing Policy.

The Board provides leadership and guidance on matters relating to corporate governance. Please refer to the Corporate Governance report in the Annual Report for more information.

Case Study
SGX-Listing Rules

As a listed organisation, SingPost is regulated under SGX listing rules and adheres to the Code of Corporate Governance.

As a testimony of our commitment, we undertook a major review in FY2016/17 to improve the effectiveness of corporate governance in the Group. A special audit was voluntarily conducted to review SingPost's compliance with policies, processes and procedures in the acquisition of Famous Holdings Pte Ltd and related subsidiaries; and disclosure of directors' interests in relation to these transactions. In addition, we also initiated a corporate governance review that consisted of a thorough examination of our corporate governance practices.

In FY2017/18, following the findings of the special audit and corporate governance review, the Singapore Exchange issued a public reprimand to SingPost for the breach of listing rules. These pertained to the failure to accurately disclose a director's interest in the acquisition announcement of Famous Holdings, and the lack of robust internal controls. Recommendations made by the independent parties that conducted the special audit and corporate governance review have since been implemented to address the findings.

3.1 Compliance with Laws and Regulations (Cont'd)

Corporate Governance Policies Introduced in FY2016/17 and FY2017/18	
Policy	**Scope**
Market Disclosure Policy	Process for accurate, timely release of SGX announcements
Merger and Acquisitions Policy	Policy setting out the necessary actions and approvals required in the evaluation and approval of M & A transactions
Policy for Proper Handling of Disclosure of Directors' Interest	Principles, guidelines and procedures governing internal handling of disclosure of directors' interests within the Group
Policy on Directors' Conflict of Interest	Principles to guide directors in instances of actual or potential conflicts of interest
Board Renewal and Tenure Policy	Guidelines for board renewal process

Postal Regulations

As the Public Postal Licensee designated by the Info-communications Media Development Authority ("IMDA"), SingPost is governed by the Postal Services Act (Cap 237A), the Postal Licence, Postal Services Regulations, Postal Services Operations Code, Postal Competition Code and other directions and guidelines issued by IMDA, and is committed to:

- complying with every direction of the Postal Authority (i.e. IMDA);
- performing a set of universal service obligations; and
- ensuring the reliability of the provision of postal[2] services to the public. Incidents of non-compliance may attract financial penalties.

We work to ensure compliance by education, training, reminders, set targets, constant monitoring, auditing and checks. Induction training is conducted for new postmen and refresher training sessions are conducted when necessary. IMDA measures SingPost's Quality of Service standards performance and SingPost's mail processes are also constantly reviewed for robustness as part of its quality assurance audit.

Case Study
Using Technology to Raise Service Quality

We continue to explore ways to use technology and equipment to improve our processes to meet and exceed the service quality standards set by our regulator. Over the years, we have upgraded our mail infrastructure, including mail sorting machines that are more efficient and possess additional intelligent capabilities. The post offices are being transformed into modern efficient hubs, with 24/7 auto-lobbies. We have also enhanced our mySAM kiosks and portal, and introduced the SingPost app.

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2   This consists of both domestic and international mail, and the ancillary services, post office network

3.1 Compliance with Laws and Regulations (Cont'd)

Financial Sector Regulations

We are also regulated under the Monetary Authority of Singapore ("MAS") Financial Advisers Act (Chapter 110[3]) as we offer financial services distribution with partners at our post offices. To ensure compliance by our financial services ambassadors who conduct introducing activities, we conduct quarterly compliance validation training and tests, and put in place compliance key performance indicators.

Workplace Safety & Health Regulations

People are a key priority to the Group, and we go beyond the regulations - Employment Act, Retirement & Re-employment Act, Workplace Safety & Health ("WSH") Act, Work Injury Compensation ("WIC") Act – to protect their rights and welfare. Our Group WSH policy and WIC policy outlines our commitment towards a safety culture of zero accidents, injuries or damage to the assets and human resources of SingPost.

Case Study
Workplace Safety & Health Practices

Monthly meetings of the WSH committee are held with the WSH officer to report on on-site inspections and workplace incidences. In the reporting year, we have seen good results which attest to our efforts in enforcing safety and compliance to safety regulations.

We have zero non-compliance cases and strive to maintain this record. SingPost is certified a bizSAFE Level 3[4] organisation by the Workplace Safety & Health Council of Singapore ("WSH Council").

Moving forward, we plan to share near-miss incidences at committee meetings for learning and prevention.

Target	Performance
Timely and accurate SGX announcements	Please see SGX Listing Rules section above
Zero non-compliance with all statutory filings	No lapses in FY2017/18
Zero non-compliance with applicable laws and regulations in terms of occupational health and safety	No lapses in FY2017/18
Delivery service standards for ordinary mail and registered mail	Ongoing assessment
Zero lapses in financial services compliance	No lapses in FY2017/18

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[3]   Notice and Appointment of Introducers by Financial Advisers: Regulation 31 of Financial Advisers Regulations
[4]   bizSAFE - a five-step programme by WSH Council that assists companies to build their WSH capabilities

3.2 Ethics, Anti-bribery and Corruption

SingPost is committed to ethical business practices. Ensuring ethical business practices is of utmost importance in our business, as it has a direct bearing on our reputation and provides confidence to stakeholders and investors. This guiding principle is also extended to our contractors, suppliers and our subsidiaries as set out in our Supplier Code of Conduct.

We support all applicable anti-bribery/corruption legislations and these include:

- Prevention of Corruption Act of Singapore, the Penal Code and The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act;
- UK Bribery Act; and
- US Foreign Corrupt Practices Act.

Anti-Bribery & Corruption Policy

To demonstrate our zero-tolerance towards corruption and our commitment to conduct our businesses with utmost integrity, transparency and honesty, we have implemented an Anti-Bribery & Corruption ("ABC") Policy that must be adhered to by all employees. All employees are expected to report violations of the ABC Policy. Any employee who fails to report known or suspected violations may be subject to disciplinary action, including termination of employment.

We also possess a Supplier Code of Conduct that we expect all our suppliers and contractors and persons who act on their behalf to uphold.

The ABC Policy also sets out guidelines relating to the receipt and offer of gifts and entertainment. This is to ensure that all business dealings and decisions legitimately conducted and made for the interest of SingPost are not conducted and made under any improper influence or advantage.

Conflict of Interest

SingPost requires employees to disclose situations where they are placed are in a conflict of interest situation or involved in one which could potentially lead to a conflict of interest. All employees are required to make such declarations annually and to update such disclosures where appropriate.

Code of Ethics

SingPost has a Code of Ethics which underlines the business conduct and behaviour that applies to all employees. It describes the importance of protecting the interest of the company and safeguarding sensitive and confidential information as an employee of the company. Employees are expected to conduct themselves in a professional manner with utmost integrity and total commitment to the Code.

Whistle-blowing Policy

Our Whistle-blowing Policy sets out the guidelines under which our employees, stakeholders and members of the public are able to raise concerns about possible matters of improprieties or wrongdoings in confidence. The whistleblowing channel is published on our website, accessible 24/7 and the report may be made via email or by post. All new employees are informed of this reporting channel as part of their onboarding orientation programme.

Appropriate follow-up action will then be taken in accordance with the Whistle-blowing Policy. All whistle-blower reports are reviewed by the Audit Committee to ensure independent investigations are done and issues are adequately resolved. For more information, please refer to the ABC Policy and Whistle-blowing Policy in the Corporate Governance section of our website at singpost.com

Target	Performance
Uphold anti-corruption and ethical behaviour	Established and implemented ABC Policy group-wide in FY2017/18
Communication and training about anti-corruption policies and procedures	- Communicated anti-corruption policies to stakeholders - We have planned roll-out of ABC training to all SingPost staff in Singapore and overseas - Action plans for FY2018/19 include implementing on-going monitoring of regulatory changes related to ABC and communication of changes to all SingPost staff on a timely basis

3.3   Business Continuity Planning

Like other organisations, SingPost is vulnerable to peace-time disasters or threats that may affect the continued performance of its business and the safety of its employees and customers. Business continuity planning helps us to avoid and mitigate the risks and impact of operational disruptions to SingPost's business and ensure quick recovery and resumption of its critical business functions for the fulfilment of business obligations, and to maintain the confidence of our stakeholders.

The Board of Directors has established the Board Risk & Technology Committee to assist the Board in fulfilling its oversight responsibilities on risk management. A risk management system that sets the scaffold to managing risk within our organisation has also been established. For more details, please refer to the Risk Management section of our Annual Report.

Business Continuity Management

We have put forth a Business Continuity Management framework to mitigate and minimise the impact of operational disruptions to our business and ensure a quick recovery and continuation of critical business functions for the fulfilment of our business obligations. We are working to finalise and institute Business Continuity Plan ("BCP") framework in SingPost. This includes establishing and reviewing the Business Continuity Policy, command structure, the framework and test plans.

Business Continuity Management Principles

1. The Board and the Management own the management of keys risks to the continuity of SingPost Group's operation.

2. Each business unit/department head takes ownership of the management of keys risks to their business unit/department and to review and sign off their own BCP at least annually.

3. Each business unit/department head is to ensure that each and every employee understands their roles and responsibilities in the BCP.

4. All BCPs are periodically tested, documented and maintained.

Business Continuity Management Governance Structure

SingPost is reviewing its Business Continuity Management governance structure to oversee the business continuity planning process and appoint appropriate chains of command during times of emergencies. The planned structure comprises:

- The Crisis Management Team, which will be responsible for and oversees crisis management and business continuity of the organisation. The Crisis Management Team reports to the Group CEO and the Board Risk and Technology Committee.

- A Crisis Secretariat which supports the Crisis Management Team.

- The Execution Committee, which comprises representatives from business units, support units and subsidiaries, that reports to the Crisis Management Team.

- International subsidiaries will form their individual Crisis Management Teams, which will report to the Crisis Management Team in Singapore.

Scope of Business Continuity Planning

The scope of the Group's business continuity planning covers the following four areas. Detailed response plans have been put in place for each potential disruption.

Component	Scope
Emergency Response	Focus on immediate response to incidents such as fire or explosion which may involve staff evacuation
IT Disaster Recovery	Focus on restoring critical IT systems after a disaster occurs
Workplace Safety & Health	Focus on precautionary measures to minimise workplace disruptions due to infectious diseases and haze
Business Continuity	Focus on rapid recovery and resumption of critical business functions for fulfillment of business obligations

Target	Performance
Review, finalise and institute Business Continuity Plan framework in SingPost by end FY2018/19	In process
Conduct disaster recovery exercises for all critical systems by March each year	Successfully conducted disaster recovery plans for critical systems in FY2017/18

4 ENVIRONMENT

4.1 Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")

As a global player in eCommerce logistics and trusted communications, our business contributes to trade and economic growth but also invariably impacts the environment through our energy consumption and associated greenhouse gas emissions ("GHG").

In Singapore, the projected business-as-usual greenhouse gas emissions are expected to reach 77.2 million tonnes in 2020, of which the transport sector is expected to account for 14.5%[5]. Commercial vehicles have accounted for approximately 26% of land transport carbon emissions in Singapore[6].

We are sensitive to the environmental impact across our value chain, and are committed to taking steps to reduce our impact, especially the fuel consumption and GHG emissions. This report covers energy consumption and GHG emissions across all our business units in Singapore.

To ensure greater oversight over the Group's environmental matters, we have set up an Environment Committee to advise and recommend to the Group CEO on all aspects of environmental responsibility and the promotion of environmental responsibility within the Group. The committee comprises the heads of operating and business units that are major energy consumers in the Group.

Fuel and energy consumption is managed and monitored by the various operating units such as the mail conveyance and mail delivery teams in the Mail business, SP Parcels, Famous Holdings and by the Property division.

Environmental Policy

To support our focus on environmental matters, we have put in place a new Environmental Policy in FY2017/18. This policy statement articulates our primary environmental objectives which focus on operational, fleet and building efficiency and stakeholder collaboration. For more information, please refer to the Environmental Policy in the Sustainability section of our website at singpost.com

To achieve the objectives and commitment we have made for energy efficiency and GHG emissions reductions, a key focus of our efforts is to integrate our environmental principles into the business and operations, and continue to explore environmentally friendly modes of operations for our business.

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[5] Source: National Climate Change Secretariat ("NCCS")
[6] Source: Ministry of Transport / NCCS

4.1   Fuel Usage and Associated Greenhouse Gas Emissions ("GHG") (Cont'd)

Fleet Fuel Consumption and Associated Scope 1 GHG Emissions[7]

As a leading mail and logistics solutions provider, we have a dedicated and modern fleet for our operational needs. We operate our own fleet of vehicles as well as leased vehicles for our operations. In addition, we engage subcontractors for our delivery operations.

Our fleet fuel consumption accounts for more than 99% of total fuel consumption[8]. This report covers only the operations of our own fleet of vehicles as well as leased vehicles under our operational control. The fuel consumption attributed to operations of our subcontractors is excluded.

POPStation Smart Locker Network

POPStation@Bugis+

The introduction of the POPStation smart locker network in Singapore since 2013 has improved the fleet efficiency of our courier operations. With multiple deliveries and collections made by the couriers at each POPStation location, we estimate that up to 363,000 kilometres a year in travelling distance is saved. To-date, we have the largest smart locker network with 157 POPStations across the island.

Figure 3: Fuel Consumption in FY2016/17 and FY2017/18 (Unit: terajoule)

Fleet of Vehicles

Three-wheelers make up about 40% of the scooters

SingPost uses about 313 bicycle routes and has about 93 postmen on foot for mail delivery service.

Since its introduction on the roads in 2013, the three-wheeler now makes up about 40% of the scooters (comprising two- and three-wheelers). The three-wheelers are equipped with larger pannier boxes that carry 40% more mail including packages than the two-wheelers, and allow for more deliveries to be made each trip, reducing the number of runs to the delivery base or mail transit rooms to pick up additional mail items. We are planning the replacement of our vehicles with greener vehicle technologies.
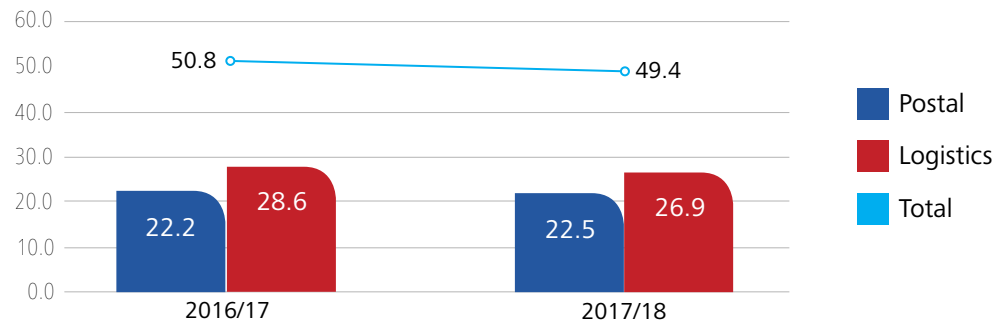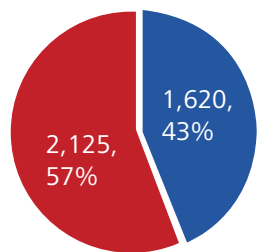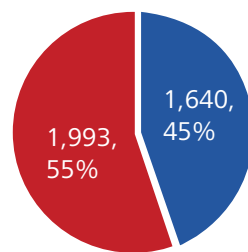
Figure 4: Scope 1 GHG Emissions in FY2016/17
(Unit: tonnes CO2 equivalent)

Total 3,745

Figure 5: Scope 1 GHG Emissions in FY2017/18
(Unit: tonnes CO2 equivalent)

Total 3,633

Number of Vehicles - owned and leased	
Type	**As at FY2017/18**
Bicycles	313
2-wheeler scooters	432
3-wheeler scooters	310
Vans	176
Trucks and other heavy vehicles	137

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7   Scope 1 covers all direct GHG emissions by the Group; Scope 2 covers indirect GHG emissions from the consumption of purchased electricity or other energy sources. Scope 1 and Scope 2 GHG emissions are calculated using emission factor approach; Scope 1 fuel emission factors are sourced from IPCC 2006 and Scope 2 grid emission factor is sourced from Energy Market Authority, 27 June 2017.

8   Stationary combustion accounts for less than 1% of total fuel consumption which is mainly attributed to diesel for back-up generators.

4.1 Fuel Usage and Associated Greenhouse Gas Emissions ("GHG") (Cont'd)

Electricity Consumption and Associated Scope 2 GHG Emissions

In addition to fleet fuel consumption, electricity purchased from grid is another major form of energy consumed at SingPost. The electricity consumption is mainly associated with our operations in our own buildings and leased space across Singapore. Our largest buildings are Singapore Post Centre, which houses the mail processing centre, delivery base, the General Post Office and our headquarter offices including a small data centre[9] , as well as an office block and retail mall, and the Regional eCommerce Logistics Hub, an automated parcel sorting and warehousing facility. Other operating areas include six regional delivery bases, 56 post offices, 13 self-storage solutions sites, two warehouses and an airmail transit centre.

In FY2017/18, the retail mall in Singapore Post Centre commenced operations while the Regional eCommerce Logistics Hub, which opened in November 2016, had its first full year of operation.

Consolidated Office Operations – Singapore Post Centre

In 2016, we consolidated our head office operations to a single 6,600-square metre office in Singapore Post Centre hosting over 600 employees. The workplace is fitted with energy efficient lighting, shared networks of electronic equipment and smart office solutions. The relocation reduced the number of office equipment used by the various departments and enabled central monitoring of equipment usage.

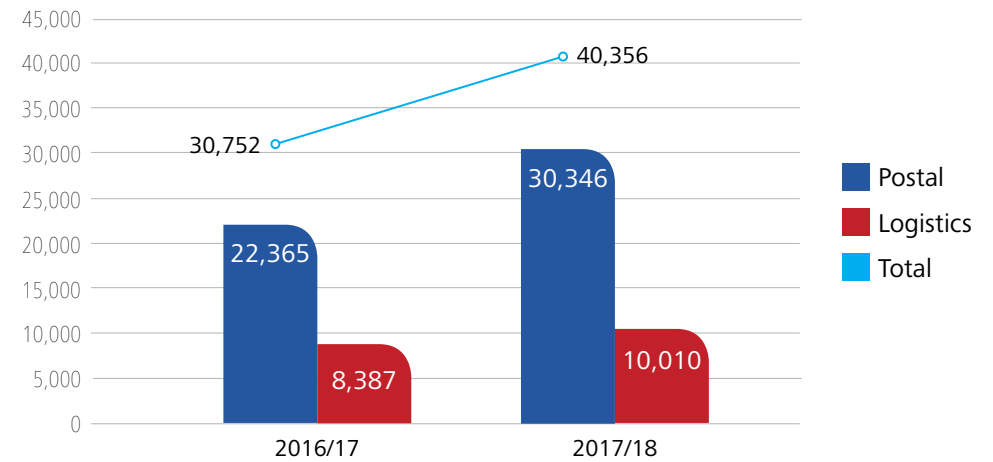Figure 6: Electricity Consumption in FY2016/17 and FY2017/18
(Unit: MWh)

Figure 7: Scope 2 GHG Emissions in FY2016/17
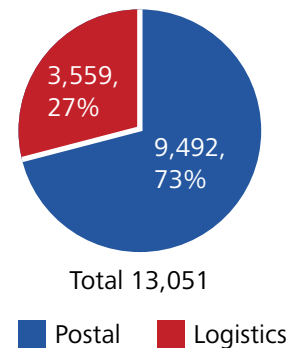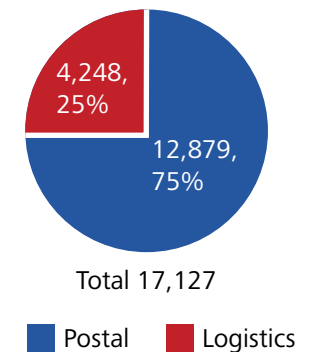(Unit: tonnes CO2 equivalent)

Total 13,051

Figure 8: Scope 2 GHG Emissions in FY2017/18
(Unit: tonnes CO2 equivalent)

Total 17,127

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[9]   The relevant data of our other corporate functions (e.g. head office, data centre) have been combined with the Postal category in the above charts for reporting purpose.

4.1 Fuel Usage and Associated Greenhouse Gas Emissions ("GHG") (Cont'd)

As a country, Singapore has targeted to reduce its emissions intensity by 36% from 2005 levels by 2030. SingPost has set a target of a 35% reduction in our absolute greenhouse gas emissions from FY2017/18 base line levels by 2030. To achieve the target, we are exploring measures that include raising energy efficiency, replacement of fleet with greener vehicles, increase in POPStation network and use of clean energy.

Target	Performance
Reduce absolute GHG emissions by 35% from FY2017/18 baseline level by FY2029/30	Scope 1: 3,633 tonnes CO_2 equivalent Scope 2: 17,127 tonnes CO_2 equivalent

5 Social

5.1 Data Security and Privacy

We recognise the risks and negative impact that our business and stakeholders may encounter if information such as confidential/sensitive corporate data, personal data of customers, employees and stakeholders, is not adequately protected. As we harness technology in our business and operations, the risks have also further increased. Data security and privacy is a top priority for us.

Employees at all levels work hand in hand to ensure that data is adequately protected. The Board Risk Technology Committee sets a top-down approach to risk management, while the Group Chief Information Officer, Group Data Protection Officer and all departments are responsible for integrating the approach in the daily operations.

The Board Risk & Technology Committee comprises directors with competencies in risk management and technology. The committee assists the Board in ensuring that Management maintains a sound system of risk management and material controls to safeguard shareholders' interest and the Group's assets.

The Group Chief Information Officer is overall in charge of Group IT strategy and the computer systems required to support the organisation's objectives, and ensures the integrity of all IT systems, and that data is secured and protected.

Our Privacy Policy which is posted on our website complies with the Personal Data Protection Act 2012 ("PDPA"). Our feedback channel is published on our website, and a report may be made by post, email or by telephone.

We abide strictly with it as well as the guidelines set out in the PDPA. Our legal, compliance and operations teams are reviewing the workflow and processes to ensure that we are complying with the General Data Protection Regulation ("GDPR" EU regulation 2016/679) where applicable. Team members handling personal data identify and consult with the Group Data Protection Officer regularly on issues relating the protection of customer data based on feedback received. This process enables us to review, evaluate and update our processes on a continual basis thereby cultivating trust and confidence with our customers who provide their personal data to us.

5.1 Data Security and Privacy (Cont'd)

As part of the Group's risk management framework, policies and manuals have been put in place and communicated to all employees

Policies/Manuals	Purpose of the Policy
Privacy Policy	Provides information relating to collection, use, and disclosure of personal data; complies with PDPA 2012
Information System Security Policy	Protects information systems and assets in a consistent and professional manner across the SingPost Group of companies
SingPost Risk Management Manual	Provides detailed information on the risk management strategy, governance structure and processes that are used to support the management of risks
Information Classification and Handling Policy	Provides guidance on classifying information and the appropriate handling for the various levels of classified information to protect them from unauthorised access
SingPost Personal Data Protection Act Handbook	Provides information on SingPost's framework of compliance to PDPA

We review and update all our policies yearly to ensure relevance to any developments on the regulations or improvements to procedures and practices.

Employees are continually reminded of the importance of data security and protection through the following initiatives:

- Online training: Employees with internet access are assigned online training modules and the progress is tracked.

- New hire onboarding training: New employees are trained on data security protection during their orientation sessions.

- Email updates: Regular email updates are sent to all employees on topics such as compliance with PDPA and general security awareness.

Case Study
Security Awareness Online Training

Launched in the second half of FY2017/18 the objective of the online training is to raise security awareness among employees on information security threats, and equip employees with the knowledge to protect SingPost in the course of their work.

Training modules include introduction to security awareness, social engineering, email security, and web browsing security.

As at 31 March 2018, 70% of our employees have completed the training and passed with a minimum score of 70%.

In FY2017/18, we received nine cases of feedback regarding minor incidents of unintended data disclosures. Six cases came to our attention via the Personal Data Protection Commission or IMDA. Three cases were direct feedback from customers. Where cases were substantiated, they were mainly due to operational gaps, and swift and prompt action has been taken to rectify the situation. We strive to reduce the occurrence of such cases.

Target	Performance
No data breaches	Zero breaches on data security
Compliance with PDPA	Please see Performance section above

5.2 Responsible Supply Chain

As a provider of eCommerce logistics and trusted communications, we form an integral part of our customers' supply chain. To enable SingPost to provide a reliable service, build trust with our stakeholders and deliver value to them, we recognise the need to select suppliers and partners who share our values and principles, and commit to responsible practices.

Our Group Procurement function plays a pivotal role in SingPost's supply chain management. It provides oversight over the purchasing processes, establishing and implementing the provisions laid out in the Group Procurement Policy. It works with all departments in the Group to procure goods, works and services in the most cost effective and timely manner, and ensures that the contractual terms and conditions for the procurement comply with standard terms of contract and the requirements of the departments.

Procurement Policy

The SingPost Purchasing Manual sets out the objectives, overall approach, key principles and procedures for the acquisition of goods, works and services related to the operations of the Group's entities. Our Purchasing Manual commits all directors and employees who are involved with the procuring of goods and services to follow the principles that our actions are:

- able to support operational needs;
- not illegal;
- accountable, transparent and auditable;
- ethical;
- environmentally friendly;
- able to uphold social responsibility;
- economically effective;
- capable of being managed from a risk perspective;
- capable of being improved continuously; and
- undertaken with adherence to the highest level of ethical standards and adoption of a fair and equitable treatment of suppliers.

The Purchasing Manual is currently being reviewed. We review the policy and procedures at least once a year to ensure that we maintain relevance to developments in the marketplace.

Supplier Code of Conduct

The Supplier Code of Conduct is an important element of our supplier management approach. The contents of our Supplier Code of Conduct are based on the principles set out in the United Nations Global Compact with respect to Human Rights, Labour, Environment and Anti-Corruption. The Supplier Code of Conduct allows our values and principles to be embedded in our supply chain and addresses the following key sustainability agenda:

- Law and regulations
- Ethical standards
- Health and safety
- Environment
- Human rights, discrimination and labour standards
- Business continuity planning

In entering into a contract with SingPost and accepting our Conditions of Contract, our suppliers would have been deemed to have access to and are ready to comply with the Supplier Code of Conduct. Our Conditions of Contract further compels suppliers to comply with and support the provisions of the PDPA.

For more information, please refer to the Supplier Code of Conduct in the Corporate Governance section of our website at singpost.com.

As at 31 March 2018, there were a total of 704 suppliers used by our Singapore operations, a decrease from 731 suppliers in FY2016/7. The reduction was due to a rationalisation of the supplier base for better partnering and bulk pricing.

It is necessary for our suppliers and partners to observe, work towards and adhere to our social and environmental agenda laid out in our Supplier Code of Conduct. We are working on a risk-based approach to assess and follow up on selected suppliers' observation of the Code of Conduct. We are also currently looking at leveraging technology to enable the workflow of interacting and communicating with suppliers. Such solutions will support our principles of being transparent and accord fair and equitable treatment of suppliers.

Target	Performance
Screen suppliers with social and/or environmental criteria	Working on a risk-based approach to assess and follow up on selected suppliers' observation of the Suppliers Code of Conduct

GRI Content Index

GRI Standard	Disclosure		Section of Report	Page Reference
General Disclosures				
GRI 102: General Disclosures 2016	**Organisational profile**			
	102-1	Name of the organisation	Singapore Post Limited	N.A.
	102-2	Activities, brands, products and services	Organisational Profile	4
	102-3	Location of headquarters	Organisational Profile	4
	102-4	Location of operations	SingPost Annual Report 2017/18	14
	102-5	Ownership and legal form	Organisational Profile	4
	102-6	Markets served	SingPost Annual Report 2017/18	14
	102-7	Scale of the organisation	Organisational Profile Sustainability Strategy SingPost Annual Report 2017/18	4 8 14, 33
	102-8	Information on employees and other workers	Organisational Profile	4
	102-9	Supply chain	Responsible Supply Chain	25
	102-10	Significant changes to the organisation and its supply chain	SingPost Annual Report 2017/18	10-13
	102-11	Precautionary principle or approach	SingPost Annual Report 2017/18	55-59
	102-12	External initiatives	Organisational Profile	5
	102-13	Membership of associations	Stakeholder Engagement	12-13
	Strategy			
	102-14	Statement from senior decision-maker	Board Statement	3
	Ethics and integrity			
	102-16	Values, principles, standards, and norms of behaviour	Organisational Profile	4
	102-17	Mechanisms for advice and concerns about ethics	Ethics, Anti-Bribery and Corruption	17
	Governance			
	102-18	Governance structure	SingPost Annual Report 2017/18 Sustainability Governance Structure	43-44 9
	102-30	Effectiveness of risk management processes	Sustainability Governance Structure	9

GRI Content Index

GRI Standard		Disclosure	Section of Report	Page Reference
GRI 102: General Disclosures 2016	**Stakeholder engagement**			
	102-40	List of stakeholder groups	Stakeholder Engagement	12-13
	102-41	Collective bargaining agreements	Approximately 51% of our staff are covered by collective bargaining agreement.	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12-13
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	12-13
	102-44	Key topics and concerns raised	Stakeholder Engagement	12-13
	Reporting practice			
	102-45	Entities included in the consolidated financial statements	SingPost Annual Report 2017/18	190-198
	102-46	Defining report content and topic boundaries	About the Report	3
	102-47	List of material topics	Materiality Assessment	13
	102-48	Restatements of information	This is SingPost's inaugural sustainability report.	
	102-49	Changes in reporting	This is SingPost's inaugural sustainability report.	
	102-50	Reporting period	About the Report	3
	102-51	Date of most recent report	This is SingPost's inaugural sustainability report.	
	102-52	Reporting cycle	Annual	N.A.
	102-53	Contact point for questions regarding the report	About the Report	3
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report	3
	102-55	GRI content index	GRI Content Index	26-28
	102-56	External assurance	About the Report	3

Topic-specific GRI Standard Disclosures

Compliance with Laws and Regulations

GRI Standard		Disclosure	Section of Report	Page Reference
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Compliance with Laws and Regulations	14-16
	103-3	Evaluation of the management approach	Compliance with Laws and Regulations	14-16
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Compliance with Laws and Regulations	16
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Compliance with Laws and Regulations	16

Ethics, Anti-bribery and Corruption

GRI Standard		Disclosure	Section of Report	Page Reference
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Ethics, Anti-bribery and Corruption	17
	103-3	Evaluation of the management approach	Ethics, Anti-bribery and Corruption	17
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Ethics, Anti-bribery and Corruption	17

GRI Content Index

GRI Standard		Disclosure	Section of Report	Page Reference
Business Continuity Planning				
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Business Continuity Planning	18
	103-3	Evaluation of the management approach	Business Continuity Planning	18
Fuel Usage and Associated Greenhouse Gas Emissions (from company controlled transport fleet)				
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")	19-22
	103-3	Evaluation of the management approach	Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")	19-22
GRI 302: Energy	302-1	Energy consumption within the organisation	Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")	20-21
	305-1	Direct (Scope 1) GHG emissions	Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")	20
	305-2	Energy indirect (Scope 2) GHG emissions	Fuel Usage and Associated Greenhouse Gas Emissions ("GHG")	21
Data Security and Privacy				
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Data Security and Privacy	23-24
	103-3	Evaluation of the management approach	Data Security and Privacy	23-24
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy	24
Responsible Supply Chain				
GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its boundary	Materiality Assessment	12-13
	103-2	The management approach and its components	Responsible Supply Chain	25
	103-3	Evaluation of the management approach	Responsible Supply Chain	25
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	25
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chain	25

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