

SUSTAINABILITY REPORT

Contents

Materiality Analysis **68**

Stakeholder Engagement **68**

Trade Membership **70**

Corporate Governance Report **71**

Risk Management **86**

Environmental Responsibility **88**

Employee Responsibility **92**

Workplace Safety and Health & Fire Safety **92**

Working Hand in Hand with Our Industry Partners **93**

Valuing Our Human Capital **93**

Corporate Social Responsibility **96**

Corporate Social Responsibility – SPH **96**

Corporate Social Responsibility – SPH Foundation **98**

SUSTAINABILITY REPORT

SPH has been reporting its economic performance in its Annual Reports since it was incorporated in 1984. The first Sustainability Report was included in the 2012 Annual Report, covering the social and environment considerations of the Group's overall organisational performance, in addition to the financial and governance aspects.

With the endorsement of the management, a sustainability reporting committee was formed, with representatives from different divisions. Coordinated by the Corporate Communications & CSR Division, the Group conducted a stakeholder and materiality analysis across divisions and gathered the relevant data and information. This is to ensure that the social, economic and environmental considerations of the company are adequately addressed.

From the analysis, the pertinent issues, their importance, as well as their impact on SPH's stakeholders and business activities were examined.

This Sustainability Report covers SPH's business operations, strategic plans and developments.

The parameters of the Sustainability Report are constantly evolving. The committee strives to continuously enhance the Group's disclosure processes, performance targets and data-collation systems to ensure that a more robust and comprehensive Sustainability Report is presented in the years to come.

Materiality Analysis

The Sustainability Report is based on economic, social and environmental issues that are material to SPH's business operations and stakeholders.

SPH, which turned 30 on 4 August 2014, is Asia's leading multimedia group with a diverse business portfolio in Newspapers, Magazines and Book Publishing, Internet and Mobile, Broadcasting, Events and Exhibitions, Out-of-Home Advertising and Properties.

As the leading content provider in Singapore, providing accurate and timely news reports across multiple platforms is of utmost importance. SPH also offers a suite of cross-media solutions to support integrated marketing campaigns for advertisers.

Behind every satisfied customer is a dedicated SPH staff. SPH understands the importance of implementing effective human resource policies and practices that promote safe and healthy working conditions, fair employment practices, teamwork, learning and development, career growth and rewards to attract, retain and grow talent.

In the area of energy consumption, SPH strives to ensure energy savings in its printing plant and offices. Cutting down on energy usage not only helps to mitigate climate change, but also saves costs for the Group. Reduction in water usage and proper waste management are the other key areas that help ensure environmental sustainability and minimise corporate footprint in these areas.

As an active corporate citizen, SPH and SPH Foundation have a wide spectrum of social and environmental projects to contribute to the well being and development of the community. SPH has won many accolades for its diverse corporate social responsibility efforts, but the biggest reward is knowing that it has shaped lives, won hearts and empowered minds.

Stakeholder Engagement

SPH is committed to establishing strong and mutually beneficial relationships with its diverse base of stakeholders.

It maintains active engagement with them through open communication channels, thereby earning their trust and understanding over time.

It employs both formal and informal means to understand its stakeholders' concerns, secure their buy-in and manage their expectations promptly.

SPH believes that the key to its organisational success is underlined by having the unstinting support of its stakeholders.

| STAKEHOLDERS | MEANS AND METHODS | EXPECTATIONS | OUR SOLUTIONS |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EMPLOYEES | SPH engages all staff across News Centre, Media Centre and Print Centre via emails, intranet, staff broadcasts, internal staff publications, SPH Family Day, SPH Games Day, Up on the Roof monthly networking sessions, lunchtime talks, CEO/Chairman visits and dialogues etc. | <p>To work in a conducive and pleasant environment where there is self-development and productivity, and user-friendly means to apply for leave and courses.</p> <p>To be kept updated on the company's latest strategic developments, empowering them to feel greater loyalty and ownership.</p> <p>To pick up tips for personal development to achieve career growth and work-life balance.</p> | SPH adopts good human resource policies and practices that promote fairness, safe working conditions, reward good performance, encourage teamwork, ensure career growth and provide work-life balance, e.g. through provision of nursing rooms and encouraging staff to take part in sports and leisure events such as SPH Games Day and SPH Family Day. There are also email channels for staff to provide their feedback to the management to facilitate communication. |
| TRADE UNIONS | SPH continuously engages in two-way dialogue with the unions, and conduct regular reviews of human resource practices. | To gain access to employees to promote membership in the trade unions, as well as engagement with all levels of management to ensure a two-way dialogue. | SPH has open communication channels with the unions and engages them on both official and non-official occasions. |
| CUSTOMERS | SPH uses social media platforms (Facebook, Twitter, YouTube) and employs surveys, advertisements, hotline numbers and email accounts to connect with customers. | To have on-time delivery of newspapers and up-to-date, reliable online news and content, anytime and anywhere. | SPH ensures reliable newspaper delivery services, prompt handling of complaints and maintaining high levels of customer service for issues management. |
| SUPPLIERS | SPH seeks requests for quotations, proposals and tenders, and engages in meetings, email correspondences and tele-conferences for discussions. | <p>To comply with terms and conditions of the company's existing purchasing policies and procedures.</p> <p>To be familiar with new procurement policies and not to engage in any fraud or impropriety in dealings with staff.</p> | SPH will design fair-value and competitive-based policies and best practices that ensure a fair selection of suppliers and an ethical procurement process. |
| DISTRIBUTORS/ RETAILERS/ TENANTS | <p>SPH conducts regular meetings, visits, emails and regular correspondences.</p> <p>It also uses social media platforms (Facebook, Twitter, YouTube), iPhone apps as well as surveys to engage shoppers. Advertisements, in-mall posters, direct mailers and EDMs are used to promote events and promotions.</p> <p>Shoppers can also correspond via a customer service hotline or email service.</p> | <p>To receive goods and products in an orderly and timely manner, and delivering a memorable retail experience for shoppers.</p> <p>To explore ideas for partnerships to deliver memorable shopping experiences.</p> | SPH conducts regular sales planning and support, with frequent visits by account managers to tenants and offering a designated channel for prompt attention. |
| BUSINESS PARTNERS | SPH conducts regular meetings, email correspondences, and teleconferencing. | To engage in collaborative partnerships to grow the business. | By engaging suitable partners to pursue mutually beneficial business objectives to achieve growth and profitability. |
| INVESTORS/ SHAREHOLDERS | The Investor Relations and Corporate Communications & CSR divisions carry out meetings, engage in email correspondences, participate in investor roadshows, and help organise the Annual General Meeting. | To receive accurate and timely information on company progress and profitability, with updates on company's future plans. | <p>SPH strives to generate optimum returns on investment, practice good corporate governance, transparency and disclosure, as well as sustainable and long term growth of business.</p> <p>It keeps the financial community fully updated with correct and timely information on the company's future plans.</p> |

| STAKEHOLDERS | MEANS AND METHODS | EXPECTATIONS | OUR SOLUTIONS |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LOCAL COMMUNITIES | SPH engages the community through outreach programmes, corporate sponsorships and donations, as part of SPH’s corporate social responsibility efforts. | To have a company that is a responsible and caring corporate citizen, serving the communities. | By having a wide range of community outreach programmes and organising meaningful and impactful charitable events like the SPH Red Apple Day, SPH Gift of Music concerts and sponsoring environmental projects such as the Amazon Flooded Forest at the River Safari. |
| MEDIA AND INDUSTRY PARTNERS | SPH issues media releases, media advisories, invitations, and host visits for corporate and industry partners eg Institute of Public Relations Singapore. The Corporate Communications & CSR Division also meets up with the media regularly. | To have access to latest company announcements, corporate news and developments of the media industry. | By providing timely and accurate information on latest company developments and news on a regular basis. |
| GOVERNMENT AND REGULATORS | SPH conducts regular meetings with appropriate government agencies’ officials. | To ensure the company complies with guiding policies and regulations and addresses pertinent issues. | By complying with existing laws and having policies and procedures to ensure adherence and sustainability of the business. Giving feedback to regulators on their new laws and policies. |
| TRADE ASSOCIATIONS | Joining relevant trade associations. | For the company to lend support and voice out various concerns and issues faced by the industry. | By contributing via active membership and participation in industry forums and dialogues. |
| ADVOCACY GROUPS AND CHARITABLE AND WELFARE ORGANISATIONS | Meetings, sponsorships and meaningful collaborations on events. | For the company to have responsible business practices, reducing impact on the environment and disclosing information pertaining to business growth and sustainability. | By working with advocacy groups e.g. on conservation projects that seek to reduce environmental impacts, and supporting charitable causes. |

Trade membership

SPH has established strategic partnerships and linkages with a diverse range of local and overseas corporate members and public bodies:

- AdAsia
- Adbase Users Group
- Advertising Standards Authority of Singapore
- ASEAN Newspaper Printers
- Association Of Media Owners (Singapore)
- Audit Bureau of Circulations
- AustCham
- Business China
- Central Singapore Development Council
- Contact Centre Association of Singapore
- Digital Filipino
- FIPP (the worldwide magazine media association)
- Fire Safety Managers’ Association Singapore
- GOSS Metro User
- Id-ecommerce
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Institute of Advertising Singapore
- International Classified Media Association
- Institute of Internal Auditors
- International News Media Association
- Internet and Mobile Marketing Association of the Philippines
- Institute of Public Relations Singapore
- Institute of Policy Studies
- Institute of Technical Education
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Magazines Publishers Association Singapore
- Malaysia Digital Association
- Marketing Institute of Singapore
- Master Printing System Club
- Management Development Institute of Singapore
- Newspaper Association of America
- National Safety and Security Watch Group
- Orchard Road Business Association
- Real Estate Developers’ Association of Singapore
- RISI (Resource Information Systems Inc)
- Pacific Area Newspaper Publishers’ Association Inc
- Security Industry Institute
- Singapore Academy of Law
- Singapore Association of the Institute of Chartered Secretaries & Administrators
- Singapore Business China
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce and Industry
- Singapore Compact
- Singapore Human Resources Institute
- Singapore International Chamber of Commerce
- Singapore Institute of Directors
- Singapore Institute of Management
- Singapore Institute of Safety Officers
- Singapore Law Academy
- Singapore National Employers Federation
- Singapore Retailers’ Association
- Singapore Press Club
- Singapore Vehicle Traders Association
- Southeast Community Development Council
- The Association of Accredited Advertising Agents Singapore
- The Association of Shopping Centres (Singapore)
- The Society of News Design
- The Society of Publishers in Asia
- Workplace Safety and Health Council
- World Association of Newspapers and News