SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

THIS REPORT FOCUSES ON THE SUSTAINABILITY PRACTICES AND STRATEGY OF SPH AND ITS SUBSIDIARIES (THE GROUP). IT COVERS THE GROUP’S APPROACH AND MEASURES IN MANAGING THE SOCIAL, GOVERNANCE, ECONOMIC AND ENVIRONMENTAL ASPECTS OF OUR BUSINESS OPERATIONS.

THIS IS THE GROUP’S FIFTH REPORT SINCE 2012.

To drive SPH’s sustainability strategy, a sustainability reporting committee was formed, comprising representatives from different divisions and business units.

With the endorsement of senior management and coordinated by the Corporate Communications & CSR Division, the committee undertook a stakeholder and materiality analysis across divisions and businesses. This allowed the committee to assess the key issues and ensure that all social, governance, economic and environmental considerations are taken into account in its sustainability efforts.

In January 2016, SPH took part in, and gave its feedback on the Singapore Exchange Limited’s (SGX) public consultation exercise on the introduction of sustainability reporting on a “comply or explain” basis to all listed companies.

In anticipation of SGX making sustainability reporting mandatory from 2018, SPH appointed KPMG as its consultant to guide the Group in its sustainability reporting journey.

SPH will work progressively towards enhancing the Group’s disclosure processes, performance targets and data-collation systems for a more robust Sustainability Report in the years to come.

Key Material Factors
The Sustainability Report is based on economic, social and environmental issues that are material to the Group’s business operations and stakeholders.

SPH is Asia’s leading media organisation, engaging minds and enriching lives across multiple languages and platforms. It also has other businesses like Events and Exhibitions, Book Publishing, Out-of-Home Advertising and Properties.

As the leading content provider in Singapore, producing accurate and timely news reports across our full suite of media channels is our priority. SPH also offers various 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 for 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 contribute to environmental sustainability.

As an active corporate citizen, SPH and SPH Foundation support a diverse spectrum of social and environmental projects that contribute to the well-being and development of the community. Both have won numerous accolades and touched many lives as part of their many corporate social responsibility efforts.

Stakeholder Engagement
SPH is committed to building lasting and mutually beneficial relationships with its 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 unstinting support of its stakeholders is the key to its continued success. The table below shows the various stakeholders of the Group.
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>What do they expect from us?</th>
<th>Our solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>To work in a conducive and pleasant environment where there is personal development and productivity, and user-friendly means to apply for leave and training courses.</td>
<td>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 channels for staff to provide their feedback and suggestions to the management to facilitate communication.</td>
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<tr>
<td></td>
<td>To be kept updated on the company’s latest strategic developments, empowering them to feel greater loyalty and ownership.</td>
<td></td>
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<tr>
<td></td>
<td>To pick up tips for personal development to achieve career growth and work-life balance.</td>
<td></td>
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<tr>
<td>Trade Unions</td>
<td>To facilitate access to employees and promote membership in the trade unions, with the aim of encouraging engagement between management and staff through regular dialogue.</td>
<td>SPH has open communication channels with the unions and engages them on both official and non-official occasions.</td>
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<tr>
<td>Customers</td>
<td>To provide on-time delivery of newspapers and up-to-date, reliable news and content, anytime and anywhere.</td>
<td>SPH ensures reliable newspaper delivery services, prompt handling of complaints and maintains high levels of customer service. It also engages its readers on multi-platforms and channels.</td>
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<tr>
<td>Suppliers</td>
<td>To ensure suppliers comply with the company's terms and conditions, and purchasing policies and procedures.</td>
<td>SPH has in place fair-value and competitive-based policies and best practices that ensure a fair selection of suppliers and an ethical procurement process.</td>
</tr>
<tr>
<td></td>
<td>To familiarise suppliers with new procurement policies and platforms, and to discourage any fraud or impropriety in dealings with staff.</td>
<td>Implemented Procurement-to-Payment System in February 2016, to streamline and automate workflow for suppliers and internal staff, thus increasing efficiency and productivity.</td>
</tr>
<tr>
<td>Distributors/</td>
<td>To receive goods, products and services in an orderly and timely manner, and delivering a memorable retail experience for shoppers.</td>
<td>SPH conducts regular sales planning and support for tenants, with frequent visits by account managers and offering them a designated channel for prompt attention.</td>
</tr>
<tr>
<td>Retailers/ Tenants/</td>
<td>To explore ideas for partnerships with tenants and retailers to deliver memorable shopping experiences.</td>
<td>Through shopper audience targeting, it is able to tailor-made its advertising and promotions efforts to reach out to the various segments of shoppers.</td>
</tr>
<tr>
<td>Shoppers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business partners</td>
<td>To engage in collaborative partnerships to grow the business.</td>
<td>By reaching out to suitable partners to pursue mutually beneficial business objectives to achieve growth and profitability.</td>
</tr>
</tbody>
</table>
# SUSTAINABILITY REPORT

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</table>
| **Investors/Shareholders**          | To disseminate accurate and timely information on the company's progress and profitability, with updates on future plans. | SPH strives to generate optimum returns on investment, practises good corporate governance, transparency and disclosure, as well as strives for sustainable and long term growth.  
It keeps the financial community fully updated with correct and timely information on the company’s future plans. |
| **Local communities**               | To be a company that is a responsible and caring corporate citizen, serving the local communities. | By having a wide range of community outreach programmes and organising meaningful and impactful charitable events like the SPH Charity Carnival, SPH Gift of Music concerts and sponsoring environmental projects such as the Amazon Flooded Forest at the River Safari.  
SPH also proactively supports various charitable causes in arts, education and sports, among others. |
| **Media and Industry Partners**     | To provide access to latest company announcements, corporate news and developments of the media industry. | By providing timely and accurate information on company developments and news on a regular basis. |
| **Government and Regulators**       | 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.  
By giving feedback to regulators on their new laws and policies. |
| **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** | 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, which include:

- 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
- Fire Safety Managers’ Association Singapore
- GOSS Metro User
- Id-ecommerce
- Institute of Advertising Singapore
- Institute of Internal Auditors
- Institute of Policy Studies
- Institute of Public Relations Singapore
- Institute of Technical Education
- International Classified Media Association
- International News Media Association
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Internet and Mobile Marketing Association of the Philippines
- Investor Relations Professionals Association (Singapore)
- Media Publishers Association Singapore
- Malaysia Digital Association
- Marketing Institute of Singapore
- Master Printing System Club
- Newspaper Association of America
- National Safety and Security Watch Group
- Orchard Road Business Association
- Real Estate Developers’ Association of Singapore
- Reits Association of Singapore (Reitas)
- Resource Information Systems Inc (RISI)
- Pacific Area Newspaper Publishers’ Association Inc
- Security Industry Institute
- 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 International Chamber of Commerce
- Singapore Institute of Directors
- Singapore Institute of Safety Officers
- Singapore Mediation Centre
- 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 Chinese Language Press Institute
- The Society of News Design
- The Society of Publishers in Asia
- Workplace Safety and Health Council
- World Association of Newspapers and News Publishers

Feedback

This report demonstrates our commitment to keep our diverse base of stakeholders – employees, customers, investors, business partners and community members – informed of our social and environmental developments.

We welcome feedback and can be reached at sphcorp@sph.com.sg.