



Sustainability Snippets

Points of view from sustainability practitioners,
for sustainability practitioners

In conversation with Aileen Tan: Purpose and values at the core of Singtel's sustainability journey

Aileen Tan, Group Chief People & Sustainability Officer, co-chair of Ministry of Manpower's (MoM) HR Industry Transformation Advisory Panel, and a board member of notable institutions in Singapore believes that a strong alignment with organisation purpose and individual employee values are vital to the long-term success of any organisation's sustainability journey.



For nearly three decades, Aileen Tan has held some of Singapore's most prominent executive and non-executive roles across an array of sectors including apparel and fashion, industrials, travel and logistics, technology, media and telecom, education and healthcare. She assumed the role of Chief People and Sustainability Officer at the Singtel Group since 2008, and has since then overseen several enterprise transformations that have contributed to the Group's evolution today as one of Asia's leading communications technology enterprise. Under her leadership, Singtel has won numerous accolades for its leading people and sustainability practices.

Aileen also co-chairs the Singapore Ministry of Manpower's (MoM) HR Industry Transformation Advisory Panel. She also serves as a board member of notable Singaporean universities, professional think-tanks and advocacy institutions such as Institute for Human Resource Professionals (IHRP), Singapore University of Social Sciences, Health Sciences Authorities Board, Institute for Adult Learning Council, Ministry of Finance's VITAL Advisory Panel and MoM's Workplace Safety and Health Council in Singapore.

Aileen's varied leadership and board-level experience and her strong domain strengths on human resources and sustainability topics, gives her a unique perspective on the "secret sauce" behind successful enterprise sustainability journeys. She believes that embedding the sustainability "lens" in enterprise management practices such as financing and capital allocation, risk management, integrated reporting, investor engagement and executive remuneration is necessary but not sufficient. In order to gain long-term board and executive sponsorship and continued traction on ground, any organisation's sustainability agenda needs to be connected to their core purpose, individual employee values and their day-to-day actions.

In this interview, Aileen talks with Kumar Subramanian, Founding Partner and Managing Director at Sculpt Partners. She outlines how Singtel's sustainability journey has been underpinned by a combination of "hard-wiring" (linkage to management practices and systems) and "soft-wiring" ("connection to organisation purpose and employee values"). The conversation spans multiple topics including her personal passion for sustainability, key highlights of Singtel's sustainability journey over the last decade and the priorities ahead, and delves into specific sustainability themes such as climate change and net-zero emissions strategy, workplace diversity, equity and inclusion, sustainability-linked financing, among others.

An edited version of the conversation follows below.

Sculpt Partners: We are very glad to feature you in our *Sustainability Snippets* series, Aileen. Let's begin the conversation with your personal passion on the sustainability topic. On many occasions when we have spoken informally, you have mentioned how you have integrated the notion of sustainability in your day-to-day life and habits. What triggered this interest? Are there any examples that you would like to share?

Aileen: Thanks for having me. My personal journey with sustainability started almost three decades ago during my early career days at Levis Strauss & Co. Levis Strauss sources from many developing and frontier markets. At the firm, I was heavily involved in developing guidelines on responsible sourcing from our several hundreds of sub-contractors and monitoring their performance, which reinforced the importance of sustainable supply chains very early in my career. As my career evolved, I supported many community activities either individually or as part of the Corporate Social Responsibility (CSR) mandate of the organisations that I worked for. All these experiences helped shape my consumption and lifestyle choices. I personally espouse the "green movement" in several ways.

My family has installed solar panels in our house to meet almost 100% of our day-time energy requirements. We have also built a water reservoir to harvest and reuse rainwater. I have been driving an Electric Vehicle (EV) since 2018, a few years prior to when the EV Early Adopter Incentives was announced by the Singapore Land Transport Authority (LTA). During the COVID-19 pandemic, I promoted a movement to reuse rubber bands in Singapore, so more raw material could be made available to meet the increased demand for surgical gloves. In retrospect, I am grateful for these experiences that have instilled in me a more authentic view of sustainability – one that I can relate to as an individual, and is seated at the core of the values that I stand for as a person.

Sculpt Partners: You have steered the Singtel Group’s sustainability agenda for more than a decade. Can you recount how the Group’s sustainability practices have evolved during this period?

Aileen: Singtel is a firm with more than 143 years of history. Care for the environment and the communities has been wired into our purpose and values since inception. Like many other firms, most such initiatives were historically labelled under our Corporate Social Responsibility (CSR) mandate. In 2021, we doubled down on sustainability as part of a strategic reset where our board and our leadership deeply introspected on who we are and what our priorities should be. Our new corporate purpose, Empower Every Generation provides a lucid ‘North Star’ to guide our sustainability mandate. The key focus of our sustainability strategy is to support the firm’s reinvention and leadership in the 5G era. That requires demonstrating stewardship and shaping the agenda proactively at the community level. We are acutely aware of the societal risks that will be amplified during the 5G era – scamming, digital addiction among a few others. We have launched consumer protection programs to ensure our societies are aware of the risks posed by enhanced access and data sharing.

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Our corporate purpose Empower Every Generation, provides a lucid ‘North Star’ to guide our sustainability strategy and initiatives.

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We are also cognizant that the proliferation of 5G should not exacerbate the “digital divide” in an increasingly tech-savvy world. We developed digital inclusion programmes such as Donate Your Data and Digital Silvers to help digitally excluded seniors pick up foundational skills such as using camera and voice messaging functions, posting on social media applications, utilising digital payments technologies, protecting themselves from phishing and scamming, etc. Our Future Makers programme catalyses social innovation by funding social start-ups and providing them go-to-market support. Since 2016, we have equipped more than 70 start-ups covering Singapore, Australia, India, Philippines, Thailand and Indonesia. These programmes have also taught us the importance of adopting a disciplined impact assessment approach when evaluating social benefits. We are quite rigorous about how to stretch the “social Rol” of every dollar we put on the table.

We have also significantly strengthened our governance structure around the sustainability agenda. Our main board and the various board committees oversee various aspects of sustainability including strategy, risk management, reporting, capital allocation, financing, and performance and remuneration. Sustainability is also an important remit of the group management committee, of which I am a part. Stakeholders in the management committee are held accountable to annual and medium-term ESG (Environmental, Social and Governance) targets through our short-term and long-term incentive plans.

These targets encompass many of our material ESG topics such as climate change, responsible business practices, community impact and workplace diversity.

I also believe that the sustainability mandate should not be merely confined to the sustainability function. Each one of our employees needs to manifest that in their day-to-day decision making. Towards that endeavour, we get the top 250 executives of the Group together every year to acquaint themselves on fundamental sustainability concepts, the firm's ESG priorities and how it is integral to our purpose and strategy. We also plan to extend similar such ESG orientation and training programmes across the broader organisation.

Sculpt Partners: Climate change has risen to become one of the top five business issues for most boards and CXOs today. How is Singtel addressing that under its sustainability strategy?

Aileen: Our sustainability priorities are informed by a rigorous materiality review that draws upon multiple sources of analyses - industry-specific sustainability assessment frameworks, global sustainability reporting standards, engagement with internal and external stakeholders, which are finally validated by materiality workshops with our internal sustainability experts, management committee and the board. It was only in 2015 that climate change and emissions appeared as a high priority topic in our materiality matrix. Prior to that, environmental topics related to recycling and waste featured at the top of the pecking order. Since 2015, we have undertaken many important steps as part of our climate action journey. In 2016, we performed a detailed life cycle assessment to map our emissions profile across the value chain. In 2017, we committed to emissions reduction targets using principles of

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Singtel was the first company in Asia Pacific (excluding Japan) that incorporated science-based principles in its emissions reduction targets. We were also one of the first group of companies globally to commit to net-zero targets across the entire value chain.

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the Science Based Targets initiative (SBTi), one of the first in Asia (ex-Japan) to do so. In 2019, we were one of the first companies globally to pledge a net-zero target before 2050 across our entire value chain. We are currently engaged in a refresh exercise to ascertain whether our current decarbonisation trajectory continues to be consistent with a 1.5°C global warming pathway. We were also one of the earliest adopters of the TCFD (Task Force on Climate Related Financial Reporting Standards). We started with a partial disclosure based on our operations in New South Wales (NSW) in 2021 and published a standalone TCFD report for our entire operations in 2022. This exercise has equipped us with a unique perspective on the physical and transition climate risks that we need to integrate into our risk management process.

Our largest source of emissions lies in our supply chain i.e., our Network Infrastructure. Here, we have partnered with key vendors like Ericsson to accelerate energy efficiency initiatives. Replacement of legacy infrastructure and deployment of Electric Vehicles (EVs) are other important drivers of our decarbonisation strategy.

Aileen Tan's biography

Lives in Singapore

Enjoys photography, traveling and Tai chi

Board experience



(2016 - Present) Institute for Human Resource Professionals
Board member



(2017 – Present) Singapore University of Social Sciences
Member Board of Trustees



(2020 – Present) Health Sciences Authority
Board Member



(2009 – 2020), Home Nursing Foundation
Board Member

Management experience



(2008 – Present) Singtel
Group Chief People and Sustainability Officer



(1998 – 2005) Abacus International
Vice President, Centre of Excellence



(1994 – 1997), Regional HR Manager
American Standard

Education



National University of Singapore
Majored in Arts & Science, Statistics and Japanese Studies



Victoria Junior College

Sculpt Partners: We understand that topics relating to people and the future of work, and community impact are an integral part of Singtel's sustainability framework. Can you elaborate further on these?

Aileen: Absolutely. Our workplace consists of employees from more than 100 different nationalities across four generations. Thus, workplace Diversity, Equity and Inclusion (DEI) is core to our purpose. Our DEI initiatives are intended to accomplish two key objectives. Firstly, we would like to harness the strength of our diverse workforce. Through workplace diversity, we are able to more clearly gain a better understanding of the various needs of our customers and communities, which in turn helps us forge stronger connections and deliver greater impact for them. Secondly, we want to bridge any divide that thwarts employees from bringing their authentic and best selves to Singtel, regardless of their background, beliefs, or abilities. In addition to fair and respectful policies, we also foster employee networks for women, differently-abled persons, people with different culture and

heritage, LGBTQ+, and veterans. In our Optus business, each such network is sponsored by a member of the executive team.

We have also invested significantly in protecting vulnerable sections of the society from the unintended consequences of the digital revolution. Proliferation of devices and social media has increased instances of cyber-bullying, digital addiction and access to inappropriate content. We have deployed a digital parenting platform to help parents and caregivers manage cyber wellness issues faced by young ones. We also endeavour to bridge the digital divide for disadvantaged groups such as seniors, migrant workers, and children and youth with special needs. Through our Singtel Touching Lives Fund, we have invested more than S\$50 Million towards the advancement of these communities and build their confidence to use digital devices and applications effectively and safely. As I alluded to earlier, digital inclusion is an important metric under our 2025 sustainability targets that our management has held itself accountable to.

Sculpt Partners: Singtel was one of the first companies in Asia Pacific to tap the sustainable finance market to fund its growth initiatives. How important has this link between sustainability and finance been in driving your sustainability strategy?

Aileen: Very important. Investors are under a lot of pressure to refrain from funding projects that are emissions accretive or carry other negative environmental or social impacts. Incorporating sustainability targets in our financing was an important mechanism for Singtel to demonstrate “skin in the game” to our 2045 net-zero and 2025 group sustainability targets. In 2021, we launched our first sustainability-linked revolving credit of S\$750 million, the largest of its kind in Singapore at that time. The interest rates for this facility were linked to our pre-defined ESG targets on climate action, emissions and workplace safety and health. We also published our sustainability-linked financing framework called Olives in 2021 to underpin our sustainable finance initiatives, the first telco company in Asia Pacific to do so. Singtel has a strong record of delivering to our commitments, so this was not such a difficult transition to make.

We have also launched an Internal Carbon Pricing on a pilot basis to incorporate the cost of emissions as a negative externality. This exercise has been an eye-opener for us and will

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Singtel is committed to bridging the digital divide – we have invested significant resources to equip disadvantaged groups and build their confidence to use digital devices and applications effectively and safely.

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significantly change the way we evaluate projects and allocate capital. Many of these investments are “long-tailed” in the sense that they have significant gestation period before they turn in net positive cash flows. Thus, embedding carbon pricing in the evaluation process has enhanced the level of discipline from our business leaders about investments and related risks.

Sculpt Partners: It is quite evident that Singtel has assembled most of the critical building blocks towards meeting its 2025 ESG targets and 2045 net-zero commitments. What are the other priorities that you are currently working on to create more impetus towards this journey?

Aileen: We need to solve for our longer-term decarbonisation journey, in particular achieving carbon neutral value chains. That means tightening our engagement with our supplier partners through joint initiatives and advocacy. In addition to our mitigation efforts, we also need to enhance our climate adaptation initiatives. A key component of that would be to better unpack our exposure to the consequential impacts of climate change. We initiated scenario modelling of physical risks from climate change since 2015 and continue to adapt our infrastructure design to enhance our resilience and business continuity. We have also expanded our scenario modelling to consider transition risks such as Singapore’s geographical constraints on renewable energy, introduction of carbon taxes and other key drivers. Earlier in this conversation, I spoke about maximising the social impact across the communities that we are part of. This will be an ongoing process as we better come to grips with the social implications of the digital revolution. Last but not the least is the issue of data privacy. We need to stay vigilant of cyber security attacks which are growing in complexity and severity by the day, and get better at preventing and protecting data should such adverse situations occur.

Sculpt Partners: Finally, what advice would you give to organisation sustainability leaders and practitioners who are embarking on their sustainability journey?

Aileen: Firstly, be curious. Do not be embarrassed about asking questions on topics where you are not up to speed. The domain of sustainability is rapidly evolving, so our primary job is to seek and absorb ideas like a “sponge”, and then explore if and how we can put these into practice in our organisation. Secondly, be passionate and be a believer. Do not embark on the journey just because it is a “fad” or makes your organisation appear good in front of external stakeholders. Thirdly, the notion of sustainability has to be embedded into the business practices, and owned by leaders and line managers. Our role is to nudge, equip and facilitate. Lastly, make explicit how your sustainability mandate connects to the organisation purpose and values, so all employees can relate to that on a day-to-day basis.

Sculpt Partners: Thank you Aileen for your perspectives. I am positive our readers would have gathered a treasure trove of ideas to put into action.

Aileen: You are welcome.

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We continue to enhance our scenario planning models to better unpack Singtel Group’s exposure to both physical and transition related risks from climate change. These insights have progressively helped adapt our network infrastructure design and deployment.

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About Sculpt Partners

Sculpt Partners is a sustainability oriented advisory firm. We work with public-listed corporations, early-stage ventures and impact investors to solve the planet's most pressing challenges.

Our mission is to stimulate capital, capacity and capabilities required to solve key environment, economic and social issues that challenge the planet.