

# Appendices



# About this Report

This Sustainability Report should be read together with Axiata Integrated Annual Report 2018, and the Governance and Audited Financial Statements 2018 to understand how we create value for our stakeholders across our markets.

Our Sustainability Report contains detailed information about Axiata's Sustainability Framework, anchored on our 4P approach; Beyond Short-Term Profits, Nurturing People, Process Excellence and Governance, and Planet and Society. The 2018 edition is our sixth sustainability report using the Global Reporting Initiative's G4 (GRI-G4) guidelines.

This standalone Sustainability Report is a comprehensive document detailing the management of our business impacts on Economic, Environmental and Social (EES) issues.

## Report Boundary

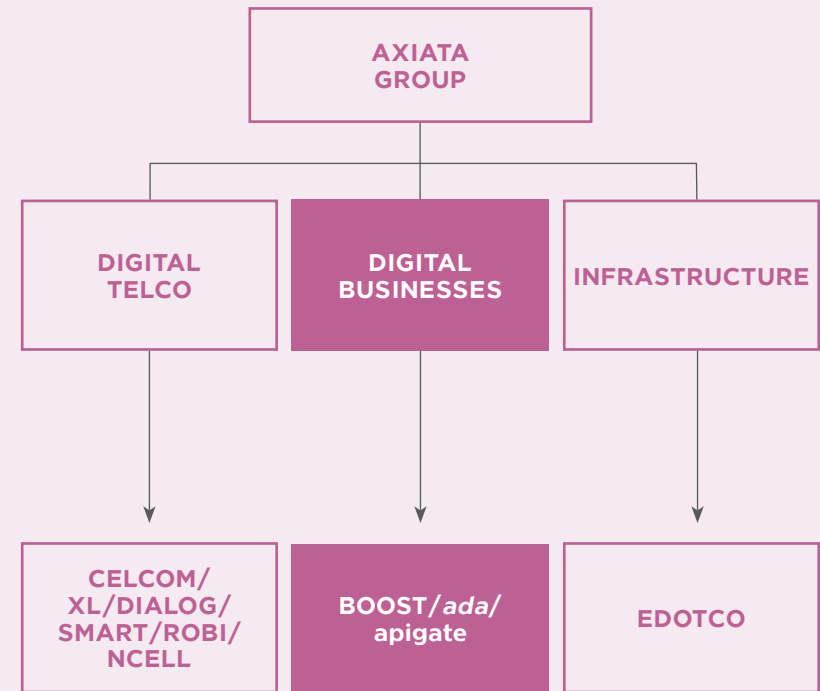
The Axiata Sustainability Report 2018 covers the sustainability performance of our Group Corporate Centre (CC), and key operating companies. This includes our digital telcos - Celcom (Malaysia), XL (Indonesia), Smart (Cambodia), Robi (Bangladesh), Dialog (Sri Lanka), Ncell (Nepal), and edotco Group which covers their operations in Malaysia, Cambodia, Sri Lanka, Bangladesh, Myanmar and Pakistan. Non-financial data for digital services are reflected in the CC numbers where available. Digital telco operations accounts for 97% of the Group's Operating Revenue.


The report excludes wholly owned and non-wholly owned subsidiaries and financial investments, and associate and companies that are in the process of being disposed. This report discusses the sustainability of the Group as a whole.

The 2018 volume of our Sustainability Report differs from past years' in that a focused effort was made to harmonise and integrate the reporting methods used throughout the Group, including our OpCos. We note that our OpCos' operating environments may vary significantly from one market to the next, but we have nevertheless made the attempt to harmonise general reporting areas. Our OpCos are encouraged to produce their own standalone sustainability report to provide more insight into their respective sustainability management and context.

## Assurance

Selected subject matter within this Sustainability Report has been independently assured by Deloitte PLT (Deloitte) at a limited level as defined by ISAE3000. Among our key operating companies only Dialog conducts a third party independent assurance of their report. For more information on the subject matter and scope of assurance, please refer to Deloitte's assurance statement on pages 83-85.



 Non-financial data for digital services are reflected in Corporate Centre's data where available

## Our Sustainability Matters

Sustainability Matters	Context	Importance to the Group	Importance to our Stakeholder Groups	Mitigating our key business risks	Our sustainability initiatives
<b>Network Quality &amp; Coverage</b>	Enhancing the quality and coverage of the Group's network across all OpCos through continuous improvement of its efficiency, availability and reliability.	In maintaining the Group's position as the leading regional mobile network operator in the face of market competition, it is crucial to increase connectivity and enhance network reliability across the Group - ultimately, translate into positive business outcomes and strengthen our relationship with stakeholders.	Through quality network service and coverage, we bring connectivity to rural and urban communities, businesses and corporate enterprises to create real and tangible impacts in their lives.	<ul style="list-style-type: none"> <li>▶ Financial Risk</li> <li>▶ Market Risk</li> <li>▶ Regulatory Risk</li> <li>▶ Operational Risk</li> <li>▶ Strategic &amp; Investment Risk</li> <li>▶ Technology Risk</li> </ul>	IAR Pg. 47-54
<b>Digital Inclusion</b>	Providing affordable and innovative products and service offerings to address sustainability issues in our operating markets.	Investments in digital services and product innovation allows us to create products and services that are appealing to our customers - bridging the digital gap in our operating markets.	Our investments in digital technology give better access to basic services (e.g. financial, healthcare and education), to foster inclusion and drive innovation.	<ul style="list-style-type: none"> <li>▶ Financial Risk</li> <li>▶ Market Risk</li> <li>▶ Regulatory Risk</li> <li>▶ Strategic &amp; Investment Risk</li> <li>▶ Technology Risk</li> </ul>	SR Pg. 23-27 IAR Pg. 47-54
<b>Sustainable Business Growth</b>	Taking into account sustainability considerations in making strategic investments/acquisitions/expansion/partnerships.	Venturing into new growth areas ensures competitive edge and business sustainability, while creating greater positive direct and indirect economic impacts to the society.	The Group as a strategic technology enabler supports technology partners to rapidly scale innovative digital inclusion programmes, while ensuring digital access for rural communities and developing inclusive products and services.	<ul style="list-style-type: none"> <li>▶ Financial Risk</li> <li>▶ Market Risk</li> <li>▶ Regulatory Risk</li> <li>▶ Geopolitical Risk</li> <li>▶ Strategic &amp; Investment Risk</li> </ul>	SR Pg. 23-27 IAR Pg. 47-57
<b>Customer Satisfaction</b>	Delivering a differentiated user experience for its customers, including having processes/procedures in place to gauge their perception and address their concerns.	Customer satisfaction is key to our business success. Understanding our customers' evolving needs and providing service that exceeds their expectations allows us to remain relevant and competitive.	Our customers/community depend on us to deliver our commitment through innovative products and services, playing a prominent role in the telecommunication industry.	<ul style="list-style-type: none"> <li>▶ Market Risk</li> <li>▶ Cyber Risk</li> <li>▶ Operational Risk</li> <li>▶ Strategic &amp; Investment Risk</li> </ul>	SR Pg. 39
<b>Fair Employment and Welfare</b>	Supporting local talent and fostering fair recruitment practices by embracing diversity and inclusion in a diversified workforce while maintaining a safe and healthy working environment across all our operations. We also promote fair remuneration.	Promoting inclusion and ensuring employee welfare. Diverse and motivated employees allows us to broaden our perspectives and present new opportunities for business growth. Respecting labour practices strengthens our social license to operate in various operating markets.	Embracing a diverse, inclusive and collaborative work culture promotes employee well-being and enable our employees to be empowered and to achieve their best in serving the customers' needs.	<ul style="list-style-type: none"> <li>▶ Geopolitical Risk</li> <li>▶ People Risk</li> </ul>	SR Pg. 29-33
<b>Talent Development</b>	Investing in effective programmes to promote development and uplift competencies of employees.	Our specialised development programmes increases our employees' competitive edge in responding to the rapidly changing and complex business environment.	As our industry evolves in the era of digital disruption, it is crucial for our employees to understand the risk of not adopting new skills and be quick to seize opportunities.	<ul style="list-style-type: none"> <li>▶ Geopolitical Risk</li> <li>▶ People Risk</li> </ul>	SR Pg. 32



# Our Sustainability Matters

Sustainability Matters	Context	Importance to the Group	Importance to our Stakeholder Groups	Mitigating our key business risks	Our sustainability initiatives
<b>Privacy &amp; Data Protection</b>	Protection of data/information/ intellectual property belonging to our stakeholders (e.g. customers, suppliers, business partners, etc.) against cyber security breaches and implementation of initiatives to prevent, detect and respond to data breaches.	The security of our stakeholders' data is of utmost importance in maintaining a transparent relationship, and also to ensure long-term viability of our business.	Stakeholders entrust us with their data, and we maintain that trust with the commitment to ensuring the security and privacy of their data.	<ul style="list-style-type: none"> <li>▶ Cyber Risk</li> <li>▶ Digital Risk</li> </ul>	GAFS Pg. 31, 35
<b>Business Ethics and Compliance</b>	Compliance with local and cross-borders regulatory requirements & internal company policies in maintaining the Group's business integrity, performance and managing impacts of new regulatory changes.	We seek to uphold a culture of ethics and integrity. The inability to do so may impact/limit our growth, relationship with stakeholders and our reputation as a reliable organisation.	It is of utmost importance to secure and maintain a relationship based on trust with the relevant stakeholders.	<ul style="list-style-type: none"> <li>▶ Regulatory Risk</li> <li>▶ Cyber Risk</li> <li>▶ Digital Risk</li> <li>▶ Operational Risk</li> <li>▶ Geopolitical Risk</li> <li>▶ Governance &amp; Integrity Risk</li> </ul>	SR Pg. 31 <a href="#">Code of Conduct</a> GAFS Pg. 24
<b>Supply Chain Management</b>	Consideration of EES factors across processes involved in the supply chain management to manage vendor-related risks and performance.	Suppliers are an integral part of our business operations to ensure quality services and help to shape innovative products, while ensuring customer satisfaction.	Our efforts to support local vendors and partners is crucial in upgrading the qualifications of local suppliers/vendors, on par with the global and regional service providers.	<ul style="list-style-type: none"> <li>▶ Operational Risk</li> <li>▶ Governance &amp; Integrity Risk</li> </ul>	SR Pg. 37
<b>Digitalisation &amp; Modernisation</b>	Continuously at the forefront of technological innovation to enhance its key internal business functions.	Such investment allows the Group to improve its internal process efficiency, effectiveness, promote innovation while ensuring business continuity, in our pursuit of becoming the New Generation Digital Champion	Enhanced internal processes provides opportunities for us to better serve our stakeholders (e.g. customers, employees) to experience a more efficient and customer-friendly services.	<ul style="list-style-type: none"> <li>▶ Market Risk</li> <li>▶ Digital Risk</li> <li>▶ Operational Risk</li> <li>▶ Strategic &amp; Investment Risk</li> <li>▶ Technology Risk</li> </ul>	SR Pg. 40-41 GAFS Pg. 31
<b>Climate Action and Environmental management</b>	Internal controls & monitoring mechanisms to manage environmental impacts arising from the Group's business operations, including the reduction of energy consumption at office premises/ network infrastructure through renewable sources.	Affects our reputation as a responsible corporate citizen and strengthens our social license to operate through our efforts in reducing environmental impacts arising from our business.	Uphold our reputation as a responsible corporate citizen and maintain positive relationship with the stakeholders (e.g. local community, regulatory bodies, etc.) by minimising negative impacts to the environment.	<ul style="list-style-type: none"> <li>▶ Regulatory Risk</li> <li>▶ Governance &amp; Integrity Risk</li> <li>▶ Operational Risk</li> </ul>	SR Pg. 44-45
<b>Community Impact/ Development</b>	Monetary and non-monetary contribution to local communities/underprivileged/ underserved through partnerships, in areas where we operate (e.g. focusing on education, disaster relief aid, improving welfare of local citizens, etc.).	Foster positive relationships with our stakeholders, particularly local communities and regulators, as we contribute to national aspirations to uplift the well-being of local communities and protect the environment.	Uphold our reputation as a responsible corporate citizen and maintain positive relationship with the stakeholders (e.g. local community, regulatory bodies, etc.) by supporting the local communities' needs, based on the national context or priorities.	<ul style="list-style-type: none"> <li>▶ Geopolitical Risk</li> <li>▶ Governance &amp; Integrity Risk</li> </ul>	SR Pg. 23-27, 48

Notes: SR (Sustainability Report 2018). IAR (Axiata Group Integrated Annual Report 2018). GAFS (Governance & Audited Financial Statements 2018)

## Stakeholder Engagement

Axiata's ability to create value relies on successful interactions with our diverse groups of stakeholders. Our stakeholder base cuts across our Group presence in ASEAN and South Asia. Each of our stakeholder groups significantly impact our regional business which sees us within multiple roles including being an employer, communications provider, technology innovator and infrastructure developer.

In order to clearly understand our various stakeholder groups' concerns and identify the most effective response to issues raised, we conduct continuous, consistent and targeted stakeholder engagement sessions. The outcomes of these sessions informs our material issues, our strategy development, and our risk management.

Stakeholders	Why They Are Important	How We Engage with them	Subjects Raised	Axiata's Response
<b>Customers</b>	Our customers are key contributors to our success as a commercial enterprise. Through their purchases of our products and services, they provide us a direct gauge of the efficiency and effectiveness of our product and service portfolio. To maintain high levels of customer satisfaction, we need to fully understand our customers needs.	<ul style="list-style-type: none"> <li>▶ Customer satisfaction levels are benchmarked through the Net Promoter Score system conducted annually</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customer experience</li> <li>▶ Product affordability</li> <li>▶ Network availability</li> </ul>	<ul style="list-style-type: none"> <li>▶ Driving efficiencies and innovations through investments in new technologies</li> <li>▶ Establishing strategic ties with 'Over-The-Top' (OTT) or other digital product developers to create products and services that meet evolving customer needs, increase the Group's share of customers' wallets and rebuilds customer loyalty</li> </ul>
<b>Employees</b>	As our human capital base, our employees are a key resource for all our activities in the realisation of our vision to become a New Generation Digital Champion by 2021. Employee satisfaction is a top priority, and we continuously strive to ensure that morale remains high in all our business units.	<ul style="list-style-type: none"> <li>▶ Employee Engagement Survey annually</li> <li>▶ Town hall Meetings conducted every quarter</li> </ul>	<ul style="list-style-type: none"> <li>▶ Career development</li> <li>▶ Employee communication</li> </ul>	<ul style="list-style-type: none"> <li>▶ Developing our people through robust talent development programmes</li> <li>▶ Offering attractive performance-based rewards</li> <li>▶ Providing a safe and healthy work environment</li> <li>▶ Ensuring continuous employee engagement through a variety of channels</li> </ul>
<b>Shareholders</b>	As owners of the Company, shareholders provide us with the financial capital needed to sustain our growth. Consequently, they are entitled to receive a return on their investment and to be apprised of developments in the Company. They are also entitled to express their views on the Company or to share any concerns about the way the business is being run.	<ul style="list-style-type: none"> <li>▶ Annual General Meeting</li> <li>▶ Investor Roadshows</li> <li>▶ Analyst Meetings</li> </ul>	<ul style="list-style-type: none"> <li>▶ Business performance and strategy</li> <li>▶ Social responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Axiata Treasury Management Centre has been tasked to oversee and control the Group's treasury and funding matters</li> <li>▶ The Centre develops hedging strategies which are governed strictly by the treasury policies, taking into consideration current and future outlook of the relevant economies and foreign exchange markets with the ultimate objective of preserving the Group's profitability and sustainability</li> </ul>
<b>Regulators &amp; Government</b>	Our regulators and authorities specify the laws and regulations that determine the scope and extent of our activities in our respective countries of operation. They provide our OpCos access to spectrum and operating licences, and impose regulatory measures with potential cost implications for our Group. We maintain open channels of communication with them, as they are best positioned to provide advice and clarification in relation to our operations and obligations.	<ul style="list-style-type: none"> <li>▶ Axiata works proactively with local regulators and authorities from every jurisdiction as local requirements vary from one country to the next</li> <li>▶ Compliance with the Malaysian Communications and Multimedia Commission (MCMC)</li> <li>▶ Compliance with Bursa Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>▶ Information security</li> <li>▶ Personal Data Protection Act 2010</li> <li>▶ Tax issues</li> </ul>	<ul style="list-style-type: none"> <li>▶ Advocating strict compliance and transparency in putting our case before the relevant authorities</li> <li>▶ Participating in government consultations and sharing knowledge and best practices in the development of healthy regimes for the telecoms sector</li> <li>▶ Ensuring our Group Regulatory Policy is based on strict compliance with all applicable laws and regulations, regulatory obligations and governmental policies in the jurisdictions in which we operate</li> <li>▶ Obtaining regulatory advice in an efficient and cost effective manner as and when required</li> </ul>





# Stakeholder Engagement

Stakeholders	Why They Are Important	How We Engage with them	Subjects Raised	Axiata's Response
<b>Suppliers</b>	Our broad range of suppliers support all aspects of our business. Our supply chain covers vendors supplying infrastructure components to professional corporate service providers. They are our key enablers as providers of vital services. It is important that we maintain a professional relationship of trust where views from either party can be freely exchanged, as well as to apprise them of changes to our procurement policy and to seek relevant feedback and information from them.	<ul style="list-style-type: none"> <li>▶ Supplier Code of Conduct</li> <li>▶ Vendor Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>▶ Payment practices</li> <li>▶ Delivery and definition of vendor performance</li> </ul>	<ul style="list-style-type: none"> <li>▶ Centralised Axiata Procurement Centre that handles all network related procurement to improve efficiencies</li> <li>▶ Conducting Supplier Performance Management assessments for continuous improvement in vendor performance</li> <li>▶ Optimising procurement budgets and the development of a network of suppliers and vendors committed to best practices and enhanced corporate governance</li> </ul>
<b>Media</b>	The media is our primary channel of communicating with the public at large. They play a critical role in sharing information such as our Company's financial performance and changes to our products and services, as well as information on our CR programmes. They also provide us with valuable feedback on any general concerns or views that the public may have about us.	<ul style="list-style-type: none"> <li>▶ Media Meetings</li> <li>▶ Quarterly Media Surveys</li> <li>▶ Media Releases and Press Conferences</li> </ul>	<ul style="list-style-type: none"> <li>▶ Company performance and strategy</li> <li>▶ Future business aspirations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Emphasising on our long-term value creation efforts which extend beyond commercial considerations, and include initiatives that will result in greater social uplift of our communities and contribute to positive market impacts in the long-term</li> <li>▶ Sharing updates on our efforts to expand our regional network coverage to connect less commercially viable rural regions</li> <li>▶ Sharing updates on our digital inclusion efforts to facilitate access to digital connectivity for underserved segments of the community</li> </ul>
<b>Community</b>	Through our Corporate Responsibility (CR) projects, we are contributing to the ongoing socioeconomic development of our communities in our operating countries. This presence us with the opportunity to ascertain how we can make meaningful impacts on their lives and improve our products and services to better serve them.	<ul style="list-style-type: none"> <li>▶ Axiata Young Talent Programme</li> <li>▶ Axiata's Corporate Responsibility Programmes</li> <li>▶ Green Initiatives</li> <li>▶ Disaster Management and Response Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Social requirements</li> <li>▶ Specific feedback on our CR programmes and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Innovating our digital offerings to meet the needs of all our communities including those located in rural regions</li> <li>▶ Developing digital ecosystems that provide basic services such as access to capital (m-money) and trade transactions (m-commerce)</li> <li>▶ Tailoring products and services to meet the specific needs of particular segments of the community, such as the 'Govi Mithuru' service that was launched for Sri Lankan farmers by Dialog</li> </ul>

## Management of Material Risks and Opportunities

Axiata uses an integrated assurance methodology to manage our risks and opportunities, to catalyse long-term value creation. The following outlines our material risks, along with our Group's exposure and potential impacts, and identifies mitigation measures which are linked to our Axiata 3.0 strategy and future opportunities.

Risk Category	Mitigation Measures
<b>Financial Risk</b>	<ul style="list-style-type: none"> <li>▶ Axiata Treasury Management Centre oversees and controls treasury and funding matters.</li> <li>▶ Develops hedging strategies which are governed strictly by treasury policies</li> <li>▶ Takes into account current and future outlook of the economy and FOREX markets</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>▶ Driving efficiencies and innovations through investments in new technologies</li> <li>▶ Enhancing cost efficiencies</li> <li>▶ Establish strategic ties with 'Over-The-Top' (OTT) or other digital product developers to create products and services that meet evolving customer needs, increase the Group's share of customers wallets, retain customers and maintain our Profit After Tax</li> </ul>
<b>Regulatory Risk</b>	<ul style="list-style-type: none"> <li>▶ Strict compliance, and fair and transparent practices of government policies.</li> <li>▶ Dedicated personnel and resources to monitor all relevant developments</li> <li>▶ Maintaining regular engagement with governing authorities and regulatory officials</li> <li>▶ Participating in government consultations and industry knowledge sharing for the sustainable development of healthy regulatory regimes</li> <li>▶ Enhancing our process flows to encourage quick and cost-effective responses to changing regulations</li> </ul>
<b>Cyber Risk</b>	<ul style="list-style-type: none"> <li>▶ Our Cyber Security Steering Committee ensures strict compliance with security policies and procedures</li> <li>▶ Implementing the technologies and tools to minimise the risk of security breaches</li> <li>▶ Implementing preventive, detective and responsive controls to minimise the risk of a successful attack</li> </ul>
<b>Digital Risk</b>	<ul style="list-style-type: none"> <li>▶ Keeping up to date with policy initiatives at national and international levels</li> <li>▶ Expediting the implementation of action plans to ensure compliance and strengthening of cyber security measures to safeguard data security and integrity</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>▶ Axiata Procurement Centre's key role is to manage vendor-related risks, monitor vendors' performance and develop new relationships to reduce dependencies</li> <li>▶ Continuously address issues such as network congestions, drop calls, and upgrades to network coverage to ensure better quality network and service delivery</li> <li>▶ Operating procedures with appropriate incident escalation procedures and adequate disaster recovery plans in place at each OpCo to ensure seamless business continuity</li> <li>▶ Maintaining a global insurance programme to mitigate business losses</li> </ul>

Risk Category	Mitigation Measures
<b>Geopolitical Risk</b>	<ul style="list-style-type: none"> <li>▶ Working closely with the respective OpCo Management, leveraging on their local expertise, knowledge and ability to continually assess the changing political scenario</li> <li>▶ Implementing measures to ensure timely response in the event of such occurrences</li> <li>▶ Maintaining neutral government relations</li> <li>▶ Contributing to our operating countries' socioeconomic development</li> </ul>
<b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>▶ Closely monitoring the competitive landscape</li> <li>▶ Exploring and investing in technology and platform upgrades</li> <li>▶ Reviewing the relevance of products and services</li> <li>▶ Prudent cost management keeping budgets lean while maintaining strong strategic alliances with network vendors to keep pace with technology shifts</li> </ul>
<b>Investment Risk</b>	<ul style="list-style-type: none"> <li>▶ Our Mergers and Acquisition Committee oversees all acquisitions and divestments</li> <li>▶ Maintaining a robust due diligence process to evaluate and manage the potential risks involved</li> <li>▶ Post-acquisition, transition teams are put together to ensure that organisational, cultural and mind-set changes required are implemented appropriately</li> </ul>
<b>People Risk</b>	<ul style="list-style-type: none"> <li>▶ Talent Management team is on a constant lookout for suitable employees</li> <li>▶ Developing our people through robust talent development programmes</li> <li>▶ Providing attractive performance based rewards and providing a safe and healthy work environment</li> <li>▶ Advocating staff empowerment to allow for employees to respond to rapidly changing customer demands and work processes</li> <li>▶ Focusing on employee engagement to motivate employees and increase staff morale and attrition rates</li> </ul>
<b>Technology Risk</b>	<ul style="list-style-type: none"> <li>▶ Constantly reviewing and refreshing our Group's whilst maintaining financial prudence</li> <li>▶ Reviewing and revamping capital expenditure (capex) governance and business planning processes, focusing on prudent cost management and capex productivity, whilst increasing our visibility of these expenditures across all OpCos</li> </ul>
<b>Governance &amp; Integrity Risk</b>	<ul style="list-style-type: none"> <li>▶ Our Code of Conduct sets out rules and guidelines on how personnel acting for or on behalf of the Group are expected to conduct business</li> <li>▶ Continuing to focus on maintaining and further developing a strong ethical platform and corporate governance standard to support Axiata's business integrity and strong performance</li> </ul>



## List of Abbreviations

'Over-the-Top' (OTT)	Global Reporting Initiative (GRI)	Market Capital (Market Cap)
Annual General Meeting (AGM)	Government-Linked Company (GLC)	Memorandum of Understanding (MoU)
Axiata Digital (AD)	Greenhouse Gas (GHG)	Ministry of Higher Education (MoHE)
Axiata Digital Innovation Fund (ADIF)	Gross Domestic Product (GDP)	Minority Shareholder Watchdog Group (MSWG)
Axiata Procurement Centre (APC)	Gross Value Added (GVA)	Malaysia Digital Economy Corporation (MDEC)
Axiata Treasury Management Centre (ATMC)	Group Accelerated Development Programme (GADP)	Net Promoter Score (NPS)
Axiata Young Talent Programme (AYTP)	Group Risk Management Committee (GRMC)	Occupational Health and Safety (OHS)
Base Transceiver Station (BTS)	GSM Association - An association of mobile operators and related companies devoted to supporting the standardising, deployment and promotion of the GSM mobile telephone system (GSMA)	OpCo Accelerated Development Programme (OADP)
Board Audit Committee (BAC)	GSMA's Humanitarian Connectivity Charter (HCC)	Operating Companies (OpCos)
Business Continuity Management (BCM)	High Throughput Satellite (HTS)	Operating Expenditure (Opex)
Business Development Programme (BDP)	Human Resources (HR)	Personal Accident (PA)
Capital Expenditure (Capex)	Improvement, Innovation, Investment & Impact (4i)	Personal Data Protection Act (PDPA)
Compound Annual Growth Rate (CAGR)	Info-communications Media Development Authority (IMDA)	Profit After Tax (PAT)
Connected Woman Commitment Initiative (CWCI)	Information and Communication Technology (ICT)	Senior Leadership Team (SLT)
Corporate Responsibility (CR)	International Finance Corporation (IFC)	Short Messaging System (SMS)
Corporate Social Responsibility (CSR)	International Long Distance (ILD)	Small and Medium Enterprises (SME)
Cyber Security Operations Centre (CSOC)	International Standard on Assurance Engagement (ISAE)	Standard & Industrial Research Institute of Malaysia (SIRIM)
Cyber Security Steering Committee (CSSC)	Internet Data Centre (IDC)	Strategic Partners Development Programme (SDP)
Department of Education (DOE)	Internet-of-Things (IoT)	Supplier Performance Management (SPM)
Department of Hydrology & Meteorology (DHM)	Key Performance Indicators (KPI)	Sustainability Engagement Index (SEI)
Disaster and Emergency Warning Network (DEWN)	Kilowatt (kW)	Uncompromising Integrity. Exceptional Performance (UIEP)
Disaster Readiness Programme (DRP)	Local Partner Development Programme (LPDP)	University Leadership Development Programme (ULDP)
edotco group (e.co)	Majlis Amanah Rakyat (MARA)	Value Added Services (VAS)
Employee Engagement Survey (EES)	Malaysian Communication and Multimedia Commission (MCMC)	Vendor Development Programmes (VDP)
Enterprise Risk Management (ERM)	Malaysian Sustainability Reporting Awards (MasRA)	Venture Capital (VC)
Environmental, Social and Governance (ESG)		Year Over Year (YoY)
Economic, Environmental and Social (EES)		Young CEO Development Programme (YCDP)
First Line Manager (FLM)		
Get Out of Diesel (GOOD)		
Gigajoule (GJ)		



## Data in Numbers

Aspect	Indicator	Detail		Celcom	XL	Dialog	Robi	Smart	Ncell	edotco	CC	Overall	
<b>Market Presence</b>	202-1	Ratios of standard entry level wage vs local minimum wage	Male	2.7:1	1.5:1	1.7:1	3.4:1	1:1	1:1	3.0:1	3.0:1	2.2:1	
			Female	2.7:1	1.5:1	1.7:1	3.4:1	1:1	1:1	3.0:1	3.0:1	2.2:1	
	202-2	Proportion of senior management from local country <sup>1</sup>	%	67%	22%	73%	100%	13%	33%	69%	60%	56%	
<b>Procurement Practices</b>	204-1	Percentage local <sup>2</sup>	%	29%	93%	46%	50%	25%	50%	76%	64%	43%	
		Percentage foreign	%	71%	7%	54%	50%	75%	50%	24%	36%	57%	
<b>Energy</b>	302-1	Direct energy consumption	GJ	7,179	167,875	69,367	210,656	90,412	54,634	610,233	0	1,210,358	
		Indirect energy consumption	GJ	3,747	2,573,149	532,255	746,396	274,490	262,782	1,311,260	1,729	5,705,809	
<b>Emissions</b>	305-1	Scope 1 GHG – GHG from fuel	Tonnes CO <sub>2</sub> e	493	11,530	4,764	14,468	6,210	3,752	41,912	0	83,130	
	305-2	Scope 2 GHG – GHG from grid	Tonnes CO <sub>2</sub> e	699	578,378	80,148	119,240	40,332	278	208,626	322	1,028,022	
<b>Employment</b>	401-1	Employees by gender	Male	1,391	1,165	2,694	1,399	527	402	753	156	8,487	
			Female	1,337	512	768	168	311	132	194	150	3,572	
			Total employees	2,728	1,677	3,462	1,567	838	534	947	306	12,059	
			Women in Leadership Positions	%	22%	25%	27%	0%	0%	0%	13%	13%	13%
		401-1	Joining the Group – By Gender	Male	80	189	241	188	365	9	122	55	1,259
				Female	25	81	114	45	231	1	56	44	597
		401-1	Joining the Group – By Age Group	<30 years old	34	142	277	157	539	2	66	33	1,250
	30-50 years old			69	126	76	76	57	5	106	58	573	
	>50 years old			3	2	2	0	0	3	6	8	24	
<b>Health &amp; Safety</b>	403-1	H & S representation		100%	100%	100%	100%	100%	100%	100%	100%	100%	
	403-2	Injuries (Workforce)	Number	4	0	11	0	0	N/A	0	N/A	N/A	
			%	0.10%	N/A	0.35%	N/A	0%	N/A	N/A	N/A	N/A	
		403-2	Fatalities	Number	0	0	0	0	0	N/A	1	0	N/A
	403-2	Lost Day Rate	LTIFR	8.47	0.12	181	0	0	N/A	N/A	0	N/A	
<b>Training</b>	404-1	Average Training hours per employee <sup>1</sup>	Male	6.86	32.69	40.08	20.00	18.77	29.00	14.00	4.70	20.76	
			Female	6.42	27.18	36.45	19.91	19.03	29.00	16.00	9.81	20.47	
	404-3	Employees receiving Performance Review	Male	100%	100%	100%	100%	100%	100%	100%	100%	100%	
			Female	100%	100%	100%	100%	100%	100%	100%	100%	100%	
<b>Diversity</b>	405-1	Staff diversity – By Age Group	<30 years old	315	393	1,113	427	493	26	178	68	3,013	
			30-50 years old	2,214	1,258	2,300	1,104	340	500	712	204	8,632	
			>50 years old	199	26	49	36	5	8	57	34	414	

Notes: Totals may not add up due to rounding

<sup>1</sup> Senior Management is defined as CEO and CEO-1. Local country refers to citizens of respective OpCo country

<sup>2</sup> Local percentage considers weightage given to local participation in ownership, management, employment, and extent of value added locally as defined by Axiata Procurement Centre



# GRI Content Index

This Content Index provides an overview of the GRI Standard (in Accordance Core) Disclosures made in this report, the Axiata Integrated Annual Report (IAR) 2018, and the Governance and Audited Financial Statements (GAFS) 2018

General Standard Disclosures		Page Number
<b>Organisational Profile</b>		
Disclosure 102-1	Name of the organisation	Pg. 2
Disclosure 102-2	Activities, brands, products, and services	Pg. 5-7, IAR Pg. 48-57
Disclosure 102-3	Location of headquarters	IAR Pg. 83
Disclosure 102-4	Location of operations	Pg. 5-7
Disclosure 102-5	Ownership and legal form	Pg. 3, GAFS Pg. 190
Disclosure 102-6	Markets served	Pg. 5-7
Disclosure 102-7	Scale of the organisation	Pg. 5-7, 29, IAR Pg. 49-57
Disclosure 102-8	Information on employees and other workers	Pg. 29, 79
Disclosure 102-9	Supply chain	Pg. 37
Disclosure 102-10	Significant changes to the organisation and its supply chain	None
Disclosure 102-11	Precautionary Principle Approach	Pg. 44
Disclosure 102-12	External initiatives	Pg. 27
Disclosure 102-13	Membership of associations	Pg. 27
<b>Strategy</b>		
Disclosure 102-14	Statement from senior decision-maker	Pg. 13-16
<b>Ethics and Integrity</b>		
Disclosure 102-16	Values, principles, standards, and norms of behavior	Pg. 31, GAFS Pg. 33
<b>Governance</b>		
Disclosure 102-18	Governance structure	Pg. 9, IAR Pg. 59-71

General Standard Disclosures		Page Number
<b>Stakeholder Engagement</b>		
Disclosure 102-40	List of stakeholder groups	Pg. 11, 73-74
Disclosure 102-41	Collective bargaining agreements	Pg. 33
Disclosure 102-42	Identifying and selecting stakeholders	Pg. 75-76, IAR Pg. 23
Disclosure 102-43	Approach to stakeholder engagement	Pg. 75-76, IAR Pg. 23
Disclosure 102-44	Key topics and concerns raised	Pg. 11, 75-76
<b>Reporting Practice</b>		
Disclosure 102-45	Entities included in the consolidated financial statements	GAFS Pg. 166-172
Disclosure 102-46	Defining report content and topic Boundaries	Pg. 72
Disclosure 102-47	List of material topics	Pg. 10
Disclosure 102-48	Restatements of information	None
Disclosure 102-49	Changes in reporting	Pg. 72
Disclosure 102-50	Reporting period	Pg. 72
Disclosure 102-51	Date of most recent report	Pg. 72
Disclosure 102-52	Reporting cycle	Pg. 72
Disclosure 102-53	Contact point for questions regarding the report	sustainability@axiata.com
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	This Page
Disclosure 102-55	GRI content index	Pg. 80-82
Disclosure 102-56	External assurance	Pg. 83-85

## GRI Content Index

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		Page Number	External Assurance
<b>Topic-specific Standard: Economic</b>			
Disclosure 201	Management Approach: Economic Performance	IAR Pg. 11-19, 40-57	
Disclosure 201-1	Direct economic value generated and distributed	Pg. 51-71, IAR Pg. 40-46	
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	GAFS Pg. 88	
Disclosure 202	Management Approach: Market Presence	Pg. 5-7	
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pg. 79	
Disclosure 202-2	Proportion of senior management hired from local community	Pg. 29, 79	CC
Disclosure 203	Management Approach: Indirect Economic Impacts	IAR Pg. 11-19	
Disclosure 203-1	Infrastructure investments and services supported	IAR Pg.48-57	
Disclosure 203-2	Significant indirect economic impacts	Pg. 51-71	
Disclosure 204	Management Approach: Procurement Practices	Pg. 37	
Disclosure 204-1	Proportion of spending on local suppliers	Pg. 37, 79	CC
Disclosure 205	Management Approach: Anti-corruption	Pg. 31, GAFS Pg. 33	
Disclosure 205-1	Operations assessed for risks related to corruption	Pg. 31	
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Pg. 31	
Disclosure 205-3	Confirmed incidents of corruption and actions taken	See Notes	
Disclosure 206	Management Approach: Anti-competitive Behaviour	<a href="#">Code of Conduct 4.7</a>	
Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None Reported	

		Page Number	External Assurance
<b>Topic-specific Standard: Environmental</b>			
Disclosure 302	Management Approach: Energy	Pg. 44	
Disclosure 302-1	Energy consumption within the organisation	Pg. 45	CC
Disclosure 302-3	Energy intensity	Pg. 45	
Disclosure 302-4	Reduction in energy consumption	Pg. 45	
Disclosure 303	Management Approach: Water	See Notes	
Disclosure 305	Management Approach: Emissions	Pg. 44	
Disclosure 305-1	Direct (Scope 1) GHG emissions	Pg. 45	CC
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Pg. 45	CC
Disclosure 305-4	GHG emissions intensity	Pg. 45	
Disclosure 305-5	Reduction of GHG emissions	Pg. 45	
Disclosure 307	Management Approach: Environmental Compliance	Pg. 44	
Disclosure 307-1	Non-compliance with environmental laws and regulations	None Reported	
<b>Topic-specific Standard: Social</b>			
Disclosure 401	Management Approach: Employment	Pg. 29-34	
Disclosure 401-1	New employee hires and employee turnover	Pg. 79	
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GAFS Pg. 88	
Disclosure 402	Management Approach: Labour Management Relations	Pg. 33	
Disclosure 402-1	Minimum notice periods regarding operational changes	See Notes	
Disclosure 403	Management Approach: Occupational Health and Safety	Pg. 38	



# GRI Content Index

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		Page Number	External Assurance
<b>Topic-specific Standard: Social</b>			
Disclosure 403-1	Workplace representation in formal joint management-worker health and safety committees	Pg. 38, 79	
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	Pg. 38	
Disclosure 404	Management Approach: Training and Education	Pg. 32	
Disclosure 404-1	Average hours of training per year per employee	Pg. 79	
Disclosure 404-2	Programmes for upgrading employee skills and transition assistance programme	Pg. 32	
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Pg. 79	CC
Disclosure 405	Management Approach: Diversity	Pg. 29	
Disclosure 405-1	Diversity of governance bodies and employees	Pg. 79, IAR Pg. 62-68	
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Pg. 79	
Disclosure 406	Management Approach: Non-discrimination	Pg. 29, <a href="#">Code of Conduct 4.7</a>	
Disclosure 406-1	Incidents of discrimination and corrective actions taken	None Reported	
Disclosure 407	Management Approach: Freedom of Association and Collective Bargaining	Pg. 33	
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg. 33	

		Page Number	External Assurance
<b>Topic-specific Standard: Social</b>			
Disclosure 408	Management Approach: Child Labour	Pg. 33	
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labour	Pg. 33	
Disclosure 409	Management Approach: Forced or Compulsory Labour	Pg. 33	
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pg. 33	
Disclosure 413	Management Approach: Local Communities	Pg. 23-26, 38, 48	
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programmes	Pg. 23-26, 38, 48	
Disclosure 415	Management Approach: Public Policy	<a href="#">Code of Conduct 4.7</a>	
Disclosure 415-1	Political contribution	<a href="#">Code of Conduct 4.7</a>	
Disclosure 418	Management Approach: Customer Privacy	GAFS Pg. 35	
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None Reported	
Disclosure 419	Management Approach: Socioeconomic Compliance	GAFS Pg. 23-34	
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	None Reported	

Notes: Disclosure 205-3: We have chosen not to disclose at this time  
 Disclosure 303: All water source are from public utilities  
 Disclosure 402-1: Minimum notice period according to local laws

# Assurance Statement

## Independent Limited Assurance Report On Axiata Sustainability Report For The Financial Year Ended 31 December 2018

To The Board of Directors Axiata Group Berhad ("Axiata")

### Scope of our work

Axiata Group Berhad has engaged Deloitte PLT (LLP0010145-LCA) to perform limited assurance procedures for the Corporate Centre ("CC") on selected Subject Matter ("the Subject Matter") for the financial year ended 31 December 2018 presented in the Axiata Group Berhad's Sustainability Report 2018, in accordance with the Selected Reporting Requirements ("the Reporting Requirement").

### Subject Matter

The selected Subject Matter related to the Corporate Centre chosen by Axiata comprises:

Subject Matter	Selected Reporting Requirements (Description)	Page No.
<b>Energy and Climate Change</b>		
Scope 2 Carbon Dioxide("CO <sub>2</sub> ") emissions	GRI 305-2 Direct (Scope 2) Green House Gases ("GHG") emissions - Gross location-based energy indirect emissions in metric tons of CO <sub>2</sub> equivalent	Appendix (pg. 79)
<b>Employee Development &amp; Welfare</b>		
Average training hours per year per employee	GRI 404-1 Average hours of training per year per employee by gender, and by employee category during the reporting period	Appendix (pg. 79)
Percentage of employees receiving regular performance and career development	GRI 404-3 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category during the reporting period	Appendix (pg. 79)
<b>Supply Chain Management</b>		
Spending on local suppliers	GRI 204-1 Percentage of the procurement budget used for location of operation spent on suppliers local to that operation (such as percentage of products and services purchased locally)	Appendix (pg. 79)
<b>Local Hiring</b>		
Senior management hired from the local community	GRI 202-2 Percentage of senior management at location of operation that are hired from the local community	Appendix (pg. 79)

Note: All data points refer to the Corporate Center only.

### Criteria

The selected Subject Matter above are included in the Axiata Group Sustainability Report 2018 and has been assessed in accordance with the Global Reporting Initiative Standards based on the selected Reporting Requirements, as mentioned above.





# Assurance Statement

## Basis of our work and level of assurance

We carried out a limited assurance engagement in accordance with International Standard for Assurance Engagements 3000 (revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (‘ISAE 3000’). A limited assurance engagement consists of making enquiries, applying analytical procedures, reviewing the process and systems used to compile the Subject Matter and gathering other evidence to enable us to obtain a meaningful level of assurance. The procedures performed depend on our judgement and take into account the risk of material misstatement in the Subject Matter, whether due to fraud or error.

The procedures performed in a limited assurance engagement vary in nature, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional standards and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Inherent limitation

Inherent limitation exists in all assurance engagements due to the selective testing of the information being examined. Therefore, fraud, errors and non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

## Key assurance procedures

Considering the risk of material error, we planned and performed the work to obtain the information and explanations considered necessary to provide sufficient evidence to support our assurance conclusion on the selected subject matter.

Our assurance procedures included, but were not limited to:

- Gaining an understanding of Axiata’s business and approach to sustainability reporting.
- Visiting Axiata’s Corporate Centre.
- Interviewing management at Axiata’s head office, including the sustainability reporting team to understand:
  - a. The process for stakeholder engagement across the organisation;
  - b. The process for determining material issues and reporting against them; and
  - c. The activities relating to the sustainability priorities during the reporting period.
- Conducting limited assurance procedures for the selected Subject Matter by:
  - a. Assessing the methodologies applied;
  - b. Performing testing of selected data on a sampling basis;
  - c. Identifying and testing calculations; and
  - d. Assessing the reliability of specific sustainability performance information.

## Management’s responsibilities

The management of Axiata (‘Management’) is responsible for the preparation of the Sustainability Report 2018 which is in accordance with Global Reporting Initiative Standards on the selected Reporting Requirements. Management’s responsibility also includes the collection, preparation and presentation of the Subject Matter in the Report in accordance with the above Reporting Requirements, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.



## Assurance Statement

### Our responsibility

Our responsibility is to independently express a limited assurance conclusion on the selected Subject Matter in accordance with the selected Reporting Requirements. Our assurance engagement has been planned and performed in accordance with ISAE 3000.

### Limitation of use

This report has been prepared in accordance with our engagement terms, solely for the Board of Directors of Axiata for the purpose of reporting on the selected Subject Matter set out within the Axiata Sustainability Report 2018. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance that any such third party may place on our report is entirely at their own risk. No statement is made as to whether the selected Reporting Requirements are appropriate for any third party purpose.

We have not performed any work in respect of sustainability information published elsewhere, including Axiata.com's website nor other publications.

### Our assurance opinion

Based on the work described above, nothing has come to our attention that causes us to believe that the selected Subject Matter for the year ended 31 December 2018 included in the Axiata Group Berhad's Sustainability Report 2018 has not been prepared, in all material respects, in accordance with the selected Reporting Requirements.



