



**Process
Excellence &
Governance**

Strengthening our Supply Chain



Best Practices Across the Value Chain



Customer Centricity



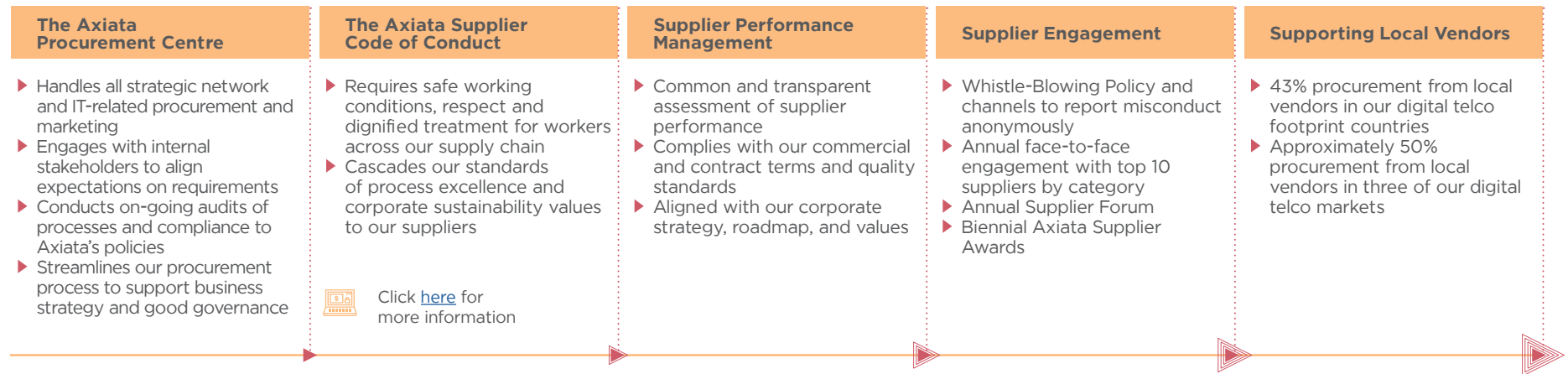
Digitising Processes



Strong Governance

Building a sustainable value chain that prioritises transparent procurement and supply chain excellence is critical to our mission of Advancing Asia. In our ongoing efforts to localise supply chains and improve how we purchase goods and services to support good governance and nation building, we are committed to collaborate with transparent, ethical as well as socially and environmentally responsible suppliers.

In 2018, we contracted with more than 5,000 suppliers across the region. We procure extensive infrastructure equipment through our investments in our mobile networks, data centre facilities, IT and customer care delivery centres. For mobile services, we work mainly with network infrastructure and equipment suppliers, as well as handset and device manufacturers. Our main suppliers for digital and entertainment services are advertising agencies and content providers.



Developing Local Vendors and Partners to Become Regional Champions as part of our Commitment to Nation Building

Celcom Local Partner Development Programme

Since 2014, the Celcom Local Partner Development Programme has supported the maturity of 50 Bumiputera owned companies as part of the Bumiputera national agenda. During the year, Celcom spent RM822 million with local vendors, of which more than 60% was spent on Bumiputera vendors.

In partnership with several government agencies, the Bumiputera vendors are provided with capacity building programmes and networking opportunities to scale their competitiveness. Upon reaching mandated national performance targets, the businesses are recognised as National Champions. In 2018, Celcom nominated two of its Bumiputera vendors as having attained National Champion status.

Axiata Partnership Development Programme

The Axiata Partnership Development Programme (APDP) aims to elevate the local partner development programme vendors to become Regional and Global Champions. By leveraging our regional presence, the APDP has the potential to provide high-performing Bumiputera businesses with opportunities for growth beyond Malaysia. KAT Group of Companies was APDP's first Regional Champion.

Target by 2020



Health and Safety



Best Practices Across the Value Chain



Customer Centricity



Digitising Processes



Strong Governance

Building a healthy work environment that safeguards our employees' work-life integration, physical and mental health and safety is very important to us. We provide a range of wellness programmes such as exercise classes, health assessments and healthy living benefits to enrich the working lives of our employees. We actively promote awareness on workplace occupational health and safety to minimise the risk of accidents, injuries and exposure to health hazards. By embedding health and safety awareness across our supply chain, we minimise health and safety risks for our vendors and their workers.

The Axiata Group Health and Safety Policy is cascaded to each OpCo, which are responsible for ensuring compliance with national health and safety legislations. The Axiata Group Board Audit Committee is responsible for providing overall oversight, including monitoring and review of the effectiveness of the Health and Safety programme, developing, governing and implementing a Health and Safety framework.

Health and safety site inspections conducted

2,121

Inspections

Accident-free days

135 Days

24 Reported Cases of Health and Safety Non-Compliance:

23 dangerous occurrences

0 injury

1 fatality involving a sub-contractor

Resulting in the following:

- ▶ Suspension and active corrective measures implemented
- ▶ Increased site safety awareness

Target Improvement in 2019 to Enhance Safety Culture by:

Increasing awareness via promotions, campaigns and programmes

Strengthening competency for HSE personnel and compulsory selected HSE training session for others

Strengthening Health and Safety Governance within the organisation

Increase periodic site inspection, and mandatory Vendor Performance Evaluation Audit



Delivering Excellent Customer Experience



Best Practices Across the Value Chain



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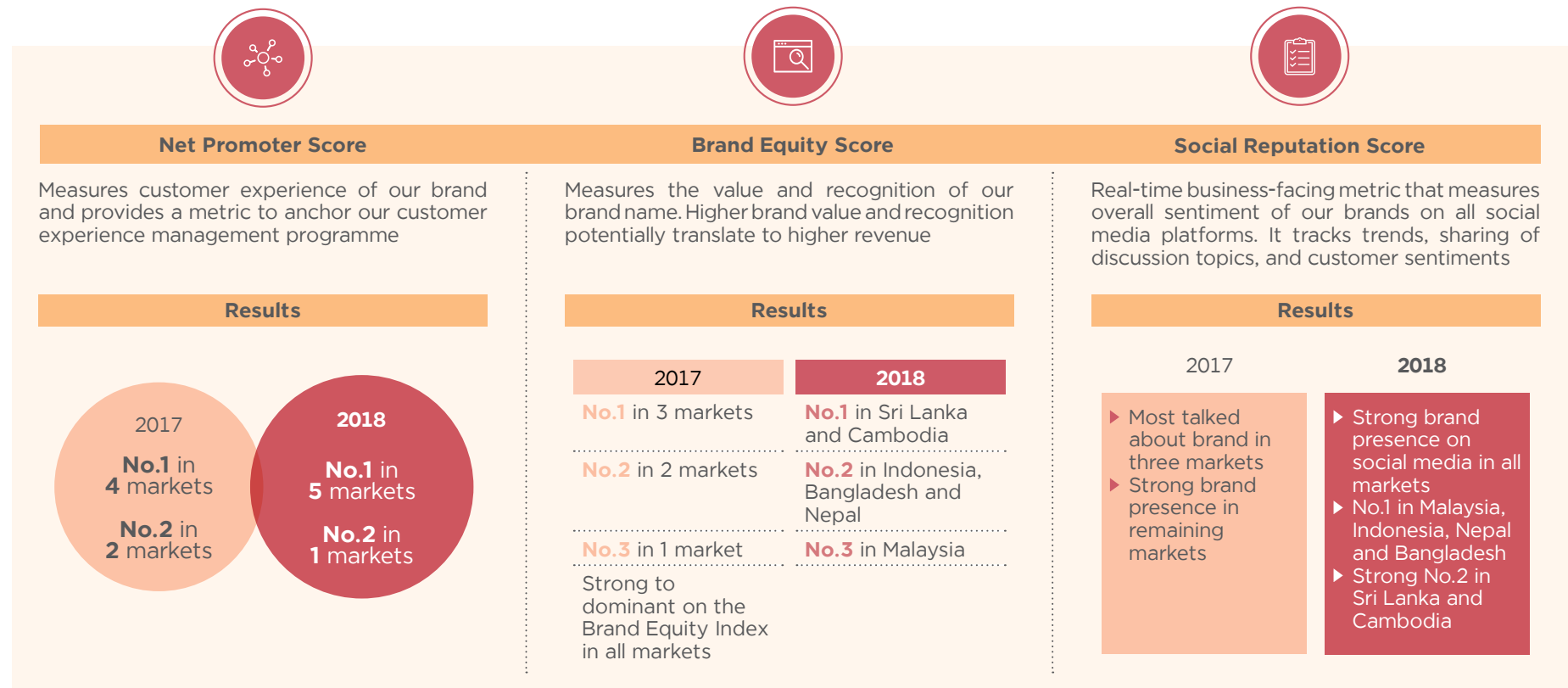


Strong Governance

We strive to serve our customers in the best way possible by delivering a truly differentiated customer experience. We recognise that a superior experience is defined by the quality of service and care, as well as the range of innovative services and value we offer to our customers. Our multichannel touchpoints ensure seamless customer convenience and experience. To raise the bar of customer satisfaction, we constantly endeavour to deepen our customer engagement and relationship as a pivotal part of our customer experience strategy.*

We set mutually-agreed annual customer experience KPIs with our OpCos, and monitor performance quarterly. Each OpCo is scored and benchmarked against their market peers. The voices of our customers are captured at every engagement and measured across multiple metrics.

We uphold the highest standards of customer data privacy protection. In 2018 the Group enhanced our cyber security and data privacy practices with the aim of providing our customers a worry-free and seamless connectivity experience on our regional mobile networks. We hope to inspire our customers' trust and confidence in our ability to safeguard their interests and privacy.*



Notes: * More information on customer centricity can be found in respective operations report
 * More information on Privacy and Cyber security can be found on Pg. 35 of the Governance & Audited Financial Statements 2018


End-to-end Digitisation

We are committed to digitising and modernising our core business functions to achieve our vision of being the New Generation Digital Champion by 2022. We are driving this initiative through a Cross-OpCo Expert Working Group comprising selected CXOs and using a comprehensive framework approach. Over the past year, we have also incorporated the tenets and technologies of the IR 4.0 to further augment our focus.

Our digitisation thrust, specifically our efforts towards digitising and modernising our core functions, have been assessed and validated against a Digital Transformation Index. Based on the Index, we, as a Group, have improved by approximately 50% on average from our baseline in 2017. In addition, one of our operating companies, is also on par with the Emerging Market Top Quartile Average.

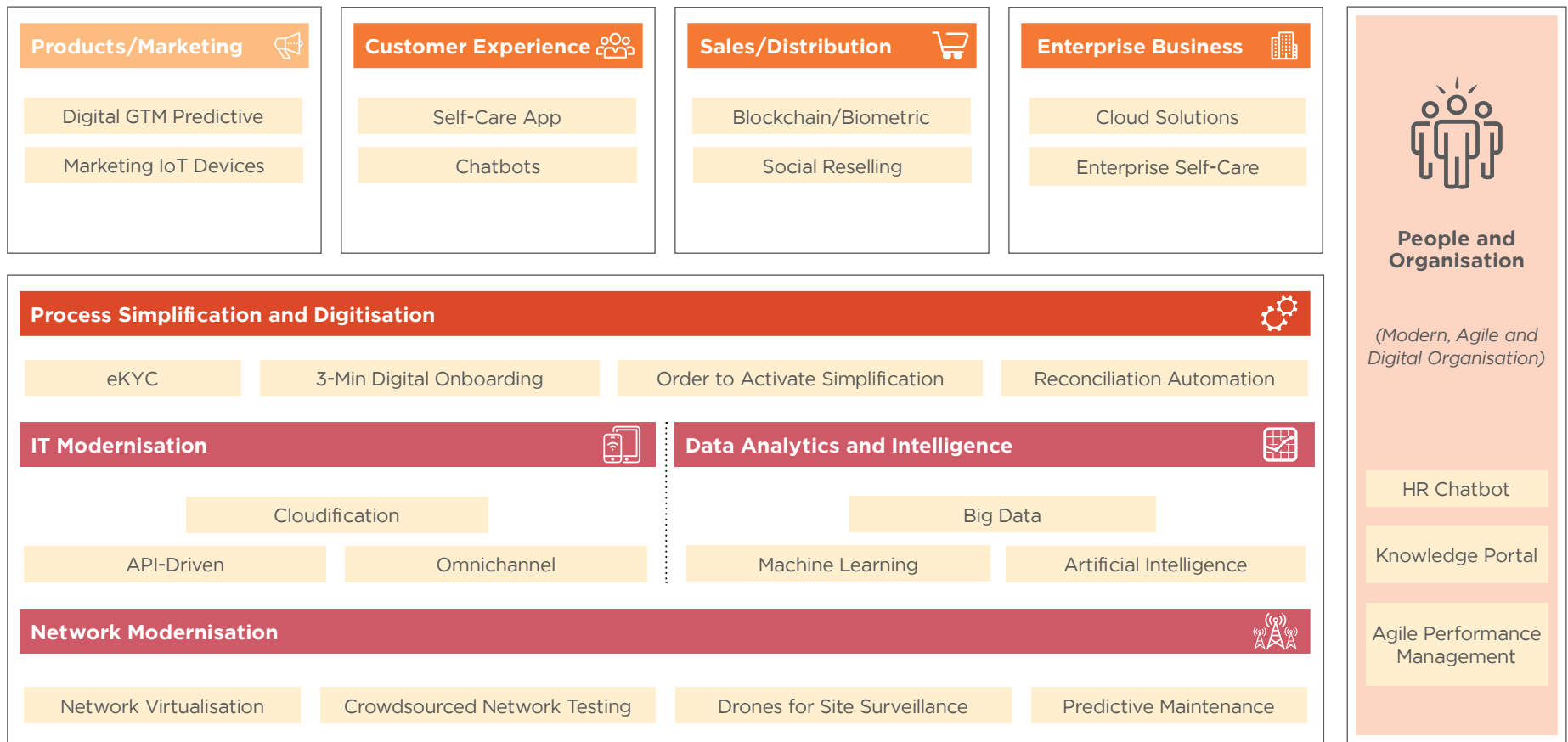

Best Practices
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Value Chain


Customer
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Digitising
Processes


Strong
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■ Product & Services
 ■ External Interfaces
 ■ Internal Processes
 ■ Platforms & Network Infrastructure
 ■ Organisation
 ■ Examples



 More details on End-to-end Digitisation can be found in the “2018 Overview of Operating Companies’ Performance” section of our IAR

Transforming into a Digital Telco



Best Practices
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Our Digital Telco ambition hinges on capturing new opportunities emerging from the rapid growth of data, digital services and digital technologies in order to offer our customers digital products and services in line with changing customer expectations and behaviours. The monetisation of data forms a crucial differentiator for Axiata in the marketplace, in our bid to grow our customer base.

Within our markets, we are expanding and enhancing our digital services portfolio to engage customers with seamless and connected experiences, that leverage on digital interactions. We are addressing customer needs by extending solutions beyond pure connectivity and providing a better experience through internal innovations.

Digital Customer Onboarding Platform



- ▶ 1st in Sri Lanka
- ▶ Onboarding under 1 minute
- ▶ KYC completion reduced from 45 days to 3 hours
- ▶ Transparent, Simple, Fast & 100% Digital

Crowdsourcing for Network Quality - NetZoom



- ▶ Continuous improvement of customer experience
- ▶ Identify common network issues
- ▶ Conduct nationwide benchmarking projects

Chatbot "MAYA" (My XL Assistant)



- ▶ Launched in 2017 with 2020 target of 70% inquiries handled
- ▶ 14,611 monthly active users
- ▶ 184,448 total conversations
- ▶ 6x user conversation improvement in Cambodia

Analytics and AI Engine



- ▶ Use of Spatial Analytics to better serve customers by optimising retail locations
- ▶ Text Mining for earlier detection of Power Outages to minimise impact to consumers

Salesforce Automation



- ▶ 300,000 paperless transactions daily
- ▶ Over 300,000 outlets serviced daily
- ▶ 60,000 user interactions everyday

Social Reseller App



- ▶ Reducing income disparity by empowering customers to earn an income
- ▶ To be launched in Nepal in the first quarter of 2019
- ▶ 30,000 active entrepreneurs in Bangladesh

Site Surveillance using Drones



- ▶ 201,000 assets inspected
- ▶ 38,000 km of power infrastructure surveyed
- ▶ 50% reporting time improvement
- ▶ 35% reduction in inspection turnaround time
- ▶ Reduce employee risk of manual tower inspections

IoT and Blockchain Use Cases



- ▶ Connected Weather Systems
- ▶ Connected Agriculture
- ▶ Smart Poultry Farming
- ▶ Blockchain based eKYC



More details on Transforming into a Digital Telco can be found in the "2018 Overview of Operating Companies' Performance" section of our IAR

Enhancing Transparency and Accountability



Best Practices Across the Value Chain



Customer Centricity



Digitising Processes



Strong Governance

The long-term sustainability of Axiata and the execution of our business strategy in the region requires that we maintain an impeccable governance track record for both operational and reputational reasons.

Our commitment to governance has seen us go beyond compliance in many of our operating companies to safeguard the interests of all our stakeholders including minority shareholders and business partners. Our policy on governance requires that the Group and OpCos meet all local requirements, including tax, licensing and cyber security requirements.

In 2018, our Privacy Governance was further enhanced with the establishment of the Group Privacy Council, comprising of the Senior

Leaders of Axiata Group, and the Group Chief Information Security and Privacy Officer. The Board has endorsed a three-year cyber security strategy - Digital Trust 2020 (DT2020). The DT2020 strategy is centred on improving the overall maturity of our cyber security capabilities with an emphasis on building internal competencies as well as collaborating with industry and government.*

We are committed to the principles of transparency and accountability in our award winning governance practices, which have been acknowledged by independent external stakeholders. Our best practices and governance structure were recognised at the annual Malaysia-ASEAN Corporate Governance Index 2018 Awards, where Axiata was recognised among the Top 50 public listed companies in ASEAN.

Compliance

Main LR of Bursa Securities & CA 2016

MCCG 2017

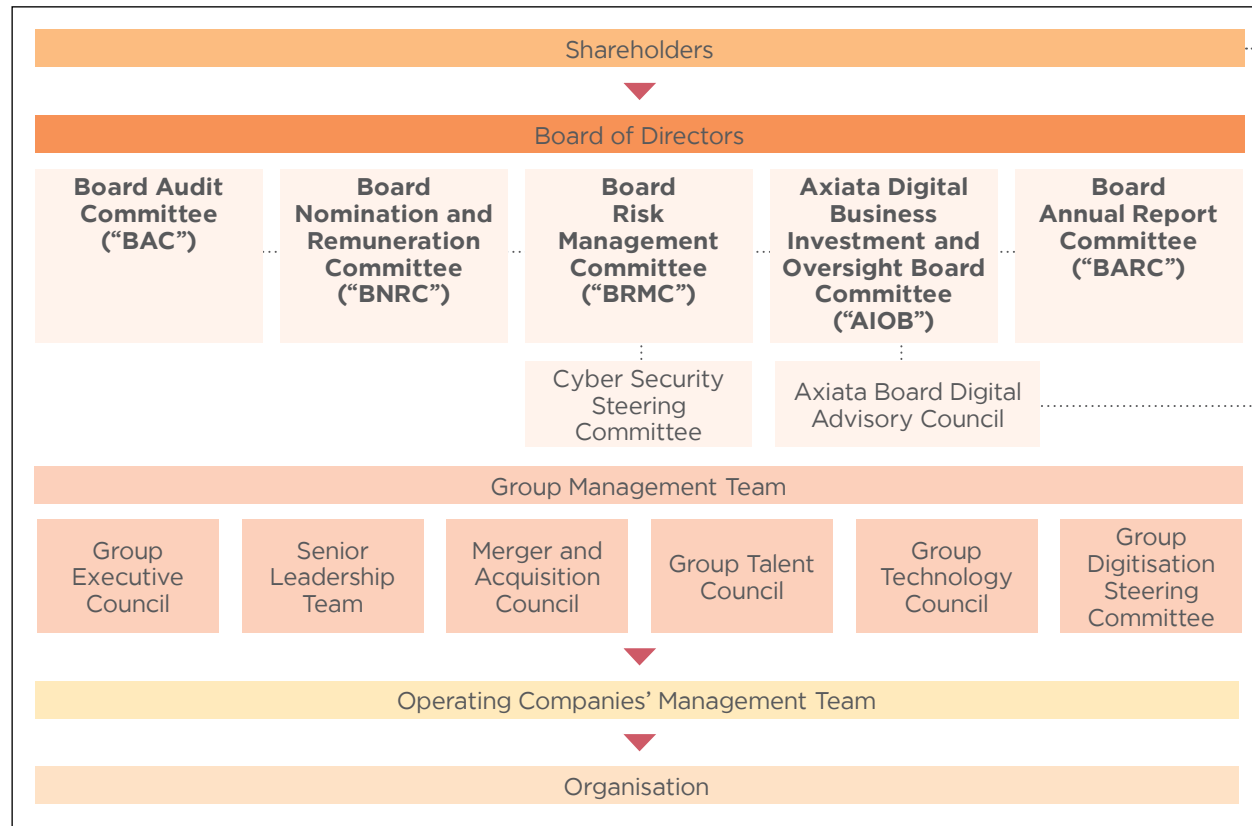
Axiata's Corporate Governance Framework

Assurance

Audit of financial data and review of social and environmental data (internal & external)

Facilitation and organisational audit (internal)

Quality audit and inspections (internal & external)



More details on Enhancing Transparency and Accountability can be found in "Our Governance" section of our IAR

More details on Privacy and Cybersecurity can be found in the "Strengthening Data Privacy and Cyber Security in 2018" section of our GAFS

