





# IN THIS 2019 SUSTAINABILITY & NATIONAL CONTRIBUTION REPORT

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**OUR  
BUSINESS**



# We Are Axiata

As one of the leading regional telecommunications groups, Axiata is driven by our purpose of Advancing Asia through digital innovation and technology.

In order to capitalise on opportunities from the global digital revolution, Axiata has evolved from a holding entity with a portfolio of pure-play mobile assets. Today Operating Companies (OpCos) across our footprint provide digital telco services to mobile, home and enterprise customers; digital businesses offer

digital financial services, digital advertising and digital platform; and our towerco provides infrastructure solutions and services.

With more than 12,976<sup>1</sup> employees from diverse nationalities and cultures forming our dynamic talent base, we are guided by our Uncompromising Integrity, Exceptional Performance (UI.EP) values in all that we do. We are committed to creating value-driven outcomes for our stakeholders in line with our 4P Goals.

## KEY CORPORATE INFORMATION

### Our Purpose

Advancing Asia

### Our Vision

New Generation Digital Champion by 2022

### Our Values

Uncompromising Integrity, Exceptional Performance

### Our Goals

The 4Ps that define our success

### Performance

To be one of Asia's largest telecoms and tech groups in all financial metrics as we grow in market capitalisation and generate strong Return on Invested Capital

### People

To be recognised as a top talent brand and an Asian talent factory

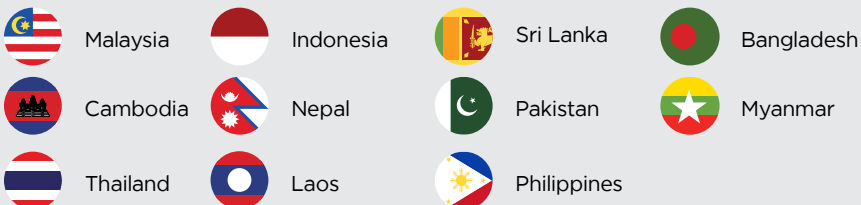
### Partnership

To be the number one choice for customers and partners by offering superior customer experience while continuing to build trust with all our stakeholders

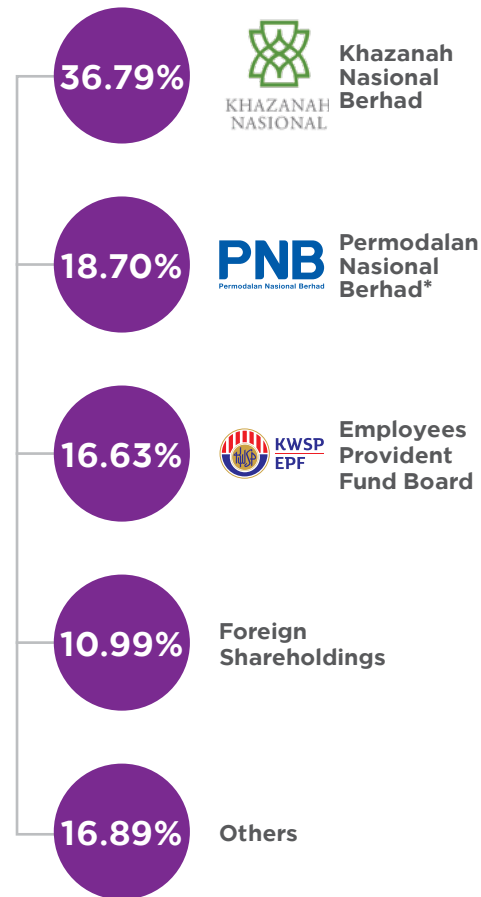
### Planet & Society

To be recognised as a responsible Digital Champion, in creating a digitally inclusive society

## OUR REGIONAL PRESENCE



## SHAREHOLDING STRUCTURE



## CORPORATE FACTS AT A GLANCE

**28 April 2008**

Listed on the Main Board of Bursa Malaysia

**RM37.9 billion**

Market Capitalisation as at end 2019

**8th** largest entity on FTSE Bursa Malaysia KLCI (FMBKLCI)<sup>2</sup>

**Top 10** constituents by market capitalisation on the FTSE4Good Bursa Malaysia Index

Balance of local and foreign institutional investors, attracted by our:

- **Strong fundamentals**
- **Long-term and sustainable growth prospects**
- **Attractive investment proposition**

Continuous review of our strategic portfolio to achieve the following:

- **Enhance our long-term value**
- **Optimally deploy capital and funding for growth strategies**

Notes: <sup>1</sup> As at 31 December 2019 \* Comprises of total shareholdings held by trust funds managed by Permodalan Nasional Berhad  
<sup>2</sup> As of 31 March 2020

## This Is What We Do

### BECOMING A NEW GENERATION DIGITAL CHAMPION

In tandem with the adoption of IR 4.0 technologies and paradigm shifts in the telco industry, Axiata has evolved from a pure-play telco business that relied solely on mobile customer revenue, to a Triple Core Business. Aligned with our New Generation Digital Champion ambition, our Triple Core Business

capitalises on new areas of growth across our portfolio to diversify our revenue streams, and ensures our long-term business growth and sustainability.

#### Digital Telco



##### OUR FOCUS

Converged digital telcos with a diversified portfolio focused on new growth value drivers of Home and Enterprise.

##### HOW WE CREATE VALUE

- Enabling **consumers' digital lifestyles**
  - Mobile and fixed wireless broadband services
  - Digital and TV entertainment
  - Smart Home services
- Driving productivity and business efficiency improvements for Enterprises through the application of **IR 4.0 advanced technologies**
  - Internet of Things (IoT) solutions
  - Cloud and Cyber Security solutions in the Business to Business (B2B) and Business to Government (B2G) segments

#### Digital Businesses



##### OUR FOCUS

Our digital business holding company, Axiata Digital (AD), is focused on three core digital businesses: Digital Financial Services (DFS), Digital Advertising and Digital Platform.

##### HOW WE CREATE VALUE

- Enabling **digital inclusion**
  - Value-added, seamless and integrated DFS - Boost
  - Accesible micro-financing and micro-insurance for small business owners - Aspirasi
- Helping businesses through their **digital transformation journey** by tapping into new growth areas
  - Designing and executing integrated digital, analytics, and marketing solutions - Data and Artificial Intelligence company, ADA
  - Powering the ecosystem for stakeholders in the application development value-chain to develop and monetise their products and services - Digital Platform business, Apigate

#### Infrastructure



##### OUR FOCUS

Our regional integrated telecommunications infrastructure company, edotco, is currently the 13th largest independent global tower company.

##### HOW WE CREATE VALUE

- Enabling **communications for communities and industries**
  - Innovative next generation shared and agile infrastructure
- **Addressing and managing environmental impacts**
  - Evolving the connectivity business to minimise carbon footprint

## A Conversation On Sustainability With Our President & Group Chief Executive Officer

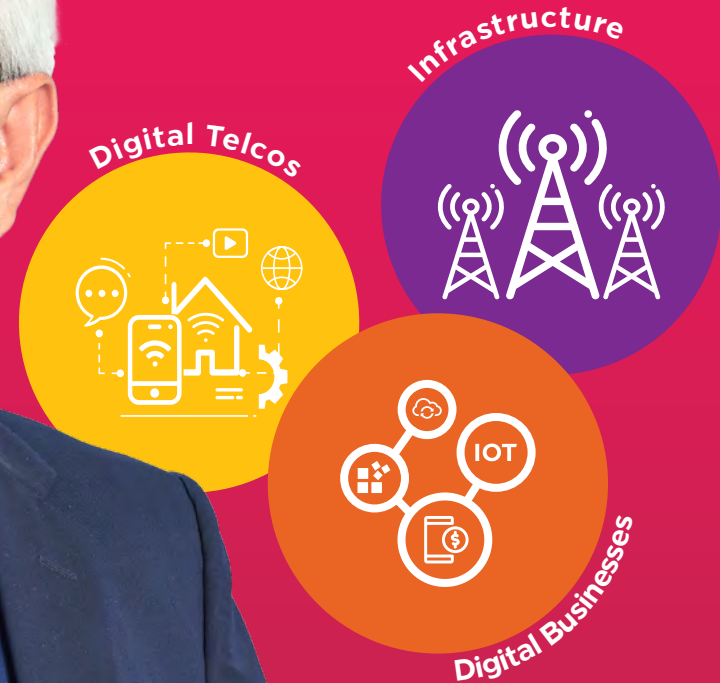
“ The digital transformation we are driving must be fully inclusive, leaving nobody behind. ”

Axiata is one of the largest telco groups in ASEAN and South Asia, and one of Malaysia's largest public-listed companies. Our vision is to be the Next Generation Digital Champion by 2022. Our Triple Core business strategy which focuses on six digital telcos, three digital businesses and an infrastructure group is set out to transform the digital landscape and lives of our subscribers in the markets where we operate.

Axiata's Sustainability & National Contribution Report 2019 is an account of how we delivered economic, social and environmental value for its stakeholders over the reporting year. These efforts are anchored on our 4P Sustainability Framework, which encompasses Beyond Short-Term Profits, Nurturing People, Process Excellence & Governance, and Planet & Society, and serves as a guide for the Group to meet its objective of Advancing Asia.

Despite challenging market conditions, we made significant progress in the digitisation of operations to deliver positive user experience aligned to our customer promise, continued expansion of our infrastructure business into new growth markets, and accelerate our ambition of building unicorn companies in the digital financial services, digital advertising, and API platforms. Competition in the telecommunications industry continues to be intense, with Over-The-Top (OTT) services and emerging digital disruptors impacting margins of operators.

Additionally, businesses are operating in a particularly challenging environment amidst the backdrop of various macroeconomic and geopolitical tensions. This already trying landscape has been compounded by the COVID-19 crisis, which has brought the world to its knees, devastating lives, healthcare and social systems as well as businesses and the economy at an unprecedented scale.



Click to watch a multimedia version of the Conversation On Sustainability With Our President & Group Chief Executive Officer

**TAN SRI JAMALUDIN IBRAHIM**

President and Group Chief Executive Officer

## A Conversation On Sustainability With Our President & Group Chief Executive Officer

We are actively supporting Governments and the healthcare systems in our markets, in their efforts to mitigate and contain the spread of the virus in our communities. We have ramped up our service levels to cater to changes in data usage patterns amid this time when everyone is operating extraordinarily business unusual. Setting aside commercial considerations, Axiata and our OpCos are contributing aid to our communities directly hit by the disaster.

Together with Celcom, edotco Group and Axiata Digital, the Group has launched a RM150 million cash fund for micro-SMEs to help ease the mounting difficulties they will face in operating their businesses. These micro-SMEs make up over 50% of SMEs in Malaysia and fall mostly within the B40 group.

Our OpCo Boost also launched its 'Tabung COVID-19' to provide a convenient channel to donate to the Malaysian Ministry of Health's Special Fund for COVID-19 which will be used to help frontliners and those affected by the outbreak. To date, it has collected approximately RM600,000<sup>1</sup>.

These are just some of the measures we have taken and while we remain in the grips of this crisis, we continue to brainstorm across management and board to prepare for the new norm which lies ahead - whatever that may look like.



### BEYOND SHORT-TERM PROFITS

#### What does beyond short-term profit mean to Axiata?

We are committed to be in the markets that we serve for the long-term, therefore our purpose of Advancing Asia must be fully inclusive, and ensure no one is left behind. In support of these ambitions, we are investing in products, services and projects that empower and bring benefits to the larger community.

We have invested RM200 million in digital innovation funds in three markets to drive the growth of local digital entrepreneurship and the ecosystem. We are building our digital financial businesses through Aspirasi to offer financial services to support micro SMEs, and insurance services for underserved communities. We are in the running to secure a digital banking license in Malaysia which will expand our reach to serve underserved communities.

Our OpCos collaborate with local partners to deliver inclusive services and digital content to address the digital divide that exists in pockets of society, such as in rural areas, access to education, and among women. In some markets, we leverage on our network infrastructure to provide basic utility services to local communities to improve their quality of life.

#### With Axiata's presence in emerging Asia, what commitments have you taken to support the United Nations Sustainable Development Goals (UN SDGs)?

The nature of our business allows us to directly contribute towards the UN SDGs, including SDG 8 Decent Work and Economic Growth, and SDG 9 Industry, Innovation, and Infrastructure. Aligned to our broader objectives of ensuring a sustainable future of our business, and our position as a responsible corporate citizen, we are committing towards the need to invest in equitable and accessible education for all (SDG 5), and to address the growing concerns and expectations around climate change (SDG 13).

SDG 5 (Quality Education) - Through education, individuals have a greater potential and means towards poverty alleviation and to participate in the digital economy. In all our markets, we are committed to enabling education by building digital education content and infrastructure, providing scholarships for top national talents, and grooming future leaders with digital skills.

SDG 13 (Climate Action) - Mitigating climate change will require a global effort to transition to a net zero economy. As an industry our effort towards climate action focuses on advancing mobile technology innovations in areas such as big data and Internet of Things (IoT). We are developing a strategic approach to address climate change within our operations, which includes developing a climate governance framework and setting targets and KPIs.

#### The Axiata Young Talent Programme (AYTP) has been very close to your heart. What impact has the programme made over the years?

I'm very proud of the achievements of the AYTP over the past years. We have a presence in emerging economies, with a young demographic. This allows us to be in a unique position to provide opportunities to develop young talents through the AYTP. In 2011, we started this ten-year initiative in Malaysia with a commitment of RM100 million. The AYTP model has now expanded to Indonesia, and two years ago to Cambodia.

In Malaysia, over 2,100 students have been impacted by the various AYTP programmes. The rigour of the programme has attracted over 200 students studying in top global universities. Currently, 15 of our alumnus have since become CEOs of their own start-ups. In Indonesia, the programme has impacted over 99,000 students in 35 provinces from Aceh to Papua. The programme is being digitised and placed online to enable greater reach and accessibility. In Cambodia, the programme graduated its second cohort, and will be increasing its intake to amplify its reach and impact.



## A Conversation On Sustainability With Our President & Group Chief Executive Officer

### NURTURING PEOPLE

#### How are you winning the war of talent?

Investing in our people is very important to us. Over the years, we have invested significantly in training and development of employees across the Group. Through partnerships with digital online learning platforms, we have made learning accessible for all our employees across the region. We launched Synapse, our internally developed knowledge management platform to allow sharing by subject matter experts across the Group. We also recently launched Fast Forward, our internal intelligent learning technology platform to curate appropriate learning modules for employees.

Additionally, one of our key goals is to ensure the development of leaders that are intrinsically aligned to the understanding of our organisational culture and ambitions. In support of this, we have invested in the Axiata Group Accelerated Development Programme where we have assessed and identified individuals that have the potential to enter into leadership roles across the Group. There are currently 125 talents that are part of our accelerated programme. Similar programmes are being run at the OpCos for internal leadership succession planning.

#### People are at the heart of digital transformation. How has Axiata changed the culture of employees to adopt a digital first mindset?

Our transformation into a digital telco requires a change in culture at every level of the Group. Our efforts towards instilling a modern, agile and digital culture over the past few years is now taking shape.

The Learn, Engage, Accelerate Perform (LEAP) Programme is one of our major initiatives to drive the change of mindset. The programme launched over 250 unique initiatives spanning five core areas of digitisation. Process Automation and API platform was seen as the key tech enablers, which will result in a better customer experience and stronger competitive advantage.

#### How has the COVID-19 pandemic changed the way you work?

The new norm will be driven by changes in consumer behaviour, as people strike the balance between health concerns, with work obligations and lifestyle needs.

In line with restrictions put in place by governments around the world and as we prioritise the safety of our staff, we have instituted working from home. As a digital company, we have found this transition seamless, with the usage of virtual meeting platforms to facilitate work flow and the utilisation of internal social media channels to foster continuous open communication with our employees. We are also providing platforms to safeguard the physical and mental well-being of our employees.

As an essential service in all our markets, we have continued to deploy small teams who are physically needed on-site to minimise service interruptions. These include field technicians who install and repair networks as well as customer service representatives who manage voluminous daily calls. We are deeply grateful for their contributions and we will continue enforcing the strictest standards of health and hygiene to protect them from this virus.

### PROCESS EXCELLENCE & GOVERNANCE

#### How have you strengthened governance at Axiata in the last year?

Uncompromising integrity is one our core values, and in today's corporate world, this is more important than ever. In June 2020, the new corporate liability provision of the Malaysian Anti-Corruption Commission Act 2009 under Section 17A will come into place, and we are working to ensure we have the appropriate measures and procedures to prevent corruption.

This year, we enhanced the remit of our Board Risk Committee to include oversight on Compliance, so it is now called the Board Risk and Compliance Committee. The Board undertook a comprehensive third-party review of its own performance. We engaged with employees at Corporate Centre to understand how we have lived up to our values. The findings will help guide training and engagement in the coming year. We also launched a regional whistle-blowing hotline that is in the process of being rolled out across the Group.

As we move closer towards our goal of being a digital champion, governance in privacy and cyber security is increasingly critical to build trust with key stakeholders. As we approach the end of our three-year Digital Trust 2020 Roadmap, we have seen tremendous maturity in our data security governance and processes across the Group, having invested in employee training, cross OpCo collaboration, and engagement.

#### Operational Excellence is a key driver for the coming year. What does that mean in terms of your processes?

Axiata 5.0 is focused on Operational Excellence as our new corporate DNA. This strategy focuses on efficiencies that translate to profitable growth in our aim to be the lowest cost producer relative to our customer promise. It doesn't mean cutting cost but

instead investing in new technology with a shorter payback period to support the exponential growth in data usage, while being profitable.

We will continue to drive digitisation and analytics that will allow us to deliver optimal customer satisfaction, which will secure profitable growth on a sustainable cost structure to meet this goal.

Businesses that are transforming and digitising their core operations will have the competitive advantage moving forward. We benchmark our digital transformation against an industry index which focuses on organisational level maturity. We have broadened the assessment to include digital maturity in eight core functions. Through digital analytics, we will be able to extract more cost savings, and allow more defined customer segmentation to deliver better customer services. Our aspiration is to have at least two of our OpCos in the Global Top Quartile and "Deep" Digitisation Maturity across all functions.



## A Conversation On Sustainability With Our President & Group Chief Executive Officer

### PLANET & SOCIETY

#### How is Axiata contributing to aid efforts for communities impacted by the COVID-19 crisis?

Our communities are some of the most vulnerable to the effects of COVID-19, not only from a health perspective but also in terms of its socioeconomic impact.

In response, we have channeled aid both from the Group and through our individual OpCos to help shelter those directly facing this crisis. In addition to our RM150 million cash fund for micro-SMEs and Boost's Tabung COVID-19, our OpCos have contributed in cash and in kind to help our communities weather this storm.

These contributions include Personal Protective Equipment (PPE) kits for medical frontliners as well as food and daily necessities for vulnerable groups.

From a service perspective, we have also provided free data, content and related services for our customers as well as health authorities to aid in monitoring and combating the pandemic. These include Ncell's USSD service to identify COVID-19 infections, Robi's mobile app to monitor and combat the disease, developed in partnership with A2i and the Health Ministry, Dialog's free relief data, voice and SMS for all mobile customers, Celcom's free 1GB/day of data, WhatsApp and O365, Smart's implementation of 5G technology (on trial spectrum) at three main hospitals where COVID-19 patients are warded and XL's 2GB free internet data for all users.

#### The GSMA launched an industry commitment towards Zero by 2050. How is Axiata going to meet this commitment?

The GSMA's Zero by 2050 commitment is the industry's response to the global climate crisis and to do our part in limiting global temperature rise to 1.5°C. The commitment calls for GSMA members to commit to setting verifiable science-based targets at 1.5°C or set a target that aligns and meets the national commitments.

Transitioning to a net-zero economy will be challenging in our operating region. Firstly, our customer base is growing, and our network is expanding, so energy needed to power our network will likely increase. Our network accounts for 96% of total energy consumption, and we recorded a Year on Year increase of 5% in our overall energy consumption. Energy intensity measures by our digital telco operations improved by 36% due to a 50% increase in data traffic. Our second challenge is the type of fuel used to power national grids in our markets. Coal remains the primary source of power plants in this region, and renewable energy feed into the national grid is still low. Renewable energy in Malaysia will only account for 30% of total energy produced in 2030.

In any case, we are focused on reducing embedded carbon in our infrastructure, improving energy efficiency, and investing in renewables. edotco Group has demonstrated through an independent cradle-to-grave life cycle assessment that it has reduced its GHG emissions by 54% per site through innovative tower design compared to a non-optimised tower. Our digital telcos invest in new energy efficient equipment, transfer sites from diesel to grid, and install outdoor cabinets which don't require air conditioning units as part of their network transformation. We have increased our renewable energy capacity by 32%, although this still accounts for less than 1% of our total energy consumption.

Transitioning to a net-zero economy by 2050 will require transformation of business strategy and investments. As part of this journey, we will look to explore with partners to understand what it will take to achieve this in the markets where we operate.

#### What sustainability issues will be important for Axiata address in the coming year?

The goalpost of a sustainable business is always moving. Our stakeholders have growing expectations of our performance that go beyond revenue. Increasingly, we need to demonstrate social and environmental performance as part of our Advancing Asia commitment.

We will continue to face strong competition in our markets to grow revenue and market share, but we are up for the challenge to remain the number one or at the very least a strong number two in our markets. Through deeper data analytics, we will be able to deliver products and services that are customised to a segment of one. To sustain this level of operational excellence, we will also need to invest in attracting and retaining top digital talents.

The value of digital trust will become a business proposition as we transform into a digital champion. We need to be able to demonstrate to regulators and customers that we not only have the processes established, but also an organisation wide culture that respects and protects customers' privacy and their data.

The financial and capital markets are increasingly advocating how and where capital flows by taking into consideration the way business is governed, and how climate resilience and social inclusion is embedded into business strategy. Therefore we must demonstrate through governance, policies and programmes that we are building a business that is resilient to the impacts of climate change and provides meaningful services that promote digital inclusion.

Over the short- to medium-term, we will strategise and reassess our activities as the world rebuilds from the continued unfolding of the COVID-19 crisis and its fallout.

**TAN SRI JAMALUDIN IBRAHIM**  
President and Group Chief Executive Officer



This interview is to be read together with the GCEO statement in the Axiata Group Integrated Annual Report 2019 (IAR 2019) which provides insights into operational performance



More details on our response to COVID-19 can be found in Pg. 32 and Pg. 45

# 4P Sustainability Framework

## Our Foundation To Create Long-Term Value

**GUIDED BY OUR PURPOSE OF ADVANCING ASIA THROUGHOUT OUR FOOTPRINT OF 11 COUNTRIES ACROSS ASEAN AND SOUTH ASIA, AXIATA HAS FOCUSED OUR SUSTAINABILITY AGENDA ON IMPROVING THE QUALITY OF LIFE FOR OUR CUSTOMERS AND COMMUNITIES BY PROVIDING DIGITAL CONNECTIVITY SERVICES AND DRIVING THE PROLIFERATION OF EMERGING REGIONAL DIGITAL ECONOMIES.**

Our sustainability efforts are anchored on our 4P Sustainability Framework. The approach to sustainability takes a long-term and holistic view of ensuring sustainable business practices, to create long-term value for all our stakeholders, underpinned by our vision to become a New Generation Digital Champion by 2022.

Our sustainability initiatives and disclosures are aligned with the Global Reporting Initiative (GRI) Standards, as well as Bursa Malaysia's Sustainability Reporting Guidelines.

We are committed to embed the 10 principles of the United Nations Global Compact (UNGC) and support the 17 United Nations Sustainable Development Goals (UN SDGs) in our operations. This year, we have linked our key sustainability matters to the UN SDGs. Our future journey will see us focusing on identifying and implementing Key Performance Indicators (KPI) which monitor our progress against UN SDG targets and indicators, in line with our commitment to contribute towards the UNGC.





# Our Commitments

## Sustainability Governance Structure

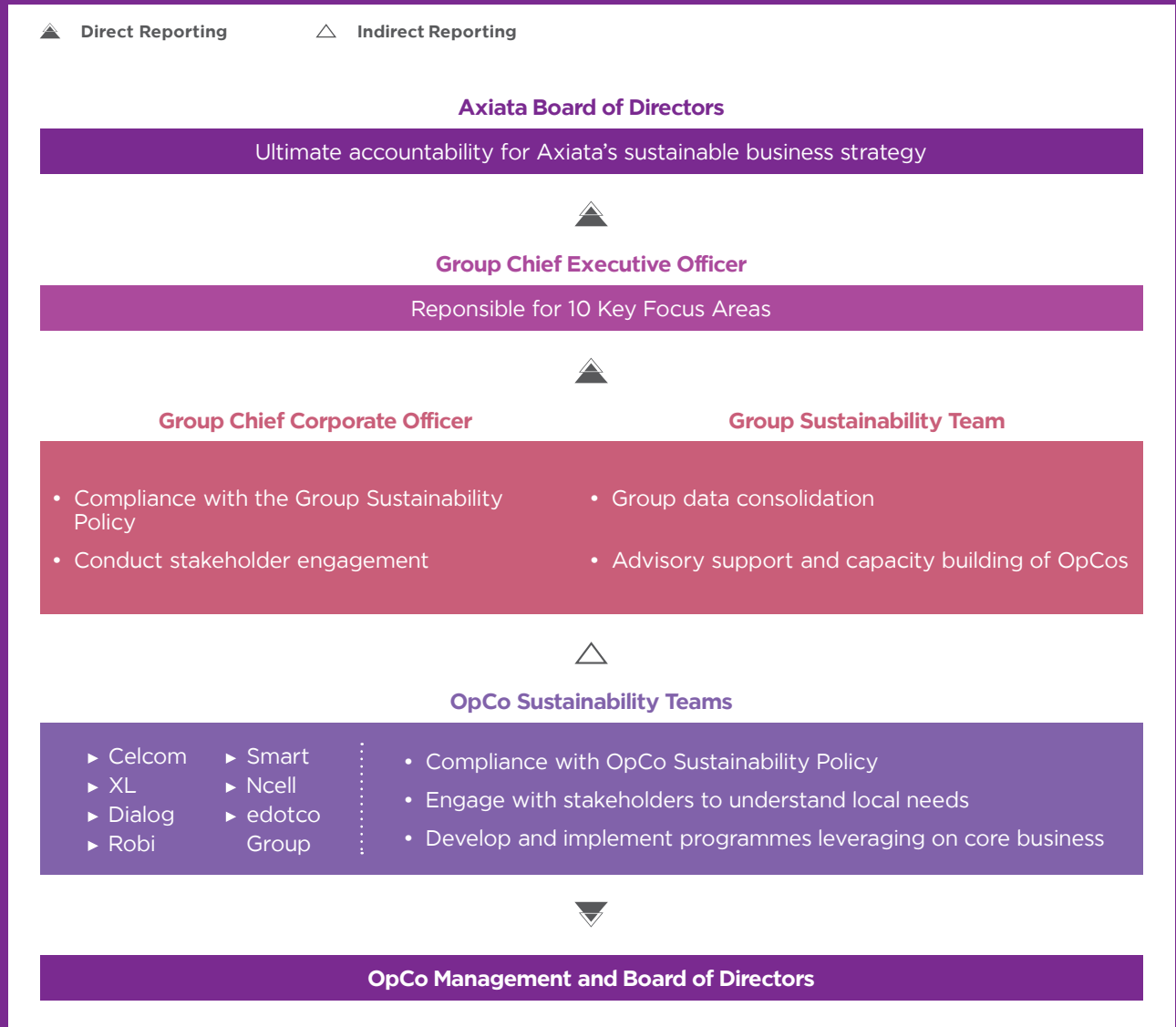
**AS AN INHERENT PART OF OUR BUSINESS, WE HAVE INTEGRATED SUSTAINABILITY AND STAKEHOLDER MANAGEMENT AS ONE OF OUR TEN NEW FOCUS AREAS, WHICH REPRESENT OUR OPERATIONAL ACTIVITIES TOWARDS ACHIEVING OUR VISION OF BECOMING A NEW GENERATION DIGITAL CHAMPION.**

To this end, we have included sustainability-related KPIs in the annual KPIs of our Group Chief Executive Officer (CEO) and OpCo CEOs. Annually, all OpCo CEOs sign off on sustainability-related governance as part of internal control assurance. This reflects our top-down approach to embracing sustainability Group-wide, with our top management demonstrating our commitment through leading by example.

The governance of our Group Sustainability Framework is overseen by our Group Chief Corporate Officer, who leads the Group Corporate Office. The Group Sustainability team is part of the Group Corporate Office and is led by the Head of Group Corporate Communications and Sustainability. The Axiata Sustainability Framework encompasses core material environmental, social and governance issues which we have categorised under the four pillars of Beyond Short-Term Profits, Nurturing People, Process Excellence & Governance; and Planet & Society. We disclose our sustainability activities according to these four pillars.

The Group Sustainability team is tasked with ensuring Axiata complies with our Group Sustainability Policy. It also conducts stakeholder engagement, updates material issues, standardises data collection and management systems as well as provides advisory support and capacity building to the sustainability teams in our OpCos, which indirectly report to the Group Sustainability team.

The sustainability teams in our OpCos play a vital role in engaging with local stakeholders to identify material issues, aligning and localising the Group Sustainability Framework to ensure its relevance in their unique market. The OpCos are responsible for the governance, daily management and operations, implementation of programmes and data collection in line with the Group Sustainability Framework. They are also encouraged to produce their own Sustainability Report in compliance with the Global Reporting Initiative's Sustainability Reporting Standards.



More details on the 10 Key Focus Areas can be found in "Our Strategy" section of our IAR

# Our Commitments

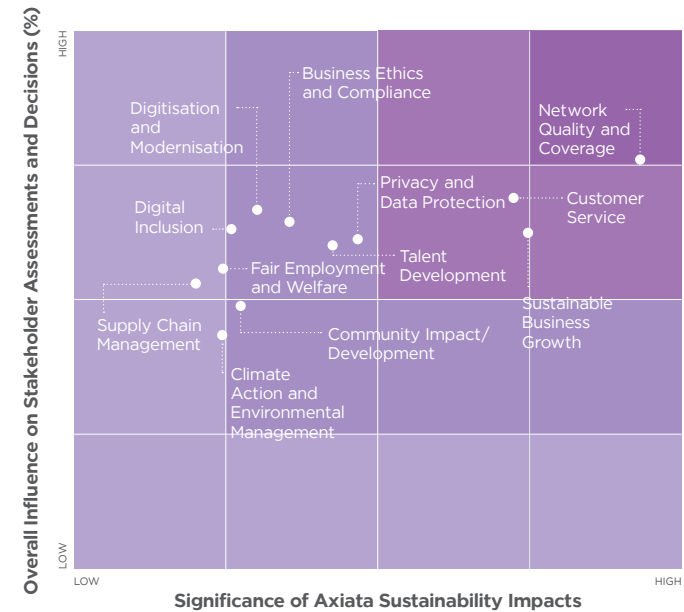
## Materiality

Since 2018, we have integrated our risk assessment parameters into our materiality assessment as part of our effort to embed sustainable and integrated thinking across the Group and its subsidiaries. We currently conduct our materiality assessment every two years. The entities included in the materiality assessment currently includes Axiata and all subsidiaries.

Our methodology remains guided by Bursa Malaysia’s Sustainability Reporting Guidelines and Toolkits as well as the Global Reporting Initiative (GRI) Standards. This has allowed us to gain deeper insights into our financial and non-financial impacts, as well as better understand how our OpCos are able to leverage sustainability practices to respond to ever-changing trends in their operating environment.

Following the outbreak of the COVID-19 at the end of 2019 and its escalation in the first quarter of 2020, our materiality assessment going forward will take into consideration the pandemic’s multi-faceted effects on our key material issues. This will be used to align our value creation outcomes with the post-COVID-19 landscape, where stakeholder sentiments and expectations will be transformed.

The process of our materiality assessment is outlined below:



Legend: E Economic E Environmental S Social




Material Issue	Description
<span style="color: blue;">E</span> ▶ Network Quality and Coverage	Enhancing network quality and coverage through continuous improvements in efficiency, availability and reliability
<span style="color: blue;">E</span> ▶ Customer Service	Delivering a differentiated user experience for customers, and offering the most affordable products and services relative to customer promise in our highly competitive markets
<span style="color: blue;">E</span> ▶ Sustainable Business Growth	Consideration of Economic, Environmental and Social (EES), and positive direct and indirect value creation in our strategic investment decisions to enhance our shareholder returns
<span style="color: blue;">E</span> ▶ Privacy and Data Protection	Protection of all data, information and intellectual property against cyber security breaches
<span style="color: blue;">E</span> ▶ Digitisation and Modernisation	Technological innovation to enhance key internal business functions, improve process efficiency and effectiveness, and promote innovation and business continuity
<span style="color: blue;">E</span> ▶ Business Ethics and Compliance	Enhance business integrity compliance within the ambit of Malaysian and international laws on bribery and corruption
<span style="color: orange;">S</span> ▶ Talent Development	Promote development and uplift competencies of employees to respond to the rapidly changing and complex business environment
<span style="color: orange;">S</span> ▶ Digital Inclusion	Providing affordable and innovative products and services in bridging the digital gap
<span style="color: orange;">S</span> ▶ Fair Employment and Welfare	Fostering fair recruitment practices by embracing diversity and inclusion in the workforce, and offering employees fair compensation and benefits
<span style="color: blue;">E</span> ▶ Supply Chain Management	Consideration of EES factors across supply chain management and processes
<span style="color: orange;">S</span> ▶ Community Impact/Development	Financial and non-financial contributions to support local communities, underprivileged and underserved groups
<span style="color: green;">E</span> ▶ Climate Action and Environmental Management	Internal controls and monitoring mechanisms to manage environmental impacts



## Our Commitments





### Engaging Our Stakeholders

Our sustainability-focused stakeholder engagements are guided by the AA1000 Stakeholder Engagement Standard through our Stakeholder Engagement Framework. The Framework informs our approach in identifying and prioritising stakeholders, the methods we use to achieve meaningful engagement and the way in which we communicate our progress in addressing material issues.

	Why They are Important	How We Engage	Subjects Raised	Our Response and Results
<p><b>Regulators and Government</b></p> 	<p>Our regulators and authorities specify the national laws and regulations that determine the licence and scope of our activities in the respective countries of our operation. They provide our OpCos access to operating licenses, and impose regulatory measures with potential cost implications for the Group.</p>	<p>We proactively engage with country regulators and authorities through industry meetings, thought leadership, and capacity building workshops to support and enable the digital ecosystem.</p>	<ul style="list-style-type: none"> <li>▶ Spectrum allocations and licensing fees</li> <li>▶ Compliance with regulations and customer service standards</li> <li>▶ Information security and data protection</li> <li>▶ Developing local digital talents</li> </ul>	<ul style="list-style-type: none"> <li>▶ Investing in development of local communication infrastructure</li> <li>▶ Contributing directly and indirectly to the local digital economy</li> <li>▶ Supporting digital innovation funds to drive development of local digital ecosystem</li> <li>▶ Deploying world-class cyber security and privacy practices</li> </ul>
<p><b>Shareholders</b></p> 	<p>As owners of Axiata, 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 Group.</p>	<p>We conduct an Annual General Meeting to meet and be accountable to shareholders. We also organise regular investor roadshows and analyst meetings to engage with shareholders on current corporate developments.</p>	<ul style="list-style-type: none"> <li>▶ Current financial performance</li> <li>▶ Long-term business strategy</li> <li>▶ Board composition</li> <li>▶ Environmental, Social and Governance (ESG) strategy and performance</li> <li>▶ Share price performance and outlook</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transparency in corporate reporting and disclosures through multiple platforms</li> <li>▶ Conduct briefing and engagement with shareholders</li> </ul>
<p><b>Customers</b></p> 	<p>We value each of our customers and the experience that they have on our network. We are committed to delivering optimum performance to meet our customer's expectation and user experience.</p>	<p>We undertake a range of surveys across our markets to understand customer satisfaction and expectations. Scores are benchmarked against our peers, and drives operational excellence.</p>	<ul style="list-style-type: none"> <li>▶ Network quality and availability</li> <li>▶ Improving customer care experience</li> <li>▶ Price of packages, products and service differentiation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Be the lowest cost producer relative to our customer promise</li> <li>▶ Drive operational excellence in relation to customer expectations</li> <li>▶ Creating digital lifestyle products and self-care services</li> <li>▶ Digitising processes to provide seamless customer experience</li> </ul>

## Our Commitments

### Engaging Our Stakeholders

	Why They are Important	How We Engage	Subjects Raised	Our Response and Results
<b>Suppliers</b> 	<p>Our suppliers provide us business critical products and services that enable us to drive our business strategy. We work in partnership to deliver best value for our operations as well as develop their capabilities and capacity.</p>	<p>We conduct engagement with key suppliers to understand solutions and services that can drive operational excellence. We recognise outstanding suppliers through the Biennial Axiata Supplier Awards, and address opportunities for improvement during performance management and the Annual Supplier Forum.</p>	<ul style="list-style-type: none"> <li>▶ Performance against Supplier Code of Conduct</li> <li>▶ Emerging corporate developments, and understanding long-term strategy</li> <li>▶ Opportunities for vendor development</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sourcing local vendors</li> <li>▶ Supporting the Bumiputera Empowerment Agenda to build local, regional and global champions</li> <li>▶ Verticalisation of procurement services across the Group to provide scale</li> <li>▶ Supporting local direct and indirect employment through our supply chain</li> </ul>
<b>Employees</b> 	<p>Our innovative and diverse workforce is essential to delivering the best digital experience for our customers. We drive a culture of high performance and accountability that attracts, develops, and retains the best talent to deliver on our business strategy.</p>	<p>Axiata conducts an annual Employee Engagement Survey, quarterly Town Hall and a range of digital platforms to stay engaged with employees.</p>	<ul style="list-style-type: none"> <li>▶ Long-term business strategy and performance</li> <li>▶ Career and talent development opportunities</li> <li>▶ Work-life balance</li> <li>▶ Pay and remuneration</li> </ul>	<ul style="list-style-type: none"> <li>▶ Providing job opportunity to local citizens</li> <li>▶ Group and OpCo Talent Development programmes</li> <li>▶ Transforming towards a Modern, Agile and Digital (M.A.D.) Organisation</li> </ul>
<b>Community</b> 	<p>We are present in a diverse and fast economic developing region. We recognise that strong community participation and engagement is needed as part of our social licence to operate.</p>	<p>Building relationships with the community through partnerships with local NGOs to foster digital inclusion initiatives, corporate responsibility programmes and needs assessment of local stakeholders. We communicate our initiatives through digital and print media.</p>	<ul style="list-style-type: none"> <li>▶ Support of the UN SDGs</li> <li>▶ Building capacity of future leaders</li> <li>▶ Pre and post-disaster assistance</li> <li>▶ Addressing local social needs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Digital and Financial Inclusion initiatives</li> <li>▶ Disaster Management and Response initiatives</li> <li>▶ Axiata Young Talent Programme</li> <li>▶ Established Digital Innovation Funds in three countries</li> </ul>
<b>Media</b> 	<p>The media provides a platform to communicate with our key stakeholders and the local communities. They provide publicity of new products and services, corporate events and thought leadership.</p>	<p>We engage with the media through interviews, press releases and conferences.</p>	<ul style="list-style-type: none"> <li>▶ Corporate developments</li> <li>▶ Financial performance</li> <li>▶ Thought leadership</li> </ul>	<ul style="list-style-type: none"> <li>▶ Providing regular performance, network and Merger and Acquisition updates</li> <li>▶ Implementation of the “Shifting Gear” strategy to advance our digital footprint</li> </ul>















## Our Commitments

### Our Impact To ASEAN And South Asia

Our digital telco presence in six countries in ASEAN and South Asia enables us to contribute to sustainable development through the delivery of economic impact and value creation in the markets and communities we serve. Our investments in each country cover the local













telecommunications industry, network infrastructure, job creation and talent development, environmental preservation and contributions to society. The following is a snapshot of our contributions to each country in which we are present.

	 <b>Malaysia</b>	 <b>Indonesia</b>	 <b>Sri Lanka</b>	 <b>Bangladesh</b>	 <b>Cambodia</b>	 <b>Nepal</b>
						
<b>Contributed USD 8.4 billion to GDP of six countries</b>	<b>USD1,844 million</b> (0.5% OF THE NATION'S GDP)  Operational Direct GVA <sup>1</sup> : <b>USD813 million</b>  Operational Indirect and Induced GVA: <b>USD774 million</b>  Capital Investment GVA: <b>USD198 million</b>	<b>USD2,957 million</b> (0.3% OF THE NATION'S GDP)  Operational Direct GVA: <b>USD797 million</b>  Operational Indirect and Induced GVA: <b>USD729 million</b>  Capital Investment GVA: <b>USD511 million</b>	<b>USD1,034 million</b> (1.3% OF THE NATION'S GDP)  Operational Direct GVA: <b>USD314 million</b>  Operational Indirect and Induced GVA: <b>USD321 million</b>  Capital Investment GVA: <b>USD154 million</b>	<b>USD1,439 million</b> (0.4% OF THE NATION'S GDP)  Operational Direct GVA: <b>USD396 million</b>  Operational Indirect and Induced GVA: <b>USD370 million</b>  Capital Investment GVA: <b>USD191 million</b>	<b>USD459 million</b> (1.7% OF THE NATION'S GDP)  Operational Direct GVA: <b>USD163 million</b>  Operational Indirect and Induced GVA: <b>USD81 million</b>  Capital Investment GVA: <b>USD62 million</b>	<b>USD619 million</b> (2.0% OF THE NATION'S GDP)  Operational Direct GVA: <b>USD331 million</b>  Operational Indirect and Induced GVA: <b>USD117 million</b>  Capital Investment GVA: <b>USD84 million</b>
<b>Capital + Operating Expenditure of USD 4.7 billion</b>	<b>USD 1,233 million</b>  Capital Expenditure: <b>USD246 million</b>  Operating Expenditure: <b>USD987 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD7.5</b> GVA Contribution	<b>USD 1,638 million</b>  Capital Expenditure: <b>USD566 million</b>  Operating Expenditure: <b>USD1,072 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD5.2</b> GVA Contribution	<b>USD 554 million</b>  Capital Expenditure: <b>USD164 million</b>  Operating Expenditure: <b>USD390 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD6.3</b> GVA Contribution	<b>USD 711 million</b>  Capital Expenditure: <b>USD168 million</b>  Operating Expenditure: <b>USD542 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD8.5</b> GVA Contribution	<b>USD 242 million</b>  Capital Expenditure: <b>USD78 million</b>  Operating Expenditure: <b>USD164 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD5.9</b> GVA Contribution	<b>USD 308 million</b>  Capital Expenditure: <b>USD106 million</b>  Operating Expenditure: <b>USD202 million</b>  Every <b>USD1</b> spent on capex translates to: <b>USD5.8</b> GVA Contribution

Note: <sup>1</sup> GVA - Gross Value Added

## Our Commitments

### Our Impact To ASEAN And South Asia

	 Malaysia	 Indonesia	 Sri Lanka	 Bangladesh	 Cambodia	 Nepal
						
<b>12,976</b> Direct Employees <sup>1</sup>	<b>TOTAL 2,704 STAFF</b> Malaysian: <b>99.5%</b> Female: <b>48%</b>	<b>TOTAL 1,606 STAFF</b> Indonesian: <b>99%</b> Female: <b>30%</b>	<b>TOTAL 2,933 STAFF</b> Sri Lankan: <b>99.6%</b> Female: <b>21%</b>	<b>TOTAL 1,518 STAFF</b> Bangladeshi: <b>99.6%</b> Female: <b>11%</b>	<b>TOTAL 833 STAFF</b> Cambodian: <b>99.6%</b> Female: <b>36%</b>	<b>TOTAL 530 STAFF</b> Nepalese: <b>99%</b> Female: <b>25%</b>
<b>Approximately 600,000</b> jobs supported in the region <sup>2</sup>	<b>45,743 JOBS</b> Directly Employed: <b>2,704</b> Operational Indirectly Supported: <b>32,431</b> Supported by Capital Investment: <b>10,607</b>	<b>234,163 JOBS</b> Directly Employed: <b>1,606</b> Operational Indirectly Supported: <b>84,190</b> Supported by Capital Investment: <b>148,367</b>	<b>84,510 JOBS</b> Directly Employed: <b>2,933</b> Operational Indirectly Supported: <b>32,123</b> Supported by Capital Investment: <b>49,455</b>	<b>104,495 JOBS</b> Directly Employed: <b>1,518</b> Operational Indirectly Supported: <b>70,756</b> Supported by Capital Investment: <b>32,221</b>	<b>49,398 JOBS</b> Directly Employed: <b>833</b> Operational Indirectly Supported: <b>27,539</b> Supported by Capital Investment: <b>21,027</b>	<b>47,074 JOBS</b> Directly Employed: <b>530</b> Operational Indirectly Supported: <b>27,119</b> Supported by Capital Investment: <b>19,425</b>
<b>USD 1.3 Billion</b> taxes paid	<b>USD206 million</b> (0.3% of total tax revenue of the Malaysian Federal Government)	<b>USD211 million</b> (0.2% of total tax revenue of the Indonesian Government)	<b>USD186 million</b> (1.4% of total tax revenue of the Sri Lankan Government)	<b>USD327 million</b> (0.8% of total tax revenue of the Government of Bangladesh)	<b>USD94 million</b> (2.1% of total tax revenue of the Cambodian Government, excluding regulatory related fees, levies and payments)	<b>USD306 million</b> (4.4% of total tax revenue of the Nepali Government)

Notes: <sup>1</sup> Total employee headcount at Axiata (including ADL, ADS and Suvitech) as at 31 Dec 2019 was 12,976. Our six digital telco operations account for over 10,100 employees  
<sup>2</sup> Supported jobs only from digital telco operations



Our economic and social contribution are based on modeling by a third-party consultant. More information on our National Contribution Report and methodology can be found on Pg. 48





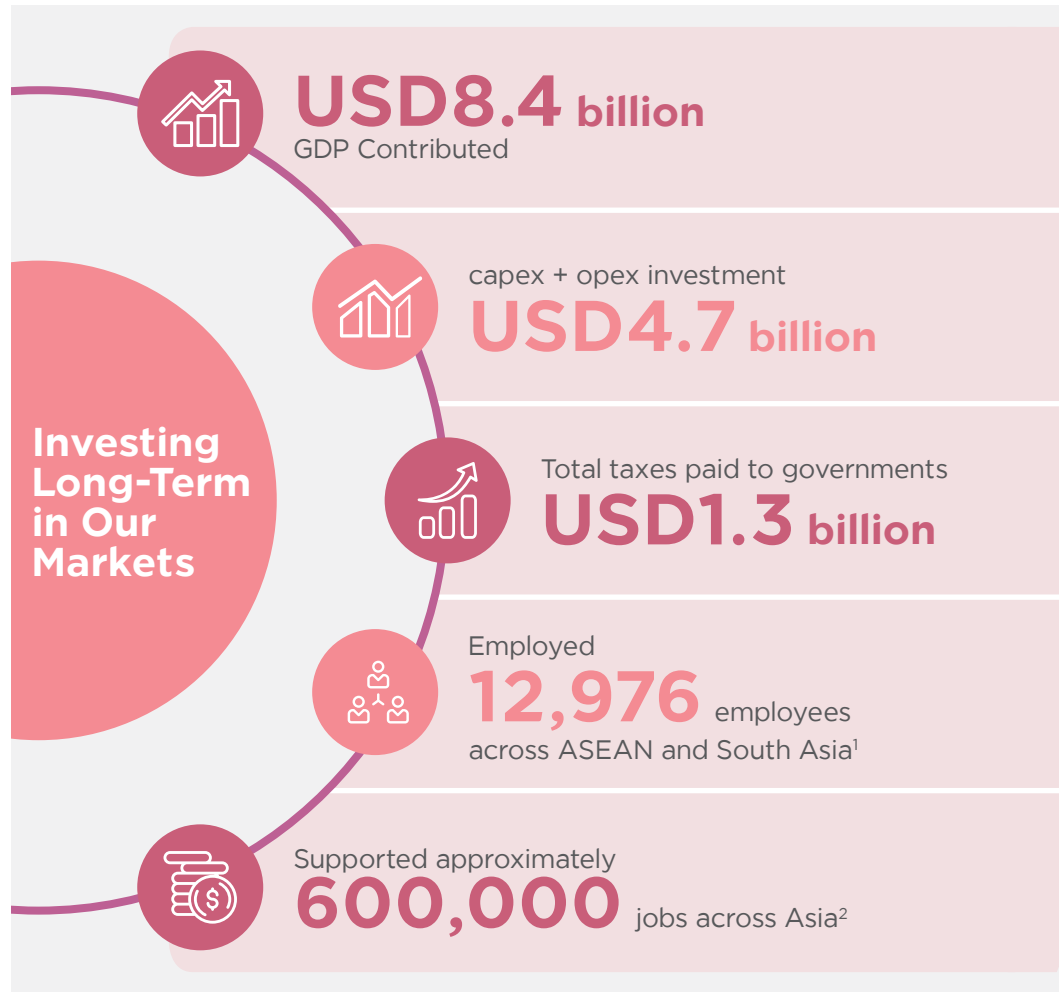
**BEYOND SHORT-TERM  
PROFITS**



# Investing Long-Term In Our Markets Overview

As a leading digital telecommunications group in ASEAN and South Asia, we are committed to delivering value which goes beyond short-term gains in all our markets. Our presence in most of our markets spans over 20 years. Since 2017, we have contributed over USD28 billion to the

Gross Domestic Product (GDP) of six countries where we have established a digital telco operation. For every USD1 spent on capex, we generated between USD5 to USD7 to the GDP in each country.



We have been able to deliver this value by providing digital and connectivity services which build and empower inclusive societies. This is anchored on the development of a digital ecosystem which leverages local industries, entrepreneurs, vendors and talents. This is designed not only to benefit our own supply chain, but also to value-add to the respective economies, where our world-class connectivity networks deliver inclusive and beneficial products and services.

As a member of the GSMA, we are also committed to working within our industry to further deliver transformative impact by participating in global industry initiatives. These thematic initiatives develop insights and tools to build on our commitment of social inclusion by connecting everyone and everything. We have committed to three of GSMA's initiatives which are driven by our OpCos:

### Humanitarian Connectivity Charter

Comprising of three principles, focusing on preparedness, scale and collaboration, signatories of the Charter commit to support improved access to communication and information for those affected by crisis in order to reduce the loss of life and positively contribute to humanitarian response.

### Connected Women Commitment Initiative

Aims to reduce the gender gap in mobile internet and Mobile Money services and unlock significant commercial and socioeconomic opportunities.

### Zero Emissions by 2050

An industry-wide climate action roadmap, to achieve net-zero greenhouse gas (GHG) emissions by 2050, in line with the Paris Agreement.

Notes: <sup>1</sup> Total employee headcount at Axiata (including ADL, ADS and Suvitech) as at 31 Dec 2019 was 12,976  
<sup>2</sup> This is only from digital telco operations and based on the National Contribution Report 2019. More information can be found on Pg. 48



## Investing Long-Term In Our Markets Bumiputera Empowerment Agenda In Malaysia

We are proud to represent Malaysia as a home-grown champion and view it as our responsibility to support the Bumiputera Empowerment Agenda (BEA). The BEA focuses on providing support for entrepreneurs, employees and students to ensure the country's largest community gains access to socioeconomic opportunities which reflect their representation in the nation.

In supporting this initiative, we have put in place a comprehensive investment programme aimed at building the capacity and capability of local vendors, providing financial support to a new generation of technopreneurs, and offering meaningful employment to university graduates.

Our Axiata Partner Development Programme aims to develop **four** Bumiputera National Champions, **two** Regional Champions and **one** Global Champion by 2020



**1,500** Bumiputera e-entrepreneurs trained and two digital platforms (DesaMall and Desa Harapan) developed in collaboration with the Ministry of Rural Development



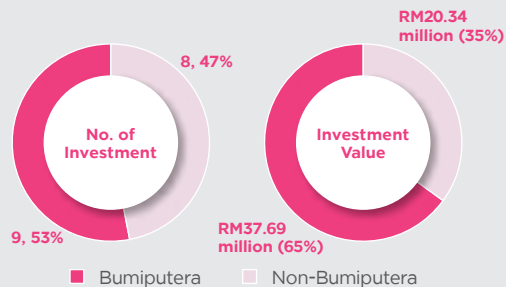
**RM8.3 million** in employee training and development



Tuisyen Pintar Harapan in collaboration with Yayasan Pelajaran MARA since 2017  
**4,500** SPM candidates from B40\* families from 232 participating schools at 45 centres nationwide



**RM100 million** Axiata Digital Innovation Fund (ADIF) supports the development of innovative digital businesses, including Bumiputera **technopreneurs**



Local Partner Development Programme has supported capacity building of **50** Bumiputera **vendors, businesses** and **strategic partners**



We have procured **RM489 million** from Malaysian companies, of which **67%** of **RM329 million** was spent on Bumiputera companies



Since 2014, we have provided **2,891 undergraduates** with opportunities for internship and training, the majority of whom are Bumiputera



Our Bumiputera distributors have recorded **RM685 million** in physical distribution



Since 2016, we have collaborated with the Ministry of Higher Education and **50 institutions** of higher learning, to develop the digital entrepreneurship mindset among Bumiputera university students

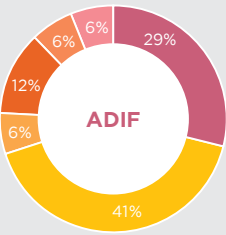
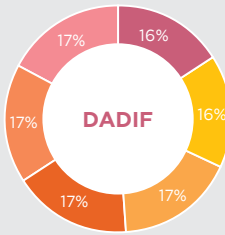
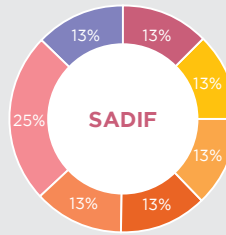


Note: \* Bottom 40% of monthly household income earners

# Driving The New Digital Ecosystem Supporting Start-Ups

We have invested over RM200 million in digital venture funds in Malaysia, Sri Lanka and Cambodia. Respectively, through the Axiata Digital Innovation Fund (ADIF), Dialog Axiata Digital Innovation Fund (DADIF), and Smart Axiata Digital Innovation Fund (SADIF),

we work with local strategic partners to identify, fund and coach local start-ups with high growth potential. The funds have benefited almost 30 start-ups, contributing to the creation of local job opportunities, and driving the growth of the local digital economy.

	ADIF	DADIF	SADIF
<b>Investees</b>	 <ul style="list-style-type: none"> <li>Retail</li> <li>Services</li> <li>Education</li> <li>Advertising</li> <li>News</li> <li>Travel</li> </ul>	 <ul style="list-style-type: none"> <li>Micro-insurance</li> <li>Health</li> <li>Digital Media</li> <li>Big Data</li> <li>Logistics</li> <li>Agriculture</li> </ul>	 <ul style="list-style-type: none"> <li>AgTech</li> <li>Chatbot</li> <li>EduTech</li> <li>FinTech</li> <li>IoT</li> <li>Logistics</li> <li>Mobile Gaming</li> </ul>
<b>Launch Date</b>	<p>▶ <b>2014</b> (In collaboration with Malaysia Venture Capital Management Bhd and Johor Corporation)</p>	<p>▶ <b>2018</b> Managed by BOV Capital</p>	<p>▶ <b>2017</b> In collaboration with Forte Insurance as co-investor Managed by Mekong Strategic Partners</p>
<b>Fund size</b>	▶ <b>RM100 million</b>	▶ <b>USD15 million</b>	▶ <b>USD5 million</b>
<b>Investment focus</b>	<ul style="list-style-type: none"> <li>▶ Tech start-ups</li> <li>▶ <b>53%</b> investment in Bumiputera technology start-ups</li> </ul>	<ul style="list-style-type: none"> <li>▶ Entrepreneurs committed to building digital companies in Sri Lanka</li> <li>▶ DADIF has committed <b>SLR497 million</b> (USD2.57 million) in seven companies</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Cambodian-based</b> digital companies and start-ups from early to growth stage of development</li> <li>▶ SADIF already invested <b>USD2 million</b> in eight tech start-ups</li> </ul>
<b>2019 outcomes</b>	<ul style="list-style-type: none"> <li>▶ Invested in <b>17 companies</b> in retail, services, education, media and travel sectors</li> <li>▶ Investments recorded an average revenue Year on Year (YoY) of <b>41%</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>SLR415.36 million</b> in gross revenue from first 4 companies</li> <li>▶ Exited from an investment with capital gain of <b>SLR87 million</b></li> <li>▶ <b>384 jobs</b> created</li> <li>▶ Expanded portfolio in three <b>start-ups</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ Expanded portfolio with <b>four more</b> tech start-ups</li> <li>▶ <b>USD2.7 million</b> revenue generated by all eight start-ups</li> <li>▶ <b>1,434 jobs</b> created by all eight start-ups</li> </ul>



<http://www.intrescapital.com/funds.html>

<http://dif.lk/>

<https://sadif.com.kh/>

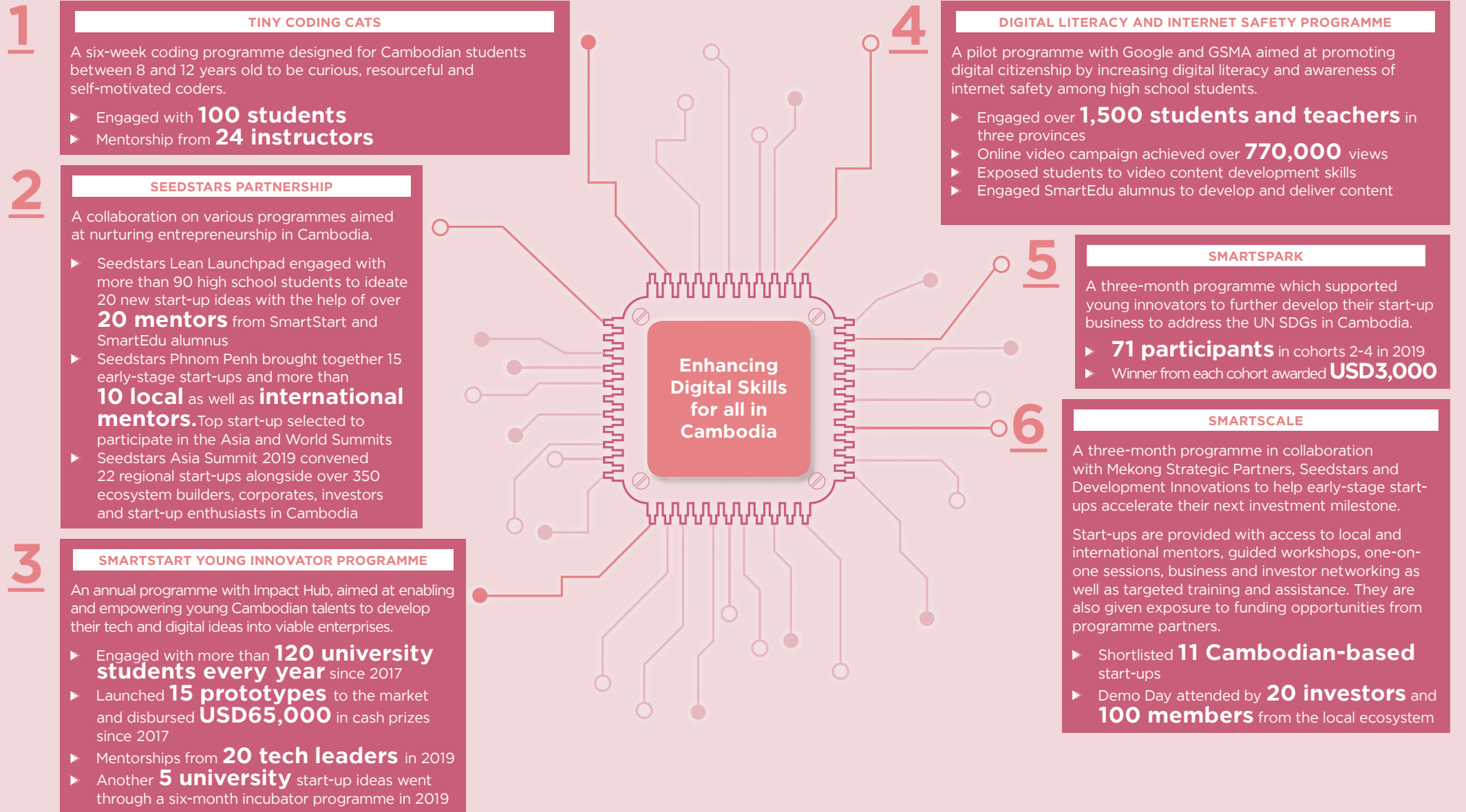


# Driving The New Digital Ecosystem

## Enhancing Digital Skills For All In Cambodia

The digital ecosystem and economy in Cambodia is rapidly taking shape with the emergence of new business activities in digital payment, online entertainment and e-commerce. Through a comprehensive

suite of programmes, Smart Axiata is promoting digital inclusion by ensuring digital native Cambodians are equipped to participate and benefit from this new digital economy.

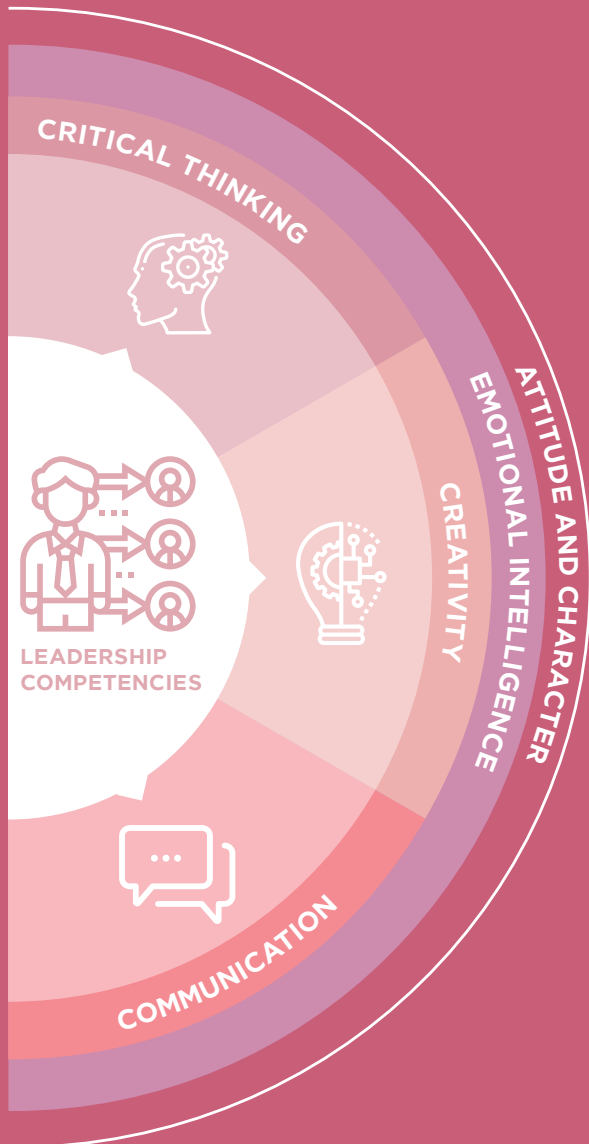


# Building Future Leaders

## Axiata Young Talent Programme

Since 2011, we have committed RM100 million over ten years to focus on young talent leadership through the Axiata Young Talent Programme (AYTP). The AYTP is our unique leadership initiative designed for driven young Malaysians eager to learn and have the capacity and ambition to be future corporate leaders. Each track under AYTP is anchored to the AYTP Framework which consists

of Attitude and Character, and Emotional Intelligence as the base, followed by three Critical Skills (Critical Thinking, Communication, Creativity), and Leadership Competencies. As of this year, AYTP has successfully been replicated in our footprint countries of Cambodia and Indonesia.



### AYTP Malaysia

Over **2,149 young talented** Malaysians have been impacted through three leadership development tracks.

<b>School Leadership Development Programme</b>	A five-year programme in partnership with Kolej Yayasan Saad in Melaka. Open to all Malaysian secondary school students who are looking to develop their critical skills and command of leadership competencies.
<b>University Leadership Development Programme</b>	A two-week 'summer camp' style leadership development programme for young Malaysian undergraduates studying locally or abroad that provides them the opportunity to learn critical skills and knowledge required of a future CEO.
<b>Young CEO Development Programme</b>	A two-year leadership development programme for young Malaysian professionals that provides them the opportunity to master critical skills and knowledge required of a future CEO.
<b>AYTP Alumni Association</b>	A community of over 1,300 AYTP alumni that supports each other in their journey to becoming nation-builders of tomorrow.

### XL Future Leaders (XLFL) in Indonesia

Launched in 2012, XLFL has reached over **99,000** students across all provinces of Indonesia.

<b>XLFL Global Leaders</b>	<ul style="list-style-type: none"> <li>▶ Indonesia's most comprehensive and longest running youth leadership programme, targeting top university talents</li> <li>▶ Programme acceptance rate of 1%</li> <li>▶ In 2019, 150 students from 45 universities across 20 provinces were selected</li> </ul>
<b>XL Scholarship Camp</b>	<ul style="list-style-type: none"> <li>▶ Full tuition and year-long scholarship that provide students the necessary resources for personal development to extend their skill sets beyond the classroom</li> </ul>
<b>eLearn.id</b>	<ul style="list-style-type: none"> <li>▶ Online platform to bring the XLFL Global Leaders programme to everyone. The online platform has 29 courses and 38,000 users</li> </ul>

### SmartEdu University Student Development Programme (USDP) in Cambodia

Launched in 2018, Smart Axiata's USDP has reached 96 Cambodian students studying at 16 universities in Cambodia, UK and USA.

<ul style="list-style-type: none"> <li>▶ A 13-day stay-in bootcamp that provides theoretical, experiential, personal and relational development opportunities through learning-by-doing as well as real case business simulations</li> <li>▶ 48 top Cambodian students selected annually</li> <li>▶ 16 students from two cohorts have been selected for a two-month work placement at Axiata</li> </ul>
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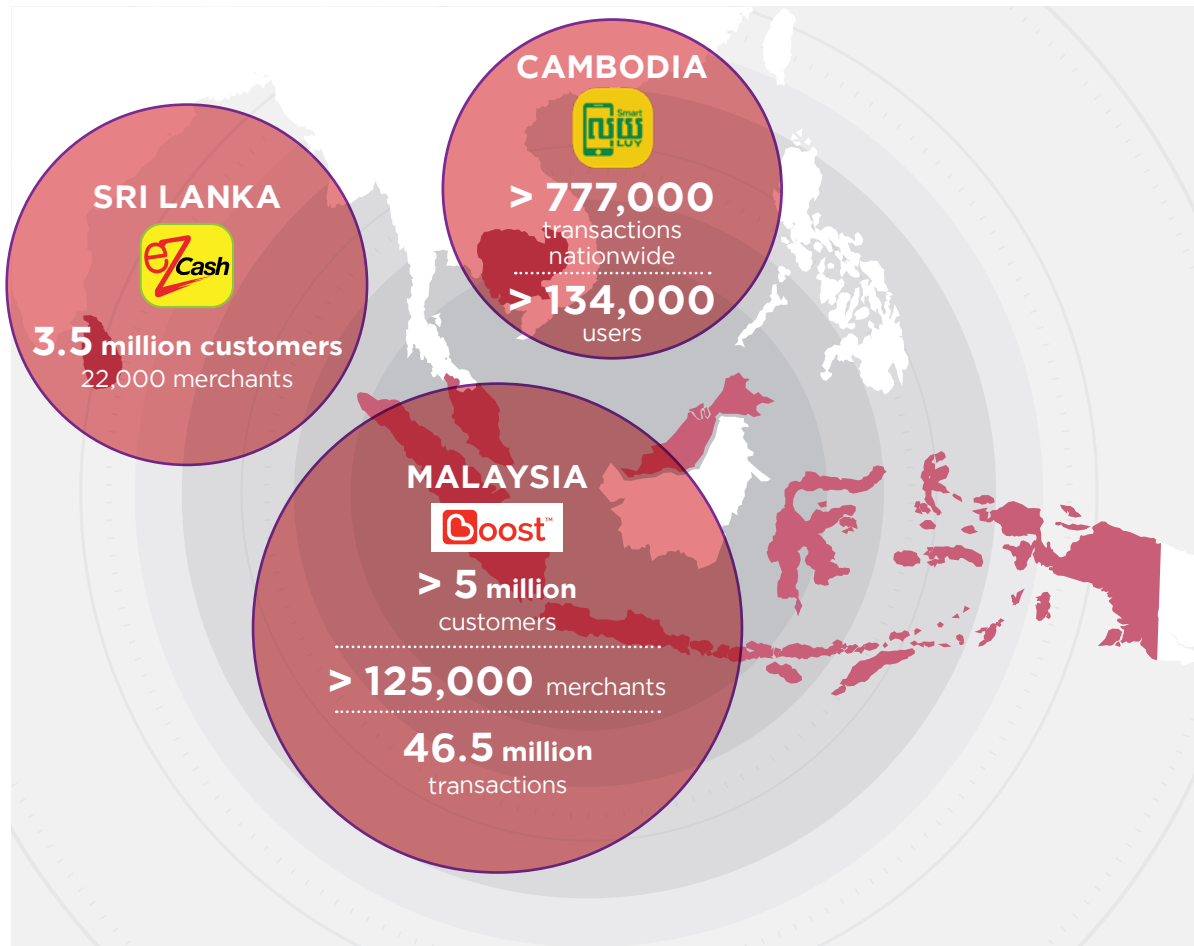
# Uplifting Communities Through Digital Inclusion

## Empowering The Underserved Through Financial Inclusion

It is estimated that more than one billion people in Asia are “unbanked”, with no access to formal financial services<sup>1</sup>. They do not participate in formal employment, have no bank account and thus are not able to engage in any type of commerce. Underserved communities are also disadvantaged from opportunities for upliftment due to their limited awareness on or access to financial services.

New digital transactional platforms offer convenient and vastly less expensive ways to bring financial services to the underserved and unbanked. Through our e-wallets, digital payments, micro-credit and micro-insurance products, we support the underserved, help to scale micro-businesses, and offer insurance protection to more people.

### Digital wallets



Source: <sup>1</sup> <https://blogs.worldbank.org/allaboutfinance/financial-inclusion-asias-unbanked>

### Our service platforms in Malaysia

#### OUR SERVICE PLATFORMS

- ▶ **Boost** - we help merchants, whether they operate hawker stalls or retail outlets, to receive payments and manage cash flow in just one place
- ▶ **Aspirasi** - we empower the micro and SME community to forge a path of dynamic growth. Our seamless digital financing platforms offer micro-finance and micro-insurance services to help the underserved community achieve their business goals



#### PRODUCTS LAUNCHED

- ▶ **Working Capital Financing** - provided to highly underbanked micro-enterprises to support purchase of simple fixed-assets and raw materials
- ▶ **Supply Chain Financing** - provided to small-enterprises via tripartite factoring arrangement with principal distributor
- ▶ **Invoice Financing** - provided to e-commerce merchants for cash flow management issues with the ability to receive cash before invoice settlement date
- ▶ **Insurtech products** - affordable insurance and takaful products for consumers, micro-entrepreneurs and SMEs



#### DIGITAL AT ITS CORE

- ▶ **100%** end-to-end digital financial services
- ▶ **3 min** application process
- ▶ Disbursement of funds within **48 hours**





# Uplifting Communities Through Digital Inclusion

## Transforming Agriculture And Fishery Practices

Communities working in the agriculture and fishery sector constitute a large percentage of the region's poor. They often have challenges in accessing financial services and have completed little education. By providing accessible, effective and economical farming solutions to these communities, we can help to uplift their wellbeing.

We provide digital services and solutions which assist the day-to-day activities of farmers and fishermen, such as sharing of best agricultural and fishery practices. Our tools also allow farmers and fishermen to access real-time market prices, establish digital payment processes and marketplaces, help them to modernise their work, and create opportunities to boost their livelihoods.

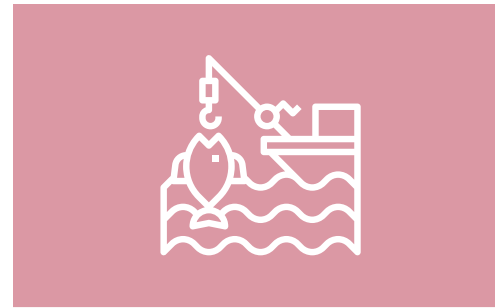


### GOVI MITHURU SRI LANKA

- ▶ Dialog's Govi Mithuru is Sri Lanka's **largest mobile agriculture service** providing personalised information to farmers
- ▶ Over **600,000 subscribers**
- ▶ In partnership with government agencies and industry groups, the service provides good agriculture practices on **21** specific crops, tailored to the location of the farm and stage of cultivation

### SAVIYA SRI LANKA

- ▶ Sri Lanka only produces **30-40%** of its local fresh milk demand
- ▶ Leveraging on the success of Govi Mithuru, Dialog launched **Saviya**, a mobile-based advisory service for dairy farmers to improve production capacity, quality of milk produced, and health of livestock
- ▶ Provides time-sensitive, commercially valuable advice via text and voice-linked to the lactation cycle of dairy cows from pregnancy to calving
- ▶ Empowering over **5,000 dairy farmers**



### LAUT NUSANTARA INDONESIA

- ▶ With over **80,000 km** of coastline, fisheries are an important part of Indonesian livelihood
- ▶ Laut Nusantara app aims to increase a fisherman's standard of living by **three times** and improve their safety when out at sea
- ▶ Provides access to database on fishing grounds, accurate weather forecast, and fuel consumption data calculation
- ▶ **25,000** downloads
- ▶ **8,433** active users

### DESAMALL MALAYSIA

- ▶ Celcom is the connectivity partner of DesaMall@KPLB<sup>1</sup>, a public private partnership which provides end-to-end **e-commerce and digital marketing training** to small, medium and micro agro-enterprises in order to move their business online
- ▶ **1,400** entrepreneurs registered
- ▶ **RM1.3 million** sales generated in 2019
- ▶ **80%** of vendors are women
- ▶ **300,000** daily visits
- ▶ **Top 5** items sold
  - Retail Goods
  - Beauty and Health
  - Toys for Babies
  - Men's Fashion
  - Home Furnishings



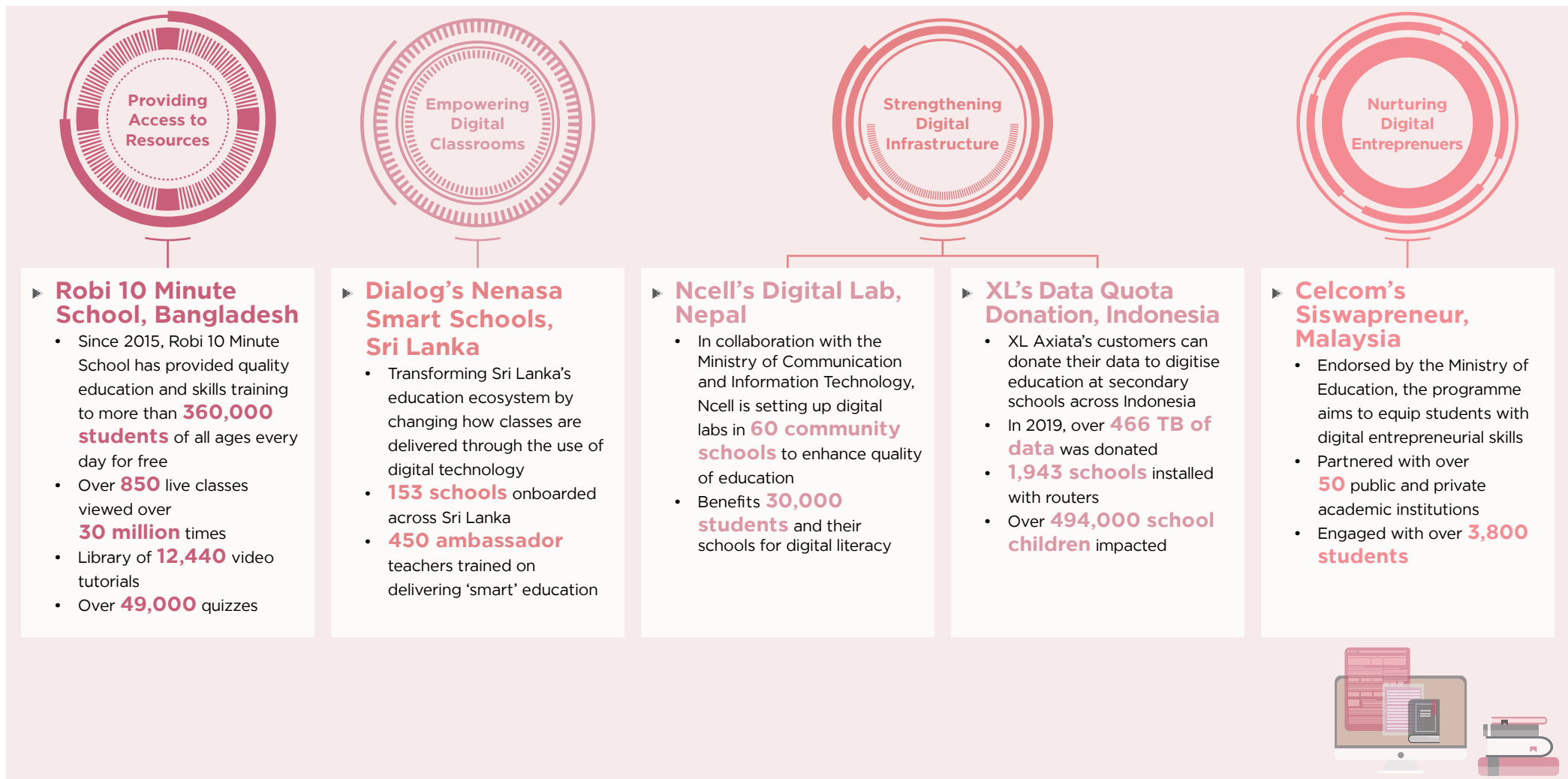
Note: <sup>1</sup> KPLB - Kementerian Pembangunan Luar Bandar (Ministry of Rural Development)

# Uplifting Communities Through Digital Inclusion

## Championing Education For Underserved Communities

It is estimated that half of the world’s illiterate population lives in South Asia<sup>1</sup>. Children from rural areas often face difficulty in accessing education, while some children have to forego schooling to assist their families with income-generating activities. Despite the considerable progress on educational access and participation, ensuring inclusive and equitable quality education for all continues to be challenging.

In recognising the vital role of education in providing catalytic opportunities and ensure the creation of lasting socioeconomic change, we provide digital tools and technology targeted at reaching disadvantaged children living in the region. Digital technology allows education services to scale rapidly, and content to be delivered in a cost effective manner.



Source: <sup>1</sup> <https://bangkok.unesco.org/content/literacy-rates-rise-one-generation-next-challenges-remain-region>

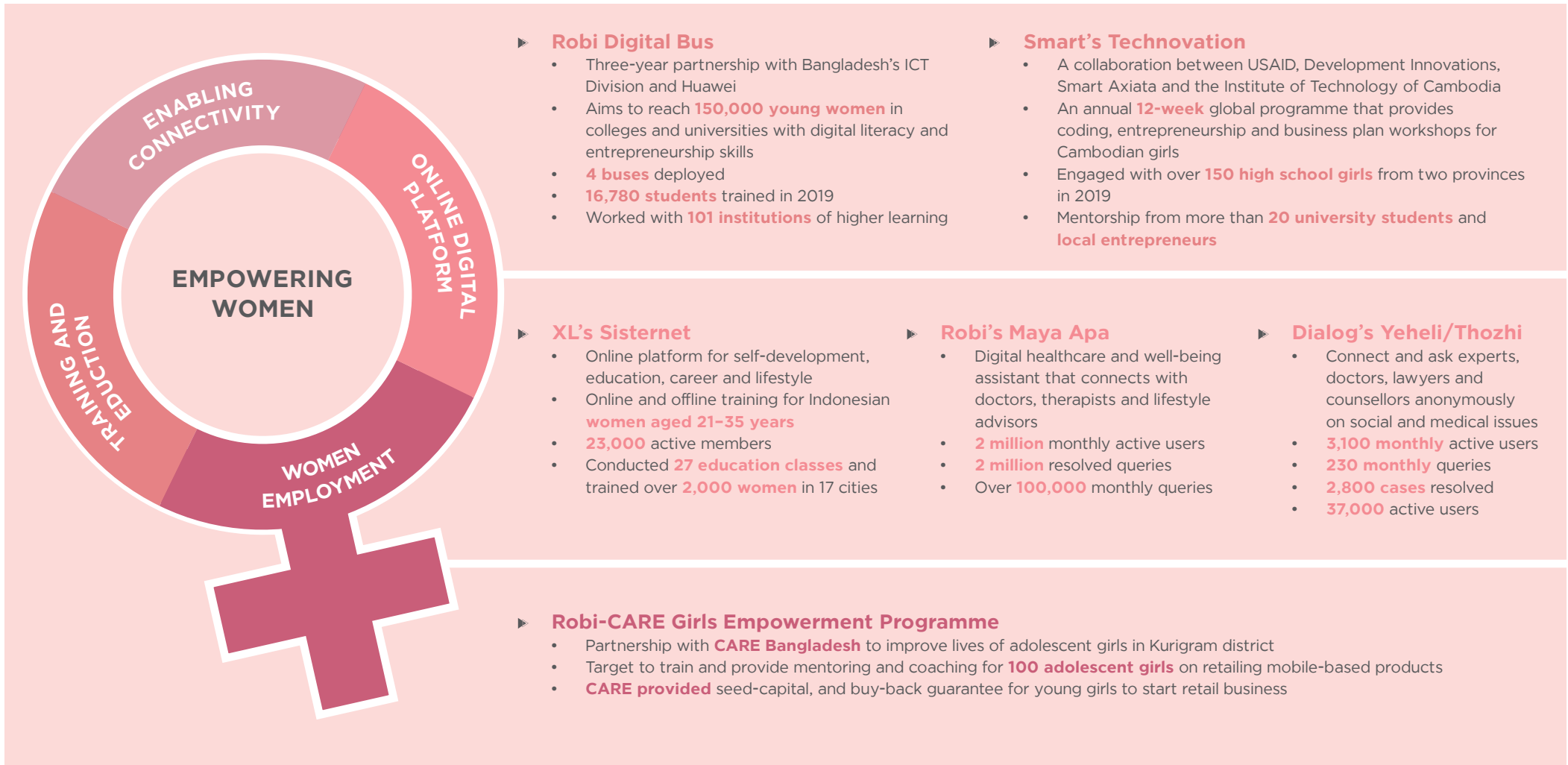


# Uplifting Communities Through Digital Inclusion

## Empowering Women

Technology and the internet can be a great enabler for women and girls to improve their lives. In developing countries, they struggle with affordability and access, and without equal access to technology and the internet, are not able to equally participate in our emerging digital societies.

As a partner to the GSMA Connected Women Commitment Initiative, we are committed to increasing the number of female subscribers in our markets. We are working with partners to provide access to educational content, employment and financial services. We also provide multilingual digital health and wellness messaging platforms to empower women seeking information to improve their quality of life.







**NURTURING PEOPLE**



# Advancing Asia Through Our People Overview

Click to watch more from our Group Chief Human Resources Officer



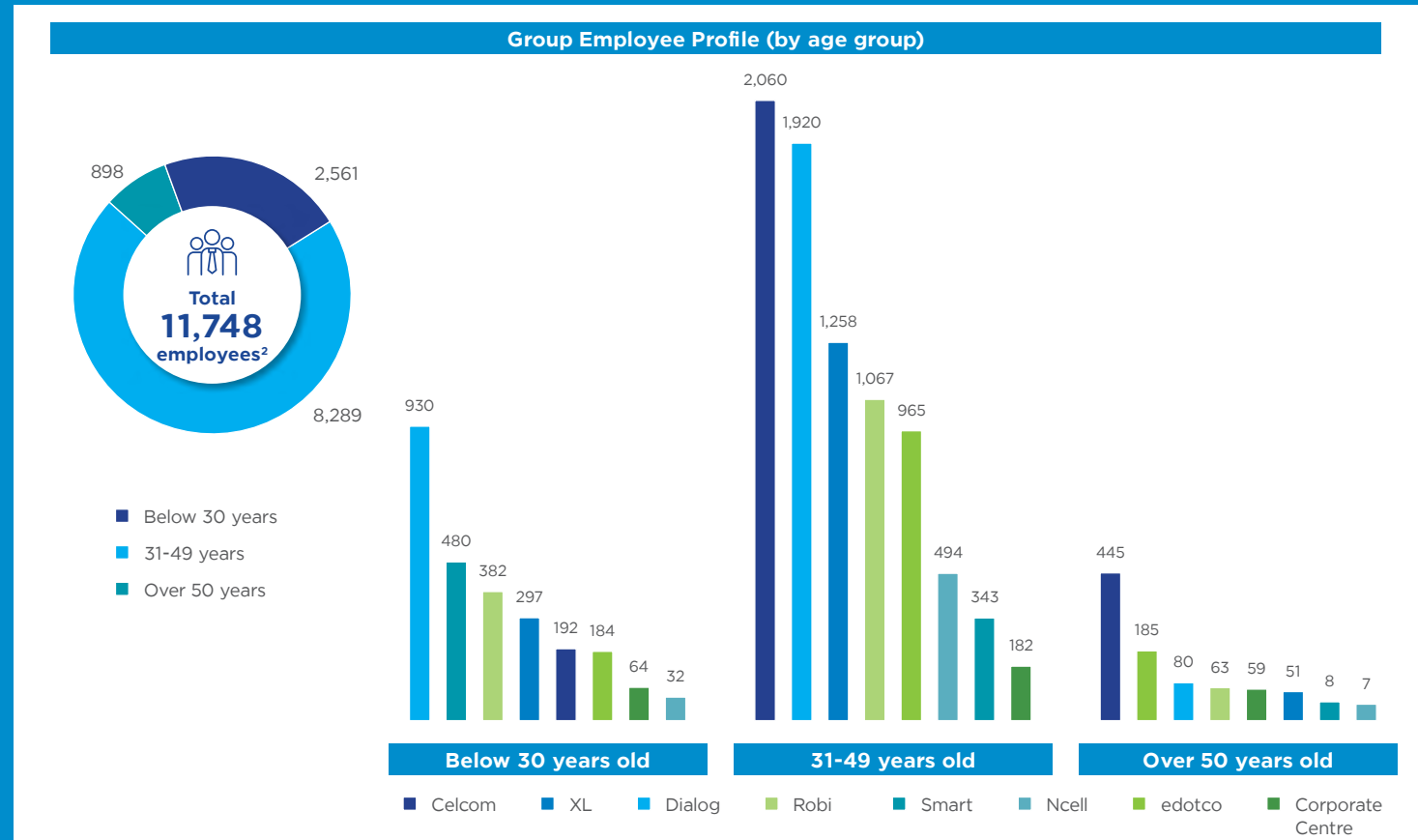
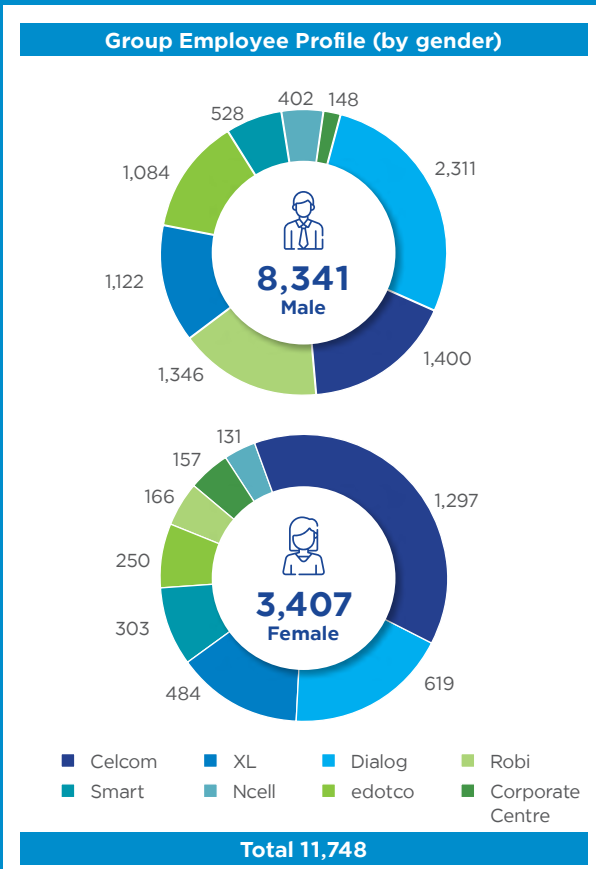
Our 12,976 employees from 38 countries are our greatest asset. Driven by our common purpose of Advancing Asia, and guided by our core values, we strive to create an inclusive workplace that is modern in outlook, agile in our processes, and inculcates a digital first mindset in all we do.



**14%**  
of senior leadership positions are held by women<sup>1</sup>



**> 38**  
nationalities employed across the Group



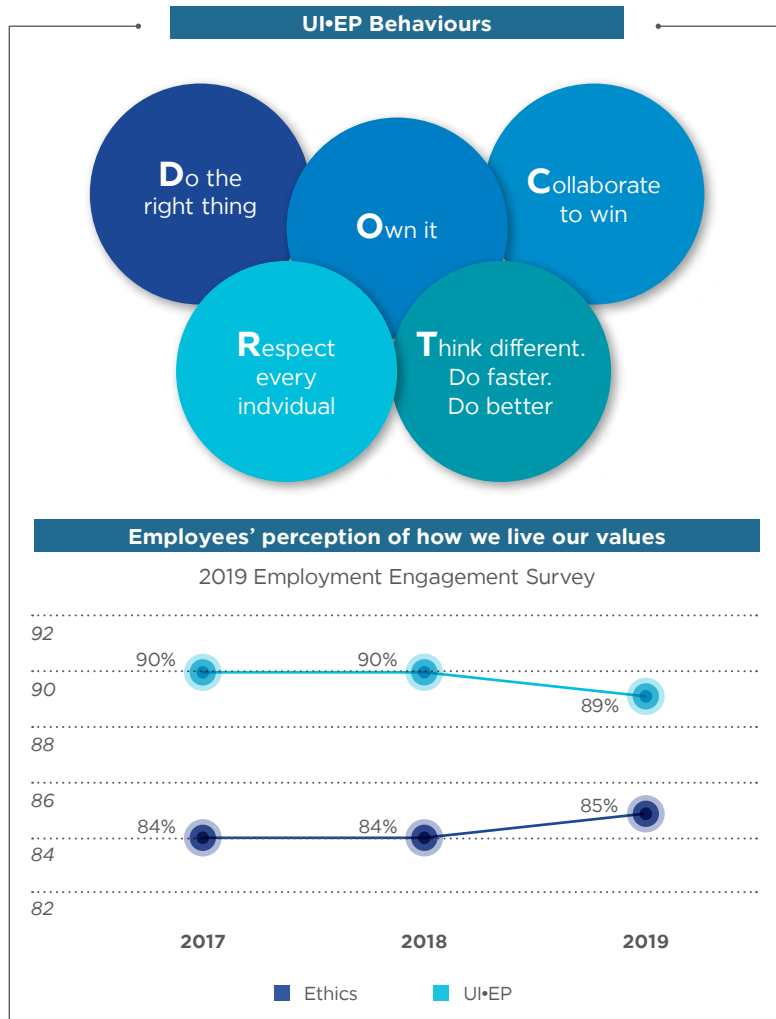
<sup>1</sup> This only covers digital telco and edotco Group. Across Axiata women account for 13% of senior leadership positions

<sup>2</sup> This only includes employees from digital telco and edotco Group operations. Total employee headcount at Axiata (including ADL, ADS, Suvitech) as at 31 Dec 2019 was 12,976

# Leveraging On Our Core Values Driving A Culture Of Integrity

Uncompromising Integrity and Exceptional Performance (UI-EP) are our core values which underscore our strong foundations in ethical principles and actions. We are committed to upholding the highest standards of lawful and ethical conduct, by demonstrating honesty, fairness and accountability in all our dealings, always doing the right thing and fulfilling promises made to earn the trust of our stakeholders. The Axiata Code of Conduct governs our behaviour within our multicultural environment and fosters

respect and consideration among all employees regardless of gender, age, ethnicity, language, cultural background, physical ability, religious belief and lifestyle choice. We respect universal human rights and the International Labour Organisation (ILO) Core Labour Standards. We provide policies and procedures to guide our employees.



## Speak Up Hotline



In 2019, we launched 'Speak Up', a regional compliance hotline

Facilitates the reporting of actual or suspected misconduct and illegal or unethical behaviour.

- ▶ Open to all stakeholders to **whistle-blow** on any employee across Axiata
- ▶ Available in all **local languages**
- ▶ Accessible via the **web and a toll-free number**
- ▶ **No risk** of victimisation, retribution or retaliation

## Respect for the ILO Convention

We respect the ILO Core Conventions which are reflected in the Axiata Code of Conduct.

Freedom from **forced labour**



Freedom from **child labour**



Freedom to form and join a union, and to bargain collectively.



**3** digital telcos have employee unions

Freedom from **discrimination at work**



**8.4%** of digital telco employees

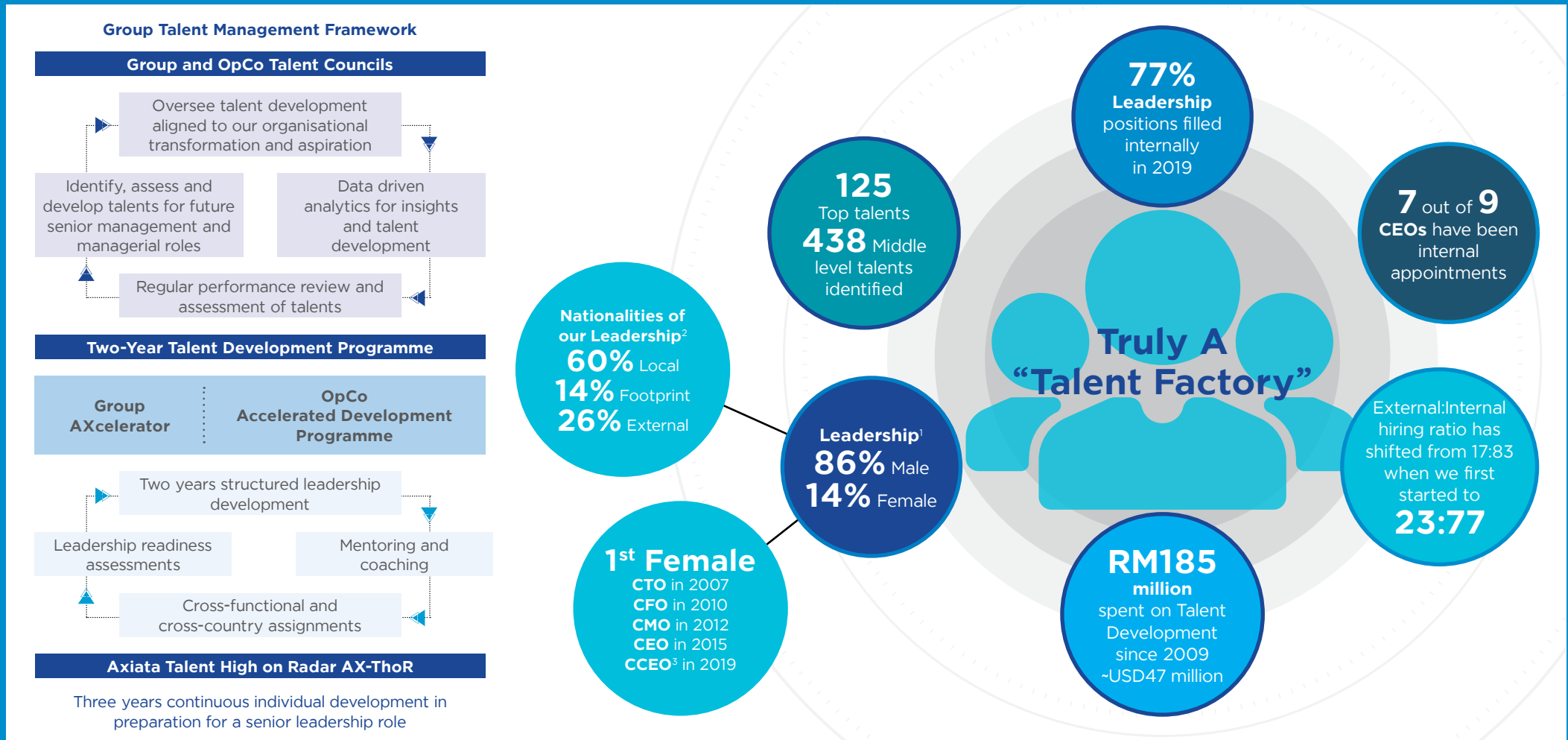


# Leveraging On Our Core Values

## Building Our Leadership Pipeline

Our investments in our employees are a vital enabler for the sustainability of our business. From attracting and nurturing the brightest talents, supporting the continuous learning and development of all, and identifying future leaders not only for our company, but also our industry, we have put in place robust programmes which ensure our people yield the best results.

We recognise talents across our Group, building talent pools across different levels and mapping talent to a succession profile. We manage our human capital investment by attracting and nurturing the right talent, as well as by supporting their professional growth and personal well-being during their career with us.



Notes: <sup>1</sup> This accounts only for leadership in digital telco and edotco Group. Across Axiata the percentage is 87% male and 13% female  
<sup>2</sup> This accounts only for nationalities of leadership in digital telco and edotco Group. Across Axiata the percentage is 37% Local, 30% Footprint, 33% External  
<sup>3</sup> Chief Customer Experience Officer

# Exceptional Performance Among Our People

## Empowering Our Employees Through Training And Development

Investing in our employees is critical in our efforts to become a New Generation Digital Champion. As we accelerate the adoption of digitisation in our processes, and increase digital maturity across all business functions, we are inculcating a “digital-first” mindset among employees. Our goal is to create a Modern, Agile and Digital (M.A.D.) culture among our employees.

We provide digital based platforms to enable a M.A.D. culture. Employees are empowered to learn and address their competency gaps to advance their career development. We leverage on subject matter experts based across the region to curate and share their expertise through a knowledge management platform customised to harness the synergies of experience across the Group.

### Enabling a Modern, Agile and Digital Culture

Platforms to enable sharing and retaining Group-wide knowledge.

#### Knowledge Sharing

##### Synapse, Axiata’s internally developed Knowledge Management Platform

- ▶ Officially launched in **July 2019**
- ▶ Accelerates sharing by subject **matter experts of best practices**, library of internal content, and case studies of lessons learnt
- ▶ Connects **six countries and eight OpCos**
- ▶ **> 1,000 visits** per month, and a consumption of **> 3x** for every document uploaded

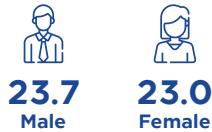


We empower employees to take charge of their own professional development and continuous learning through face-to-face training and digital platforms.

#### Freedom to Learn

##### ▶ Face-to-Face Training

- Average training hours by gender across the Group



##### ▶ Online Learning Stats

- **5,626 learners** activated
- **65%** active repeat learners
- Average **50 video views** per month
- Average **2.4 hours** learning per month<sup>1</sup>



##### ▶ Top 3 online courses

- **Understanding and Prioritising** Data Privacy
- Cyber Security Awareness: **Social Engineering**
- Customer Service: **Problem Solving and troubleshooting**



##### Fast Forward

Axiata’s intelligent learning technology platform to **curate learning modules**. Roll out is planned for Q2 2020

- ▶ **Join communities** to discuss and share a topic
- ▶ **Explore** useful videos and resources
- ▶ **Record and post** knowledge and ideas



Note: <sup>1</sup> Based on LinkedIn Learning from Aug 2019 after migration from Lynda platform

## Providing A Safe And Engaging Workplace Harnessing A High-Performing Workforce

We provide a world-class working environment to support the drive towards a high-performance culture. We are committed to respecting local employment laws and rights of employees. Our clear performance measures enable fair performance evaluation. We also offer multiple engagement channels such as quarterly townhalls, digital platforms, surveys and employee retreats to build an inclusive and vibrant team.

We are committed to building a healthy work environment that safeguards our employees' work-life integration, physical and mental health and safety. To this end, 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.

### Health and Safety

The Group Health and Safety Policy is cascaded to each OpCo, which is then **responsible for ensuring compliance with national health and safety legislations.** The OpCo Health and Safety Committee actively promotes awareness on workplace occupational health and safety to minimise the risk of accidents, injuries and exposure to health hazards.

**0.37**  
Lost Time Injury Rate (LTIR) Digital Telco

**0.67**  
LTIR Infrastructure

### Engaged Employees

The annual Employee Engagement Survey measures our workplace performance culture benchmarked against global peers. The findings indicate we outperform industry peers and are on par with global high-performing companies.

Year	Sustainable Engagement Index	High Performance
2017	88%	80%
2018	88%	82%
2019	89%	81%

## Responding to COVID-19: Our Employees

The ongoing COVID-19 pandemic has impacted all segments of society, already creating new norms in physical conduct. As we all continue to confront the changes brought upon by this pandemic to avert further disaster, among our priorities has been ensuring the safety of our employees without compromising our ability to serve our customers. In line with social distancing needs and government restrictions put in place across our markets, we have undertaken the following measures for our employees:

- ▶ **Work-From-Home (WFH)** in line with government guidelines
- ▶ **Insurance coverage** for confirmed COVID-19 patients
- ▶ Use of **virtual meeting platforms** to facilitate workflow
- ▶ Introduction of **internal social media channel** to **foster continuous open communication** with our employees
- ▶ Continued alignment of **travel policies with government guidelines**
- ▶ Introduction of **virtual exercise classes** with an **instructor and evaluation** of a **mental health programme** to ensure holistic employee wellness. We have conducted an **employee survey** which indicated that our employees are adapting well to working from home

- ▶ Series of webinars to assist staff in managing with the **Movement Control Order (MCO):**

**Axiata Cares Webinar:**

  - Cash Management in a Challenging Crisis
  - Managing Stress
  - Good Nutrition to Support Our Immune System
  - Managing our Mental Health during COVID-19
- ▶ HR policies and new working practices are being **relooked and potentially revised**, where offices will be **transformed to accommodate new way of working**



# Providing A Safe And Engaging Workplace

## Championing Health And Safety Through edotco Group

With over 19,000 base stations to power our network in order to provide our customers with the best experience, building and maintenance of the sites require deployment of a workforce that involves constructing and climbing structures. With our presence in emerging countries, we

are working with vendors and suppliers to build a culture of health and safety through stronger governance, awareness building and competency development.

### Governance

- ▶ Developing **OSH Management System Documentation**
- ▶ Quarterly HSE Committee Meeting
- ▶ Increase Site Inspection
- ▶ Legal Register Database
- ▶ Vendor Performance Audit on **80%** of total vendors

### Awareness

- ▶ **> 100** classroom training sessions
- ▶ Conduct internal and Public Talks
- ▶ HSE eLearning
- ▶ Visual Management through posters and signages

### Competency

- ▶ **Compulsory** Vendor Development Training and Certification Training
- ▶ Working at Height
- ▶ Emergency Response Team
- ▶ Fire Fighting Training
- ▶ Road Safety Training

edotco Group also undertook various health and safety audits and engagement with our vendors

### Sessions conducted in 2019



Site Inspection and Audit

**8,728**

- ▶ Site inspection done by **HSE Personnel, vendor representative and edotco Higher Level Management**
- ▶ Specific to **site preparation, surroundings, emergency response and preparedness, PPE and others**



HSE Committee Meeting

**22**

- ▶ **Quarterly** basis
- ▶ Chaired by **Country Manager**
- ▶ Minutes of Meeting distributed to **all for action**



Vendor Performance Evaluation (VPE) Audit

**116**

- ▶ Audit done by **HSE Personnel across National Telco Company's (NTC)**
- ▶ Only for vendors working at site for **operation, maintenance and site roll out**
- ▶ Consequence Management such as **demerit point and warning letter from audit result**



Training and Education

**96**

- ▶ Compulsory training for **vendor and site workers**
- ▶ Visual Management - **eLearning, emails, Yammer, posters and other media**
- ▶ Continuous education to edotco staff - **Commuting Safety, Fire Fighting, ERP, Health Programme**





**PROCESS EXCELLENCE  
& GOVERNANCE**



# Commitment To Transparency And Accountability Overview

Click to listen to our Chairman's view on our corporate governance practices



We aspire to the highest standards of corporate governance as it supports long-term value creation. We have established a set of well-defined policies and processes to enhance corporate performance and accountability, as well as to protect the interests of stakeholders. Axiata's Board of Directors is responsible for the Group's corporate governance standards and policies and drives accountability from the management team.

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 national legal and regulatory requirements, including tax, licensing and cyber security requirements.

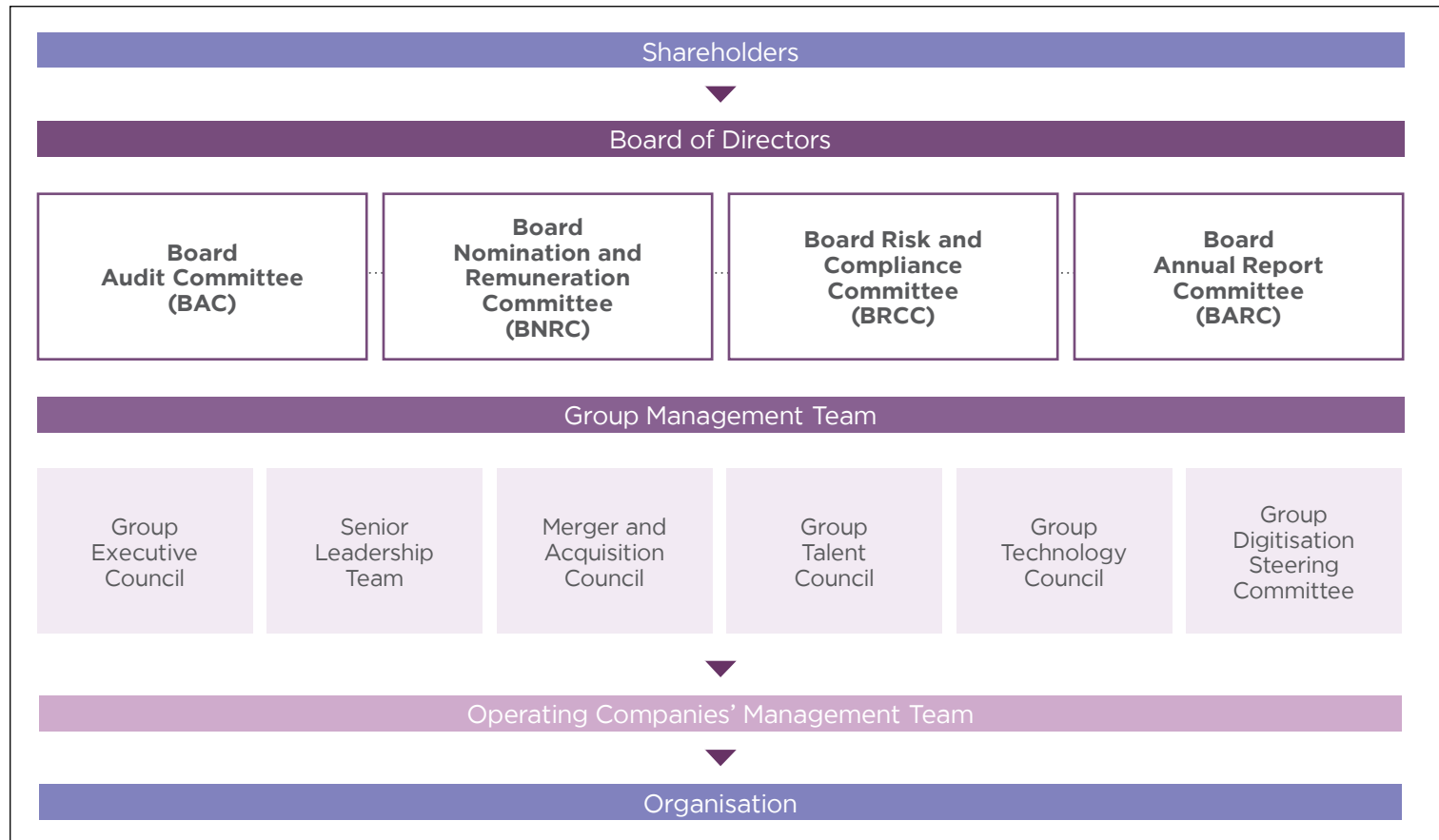
In 2019, the Board undertook a comprehensive third-party review of its performance. Engagement was held with each Board member through a self-assessment, interview and survey which addressed the performance of the Board and its Committees. The assessment reviewed skill sets of Board members and included a peer review of independent directors, as well as the President and GCEO. Findings from the review will guide the Board to enhance its performance to further build trust with stakeholders.

### Compliance

Main LR of Bursa Securities and Companies Act 2016

MCCG 2017

Axiata's Corporate Governance Framework



### Assurance

Audit of financial data (internal and external)

Facilitation and organisational audit (internal)

Quality audit and inspections (internal and external)

# Stronger Customer Intimacy

## Customers' Trusted And Reliable Partner

Click to find out more about our commitments to Cyber Security



We strive to deliver optimum customer satisfaction on a safe and secure network that is aligned to our brand promise. Our multichannel touchpoints ensure seamless customer convenience and greater customer intimacy. With our partners, we deliver best value innovative products.

Through data analytics, we can offer products and service targeted to a segment of one, to enrich the digital lifestyle of our customers. Embedded across all our digital platforms is a commitment to cyber security to ensure the privacy of customers is safeguarded.

### Digitising Customer Experience

We have increasingly digitised our customer journey across the Group. Through process automation, data analytics and intelligence, we have been able to improve the customer on-boarding experience, shorten turnaround time, and offer relevant services to increase revenue.

#### IMPROVING RETAIL PROCESSES

- ▶ **100%** end-to-end digital customer on-boarding platform
- ▶ Customer registration process improved from **45 days** to **1 min** due to digitisation
- ▶ **12 million** pieces of paper saved
- ▶ **Sales Processes streamlined** across products and channels
- ▶ **User-friendly** on-boarding experience

#### PROCESS AUTOMATION CUSTOMER EXPERIENCE

- ▶ **Virtual agents** as first point of contact
- ▶ **100%** seamless handover to service agents

#### ANALYTICS

- ▶ Identifying Next Best Action
- ▶ **11x** increase customer uptake
- ▶ More than **3x** incremental revenue

#### DEALER OPTIMISATION

- ▶ Improved new dealer recommendations with **75%** accuracy

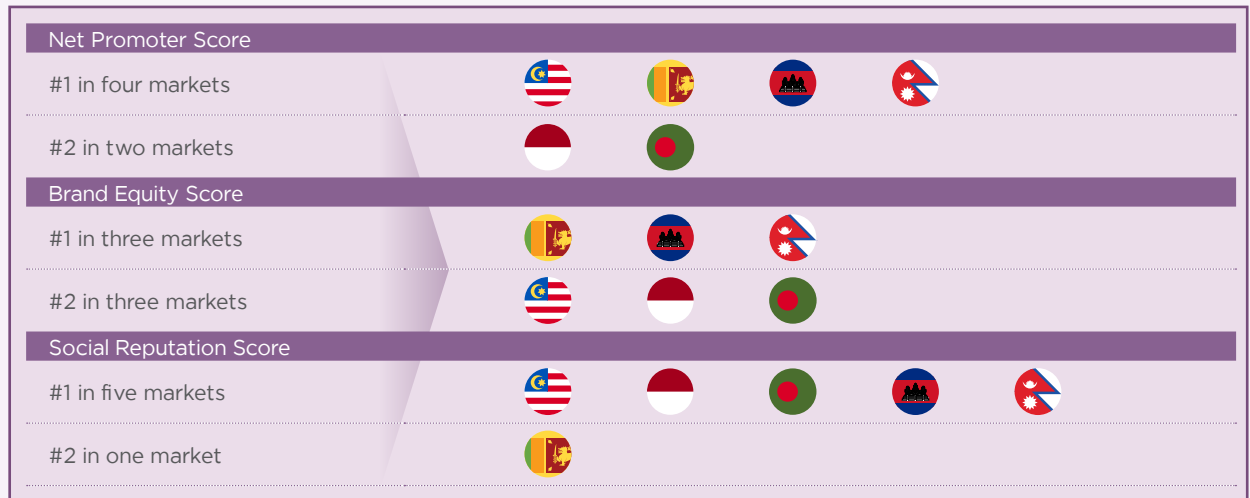
### Strengthening Data Privacy and Cyber Security<sup>1</sup>

We uphold the highest standards of customer data privacy protection to inspire our customers' trust and confidence in our digital world. We continue to drive the Digital Trust 2020 Cyber Security Strategy and maintain a Group-wide Threat and Vulnerability Management Programme. We set a Group-wide minimum baseline security standard and conduct ongoing assessments. A Group Security Operations Centre (GSOC) is equipped with a world class Endpoint Detection and Response programme to monitor all OpCos on a single platform.

- ▶ Established a **Joint Cyber Security and Privacy Committee** to provide closer cooperation and coordination between cyber and privacy domains
- ▶ **GSOC** was certified by the Forum of Incident Response and Security Teams
- ▶ **"Red Teaming" exercise** - identified threat targets Groupwide and executed a proritised and effective improvement programme
- ▶ **"Bug Bounty" initiative** - identified software vulnerabilities

### Ensuring Customer Satisfaction

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.



Note: <sup>1</sup> More information can be found in the Strengthening Data Privacy and Cyber Security section in the Governance & Audited Financial Statements (GAFS) 2019



# Developing A Digitised Telco Model

## Achieving Operational Excellence Through Digitisation

Click to watch more from our Chief Executive Officer - Telecommunications Business/Group Executive Vice President



In line with Axiata's Triple Core Strategy, our Digitisation and Analytics efforts are key to our functional and operational excellence as well as our competitive advantage. Our Digital Transformation Roadmap consists of implementing transformation through the adoption of IR 4.0 principles and technologies across five cores of digitisation across our intrinsic value chain.

We launched the Learn, Engage, Accelerate and Perform Programme (LEAP) to accelerate our digitisation transformation. The programme was to inculcate a "digital-first" mindset shift, accelerate

digital maturity across OpCos as well as validate their progress, and drive intra and inter-OpCo collaboration. By end of 2019, LEAP drove a positive focus across our five layers, resulting in over 250 unique digitisation initiatives.

Moving forward, we are adopting an impact-oriented model to measure our progress, as well as developing a "Digitised Telco Model" to better focus our digitisation efforts to deliver quantifiable business and economic impact.

5 Cores of Digitalisation	celcom	XL AXIATA	Dialog	robi	Smart	Ncell	eco enabling connectivity
<b>Product and Services:</b> Offerings purchased, consumed and experienced digitally	▶ New prepaid self-registration via Celcom Life App	▶ OWSEM Experience - integrated campaign	▶ Dialog Mega Run	▶ Friendship Always Wins (Victory Day Campaign)	▶ Pleng by Smart	▶ Balance Plus	
<b>External Interfaces:</b> Touchpoints (customers, partners incl. sales and distribution) digitised to improve experience and responsiveness	▶ PULSE Mobile Application ▶ eSIM in Proton ▶ Social Media Experience Hub (smEX)	▶ XL Busol Sales Platform ▶ Biz Plan + 0365 bundle ▶ Omnichannel Commercial	▶ Tech UBER ▶ Axiata IoT Platform ▶ A2C Digital Omni Channel Project	▶ Robi dekhun phase 1 ▶ M.A.D. UI & UX of self-care apps ▶ Online CLM	▶ Smart Luy Advance ▶ Apple Direct Carrier Billing	▶ Customer Migration to 4G ▶ Leveraging API and Big data for Omnichannel Experience	
<b>Internal Processes:</b> Processes simplified, digitised and automated to unlock cost efficiencies and productivity	▶ Data Science and Advanced Analytics ▶ Project Neuron	▶ Non Telco Sales ▶ AIGO (Axis Internet on the Go)	▶ Dialog Retail Hub ▶ Project SIRA: Customer Service Complaint Resolution Automation	▶ Make My plan ▶ SingleApp	▶ Enterprise-wide Autonomous Anomaly Detection and Alert System	▶ Touch Point Rejuvenation Using RPA & AI ▶ CLI Manipulation Dashboard	▶ Automation of Procurement Approval Form/ Purchase Requisition ▶ edotco-Axiata Analytics: Site Collaboration Tool
<b>Infrastructure and Platform transformation:</b> Network virtualised and monetised through microservices and analytics	▶ Re-design and re-platform Celcom Digital Fronted ▶ NetZoom Smart Network	▶ Big Bang Agile ▶ Network planning at XL driven by NQI	▶ OneCRM Project Implementation ▶ Enhanced Huawei CBS with ADL-DLE	▶ Rollout Controller (ROC) Mobile App	▶ Cloudify IT DNS and swap to F5-based VM ▶ EPC Swap to CUPS	▶ OSS Cloudification	▶ edotco Energy Optimiser ▶ Infrastructure Audit using drones, ML & AI
<b>Organisation and Culture:</b> Mindset shifted to be "Modern-Agile-Digital"	▶ Data Science and Advanced Analytics	▶ Case Study for XL Axiata digitisation	▶ Project Arogya	▶ 360 Degree SRS Campaign - Synthesio		▶ Employee Engagement Portal - Ngage	▶ Spot Award Automation

**OUTCOMES FROM LEAP INITIATIVE**

- ▶ **Top 3 number of tech enablement projects:**
  - 186  
Process Automation
  - 100  
API Management Platforms
  - 87  
Business Analytics
- ▶ **No. of projects delivering specified business benefits:**
  - ▶ 185 Better Customer Experience
  - ▶ 132 Reduced Cost
  - ▶ 145 Stronger Competitive Advantage
  - ▶ 123 Improved Workplace Productivity

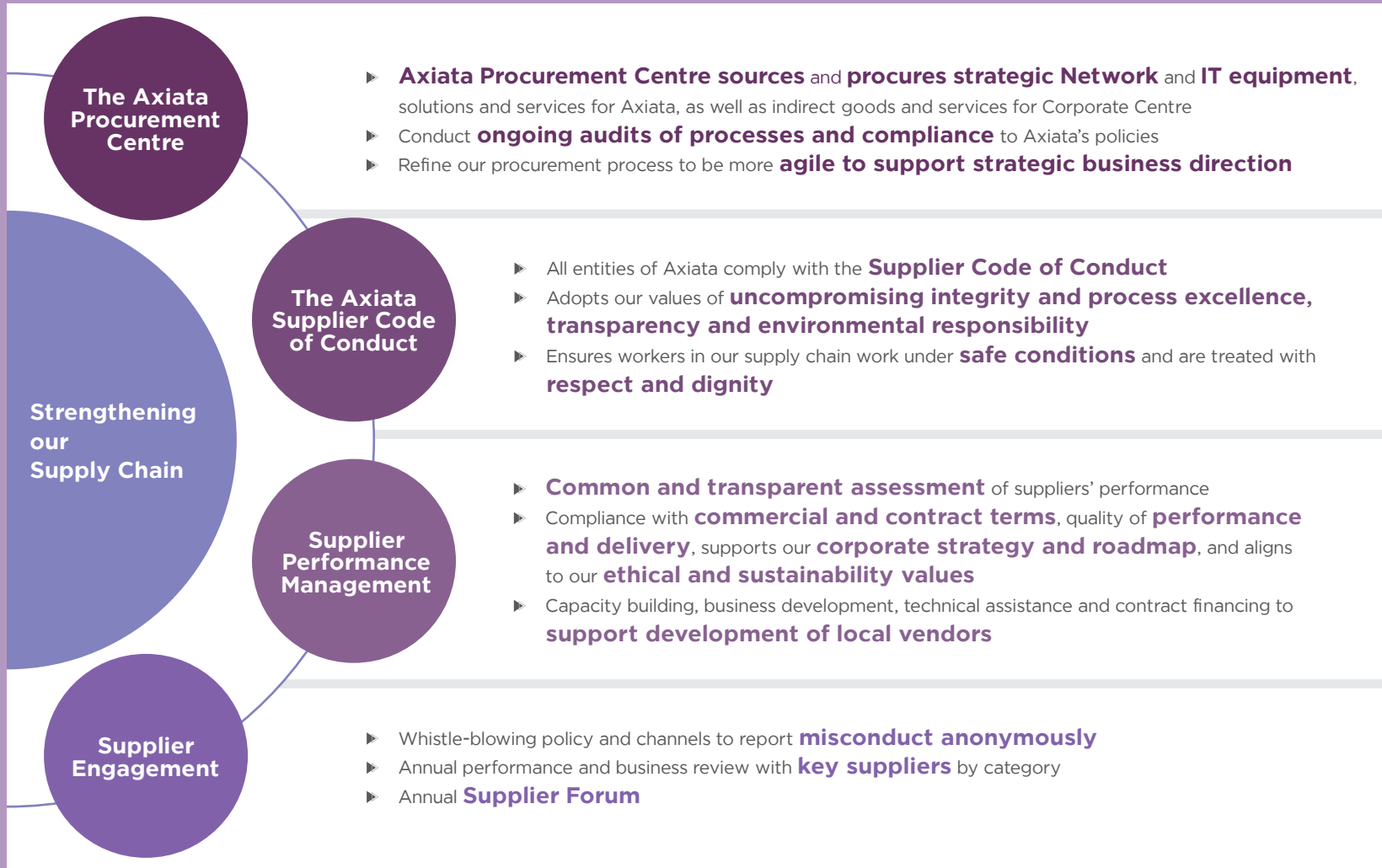
Over 250 unique initiatives launched to accelerate digitisation across the five core areas

# Strengthening Our Supply Chain

## Delivering Operational Excellence

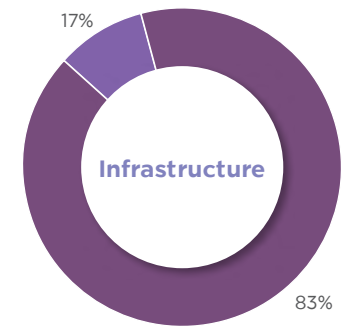
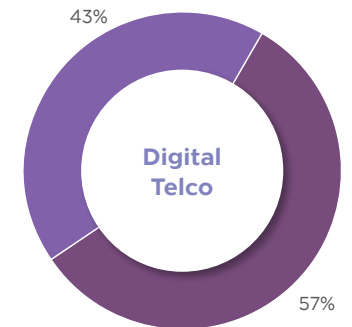
Across the Group, we depend on an extensive supply chain to deliver operational excellence, with over 5,600 suppliers, ranging from equipment and infrastructure suppliers to advertising agencies and content providers. Given the complex nature and the widespread geographical presence of our supply chain, we believe that by collaborating with socially and environmentally

conscious suppliers, we can mitigate a significant proportion of our sustainability risks and impacts. All suppliers commit to the Axiata Supplier Code of Conduct. Our Code of Conduct promotes and upholds human and labour rights practices among our suppliers.



### % Spend on Local Suppliers

Across our digital telco and infrastructure Group, 58% of procurement was through local suppliers



■ Local Supplier  
■ Foreign Supplier

# Strengthening Our Supply Chain

## Supporting Local Ecosystems

We support the long-term development of vendors and partners in our local markets. We aim to raise their internal capabilities and capacity, and in the long term impact the livelihood of over

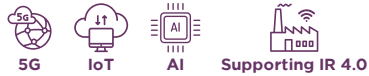
10,000 individuals employed in our supply chain. Our vendor development programmes provide key partners with additional training, business insights and networking opportunities to grow their business.

### CELCOM VENDOR DEVELOPMENT PROGRAMME

To develop and support capable suppliers to be part of Celcom's ecosystem and be self-sustaining.

Launched VDP 2.0

Target **50 vendors** focusing on Celcom's business and ecosystem



Achievement to date

- ▶ **7** National Champions
- ▶ **> 20** training programmes
- ▶ **6** business matching events organised with other GLCs and companies
- ▶ **2** Government research grants received
- ▶ **Main** strategic partner of the Ministry of Entrepreneur Development's Vendor Innovation Partnership Programme 2019

Target by 2020



## Vendor Development Programme (VDP)

### EDOTCO GROUP VENDOR DEVELOPMENT PROGRAMME

In late 2018, edotco Group commenced its VDP in Malaysia aimed at strengthening the capabilities and competitiveness of local vendors to supply parts and components to local and regional markets.



- ▶ **3** vendors selected based on pre-defined criteria



- ▶ Introduced vendors to **commercial opportunities** in Philippines, Pakistan, Laos



- ▶ **Training & Development** provided
  - 5G Training (**External**)
  - PMP Training (**External**)
  - HSE Training (**Internal**)
  - IBWave (**External**)
  - Business Networking at GSMA Infra Summit with edotco VDP Booth



- ▶ **Extended** the programme to Bangladesh operations in end-2019





**PLANET & SOCIETY**



# Improving Environmental And Social Outcomes Across Our Regional Footprint

## Overview

**In line with greater global awareness on the need to act on developments impacting the environment and underserved communities,**

**we continue to be mindful of the steps we can take to contribute to better outcomes throughout our regional presence.**



Corporations play a key role in the mitigation of global warming and to keep global temperatures from rising by 1.5°C, through decisions they take to invest in researching and implementing new energy technologies and energy efficiency measures. At Axiata, we are committed to contributing to carbon reduction as we operate in a region particularly vulnerable to the impacts of climate change which can potentially affect the long-term sustainability of our business.

### GSMA Zero by 2050 Target

At the end of 2019, the GSMA launched its Zero by 2050 commitment, one of the first major sectors to voluntarily set an emissions reduction target. The commitment calls for GSMA members to commit to setting verifiable Science Based Targets (SBT) at 1.5°C or a target that aligns and meets national commitments.

Aligned to this, we are developing a robust strategic approach in the management of climate change. This includes developing a climate governance framework and setting targets. The pathway establishes mobile network operators to lower emissions by at least 45% by 2030.

# Improving Environmental And Social Outcomes Across Our Regional Footprint

## Minimising Our Carbon Footprint

Our carbon reduction strategy focuses on areas of operational control. Through a life cycle approach, we assess how we build green infrastructure, improve energy efficiency, and invest in renewable technologies. As the footprint of our network expands to connect more people, we are committed to

working with vendors and partners to explore innovative measures to improve our emission intensity with the long-term goal of reducing overall emissions.

### Building Green Structures

edotco Group provides best-in-class tower infrastructure and is committed to building environmentally friendly telecommunication structures. Since 2016, edotco Group has been working with a third-party verification body to quantify the reduction of carbon in the construction of

newly designed towers. By designing and building leaner and lighter structures, exploring alternative construction materials aside from steel, combined with investing in renewables, and increasing efficiency, edotco Group has been able to reduce its emissions by 54% per site from a 2013 baseline.



Design and construct 3-legged towers, which use **30%** less steel

**↓ 25% reduction** in carbon emissions per site



Sleeker and innovative tower designs using less materials

**↓ 30%-60% reduction**



**9** carbon fibre towers **↓ 20% reduction** per site



**15** towers built using bamboo

**↓ 70% reduction** carbon emissions per site

### Increasing Our Energy Efficiency

Over 96% of energy in our operations is used to power our network, and accounts for 97% of our total greenhouse gas emissions. As part of operational excellence, we monitor our energy consumption with an eye on reducing it wherever possible. Each OpCo establishes reduction

targets and environmental performance measured in the KPIs of senior management as part of operational excellence.



**87%** of edotco sites are monitored by ECHO, a centralised monitoring system which ensures energy efficiency of passive infrastructure



Progressive transition from diesel sites to grid powered sites

**↓ 41% reduction** emissions per site



Energy efficiency as part of sourcing criteria



Installing natural air cooling and outdoor cabins



# Improving Environmental And Social Outcomes Across Our Regional Footprint

## Minimising Our Carbon Footprint (Continued)

### Switching to Renewables

Across our operations, we turn to renewable energy where it is commercially viable. edotco's Bangladesh operation accounts for the majority of our renewable sites. With the advancement in renewable energy technology and lower costs, we continue to invest in and to work with partners to trial hybrid systems to maximise efficiencies.

Over **1,708** solar-powered sites



**12** wind turbine sites



**1** on-site hydrogen generation fuel cell site



**277** hybrid solar

**Solar +** Genset hybrid  
Grid Hybrid  
Wind Turbine



**32%** Year on Year increase in renewable energy by edotco Group



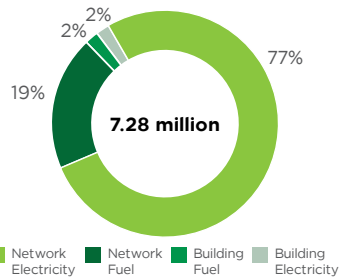
**> 38k GJ** of energy produced



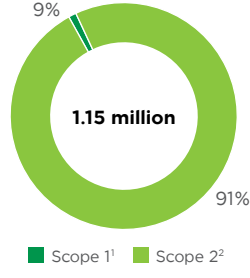
**2** methanol fuel cell sites



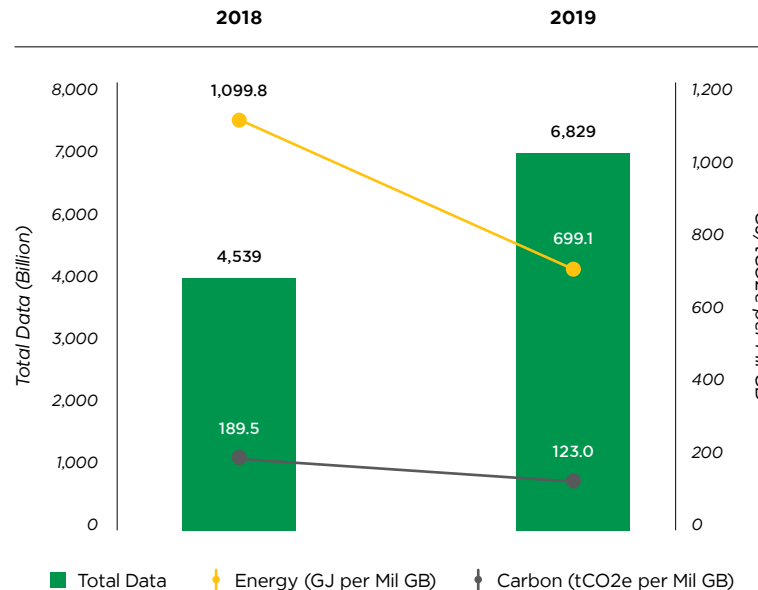
#### Total Energy by Source (GJ)



#### Total Emissions t/CO<sub>2</sub>e



#### Energy and Carbon Intensity (Digital Telco Only)

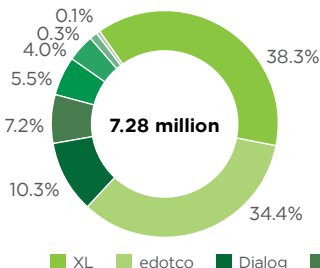


#### Tree Planting

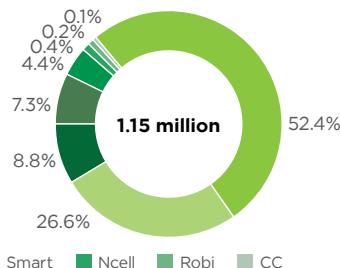
edotco Group conducts a tree planting programme in six of its markets.

- ▶ **1,300** mangroves, **400** bamboo trees and **975** other trees planted in Malaysia
- ▶ **1,020** bamboo and **520** other trees in Myanmar
- ▶ **350** trees planted in Bangladesh
- ▶ **500** trees planted in Cambodia
- ▶ **500** bamboo trees planted in Sri Lanka
- ▶ **9,000** trees planted in Pakistan

#### Energy by OpCo (GJ)



#### Total Emissions by OpCo t/CO<sub>2</sub>e



Notes: <sup>1</sup> Scope 1: Emissions are direct GHG emissions from sources that are owned or controlled by the Group  
<sup>2</sup> Scope 2: Emissions are indirect GHG emissions resulting from the generation of electricity, heating and cooling or steam purchased by the Group

## Supporting At-Risk Communities Through Disaster Response Preparedness Providing Critical Information At Communities' Fingertips

We operate in countries which are prone to weather events and natural disasters that can cause severe damage to the lives and property of local communities. With the onset of climate change, the occurrence and intensity of heatwaves, monsoons, and flooding are likely to worsen.

As a signatory to the GSMA Humanitarian Connectivity Charter, we are committed to improving disaster preparedness and resilience through our mobile network. Our networks play a critical role to assist in preparation and respond to disasters in each of our markets.

### Early Warning Services



- Launched in 2015, **Dialog's Early Warning Network (DEWN)** mobile app is a collaboration with the Disaster Management Centre of Sri Lanka
- The app proactively alerts the public of the likelihood of extreme weather, along with providing them with the tools to be better prepared
- Dialog signed an MoU with the World Food Programme to use cell tower-based heat maps to deploy rescue teams and resources more effectively
- Sent over **5,986,723 weather, landslide and flood alerts** since 2019



- Since 2016, Ncell has partnered with the Department of Hydrology and Meteorology (DHM) to connect **244 hydrometeorological stations and telemetry devices**
- Situated in river basins which are susceptible to flooding, SMSes are sent to warn communities to evacuate to higher ground to avoid potential loss of life and property
- **359 SIM cards** provided to DHM
- **2.6 million** flood alerts sent in 2019



- Smart Weather was developed in partnership with Earth Networks in 2017
- Uses data from **17 sensors** installed on Smart's base stations across Cambodia to provide accurate severe weather forecast and intelligence
- Designed for both individual users and institutional customers such as businesses from sectors like aviation, agriculture or tourism as well as government institutions and NGOs

### Post-Disaster Relief and Aid



- Three-year **RM300,000 humanitarian** support of Mercy Malaysia's missions to countries where we have a presence



- XL Axiata has continued to **support post-2019 tsunami** aid to Palu, Central Sulawesi
- Re-construction of a school in **Northern Lombok**
- Drought relief to **West Java**
- Provided flood aid to cities across **Java and Sumatra**



- Dialog Foundation provided aid to victims of the Easter terror attack that claimed 253 lives and injured hundreds
- Provided educational support for over **500 children**, and psychosocial rehabilitation for over **250 families**
- Completed **25 houses** in Eheliyagoda Ratnapura district

### National Capacity Building



- In 2019, in partnership with **GSMA, Celcom and XL Axiata**
- Hosted and engaged their respective National Disaster Management Agencies to **share and exchange global best practices** on how digital mobile can be leveraged upon in times of national disasters

### Information Services



- In 2019, we amplified the government's **Dengue awareness** message through mass media broadcast
- Robi provides a **toll-free number for awareness** and information on how to reduce the spread of communicable diseases after a disaster

# Responding To COVID-19









## Our Communities

Our community response to the COVID-19 crisis has focused on channelling financial and in-kind donations to support the needs of medical frontliners and vulnerable groups.

Axiata together with Celcom, edotco Group and Axiata Digital launched a RM150 million (USD35 million) cash fund to provide financial assistance to micro-SMEs. Under the current challenging conditions, micro-SMEs, which make up

more than 50% of SMEs in Malaysia and fall mostly within the B40 segment of society, will face mounting difficulties in operating their businesses.

Individually, our OpCos have also provided support as follows:

 <p>► Provided <b>several consumer relief support</b> under its own initiative as well as jointly with industry players. This includes free <b>1GB/ day of data, WhatsApp and O365 from 8am-6pm</b> valued at over <b>RM300 million (USD68.78 million)</b>. Support in-kind and cash of over <b>RM200,000 (USD45,860)</b> to the government in services, devices, donations, PPE and enhanced network capacity in critical sites have also been provided.</p>	 <p>► Channelled an estimated <b>RM425,000 (USD97,440)</b> in total, comprising PPEs to front-liners in all eight of its footprint countries and donations for food and basic necessities for the urban poor. A further <b>USD20,000 contribution</b> was made to Smart's COVID-19 relief fund in Cambodia. edotco also sponsored <b>20 seats</b> for stranded Malaysians in Pakistan and deployed three eMOS units at the Sungai Buloh Hospital, Malaysia's main coronavirus treatment centre.</p>	 <p>► Launched its <b>'Tabung COVID-19'</b> as a convenient channel to donate to the Malaysian Ministry of Health's Special Fund for COVID-19 which will be used to help frontliners and those affected by the outbreak. To date, it has collected approximately <b>RM600,000 (USD115,300)</b><sup>1</sup>.</p>	 <p>► Established a <b>USD1 million COVID-19 Relief Fund</b> for any agency in the country to apply for, in support of key national initiatives addressing public awareness on social distancing, national crisis management and ICT for education and hygiene. Smart also implemented its 5G technology (on trial spectrum) at three main hospitals where COVID-19 patients are being warded, providing latent and unparalleled high-speed coverage.</p>	 <p>► Contributed <b>NPR100 million (USD820,000)</b> for the COVID-19 Nepal Government Prevention Fund. Ncell also launched its USSD service to identify COVID-19 infections with <b>IVR *17100# surveys</b>, narrowing down cases with the highest probabilities. Additionally, Ncell has introduced its <b>StayHome packs</b> providing over <b>15GB data and special privileges for seven days</b> at an affordable price of <b>NPR230 (USD1.86)</b></p>	 <p>► Invested <b>IDR85 billion (USD5 million)</b> to date in 2GB free internet data for all users, with <b>IDR10 billion (USD650,000)</b> contributed to the Indonesian Natural Disaster Bureau and a further <b>IDR10 billion</b> in the pipeline. It also launched an online learning under its <b>XL Future Leaders programme</b> and hosted webinars under its Sisternet initiative.</p>	 <p>► Provided <b>free relief data, voice and SMS</b> for all mobile customers as well as access to all Dialog Television (DTV) channels at <b>no additional cost</b> to its DTV customers. Dialog also enabled Ministry of Health in creating multiple telemedicine units in 20 hospitals and donated PPE kits and free critical connectivity solutions to the National Infectious Diseases Hospital. Furthermore, Dialog has partnered with multiple media stations and contributed <b>RS.50 million (USD260,437)</b> to provide relief to the needy by distributing packages of dry rations daily to over <b>95,500 people in 320 villages across 18 districts in the island</b>.</p>	 <p>► Formed a partnership with <b>A2i and the Health Ministry</b> to develop a <b>cutting-edge mobile app</b> to monitor and combat COVID-19. They also set aside a fixed amount of funding to procure supplies of <b>PPE to various hospitals and frontlines dealing</b> with COVID-19 cases and <b>provisioned disinfection booths at high traffic areas and outlets</b>. It has also arranged to supply packed food to homeless labourers in the city.</p>
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Note: <sup>1</sup> Collection from 21 March-7 May through cash donations and Boost coins



# Committed To Sustainable Development

## Uplifting Communities With Long-Term Solutions

We are committed to supporting the principle of the UN SDGs, calling for the achievement of holistic sustainable development for all and leaving no one behind. Across our markets, we recognise the value of education and have developed programmes and offered scholarships to support the education needs of the next generation of citizens.

We impact communities through consciously identifying and working with local partners on unique programmes that leverage our OpCos' individual strengths and assets in connectivity, infrastructure and digital services to meet the specific needs of local communities and citizens.

### Supporting Education

- Dialog's Merit Scholarship Programme grants scholarships to **telecommunication, electronic, electrical and computer engineering students**
- Since 2003, the programme has supported more than **700 students** with a commitment of over **RS100 million**



- Since 2016, the SmartEdu Scholarship Programme has supported **67 Cambodian students with university scholarships worth up to USD1 million in total**
- > 900 students** from six provinces attended career advice and development workshops during the SmartEdu Discovery Days
- Annual SmartEdu Induction Camp with **3C and job preparation workshops** for all scholars



- In partnership with MARA Foundation, Pintar Harapan provides free tuition for primary school students from low-income rural schools in preparation for the national exams. Tutors are secondary school students from top national schools
- Involves more than **35 institutions** of higher learning, and over **4,500 students** from low income families in **237 schools**
- Contributed over **RM2 million** in collaboration with MARA Foundation



- Every year, **18 Ncell Scholarships and 6 Ncell Excellence Awards** are given to top students at the Institute of Engineering, Pulchowk Campus
- Committed to **RS13 million** funding between 2019-2023
- Organised a 3-day workshop on **Promoting quality Education** from early childhood attended by over **700 teachers** across the country



### Connecting to Basic Utilities

Launched in 2016, Tower to Community (T2C) has impacted local communities by providing connectivity to:

- > 4,600 families** in rural areas of Malaysia, Bangladesh, Pakistan and Myanmar
- Clinics in Myanmar to refrigerate vaccines to serve **2,500 families**
- Improve the learning environment of **> 800 students** in Cambodia and Bangladesh



- In Myanmar, edotco contributes to the provision of clean water and sanitation through a water tube well with reverse osmosis project in **5 regions**, impacting **1,207 families**



- The Nirapod Pani, Sustho Jibon programme supplies drinking water at **10 national railway stations**
- In partnership with WaterAid, drinking over **5,000 litres** of water is produced each day



### Access to Better Health Services

- Support Dhulikhel Hospital to establish **telemedicine and Health Informatics Programme** to serve eight remote and underserved communities through quality health care services, using technology and data-driven health care methods
- Contributed over **USD200,000** for the organising of a charity concert, and as additional funds in support of Kantha Bopha Hospital, Cambodia's free pediatric hospital

### Facilitating Donations

- Pioneered e-wallet donation platform in Malaysia, Do Good with Boost
- Supported **58 non-profit organisations** and **140 religious institutions**, to collect **> RM800,000 in public donations**



### Employee Volunteering

- Berbagi is XL Axiata's employee volunteer programme to teach, lecture, and support communities post-disaster
- Over **85 employee** volunteers registered
- More than **340 man-hours** donated
- More than **1,200 students and 30 schools** reached







# NATIONAL CONTRIBUTION REPORT



# Introduction








As one of the leading telecommunications groups in Asia with a presence in 11 countries and a customer base of approximately 153 million, Axiata Group Berhad makes a substantial contribution to the countries in which the Group operates. Through its investments in its portfolio of operating companies across the region, Axiata is recognised as one of the largest Foreign Direct Investors, best employer, significant taxpayer and substantial purchaser of local services where it has a digital telecommunications presence.

Over the past six years, Axiata has published an annual National Contribution Report to continuously measure the economic impact and value creation in the markets and communities served. Our national contributions represent the long-term value we have created through our investments in the local telecommunications industry, network infrastructure, talent development, environmental conservation and in society.








The National Contribution Report should be read in tandem with Axiata's Integrated Annual Report and the Sustainability Report to understand the context in which we operate and our holistic value creation initiatives.

**Report Scope and Information of the National Contribution Report 2019**

This report consists of an economic impact assessment at six of Axiata's digital telco operating companies. The report includes economic and financial analysis of Axiata's operating companies' contribution to the national economy, which includes an assessment of the following:

<b>Economic contribution to the nation</b> 	<b>Contribution to public finance</b> 	<b>Talent development</b> 
<b>Investment and innovation for the long-term</b> 		<b>Labour productivity</b> 

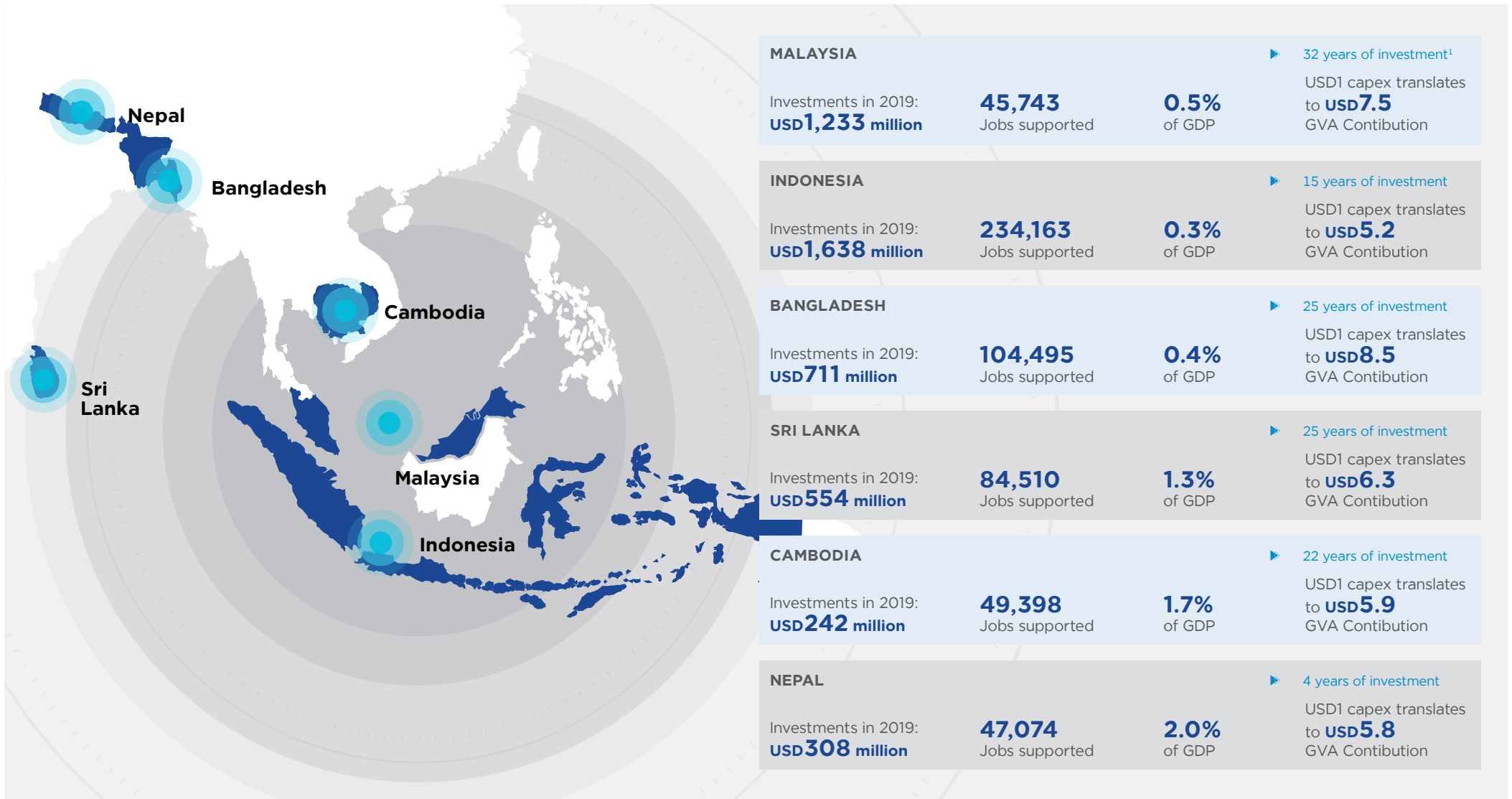
**Highlights of the National Contribution Report 2019**

Contributed <b>USD8.4 billion<sup>1</sup></b> to the national GDPs of six countries where Axiata has a digital telco presence 	Total tax paid to government <b>USD1.3 billion</b> 	Every <b>USD1</b> spent on capex by the Group translates to between <b>USD5.2</b> and <b>USD8.5</b> contribution to GDP in six key operating markets 
Collective direct operational and capital expenditures reached <b>USD4.7 billion</b> 		Axiata companies support both directly and indirectly, approximately <b>600,000</b> jobs across the region. 
Employed <b>10,100<sup>2</sup></b> employees across ASEAN and South Asia 		Axiata companies support both directly and indirectly, approximately <b>600,000</b> jobs across the region. 

Notes: <sup>1</sup> In previous reports, our investments in M1 and Idea were included in the calculations of overall economic contribution in the region. For this year, we have excluded their contribution as we have divested our shareholdings in M1 and Idea  
<sup>2</sup> Total employee headcount at Axiata (including ADL, ADS and Suvitech) as at 31 Dec 2019 was 12,976. Our six digital telco operations accounts for over 10,100 employees



# Achievements Across The Group



Note: <sup>1</sup> Investment in the forms of capital expenditure and operating expenditure  
 Source: Analysis by External Consultant

# Malaysia



Celcom is Malaysia's first private mobile operator, with over 8.4 million<sup>1</sup> customers. Established in 1988, it boasts the widest national 2G, 3G and 4G LTE networks, covering over 98% of the population. Celcom is now moving towards integrated multi-access and multimedia services and Internet of Things solutions, in line with evolving technologies and consumer behaviour in Malaysia. A culture that places the customer FIRST™ is reflected in our award-winning customer service, products, and other corporate accolades at a regional level.



Click to watch more from our Chief Executive Officer, Celcom Axiata

## National Contribution

### Contribution to Gross Value Added

**USD1,844 MILLION**  
(0.5% OF THE NATION'S GDP)

Operational Direct GVA:  
**USD813 million**



Operational Indirect and Induced GVA:  
**USD774 million**



Capital Investment GVA:  
**USD198 million**



Productivity GVA:  
**USD59 million**



### Capital + Operating Expenditure

**USD1,233 MILLION**

Capital Expenditure:  
**USD246 million**



Operating Expenditure:  
**USD987 million**



Every **USD1** spent on capex

translates to

**USD7.5**  
GVA Contribution<sup>2</sup>

### Direct Employees

TOTAL  
**2,704 STAFF**

Female:  
**48%**



Malaysians:  
**99.5%**



### Total Jobs Supported

TOTAL  
**45,743 JOBS**

Directly Employed:  
**2,704**



Supported by Capital Investment:  
**10,607**



Operational Indirectly Supported:  
**32,431**



### Contribution to Public Finance

**USD206 million**  
(0.3% of total tax revenue of the Malaysian Federal Government<sup>3</sup>)



Notes: <sup>1</sup> Excludes Mobile Virtual Network (MNVO) subscribers on Celcom's network  
<sup>2</sup> Including GDP contribution from market penetration related productivity impact  
<sup>3</sup> Total tax revenue for the federal government in 2019 was estimated at RM26,300 million (USD63,583). (Source: Ministry of Finance, Malaysia)

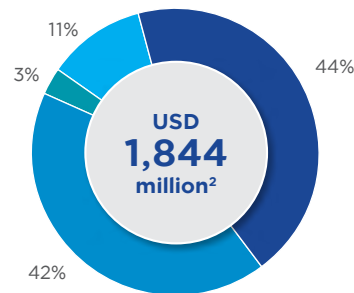
# Malaysia

## CELCOM'S TOTAL ECONOMIC CONTRIBUTION TO THE MALAYSIAN ECONOMY

Celcom's substantial operations and investments in Malaysia contributed USD1.8 billion to Malaysia's GDP in 2019. With a total operating expenditure of USD987 million and capital investment of USD246 million, Celcom's total Gross Value Added (GVA) contribution to Malaysia's economy was estimated at USD1,844 million in 2019, accounting for 0.5% of national GDP.

Celcom's operations directly contributed USD813 million, accounting for 44% of total GVA contribution. It also indirectly contributed USD774 million to economic activity in Malaysia through the inputs it purchased from local suppliers. This indicates that for every USD1 Celcom directly added to Malaysia's economy, it generated just under another USD1 indirectly through purchasing goods and services from Malaysian suppliers, higher than the general industry average of USD0.8<sup>1</sup>. USD198 million GVA was generated by Celcom's capital investment, accounting for 11% of total contribution. Productivity improvement contributed a further USD59 million. (Figure 1)

**Figure 1:**  
GVA contribution to the Malaysian economy 2019



**USD813 million** Operational direct GVA  
**USD774 million** Operational indirect and induced GVA  
**USD59 million** Productivity  
**USD198 million** GVA by capital investment

Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; OECD 2011

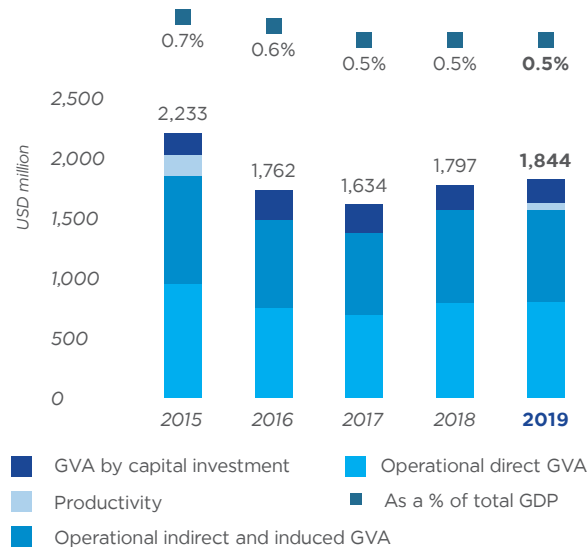
## CELCOM'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST FIVE YEARS

Celcom's total GVA contribution fell from USD2,233 million in 2015 to USD1,844 million in 2019 with a decreasing share of the country's GDP from 0.7 to 0.5%. This was mainly due to a decline in Celcom's operating profits and mobile penetration rate in Malaysia.

Over the last five years, total operating profits contracted by 20.0% and mobile penetration rate decreased by 13.4 percentage points. Meanwhile, the market share of Celcom's penetration dropped from 28% to 20%.

However, total GVA contribution grew by 2.6% in 2019 mainly due to the productivity improvement resulting from increased mobile subscribers. (Figure 2)

**Figure 2:**  
GVA contribution to the Malaysian economy 2015-2019

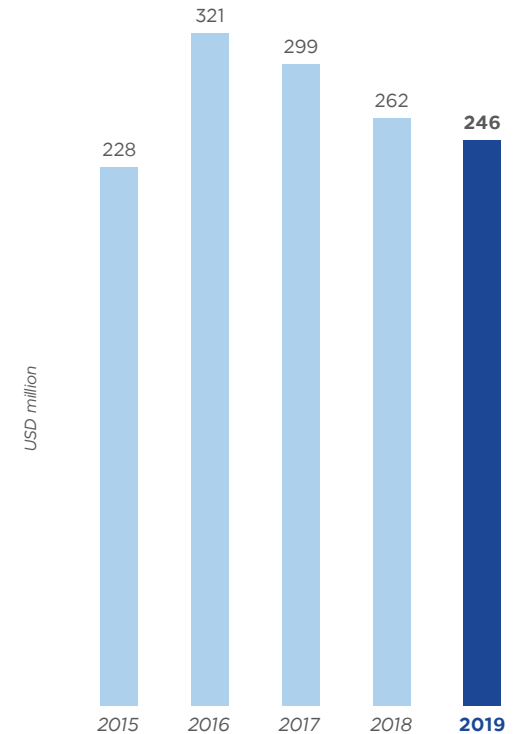


Source: Analysis by External Consultant; GSMA Intelligence

## INVESTING AND INNOVATING FOR THE LONG-TERM

Total accumulated capital investment by Celcom over the last five years reached USD1,356 million. In 2019, Celcom continued to make significant investments of USD246 million. This continuous investment supports Celcom's long-term development, and ongoing significant contribution to the Malaysian economy. (Figure 3)

**Figure 3:**  
Total capital investment 2015-2019



Source: Axiata



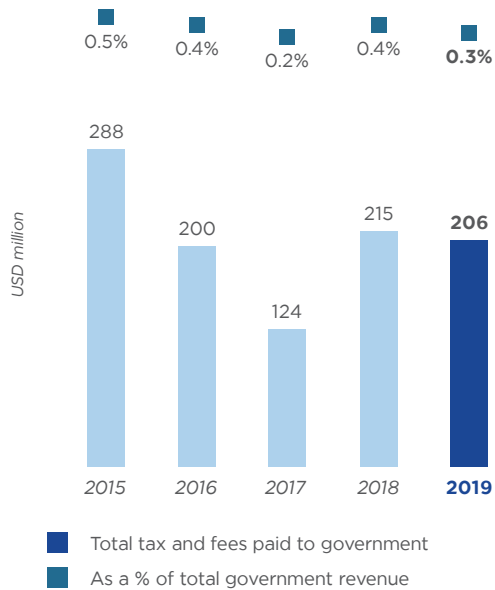
# Malaysia

## CONTRIBUTIONS TO PUBLIC FINANCE

Total accumulated tax contributions to public finance over the last five years reached USD1,032 million. Annual tax contributions has fallen since 2015 due to falling operating profits, but rebounded in 2018. This is mainly due to a 17.5% increase in Celcom’s operating profits in 2018.

In 2019, Celcom contributed USD206 million in tax, accounting for 0.3% of total tax revenue of the Malaysian Federal Government. (Figure 4)

**Figure 4:**  
Total tax contributions to public finance 2015-2019



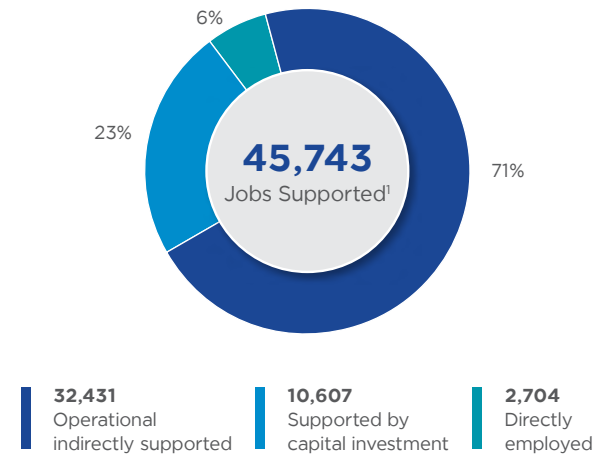
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

Celcom directly provided 2,704 jobs in 2019. The firm was predominantly run by Malaysian citizens with 99.5% of total employees being Malaysian. Around 48% of Celcom employees were female, higher than the national level recorded at 39%.

Celcom’s operations indirectly supported an additional 32,431 jobs in Malaysia through its suppliers and a further 10,607 jobs were supported by Celcom’s capital investments. The total number of employees supported slightly decreased from 46,334 in 2018 to 45,743 in 2019. (Figure 5)

**Figure 5:**  
Total employment impact 2019



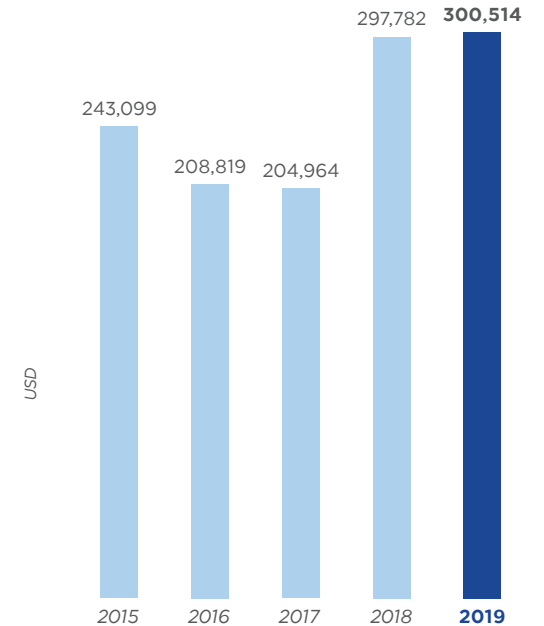
Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## CELCOM’S LABOUR PRODUCTIVITY

Celcom’s productivity, measured as Gross Value Added (GVA) per employee, reached USD300,514 in 2019, representing a CAGR of 5.4% from USD243,099 in 2015.

Celcom’s productivity slightly increased by 0.9% in 2019. The increase of productivity likely result from Celcom’s digital transformation strategy, strong levels of digital diffusion and upskilling of the workforce. (Figure 6)

**Figure 6:**  
Celcom’s labour productivity 2015-2019



Source: Analysis by External Consultant

# Indonesia



XL Axiata is the second largest telecommunications company in Indonesia by market capitalisation. XL Axiata offers an array of innovative telecommunications products and services ranging from voice, SMS, Value Added Service (VAS) to mobile data covering more than 90% of population throughout Indonesia. With over 20 years' experience, XL Axiata is credited with bringing cellular services that allow middle and lower-income groups access to cellular services. XL Axiata continues to innovate and transform itself into a leading mobile data provider to serve the burgeoning demand for data amongst Indonesians.



Click to watch more from our President Director, XL Axiata

## National Contribution

### Contribution to Gross Value Added

**USD2,957 MILLION**  
(0.3% OF THE NATION'S GDP)

Operational Direct GVA:

**USD797 million**



Operational Indirect and Induced GVA:

**USD729 million**



Capital Investment GVA:

**USD511 million**



Productivity GVA:

**USD921 million**



### Capital + Operating Expenditure

**USD 1,638 MILLION**

Capital Expenditure:

**USD566 million**



Operating Expenditure:

**USD1,072 million**



Every **USD1** spent on capex

translates to

**USD5.2**  
GVA Contribution<sup>1</sup>

### Direct Employees

**TOTAL**  
**1,606 STAFF**

Female:

**30%**



Indonesian:

**99%**



### Total Jobs Supported

**TOTAL**  
**234,163 JOBS**

Directly Employed:

**1,606**



Supported by Capital Investment:

**148,367**



Operational Indirectly Supported:

**84,190**



### Contribution to Public Finance

**USD211 million**  
(0.2% of total tax revenue of the Indonesian government<sup>2</sup>)



Notes: <sup>1</sup> Including GDP contribution from market penetration related productivity impact

<sup>2</sup> Total general government tax revenue in Indonesia was Rp 1,643 trillion (USD116.2 billion) (Source: Statistics Indonesia, Actual government revenue)

# Indonesia

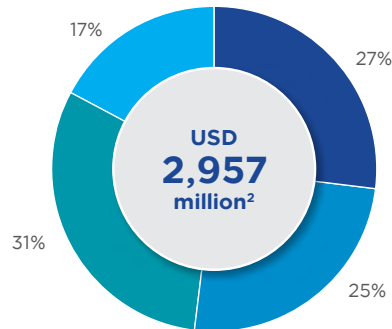
## XL'S TOTAL ECONOMIC CONTRIBUTION TO THE INDONESIAN ECONOMY

Led by XL's total operating expenditure of USD1,072 million and capital investment of USD566 million, the company's total Gross Value Added (GVA) contribution to Indonesia's economy was USD2,957 million, accounting for 0.3% of national GDP.

XL's operations directly contributed USD797 million, accounting for 27% of total GVA contribution. Another USD729 million was indirectly generated through the expenditures by XL's suppliers. For every USD1 XL contributed directly to Indonesia's economy, another USD0.9 was generated indirectly through local suppliers, higher than a general industry of USD0.6<sup>1</sup>.

A further USD511 million was contributed by XL's capital investment with a share of 17% of total GVA contribution. GVA contribution from productivity improvement was estimated at USD921 million, accounting for 31% of total GVA contribution. (Figure 1)

**Figure 1:**  
GVA contribution to the Indonesian economy 2019



**USD797 million**  
Operational direct GVA

**USD729 million**  
Operational indirect and induced GVA

**USD921 million**  
Productivity

**USD511 million**  
GVA by capital investment

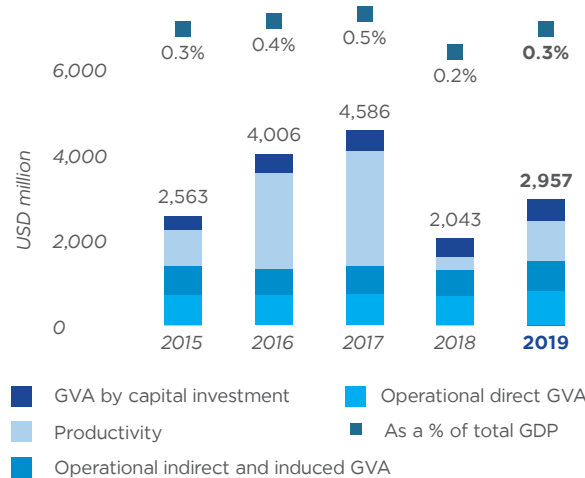
Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; Statistics Indonesia 2010

## XL'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST FIVE YEARS

XL's total GVA contribution increased from USD2,563 million in 2015 to USD4,586 million in 2017. However, the contribution decreased to USD2,043 million in 2018, mainly due to a drop in the national mobile subscriptions as a result of the new national SIM card registration decree. For 2018's contribution, productivity increase from fixed broadband penetration was included. The GVA contribution from productivity improvement was USD318 million<sup>1</sup> with fixed broadband subscription grew by 12.8% from 2017 to 2018.

In 2019, total GVA contribution increased to USD2,957 million, as the mobile subscription bounced back to 338.2 million from 323.5 million in 2018 and XL's operational profit increased from USD603 million to USD706 million. (Figure 2)

**Figure 2:**  
GVA contribution to the Indonesian economy 2015-2019



■ GVA by capital investment      ■ Operational direct GVA

■ Productivity      ■ As a % of total GDP

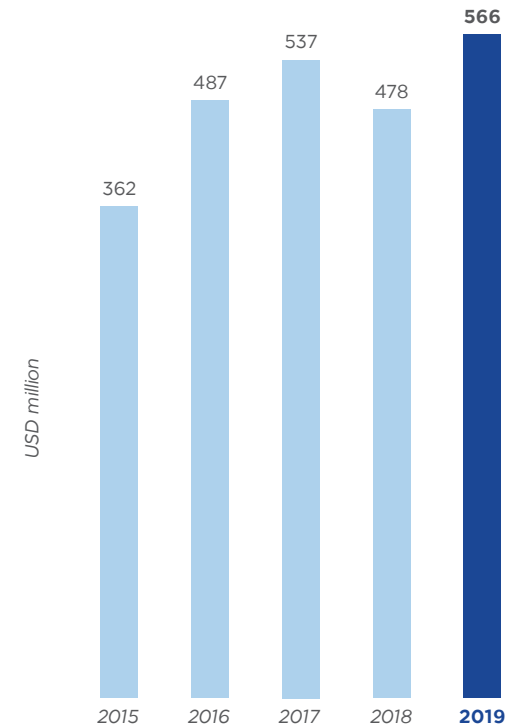
■ Operational indirect and induced GVA

Note: <sup>1</sup> Fixed broadband subscription numbers were revised by EIU  
 Source: Analysis by External Consultant; GSMA Intelligence; EIU

## INVESTING AND INNOVATING FOR THE LONG-TERM

Total accumulated capital investment by XL over the last five years reached USD2,429 million. In 2019, capital investment increased by 18.4% from USD478 million to USD566 million. Over 2015 to 2019, capital investment grew from USD362 million to USD566 million. (Figure 3)

**Figure 3:**  
Total capital investment 2015-2019



Source: Axiata



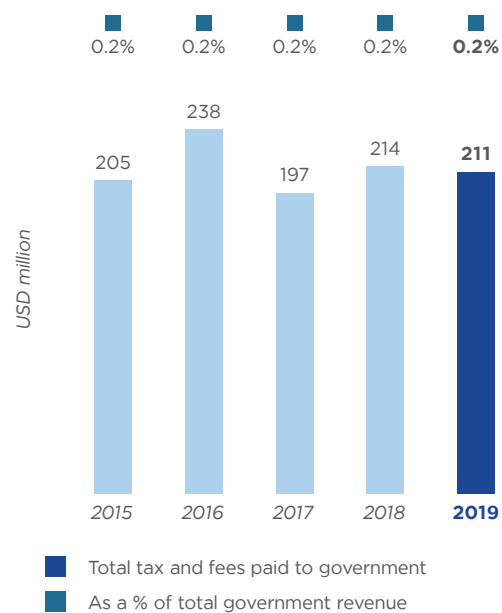
# Indonesia

## CONTRIBUTIONS TO PUBLIC FINANCE

Total accumulated tax contributions to public finance over the last five years reached USD1,066 million.

Annual tax contribution was relatively stable over the last five years. In 2019, it contributed USD211 million, accounting for 0.2% of total tax revenue of the government of Indonesia. (Figure 4)

**Figure 4:**  
Total tax contribution to public finance 2015-2019



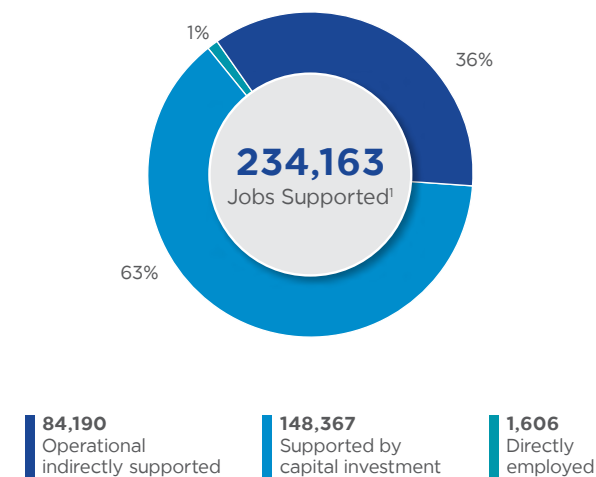
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

XL directly provided 1,606 jobs in 2019. 99% of total employees were Indonesian and around 30% of XL employees were women.

A further 84,190 jobs were supported indirectly by its operations. XL's capital investment supported 148,367 jobs. (Figure 5)

**Figure 5:**  
Total employment impact 2019



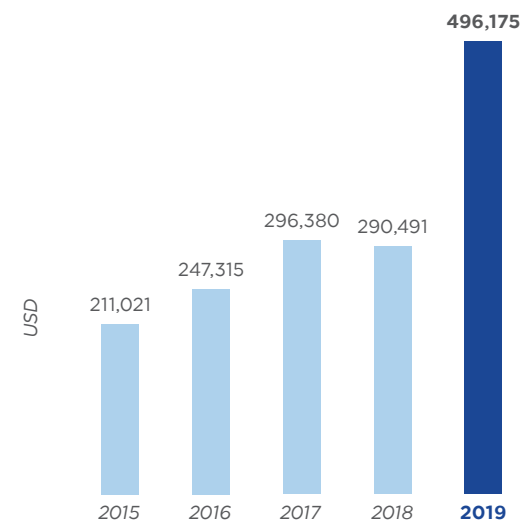
Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## XL'S LABOUR PRODUCTIVITY

XL's productivity, measured as Gross Value Added (GVA) per employee, reached USD496,175 in 2019. It grew by a CAGR of 23.8% from USD211,021 in 2015. Shrinking employment with relatively stable operating profits supported the growth in productivity. Total number of employees reduced by 31% in 2019 from 2,327 to 1,606.

A sudden increase in labor productivity was observed in 2019. This was mainly due to the reduction of outsourced employees. (Figure 6)

**Figure 6:**  
XL's labour productivity 2015-2019



Source: Analysis by External Consultant

# Sri Lanka



Dialog Axiata PLC operates Sri Lanka's largest and fastest growing mobile telecommunications network serving over 14.9 million subscribers. Dialog is one of the largest companies by market capitalisation listed on the Colombo Stock Exchange, and represents Sri Lanka's largest Foreign Direct Investment. Dialog has been at the forefront of innovation in the Sri Lankan mobile industry since the late 1990s, delivering advanced mobile telephony and high speed mobile broadband services, Fixed Telecommunications, and Digital Pay Television through its fully-owned subsidiaries.

## National Contribution

### Contribution to Gross Value Added

**USD1,034 MILLION**  
(1.3% OF THE NATION'S GDP)

Operational Direct GVA:  
**USD314 million**



Operational Indirect and Induced GVA:  
**USD321 million**



Capital Investment GVA:  
**USD154 million**



Productivity GVA:  
**USD245 million**



### Capital + Operating Expenditure

**USD554 MILLION**

Capital Expenditure:  
**USD164 million**



Operating Expenditure:  
**USD390 million**



Every **USD1** spent on capex

translates to

**USD6.3**  
GVA Contribution<sup>1</sup>

### Direct Employees

TOTAL  
**2,933 STAFF**

Female:  
**21%**



Sri Lankan:  
**99.6%**



### Total Jobs Supported

TOTAL  
**84,510 JOBS**

Directly Employed:  
**2,933**



Supported by Capital Investment:  
**49,455**



Operational Indirectly Supported:  
**32,123**



### Contribution to Public Finance

**USD186 million**  
(1.4% of total tax revenue of the Sri Lankan government<sup>2</sup>)



Notes: <sup>1</sup> The multiplier effect decreased from 7.2 in 2018 to 6.3 in 2019, mainly due to the productivity impact from smaller growth of mobile subscription  
<sup>2</sup> Total general government tax revenue in Sri Lanka was LKR2,389 billion (USD13.4 billion). (Source: Ministry of Finance, Sri Lanka)

# Sri Lanka

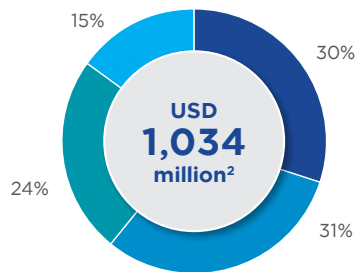
## DIALOG'S TOTAL ECONOMIC CONTRIBUTION TO THE SRI LANKA ECONOMY

Dialog's substantial operational activities and capital investment contributed significantly to the Sri Lanka economy in 2019. Led by Dialog's total operating expenditure of USD390 million and capital investment of USD164 million, the Dialog's total Gross Value Added (GVA) contribution to Sri Lanka's economy was USD1,034 million in 2019, accounting for 1.3% of national GDP.

Dialog's operations directly contributed USD314 million, representing a share of 30% of total GVA contribution. Another USD321 million was indirectly generated through the expenditures by Dialog's suppliers, accounting for 31% of total GVA. For every USD1 Dialog contributed directly to the economy, another USD1 was generated indirectly through local suppliers, higher than a general industry average of USD0.4<sup>1</sup>.

Productivity improvements contributed USD245 million, accounting for 24% of total GVA. Dialog's capital investment contributed a further USD154 million with a share of 15% of total GVA. (Figure 1)

**Figure 1:**  
GVA contribution to the Sri Lankan economy 2019



**USD314 million** Operational direct GVA  
**USD321 million** Operational indirect and induced GVA  
**USD245 million** Productivity  
**USD154 million** GVA by capital investment

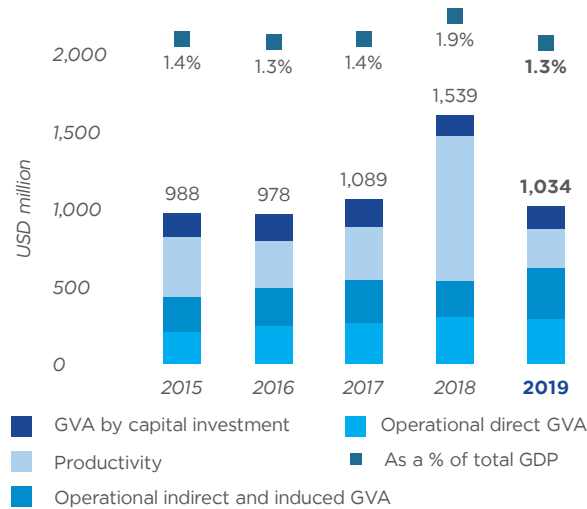
Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; ADB 2006

## DIALOG'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST FIVE YEARS

Dialog's total GVA contribution grew at a CAGR of 1.1% from USD988 million to USD1,034 million over the last five years. The contribution accounted for 1.3% of the nation's GDP in 2019. This is mainly driven by expanded mobile subscription and increased operating profits.

Total operational profits increased by 10.5% annually from USD177 million in 2015 to USD264 million in 2019. Sri Lanka's mobile subscription expanded by 37.2% from 24 million to 33 million over 2015-2019, resulting in the national mobile penetration rate boosted from 116% to 153% during the period. Dialog's mobile subscription also expanded at a similar rate of 36.9% from 11 million to 15 million over the same period. (Figure 2)

**Figure 2:**  
GVA contribution to the Sri Lankan economy 2015-2019

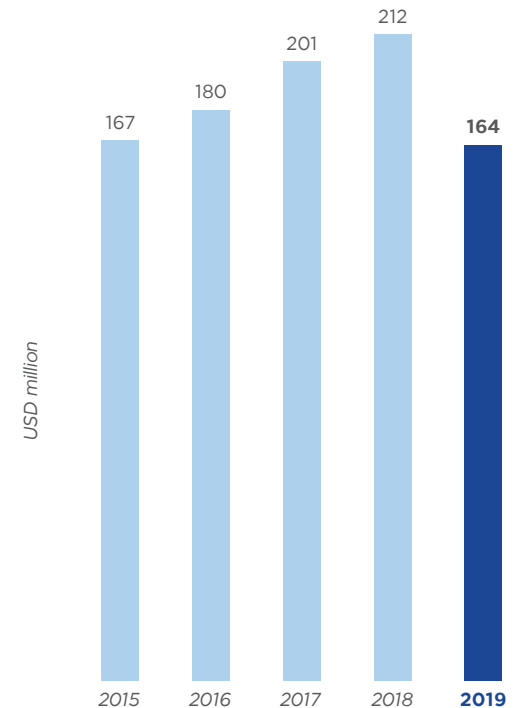


Source: Analysis by External Consultant

## INVESTING AND INNOVATING FOR THE LONG-TERM

Dialog's total accumulated capital investment reached USD925 million over 2015-2019. Capital Investment was USD164 million in 2019. Continuous capital investment supports Dialog's long-term development and contributes to the growth of the Sri Lanka economy. (Figure 3)

**Figure 3:**  
Total capital investment 2015-2019



Source: Axiata



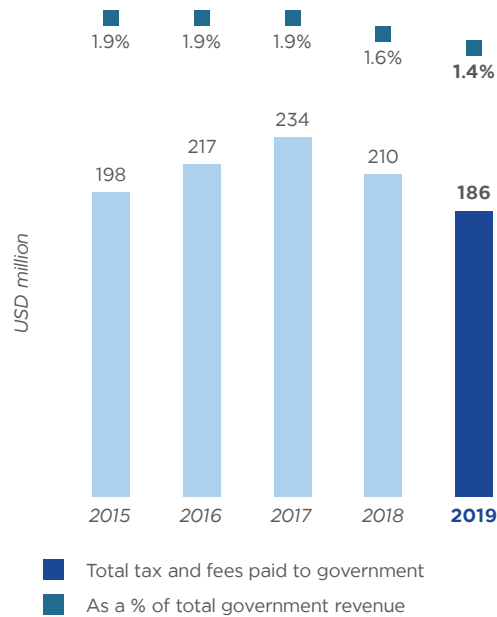
# Sri Lanka

## CONTRIBUTIONS TO PUBLIC FINANCE

From 2015 to 2019, Dialog has contributed USD1,046 million of taxes and fees to public finance. Annual tax contributions slightly decreased over the period.

In 2019, Dialog contributed USD186 million in tax, accounting for 1.4% of total tax revenue of Sri Lanka's government. (Figure 4)

**Figure 4:**  
Total tax contribution to public finance 2015-2019



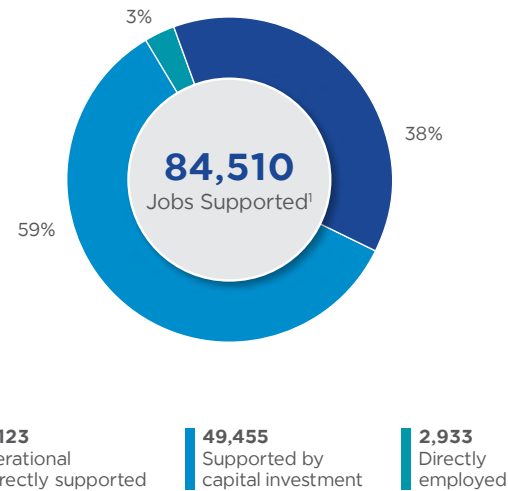
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

Dialog's direct operations generated 2,933 jobs in 2019. 21% of the total employees were female. Dialog was dominated by Sri Lankan as 99.6% of total employees were locals.

A further 32,123 jobs were supported indirectly by Dialog's operations. Its capital investment supported 49,455 jobs. (Figure 5)

**Figure 5:**  
Total employment impact 2019



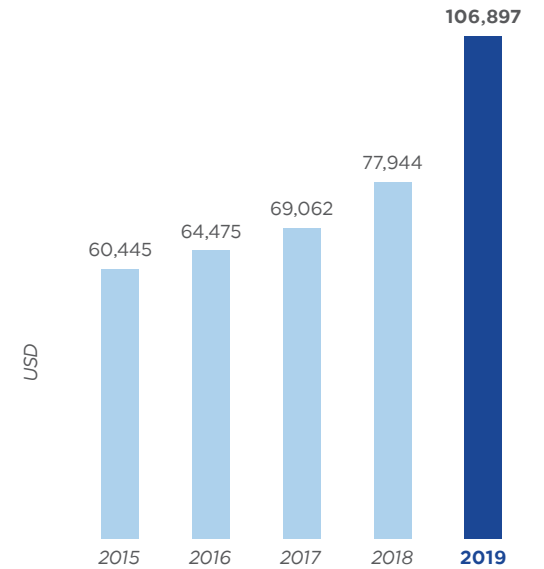
Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## DIALOG'S LABOUR PRODUCTIVITY

Dialog's productivity, measured as Gross Value Added (GVA) per employee, grew by a CAGR of 15.3% from USD60,445 in 2015 to USD106,897 in 2019.

A significant increase in labor productivity of 37.1% was observed for 2019 due to shrinking employment with relatively stable operating profits. Total number of employees reduced by 28% from 4,095 in 2018 to 2,933 in 2019. (Figure 6)

**Figure 6:**  
Dialog's labour productivity 2015-2019



Source: Analysis by External Consultant

# Bangladesh




Robi is the second largest mobile network operator, serving more than 49 million subscribers. Robi has been the leader in Bangladesh in rolling out innovative and new solutions. It was the first operator to introduce GPRS, 3.5G services and the first to launch 4.5G service in all the 64 districts of the country. By the end of 2018, Robi created the largest 4.5G network of the country with nearly 8,910 sites covering 93% of the country. It is the only mobile operator to have successfully conducted the trial run of 5G and Voice over LTE technology on its 4.5G network.

## National Contribution


### Contribution to Gross Value Added

**USD1,439 MILLION**  
(0.4% OF THE NATION'S GDP)

Operational Direct GVA:  
**USD396 million** 

Operational Indirect and Induced GVA:  
**USD370 million** 


Capital Investment GVA:  
**USD191 million** 

Productivity GVA:  
**USD483 million** 

### Capital + Operating Expenditure

**USD711 MILLION**

Capital Expenditure:  
**USD168 million** 


Operating Expenditure:  
**USD542 million** 

Every **USD1** spent on capex translates to **USD8.5** GVA Contribution<sup>1</sup>

### Direct Employees


**TOTAL 1,518 STAFF**

Female:  
**11%** 


Bangladeshi:  
**99.7%** 

### Total Jobs Supported

**TOTAL 104,495 JOBS**

Directly Employed:  
**1,518** 

Supported by Capital Investment:  
**32,221** 

Operational Indirectly Supported:  
**70,756** 

### Contribution to Public Finance

**USD327 million** (0.8% of total tax revenue of the government of Bangladesh<sup>2</sup>)



Notes: <sup>1</sup> Including GDP contribution from market penetration related productivity impact  
<sup>2</sup> Total government tax revenue was BDT3,256 billion (USD39 billion). (Source: Budget 2019-2020, Ministry of Finance, Bangladesh)

# Bangladesh

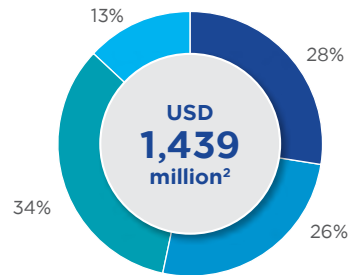
## ROBI'S TOTAL ECONOMIC CONTRIBUTION TO THE BANGLADESH ECONOMY

Robi's substantial operations and investments in Bangladesh contributed significantly to the country's economic growth. With a total operating expenditure of USD542 million and capital investment of USD168 million, Robi contributed USD1,439 million to the economy of Bangladesh in 2019, accounting for 0.4% of national GDP.

Robi's operations directly contributed USD396 million, accounting for 28% of total GVA contribution. Another USD370 million was indirectly generated through the expenditures by Robi's suppliers. For every USD1 that Robi directly added to Bangladesh economy, it generated just under another USD1 indirectly from local suppliers, higher than an average of USD0.4 for general industry<sup>1</sup>.

Productivity improvements contributed USD483 million, accounting for 34% of total GVA. Capital investment contributed a further USD191 million, representing a share of 13% of the total GVA. (Figure 1)

**Figure 1:**  
GVA contribution to the Bangladesh economy 2019



**USD396 million** Operational direct GVA  
**USD370 million** Operational indirect and induced GVA  
**USD483 million** Productivity  
**USD191 million** GVA by capital investment

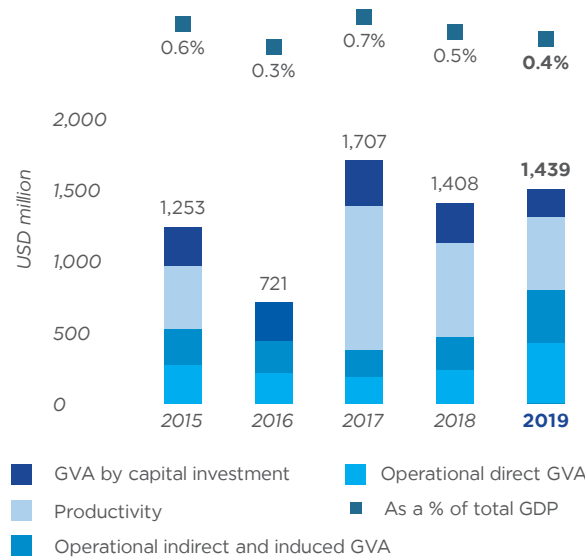
Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; ADB 2006

## ROBI'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST FIVE YEARS

Robi's total GVA contribution grew at a CAGR of 3.5% from USD1,253 million in 2015 to USD1,439 million in 2019, representing a 0.4% of the national GDP in 2019. Total GVA dropped in 2016 to USD721 million, mainly due to the fluctuation of mobile penetration rate in Bangladesh.

Robi's total GVA grew by 2.2% over 2018-2019 from USD1,408 million. This is mainly due to an increase of operating profits over the period. GVA contribution from productivity impact contracted in 2019, mainly due to the slower growth of mobile penetration rate. (Figure 2)

**Figure 2:**  
GVA contribution to the Bangladesh economy 2015-2019

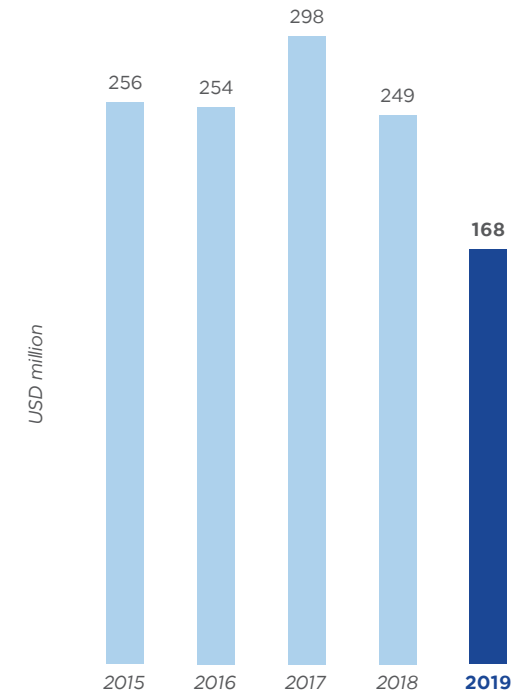


Source: Analysis by External Consultant

## INVESTING AND INNOVATING FOR THE LONG-TERM

Robi's capital investment was USD168 million in 2019. The total accumulated capital investment reached USD1,225 million over the last five years. Capital investment plays an important role in facilitating long-term sustainable development of Robi's business and contributing to the growth of the Bangladesh economy. (Figure 3)

**Figure 3:**  
Total capital investment 2015-2019



Source: Axiata



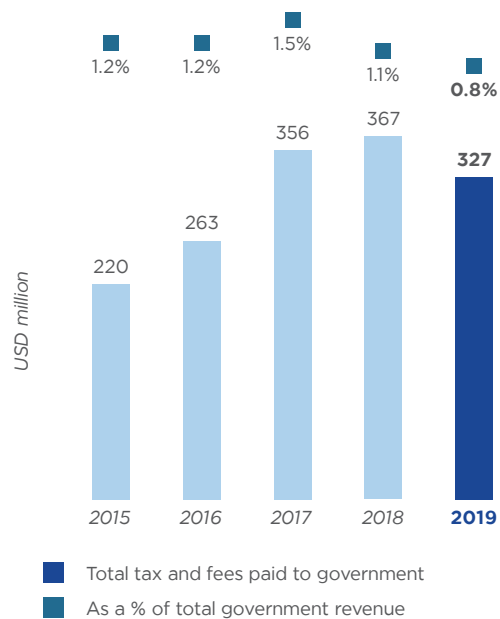
# Bangladesh

## CONTRIBUTIONS TO PUBLIC FINANCE

Total accumulated tax contributions to public finance over the last five years reached USD1,533 million.

Annual tax contributions in 2019 was USD327 million, accounting for 0.8% of total tax revenue of the government of Bangladesh. (Figure 4)

**Figure 4:**  
Total tax contribution to public finance 2015-2019<sup>1</sup>



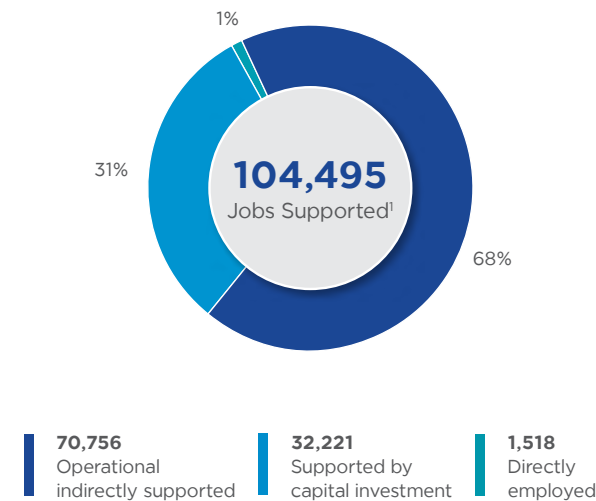
Note: <sup>1</sup> Total government revenue numbers were updated based on the latest information available  
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

1,518 jobs were directly provided by Robi's operations in 2019. 11% of Robi's employees were women. The firm is predominated by Bangladesh citizens with 99.7%.

Robi's operations also indirectly supported 70,756 jobs. A further 32,221 jobs were supported by its capital investment. (Figure 5)

**Figure 5:**  
Total employment impact 2019



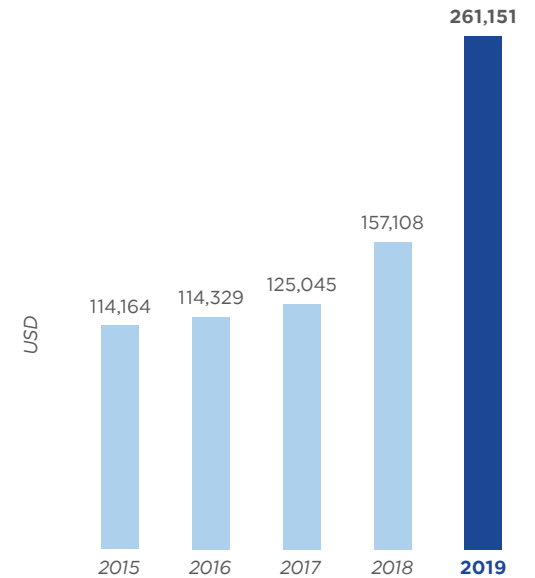
Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## ROBI'S LABOUR PRODUCTIVITY

Robi's productivity, measured as Gross Value Added (GVA) per employee, increased by a CAGR of 23.0% to USD261,151 in 2019 from USD114,164 in 2015, mainly driven by decreasing employment number and increasing operating profits.

Robi's productivity grew by 66.2% from USD157,108 per worker over 2018-2019, mainly due to a 72.9% increase in operating profits. (Figure 6)

**Figure 6:**  
Robi's labour productivity 2015-2019



Source: Analysis by External Consultant

# Cambodia



Smart Axiata Co., Ltd. is Cambodia's leading mobile telecommunications operator, serving approximately 8 million subscribers under the 'Smart' brand. Smart is at the forefront of mobile technology advancement in Cambodia with extensive national wide coverage of 99% of the Cambodian population. Smart was the first network to introduce 4G LTE in 2014, 4G+ in 2016, 4G+ with HD Voice (VoLTE) and 4.5G in 2017. In mid-2019, Smart hosted the first 5G live showcase in the Kingdom, manifesting its mobile data leadership position in the country. The company is also rapidly transforming itself into a digital lifestyle brand, having introduced many innovative offerings and lifestyle entertainment value propositions. Smart aspires to be the #1 and most loved communication tech brand in Cambodia by 2022, while having a strong corporate social responsibility and sustainability agenda for national socioeconomic growth.

## National Contribution

### Contribution to Gross Value Added

**USD459 MILLION**  
(1.7% OF THE NATION'S GDP)

Operational Direct GVA:

**USD163 million**



Operational Indirect and Induced GVA:

**USD81 million**



Capital Investment GVA:

**USD62 million**



Productivity GVA:

**USD153 million**



### Direct Employees

**TOTAL 833 STAFF**

Female:

**36%**



Cambodian:

**97%**



### Total Jobs Supported

**TOTAL 49,398 JOBS**

Directly Employed:

**833**



Supported by Capital Investment:

**21,027**



### Capital + Operating Expenditure

**USD242 MILLION**

Capital Expenditure:

**USD78 million**



Operating Expenditure:

**USD164 million**



Every **USD1** spent on capex

translates to

**USD5.9** GVA Contribution<sup>1</sup>

### Contribution to Public Finance

**USD94 million** (2.1% of total tax revenue of the Cambodian government, excluding regulatory related fees, levies and payments<sup>2</sup>)



Notes: <sup>1</sup> Including GDP contribution from market penetration related productivity impact  
<sup>2</sup> <https://www.khmertimeskh.com/50683321/over-2-8-billion-collected-in-tax-revenue-in-2019/>

# Cambodia

## SMART'S TOTAL ECONOMIC CONTRIBUTION TO THE CAMBODIAN ECONOMY

Smart's substantial operations and investments in Cambodia had a strong positive impact on the Cambodian economy in 2019. With a total operating expenditure of USD164 million and capital investment of USD78 million, Smart's total Gross Value Added (GVA) contribution to Cambodia's economy was estimated at USD459 million in 2019, accounting for 1.7% of national GDP.

Smart's operations directly contributed USD163 million, accounting for 36% of total GVA contribution. It also indirectly contributed USD81 million to economic activity. For every USD1 Smart contributed directly to Cambodia's economy, another USD0.5 was generated indirectly through local suppliers, higher than the general industry average of USD0.4.<sup>1</sup>

Capital investment contributed USD62 million, representing 13% of total GVA. A further USD153 million which was generated from productivity improvement due to the rising mobile penetration rate, accounted for 33% of total GVA. (Figure 1)

**Figure 1:**  
GVA contribution to the Cambodian economy 2019



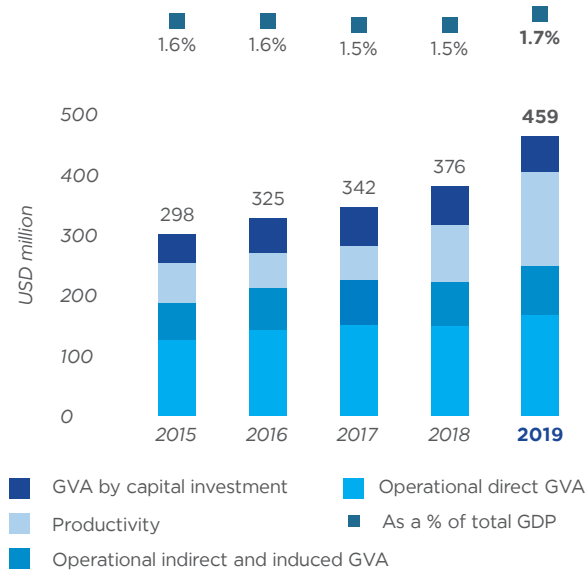
Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; OECD 2011

## SMART'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST FIVE YEARS

Smart's total GVA contribution increased from USD298 million in 2015 to USD459 million in 2019 with a CAGR of 11.4%, representing a slightly increasing share of the country's GDP from 1.6% to 1.7%. Expansion in Smart's operational profits and mobile penetration rate in Cambodia facilitated the growth of GVA contribution.

Over the last five years, total operational profits grew from USD116 million to USD151 million with a CAGR of 6.8%. In 2019, mobile penetration rates increased from 120% to 133% while internet penetration rates increased from 84% to 99%.<sup>1</sup> (Figure 2)

**Figure 2:**  
GVA contribution to the Cambodian economy 2015-2019

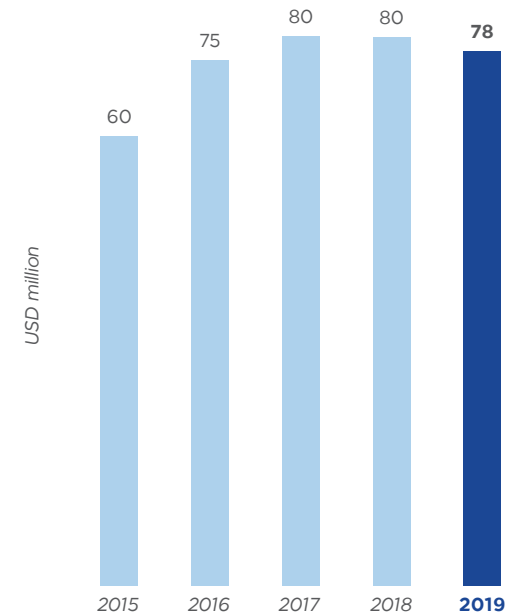


Note: <sup>1</sup> Telecommunications Regulator of Cambodia  
 Source: Analysis by External Consultant; GSMA Intelligence

## INVESTING AND INNOVATING FOR THE LONG-TERM

The total accumulated capital investment by Smart over the last five years reached USD373 million. In 2019, Smart invested another USD78 million primarily for network expansions. Smart's continuous capital investment over the years is in line with the company's commitment towards developing Cambodia's ICT sector. (Figure 3)

**Figure 3:**  
Total capital investment 2015-2019



Source: Axiata



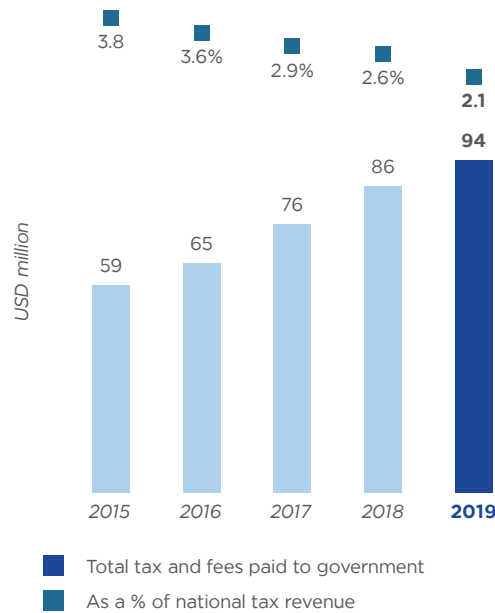
# Cambodia

## CONTRIBUTIONS TO PUBLIC FINANCE

The total accumulated tax and fee contributions over the last five years reached USD381 million. Annual contributions has expanded from USD59 million in 2015 to USD94 million in 2019 with a CAGR of 12.4%.

In 2019, Smart contributed USD94 million in tax as well regulatory fees and levies. Smart's tax contribution alone accounted for 2.1% of national tax income. (Figure 4)

**Figure 4:**  
Total tax contribution 2015-2019



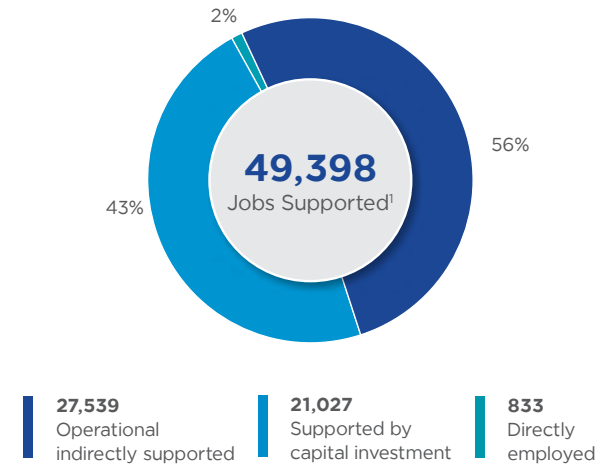
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

Smart directly provided 833 jobs in 2019. Cambodian citizens accounted for 97% of total employees of the firm. Around 36% of Smart employees were women. Smart also engaged 260 interns to provide young people with the specialist skills required in the ICT and digital economy.

Smart's operations indirectly supported an additional 27,539 jobs and a further 21,027 jobs were supported by Smart's capital investments in 2019. (Figure 5)

**Figure 5:**  
Total employment impact 2019

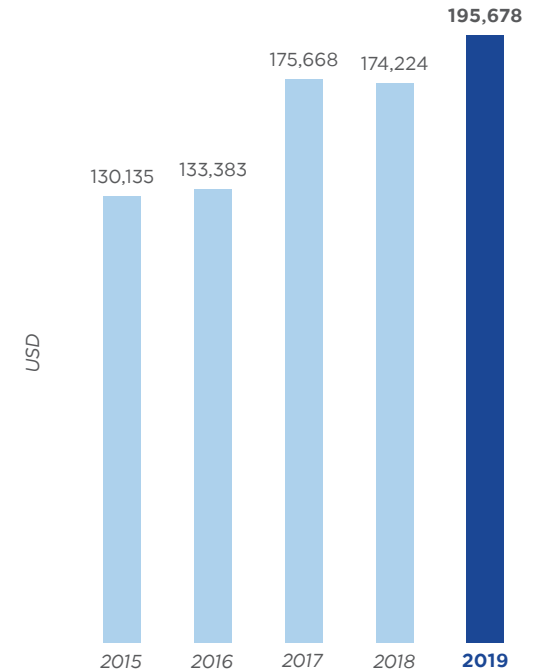


Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## SMART'S LABOUR PRODUCTIVITY

Smart's productivity, measured as Gross Value Added (GVA) per employee, increased from USD130,135 in 2015 to USD195,678 in 2019 with a CAGR of 10.7%. Significant growth in operational profits supported the increase in productivity. (Figure 6)

**Figure 6:**  
Smart's labour productivity 2015-2019



Source: Analysis by External Consultant

# Nepal



Ncell Private Limited is Nepal's first private sector telecom company to operate GSM service in Nepal. Today, Ncell operates the country's widest 4G network and serves 17.1 million customers, providing high quality, modern and cost-effective services, creating value for its customers and partners. Contributing to the vision of Digital Nepal and the development of Nepal's economy and infrastructure, Ncell is building a best-in-class network to bring digital services to people living in rural and remote areas of Nepal.

## National Contribution

### Contribution to Gross Value Added

**USD619 MILLION**  
(2.0% OF THE NATION'S GDP)



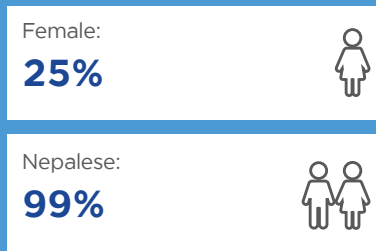
### Capital + Operating Expenditure

**USD308 MILLION**



### Direct Employees

**TOTAL 530 STAFF**



### Total Jobs Supported

**TOTAL 47,074 JOBS**



### Contribution to Public Finance

**USD306 million**  
(4.4% of total tax revenue of the Nepali government<sup>2</sup>)



Notes: <sup>1</sup> The multiplier effect decreased from 11.3 in 2018 to 5.8 in 2019, mainly due to the decreased productivity impact and increased capital expenditure  
<sup>2</sup> Total general government tax revenue in Nepal was Rs776,896 million (USD6,881 million). (Source: Budget Speech of Fiscal Year 2019/2020, Ministry of Finance, Nepal)  
 Data for fiscal year 2018/19 was used for 2019/s calculation

# Nepal

## NCELL'S TOTAL ECONOMIC CONTRIBUTION TO NEPAL'S ECONOMY

Led by Ncell's total operating expenditure of USD202 million and capital investment of USD106 million, Ncell's total Gross Value Added (GVA) contribution to Nepal's economy was estimated at USD619 million in 2019, accounting for 2.0% of national GDP.

Ncell's operations directly contributed USD371 million GVA, accounting for 53% of total GVA. A further USD117 million was indirectly generated through the expenditures by Ncell's suppliers, accounting for 19% of total GVA. For every USD1 Ncell directly added to the economy, it generated another USD0.4 indirectly from local suppliers, similar as the average of general industry<sup>1</sup>.

Productivity improvements contributed USD87 million, representing 14% of total GVA. A further USD84 million contribution came from capital investment, accounting for 14% of the total GVA. (Figure 1)

**Figure 1:**  
GVA contribution to Nepal's economy 2019



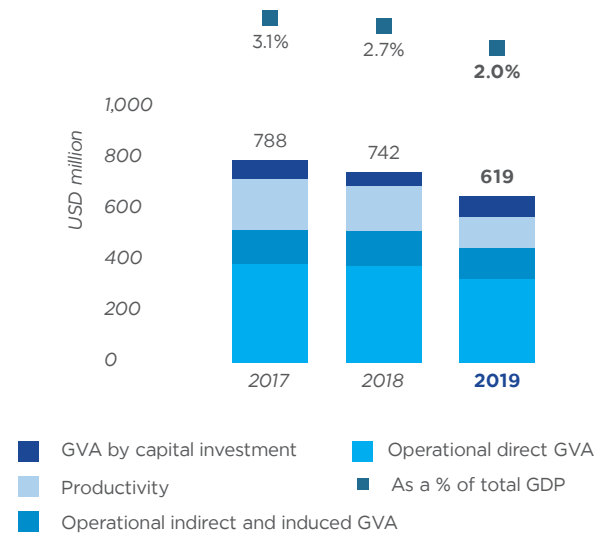
Notes: <sup>1</sup> Based on simple average of general industry  
<sup>2</sup> Totals may not add up due to rounding  
 Source: Analysis by External Consultant; OECD 2011

## NCELL'S TOTAL ECONOMIC CONTRIBUTION OVER THE LAST THREE YEARS

Ncell's total GVA contribution dropped by 16.5% from USD742 million in 2018 to USD619 million in 2019, representing a decreased share of the country's GDP from 2.7% to 2.0%. This is mainly due to the decrease of operating profits and slower growth of mobile penetration.

Ncell's operational profits decreased from USD346 million to USD288 million over 2018-2019. The number of mobile subscribers in Nepal reached 41 million in 2019 with a penetration growth of 6%. (Figure 2)

**Figure 2:**  
GVA contribution to Nepal's economy 2017-2019

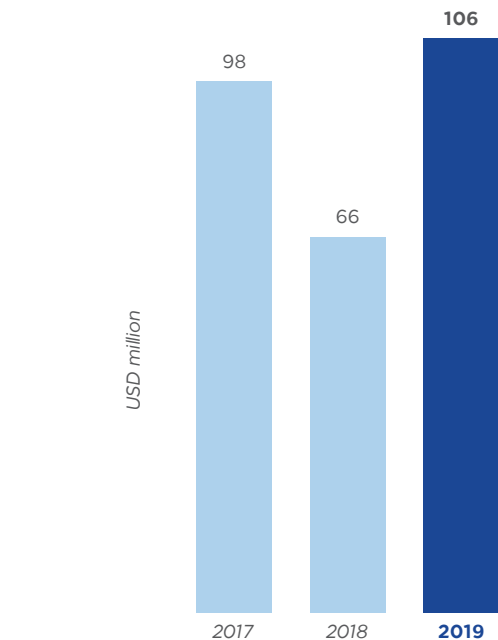


Source: Analysis by External Consultant

## INVESTING AND INNOVATING FOR THE LONG-TERM

Ncell's total accumulated capital investment reached USD270 million over the last three years' of operations. The capital investment was USD106 million in 2019, representing a 61.2% growth from USD66 million in 2018. Capital investment plays a significant role in enhancing the company's competitiveness and contributing to Nepal's economy. (Figure 3)

**Figure 3:**  
Total capital investment 2017-2019



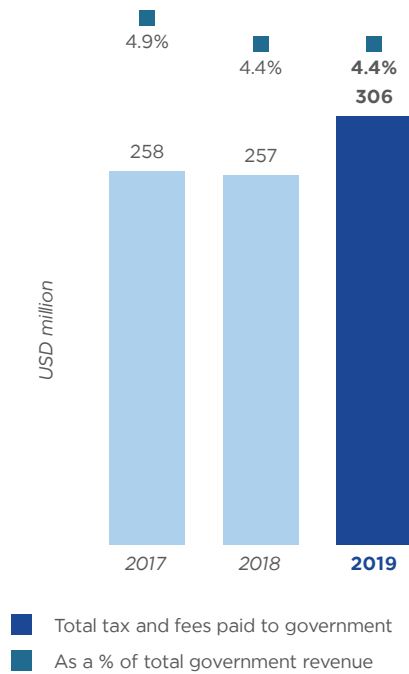
Source: Axiata

# Nepal

## CONTRIBUTIONS TO PUBLIC FINANCE

In 2019, Ncell contributed USD306 million in tax, accounting for 4.4% of total tax revenue of Nepal government. Accumulated tax contribution was USD821 million for the last three years. (Figure 4)

**Figure 4:**  
Total tax contribution to public finance 2017-2019



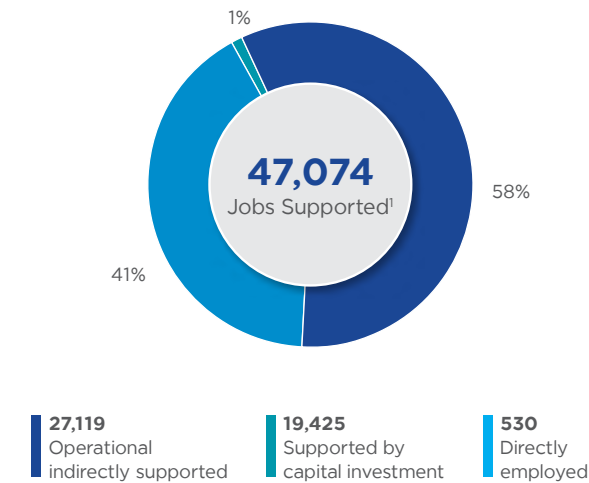
Source: Axiata and Analysis by External Consultant

## TOTAL EMPLOYMENT IMPACT

In 2019, there were 47,074 jobs supported by Ncell's business in total. Ncell directly provided 530 jobs in 2019. 99% of the firm's employees were Nepalese residents and 25% of the total employees were female.

A further 27,119 jobs were supported indirectly by its operations. Ncell's capital investment supported 19,425 jobs. (Figure 5)

**Figure 5:**  
Total employment impact 2019

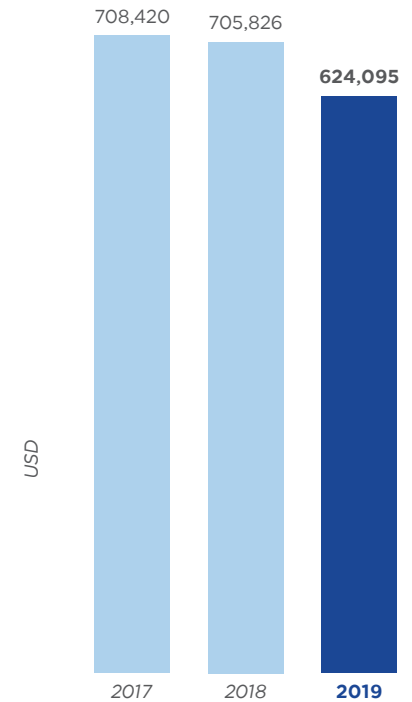


Note: <sup>1</sup> Totals may not add up due to rounding  
Source: Analysis by External Consultant

## NCELL'S LABOUR PRODUCTIVITY

Ncell's productivity, measured as Gross Value Added (GVA) per employee, was estimated at USD624,095 in 2019, decreased by 11.6% from USD705,826 in 2018. This is mainly due to a decrease in operating profits over 2018-2019.

**Figure 6:**  
Ncell's labour productivity 2017-2019<sup>1</sup>



Note: <sup>1</sup> Outsourced employees were excluded for all years  
Source: Analysis by External Consultant



## Methodology

### Methodologies and computational formula

- ▶ **Direct Value Added** contributions were estimated based on operational data provided by Axiata regarding operating revenues, operating expenditures, compensation of employees and indirect taxes and levies.
- ▶ **Total Value Added** contributions were estimated using an economic multiplier. The total multipliers (Type II) for the Telecom industry were derived from national Input-Output (I-O) tables published by OECD, ADB and national statistical agencies.
- ▶ **Employment** is generated through a number of avenues including:
  1. Directly through Axiata and related industries.
  2. Outsourced support services including customer support and network operations and maintenance.
  3. Indirectly through firms that provide services to Axiata's operations.
  4. Induced as employees from the above spend their household income thereby generating further rounds of employment.

Total employment impact is estimated using I-O tables and Average Value Added per Worker derived from relevant Departments of Statistics for each country.

### Capital Investment

- ▶ **Total Value Added** = Capital Expenditure x Proportion Spent in Host Country x Average Value Added Multiplier
- ▶ **(a) For countries where employment multipliers are available,**  
Total Employment in Host Country = Total Capital Expenditure in Host Country x Average Employment Multiplier
- ▶ **(b) For countries employment multipliers are not available,**  
Total Employment in Host Country = Total Capital Expenditure Value Added in Host Country/Average Value Added per Worker in Host Country

### Operational

- ▶ **Total Value Added** = Direct Value Added x Total Value Added Multiplier  
Where,  
**Direct Value Added** = Operating Revenue – Operating Expenditure + Compensation of employees + Indirect taxes and levies  
Note: Operating expenditure provided by Axiata excludes depreciation.
- ▶ **(a) For countries where employment multipliers are available,**  
Total Employment in Host Country = Total Capital Expenditure in Host Country x Average Employment Multiplier
- ▶ **(b) For countries when employment multipliers are not available,**  
Total Employment = Total Indirect Value added/Average Value Added per worker + Direct Employment Direct Employment = As per Axiata data
- ▶ **Axiata's labour productivity** = Direct Value Added/Number of employees  
Note: Number of employees includes both direct and outsourced employees.

### Productivity Analysis

- ▶ **Axiata Contribution to GDP Growth** = National Contribution to GDP Growth x Market Share of Axiata  
Where,  
**National Contribution to GDP Growth** = National Penetration Growth x Growth Factor Penetration = Number of Customers/Population  
Note: Growth Factor was assumed to be 1.2% per 10% change in market penetration for all countries except 0.6% market penetration for Singapore

### Multiplier Analysis

- ▶ **Capex Multiplier** = Total Axiata's Value Added Contribution/Capital Expenditure  
Note: Total Axiata's Value Added contribution includes Operational Direct Value Added, Operational Indirect and Induced Value Added, Value Added by capital investment and Productivity impact.



**APPENDICES**



# About This Report

This Sustainability Report should be read together with the Axiata Integrated Annual Report 2019, and the Governance and Audited Financial Statements 2019 to understand how we create value for our stakeholders across our markets.

It contains detailed information about Axiata’s Sustainability Framework, anchored on our 4P approach: Beyond Short-Term Profits, Nurturing People, Process Excellence & Governance, and Planet & Society. The 2019 edition is our seventh sustainability report using the Global Reporting Initiative’s (GRI) Standards guidelines.

As a standalone Sustainability Report, this document details the management of our business impacts on Economic, Environmental and Social (EES) issues.

## Report Boundary

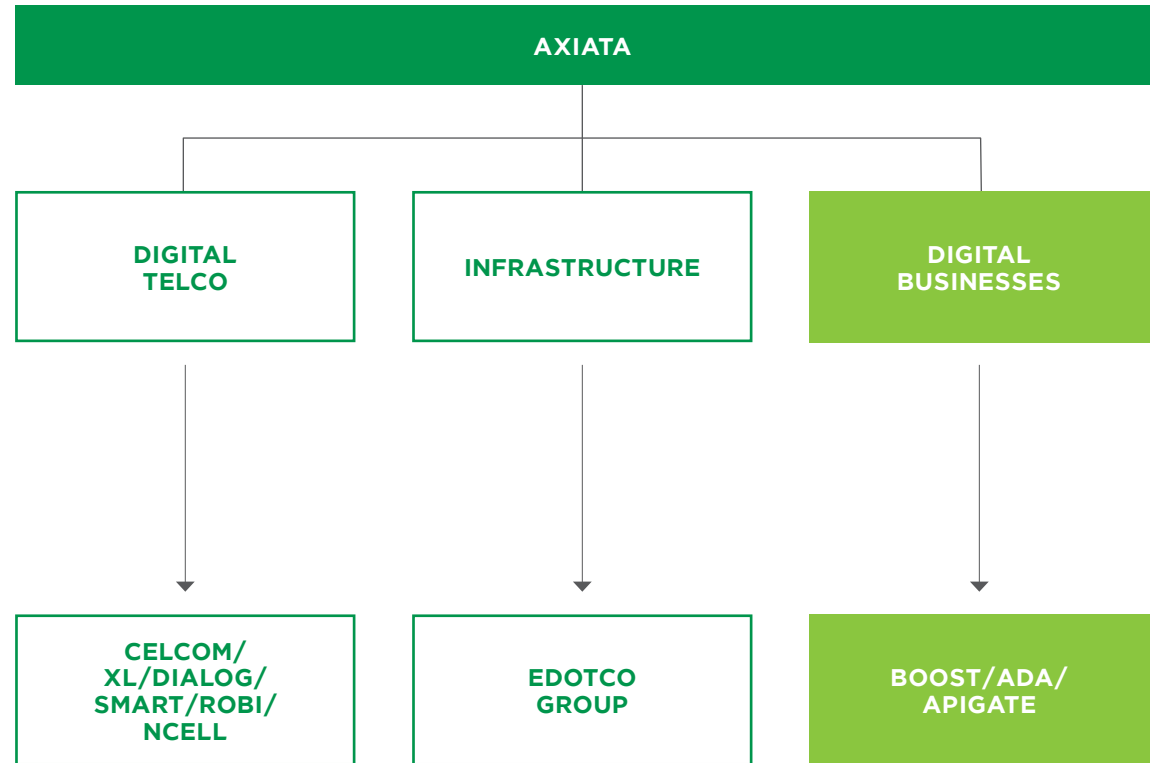
The Axiata Sustainability Report 2019 covers the sustainability performance of our Group Corporate Centre (CC), and key operating companies. This includes our digital telcos - Celcom (Malaysia), XL (Indonesia), Smart (Cambodia), Robi (Bangladesh), Dialog (Sri Lanka), Ncell (Nepal), and edotco Group which 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 account for over 95% 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 2019 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

A limited assurance was conducted on selected indicators of Axiata Corporate Centre and PT XL Axiata Tbk by KPMG Management and Risk Consulting Sdn Bhd. The assurance was conducted in accordance with the ISAE 3000 standard “Assurance engagements other than audits or reviews of historical financial information” and the ISAE 3410 standard “Assurance engagements on Greenhouse Gas Statements”. 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 KPMG Management and Risk Consulting’s assurance statement on pages 79-81.



## 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 and 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 and Investment Risk</li> <li>▶ Technology Risk</li> </ul>	IAR Pg. 50-68
<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 and Investment Risk</li> <li>▶ Technology Risk</li> </ul>	SR Pg. 18-26 IAR Pg. 50-63
<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 and Investment Risk</li> </ul>	SR Pg. 18-27 IAR Pg. 50-63
<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 and Investment Risk</li> </ul>	SR Pg. 36
<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. 28-33
<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. 30-31



## 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 and 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>	SR Pg. 8,9,12,36,72, GAFS Pg. 38-39
<b>Business Ethics and Compliance</b>	Compliance with local and cross-borders regulatory requirements and 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 and Integrity Risk</li> </ul>	SR Pg. 29 GAFS Pg. 27-28
<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 and Integrity Risk</li> </ul>	SR Pg. 38-39
<b>Digitisation and 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 and Investment Risk</li> <li>▶ Technology Risk</li> </ul>	SR Pg. 36-37 GAFS Pg. 34
<b>Climate Action and Environmental Management</b>	Internal controls and 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 and Integrity Risk</li> <li>▶ Operational Risk</li> </ul>	SR Pg. 42-43
<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 and Integrity Risk</li> </ul>	SR Pg. 19-26, 44-46

## 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

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>

and potential impacts, and identifies mitigation measures which are linked to our Axiata strategy and future opportunities.

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 mindset 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 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 technology platforms and risks 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 and 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

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

## 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	2.0:1	1.3:1	1.5:1	3.4:1	1.0:1	2.4:1	2.5:1	2.5:1	2.1:1
			Female	2.0:1	1.3:1	1.5:1	3.4:1	1.0:1	1.7:1	2.5:1	2.5:1	2.0:1
	202-2	Proportion of senior management from local country <sup>1</sup>	%	82	56*	79	70	18	25	65	62*	57
<b>Procurement Practices</b>	204-1	Percentage local <sup>2</sup>	%	88	97*	45	46	26	50	83	48*	60
			Percentage foreign	%	12	3*	55	54	74	50	17	52*
<b>Energy</b>	302-1	Direct energy consumption	GJ	121,570.12	174,258.62*	152,802.36	14,376.88	103,392.81	58,363.18	929,993.24	0*	1,554,757.22
			Indirect energy consumption	GJ	400,772.06	2,616,417.20*	596,174.21	5,808.90	294,679.21	235,731.03	1,572,810.28	7,123*
<b>Emissions</b>	305-1	Scope 1 GHG - GHG from fuel	Tonnes CO <sub>2</sub> e	8,341.21	11,956.29*	10,484.13	986.43	7,094.02	4,004.44	63,809.03	-*	106,675.56
	305-2	Scope 2 GHG - GHG from grid	Tonnes CO <sub>2</sub> e	74,740.00	588,103.72*	89,772.55	928.00	43,298.17	249.69	240,352.95	1,328.29*	1,038,773.04
<b>Employment</b>	401-1	Employees by gender	Male	1,400	1,122	2,311	1,346	528	402	1,084	148	8,341
			Female	1,297	484	619	166	303	131	250	157	3,407
			Total employees	2,697	1,606	2,930	1,512	831	533	1,334	305	11,748
	Women in Leadership Positions	%	18%	22%	14%	0%	9%	0%	19%	15%	14%	
		Joining the Group - By Gender	Male	3	101	165	164	70	9	157	32	701
	Joining the Group - By Age	Female	1	45	53	26	31	4	54	28	242	
		< 30 years old	0	74	164	129	81	6	61	27	542	
		31-49 years old	3	71	52	61	20	7	140	28	382	
	> 50 years old	1	1	2	0	0	0	10	5	19		
<b>Health and Safety</b>	403-1	H&S representation	%	100	100	100	100	100	100	100	100	100
	403-2	Injuries (Workforce)	Number	3	0	0	0	0	0	3	0	6
			%	N/A	0	0	0	0	0	0	0	N/A
			Fatalities	Number	0	0	0	0	0	0	1	0
		Lost Day Rate	LTIFR	0.37	0	0	0	0	0	0.67	0	N/A
<b>Training</b>	404-1	Average Training hours per employee <sup>n</sup>	Male	4.5	24.93*	52.7	28.0	29.0	0.0	13.5	13.0*	23.7
			Female	5.7	26.30*	38.6	34.0	26.2	0.0	15.4	15.0*	23.0
	404-2	Employee category	Senior Management	4.2	57.33*	13.1	11.2	101.9	0.0	13.5	19.6*	31.5
			Mid Management	9.5	71.21*	44.6	25.8	62.5	0.0	20.7	21.9*	36.6
			Executive	2.5	31.89*	36.4	39.5	31.7	0.0	2.61	17.1*	23.1
			Non-executive	0.6	23.30*	54.2	4.7	4.7	0.0	0.0	0.0*	12.5
	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%	100%
<b>Diversity</b>	405-1	Staff diversity - By Age Group	< 30 years old	192	297	930	382	480	32	184	64	2,561
			30-50 years old	2,060	1,258	1,920	1,067	343	494	965	182	8,289
			> 50 years old	445	51	80	63	8	7	185	59	898

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

\* Assurance conducted by KPMG Malaysia as part of limited assurance of SR2019



## 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) 2019, and the Governance and Audited Financial Statements (GAFS) 2019

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Disclosure 102-10	Significant changes to the organisation and its supply chain	None
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<b>Reporting Practice</b>		
Disclosure 102-45	Entities included in the consolidated financial statements	GAFS Pg. 172-180
Disclosure 102-46	Defining report content and topic Boundaries	Pg. 70
Disclosure 102-47	List of material topics	Pg. 12
Disclosure 102-48	Restatements of information	None
Disclosure 102-49	Changes in reporting	Pg. 70
Disclosure 102-50	Reporting period	Pg. 70
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Disclosure 102-52	Reporting cycle	Pg. 70
Disclosure 102-53	Contact point for questions regarding the report	sustainability@axiata.com
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Disclosure 201-3	Defined benefit plan obligations and other retirement plans	GAFS Pg. 87	
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Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pg. 75	
Disclosure 202-2	Proportion of senior management hired from local community	Pg. 28, 75	CC
Disclosure 203	Management Approach: Indirect Economic Impacts	IAR Pg. 12-20, 33-38	
Disclosure 203-1	Infrastructure investments and services supported	IAR Pg. 50-68	
Disclosure 203-2	Significant indirect economic impacts	Pg. 50-68	
Disclosure 204	Management Approach: Procurement Practices	Pg. 38	
Disclosure 204-1	Proportion of spending on local suppliers	Pg. 38, 75	CC
Disclosure 205	Management Approach: Anti-corruption	Pg. 29, GAFS Pg. 29	
Disclosure 205-1	Operations assessed for risks related to corruption	Pg. 29	
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Pg. 29	
Disclosure 205-3	Confirmed incidents of corruption and actions taken	See Notes	
Disclosure 206	Management Approach: Anti-competitive Behaviour		
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. 42	
Disclosure 302-1	Energy consumption within the organisation	Pg. 43	CC
Disclosure 302-3	Energy intensity	Pg. 43	
Disclosure 302-4	Reduction in energy consumption	Pg. 43	
Disclosure 303	Management Approach: Water	See Notes	
Disclosure 305	Management Approach: Emissions	Pg. 42	
Disclosure 305-1	Direct (Scope 1) GHG emissions	Pg. 43	CC
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Pg. 43	CC
Disclosure 305-4	GHG emissions intensity	Pg. 43	
Disclosure 305-5	Reduction of GHG emissions	Pg. 43	
Disclosure 307	Management Approach: Environmental Compliance	Pg. 42	
Disclosure 307-1	Non-compliance with environmental laws and regulations	None Reported	
<b>Topic-specific Standard: Social</b>			
Disclosure 401	Management Approach: Employment	Pg. 28-33	
Disclosure 401-1	New employee hires and employee turnover	Pg. 75	
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GAFS Pg. 87	
Disclosure 402	Management Approach: Labour Management Relations	Pg. 29	
Disclosure 402-1	Minimum notice periods regarding operational changes	See Notes	
Disclosure 403	Management Approach: Occupational Health and Safety	Pg. 32	

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<b>Topic-specific Standard: Social</b>		
Disclosure 403-1 Workplace representation in formal joint management-worker health and safety committees	Pg. 32, 75	
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Disclosure 404 Management Approach: Training and Education	Pg. 30-31	
Disclosure 404-1 Average hours of training per year per employee	Pg. 75	
Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programme	Pg. 30-31	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Pg. 75	CC
Disclosure 405 Management Approach: Diversity	Pg. 28	
Disclosure 405-1 Diversity of governance bodies and employees	Pg. 75, IAR Pg. 72-78	
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Pg. 75	
Disclosure 406 Management Approach: Non-discrimination	Pg. 28	
Disclosure 406-1 Incidents of discrimination and corrective actions taken	None Reported	
Disclosure 407 Management Approach: Freedom of Association and Collective Bargaining	Pg. 29	
Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg. 29	

	Page Number	External Assurance
<b>Topic-specific Standard: Social</b>		
Disclosure 408 Management Approach: Child Labour	Pg. 29	
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	Pg. 29	
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Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pg. 29	
Disclosure 413 Management Approach: Local Communities	Pg. 19-26, 44-46	
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programmes	Pg. 19-26, 44-46	
Disclosure 415 Management Approach: Public Policy		
Disclosure 415-1 Political contribution		
Disclosure 418 Management Approach: Customer Privacy	Pg. 8,9,12,36,72, GAFS Pg. 38-39	
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. 26-27	
Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	None Reported	

Note: 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

## Independent Limited Assurance Report

### To the Directors of Axiata Group Berhad

In accordance with the terms of our engagement, we, KPMG PLT, have been engaged by the Board of Directors of Axiata Group Berhad (“Axiata”) to provide Limited Assurance in respect of the selected Sustainability Indicators for the year ended 31 December 2019, as published in Axiata’s Sustainability & National Contribution Report 2019 (“the Sustainability Report”).

### Management’s Responsibilities

The management of Axiata (“Management”) is responsible for the preparation and presentation of the selected Sustainability Indicators in accordance with the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards (“GRI Standards”).

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the selected Sustainability Indicators that are free from material misstatement whether due to fraud or error.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that Axiata complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

### Our Responsibilities

Our responsibility is to express a limited assurance conclusion on Axiata’s preparation and presentation of the selected Sustainability Indicators included in the Sustainability Report, as defined below.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and the ISAE 3410 Assurance Engagements on Greenhouse Gas (“GHG”) Statements issued by the International Auditing and Assurance Standards Board. That Standards require that we plan and perform the engagement to obtain limited assurance about whether the selected Sustainability Indicators is free from material misstatement.

### Limited Assurance on the selected Sustainability Indicators

For the purpose of this limited assurance, the following are the selected Sustainability Indicators for the year ended 31 December 2019:

No.	GRI	Limited Assurance on the selected Sustainability Indicators
1.	GRI 305-2	Scope 2 CO <sub>2</sub> Emission
2.	GRI 204-1	Spending on Local Suppliers
3.	GRI 404-1	Average Training Hours Per Year Per Employee (excluding online training hours)
4.	GRI 404-3	Percentage of Employees Receiving Regular Performance & Career Development
5.	GRI 202-2	Senior Management Hired from the Local Community



## Independent Limited Assurance Report

The boundary of the Limited Assurance on the selected Sustainability Indicators covers Axiata and its digital telco and infrastructure Operating Companies (“OpCos”).

The site level data testing was limited to Axiata Corporate Center (Malaysia) (“CC Axiata”) and PT XL Axiata Tbk (Indonesia) (“XL Axiata”). For the group level data testing, it includes both CC Axiata and XL Axiata and the remaining Axiata’s OpCos (Celcom Axiata Berhad (Malaysia), Robi Axiata Limited (Bangladesh), Dialog Axiata Group (Sri Lanka), Smart Axiata Company Limited (Cambodia), Ncell Private Limited (Nepal) and edotco Group Sdn Bhd (Malaysia)).

### Procedures Performed over Limited Assurance on the selected Sustainability Indicators

Limited Assurance on the selected Sustainability Indicators consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures include:

- ▶ Site level data testing at two (2) OpCos (which are CC Axiata and XL Axiata), selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- ▶ Interviews with Senior Management and relevant process owners at:
  - CC Axiata for group level data testing; and
  - CC Axiata and XL Axiata for site level data testing.
- ▶ Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data in the development of the selected Sustainability Indicators and its disclosure;
- ▶ Comparing the information presented on the selected Sustainability Indicators to corresponding information in the relevant underlying sources to determine whether all the relevant information has been included in the selected Sustainability Indicators and have been prepared in accordance with GRI Standards;
- ▶ Reading the selected Sustainability Indicators presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Axiata; and
- ▶ Reading the remainder of the Sustainability Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our limited assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

### Our Independence and Quality Control

We have complied with the independence and other relevant 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 competence and due care, confidentiality and professional behaviour.

KPMG PLT 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 Limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected.

Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

## Independent Limited Assurance Report

### Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outline in this Independent Limited Assurance Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the selected Sustainability Indicators, as defined above, for the year ended 31 December 2019, have not in all material respects, been prepared and presented in accordance with the GRI Standards.

### Restriction of use of our Independent Limited Assurance Report

Our Independent Limited Assurance Report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Axiata, for any purpose or in any other context. Any party other than Axiata who obtains access to our Independent Limited Assurance Report or a copy thereof and chooses to rely on our Independent Limited Assurance Report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Axiata for our work, for this Independent Limited Assurance Report, or for the conclusions we have reached.

Assured by:

**KPMG PLT (LLP0010081-LCA)**  
**Petaling Jaya**  
**6 May 2020**

