

# 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

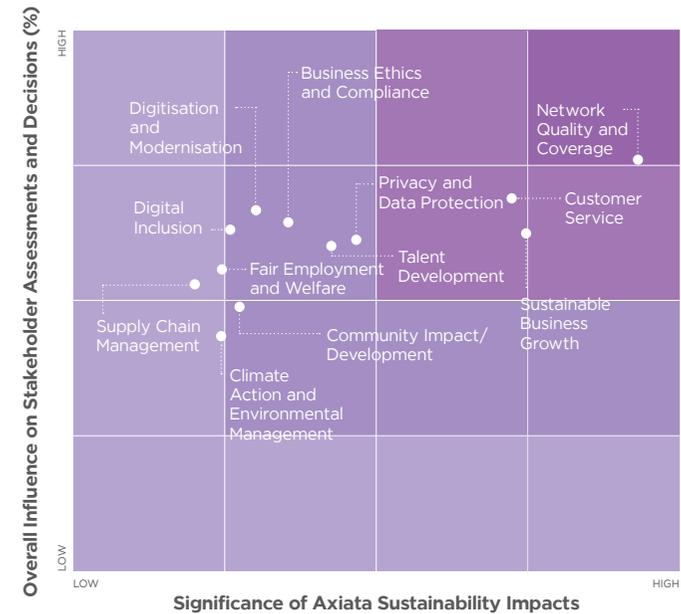
## Materiality

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>