Axiata Group Berhad | Integrated Annual Report 2020

# And This Was How We Responded To The COVID-19 Pandemic

#### **Business Impact**

- Lockdowns and movement restrictions resulted in stronger customer engagement via digital channels for reload and self-care
- Job losses and business shutdowns impacted Enterprise and postpaid segments
- In addition, the Group's revenue was also affected by government regulations and initiatives during the lockdown period, such as foregone revenue due to free data and bonus recharge in countries such as Malaysia, Indonesia, Cambodia, Sri Lanka, Bangladesh and Nepal. The foregone revenue did not have a significant impact on the Group during the financial year under review
- Besides COVID-19 related impairment on assets, Axiata's balance sheet and liquidity position remained strong

- Protecting our people remained a top priority as we progressed through various lockdown phases throughout all our markets of operation:
  - During strict lockdowns all employees required to Work-From-Home (WFH)
  - During less restrictive lockdowns

**Employee Wellness** 

- Continued with WFH, with option to return to the office upon approval
  - Gradually eased employees into the new normal via alternate team working arrangements

    Supported employees via:
    - Holistic employee wellness programmes to bolster their physical and mental health
      - WFH support including financial support for home connectivity
        - COVID-19 awareness campaigns and regular updates
        - COVID-19 testing assistance
          - Assisting employees who tested positive for COVID-19

## **Technology and Cyber Resilience**

- Networks remained resilient despite surge in peak data traffic
- As home became the new centre of gravity, we conducted expeditious upgrades during the second half of 2020 by recalibrating and rechanneling investment to residential areas to alleviate congestion experienced between April and June 2020
- Successfully maintained the average user throughput without any degradations

# THE IMPACT OF COVID-19 ON OUR BUSINESS

In response to the COVID-19 pandemic, Axiata strengthened our Business Continuity and Crisis Management plans, which included crisis response protocols such as crisis prevention, identification, response and overall stakeholder management.

A Crisis Management Team was set up to oversee our response, co-chaired by the Group CEO and Deputy Group CEO, with members comprising the Recovery Director and the Senior Leadership Team. The following outlines the key impacts the crisis had on the Group.

#### **Supply Chain**

- To ensure supply chain resilience and minimise business disruptions, the focus shifted to regional suppliers closer to market
- Omnichannel services and contactless deliveries became the new norm
- Key risks included timely equipment supply resulting from freight restrictions and custom clearance, and project roll out due to country lockdowns
- Axiata Procurement Centre worked with major suppliers to identify key risks and implement mitigations to minimise impacts of delayed deliveries
- In general, our supply chains remained strong without any impact on ongoing orders

## **Corporate Social Responsibility**

- At Group level, launched the Axiata COVID-19 Assistance Programme to provide financial assistance to micro-SMEs through the following channels:
  - Axiata together with Celcom, Axiata Digital and edotco provided immediate assistance to micro-SMEs through a RM150 million cash fund
  - Aspirasi provided Aspirasi Assist, a Shariah-compliant micro-financing of between RM1,000 up to RM20,000 on favourable terms via a quick three-minute digital application process
  - As at end 2020, Aspirasi Assist has granted a total of 9,473 loans to micro-SMEs with over RM43 million disbursed
- Our OpCos also implemented various initiatives, and contributed in cash and in-kind towards building the resilience of their communities to withstand the impacts of the COVID-19 crisis

## **Business Continuity Management (BCM) Response**

- Through daily meetings, the Group-wide BCM Committee and COVID-19 Taskforce closely monitored the situation and regional developments
- Discussions focused on new cases of infection involving staff, local developments as announced by the respective Governments, and Axiata's appropriate response to the situation
- Shared COVID-19 key learnings with Axiata Board Risk and Compliance Committee in November 2020

COVID-19 Lessons Learnt







**Building pandemic preparedness** 





New ways of working required innovative human capital management

Closer engagements with governments and authorities

**Greater digital literacy required for WFH** 

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#### **COVID-19 NATIONAL CONTRIBUTIONS ACROSS OUR FOOTPRINT**

Throughout our regional footprint, all OpCos provided either free or bonus data to customers across the prepaid, postpaid, Home and Enterprise segments, depending on the market.

Over and above, each OpCo provided targeted support for their respective communities, according to identified needs. These predominantly focused on financial assistance to SMEs, cash donations, and connectivity and technology contributions in-kind. The following provides an overview of the contribution by each OpCo in 2020:

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Shariah-compliant micro-financing through Axiata Digital, riding on the Aspirasi digital platform - from RM1,000 to RM20,000 and on favourable terms



Quick three-minute digital application process

Aspirasi Assist supported by Ministry of Finance for the RM150.0 million cash fund from Axiata together with Celcom, Axiata Digital and edotco to provide immediate assistance to micro-SMEs

Provided relief services, devices, donations, personal protective equipment (PPE), and enhanced network capacity at estimated value of over RM380.0 million



- Free 1GB data daily for customers, with unlimited WhatsApp and Microsoft365 (M365) access
- unlimited WhatsApp and Microsoft365 (M365) access

  Credit term extension for postpaid customers and SMEs
- Rebates for tourism operators, logistics companies and frontliners
- Supported COVID-19 healthcare operations in collaboration with state governments, Ministry of Health, government agencies and quarantine centres
- Extended financial support to our Trade and Fulfillment partners including PPE
- Food aid and cash contribution to B40 families
- Collaborated with e-learning provider to assist students learning from home
- Free browsing of the Ministry of Health's website for latest updates
- Free calls to Crisis Preparedness Response Centre and Movement Control Order Hotline
- № 10% e-wallet cashback on reload via Celcom Life App





- Cambodia PPE and testing kits for children's hospital
- Bangladesh educational sanitation programmes for local communities
- Pakistan and Laos mercy flights for stranded Malaysians
- Sri Lanka funds to equip hospitals with respiratory machines
- Philippines financial assistance for the purchase of medical devices, and medical and food supplies
- Myanmar PPE and thermometers to support testing efforts

- Partnered with Digital Bangladesh's flagship programme a2i and the Health Ministry to design an Al-powered contact tracing app
- Donated PPE to frontliners and medical workers
- Provided free monthly 33GB data for doctors for six months
- Free access to Robi 10-Minute School
- Free 10-minute talk time and 50MB of data to subscribers unable to recharge, and reduced voice call rates
- Sent out real-time notifications to customers moving into various COVID-19 hotspots to heighten alertness
- Provided local administration with geo-mapping support based on real-time telco data to identify heavy movement of people in various parts of the country with the aim of containing the spread of the virus
- Provided an emergency credit facility to 20,000 retailers

Contributed RM3.4 million (NPR100.0 million) to the Coronavirus Infection Prevention, Control and Treatment Fund



- Collaborated with the Ministry of Health and Population and UNICEF for Mass COVID-19 Awareness Campaign urging key behavioral changes to reduce risk of infection
- Supported the COVID-19 Crisis Management Committee (CCMC) for Migration Tracking and Contract Tracing
- Rolled out the Unstructured Supplementary Service Data (USSD or quick codes) and Interactive Voice Response (IVR) survey to identify COVID-19 infected people
- Conducted COVID-19 awareness messaging leveraging on internal platforms - SMS, OBD calls, call tone, temporary change in network name to #Staysafe, engagement promos
- Ncell Free Hotline (service was also extended to Nepali migrant workers in Malaysia) and free Ncell Call to Doctor Service provided for COVID-19 consultation with doctors
- Free access to government hotlines 1133 and 1115
- Collaborated with the Ministry of Women, Children and Senior Citizen and UN WOMEN to run a Rapid Assessment Survey on how COVID-19 has affected the lives of people in Nepal
- Supported online education via Mobile Class Data Pack in collaboration with Tribhuvan University; special monthly plan for online learning; Radio Outreach Programme providing radio education for rural primary students
- Contributed more than RM2.4 million (USD0.6 million) from its COVID-19 Relief Fund supporting key national initiatives
- Ins COVID-19 Relief Fund supporting key national initiatives
  Implemented 5G through the use of trial frequencies at three of Cambodia's main hospitals
- Bonus data for every e-top up for one month
- Home segment Fair Usage Policy quota doubled to 500GB and 800GB monthly for standard and premium plan customers respectively
- Free up to 10GB extra data for Enterprise customers
- Contributed > RM45.4 million (IDR158.2 billion) towards COVID-19 prevention programmes



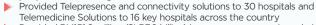
- 2GB per day for Government sites, e-learning portals, e-Commerce apps and M365 contribution of over RM24.6 million (IDR85.7 billion)
- Students data quota subsidy to support the Government of over RM12.8 million (IDR44.5 billion)
- Government hospital connectivity (MiFi and MBB Router) and University Programmme (Data Packages for students and staff) of over RM1.7 million (IDR5.8 billion)

Conducted nationwide COVID-19 relief operation – RM1.7 million (SLR78.3 million) of dry rations distributed to > 174,000 people in > 400 villages
 Provided Telepresence and connectivity solutions to 30 hospit

development of state-of-the-art Intensive Care Units at

Invested RM4.3 million (SLR200.0 million) towards the

Homagama Base Hospital and Negombo Hospital



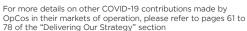
- Provided RM151.9 million (SLR7.0 billion) in consumer concessions during lockdown periods
   Facilitated Distance Learning solutions to 92 schools and extended free
- access to all State university platforms, Guru.lk and e-thaksalawa

  Provided 4,000 PCR test kits to enable high-speed Robotic PCR Testing at
- Bandaranaike International Airport

  Provided critical connectivity solutions to the National Institute of Infectious
  Diseases and Quarantine Centres nationwide, and launched a toll-free 1390
  COVID-19 national medical advisory hotline

Notes: Conversion rates are as of 31 December 2020: IDR1 = RM0.000287, SLR1 = RM0.021700, USD1 = 4.036000, NPR1 = RM0.034402





Dialog



For comprehensive details of our OpCos' COVID-19 contributions, please refer to the "Emergency and Disaster Response" section in the "Social" chapter

xL axiata