



Advancing Asia

INTEGRATED ANNUAL REPORT 2021



# axiata

advancing asia



## Advancing Asia Sustainably

We are progressing towards becoming The Next Generation Digital Champion by encouraging digital inclusion across our footprint spanning ASEAN and South Asia. In 2022, we are accelerating on climate action by launching our Net-Zero Carbon Roadmap.

### Digital Telcos

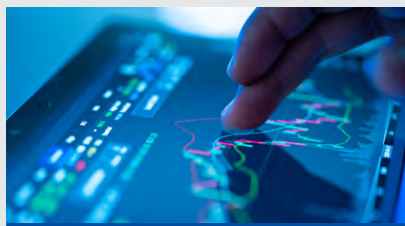


### Digital Businesses



### Infrastructure





## Delivering Value To Shareholders

Revenue  
**RM25.9 billion** ▲  
(2020: RM24.2 billion)

EBITDA  
**RM11.4 billion** ▲  
(2020: RM10.7 billion)

PATAMI  
**RM0.8 billion** ▲  
(2020: RM0.4 billion)

Cost Savings  
**RM2.0 billion** ▲  
(2020: RM1.8 billion)

Dividend Per Share  
**9.5 sen** ▲  
(2020: 7.0 sen)



## A Trusted Digital Partner Connecting Societies

**163.1 million**  
mobile customers  
across ASEAN and South Asia

Enterprise services for  
**~ 185,000**  
businesses

Boost Life eWallet users  
**9.7 million**  
**~ 439,000**  
Boost Biz merchants in Malaysia

**~ 122,000**  
Boost Indonesia merchants

ADA helping  
**> 3,300 clients**  
in 10 countries across Asia  
Pacific grow their market share

**> 44,000**  
owned and managed  
towers  
in 8 countries



## Supporting Governments And Communities

**USD11.1 billion**  
GDP contribution

**USD5.0 billion**  
invested in capex and opex

Supported  
**~ 0.7 million jobs**  
across Asia

**USD1.7 billion**  
total taxes and fees paid to  
governments

Pledged  
**RM115 million**  
over the next 10 years to Axiata  
Foundation

Supporting  
**45 technopreneurs**  
through Digital Innovation Funds in  
4 countries



## Building Modern, Agile And Digital Talents

Diverse Talent Factory of  
**13,181 employees**

A highly skilled pool of regional  
**Digital, Analytics  
and AI talents**

**Collective Brain**  
promoting hyper-collaboration and  
co-creation between our diverse  
regional talents

**LEAP**  
Multi-year programme as a catalyst  
to drive digitisation and innovation

Setting the tone with  
**AxiataCares**  
at Axiata to nurture employees'  
wellbeing, health and safety,  
career and personal growth, and  
connectivity to communities

Signed the  
**United Nations  
Women's  
Empowerment  
Principles**



## Minimising Environmental Impact

Launched  
**Axiata Net-Zero  
Carbon Roadmap**  
towards achieving net-zero by 2050  
and 45% reduction of emissions from  
a 2020 baseline by 2030

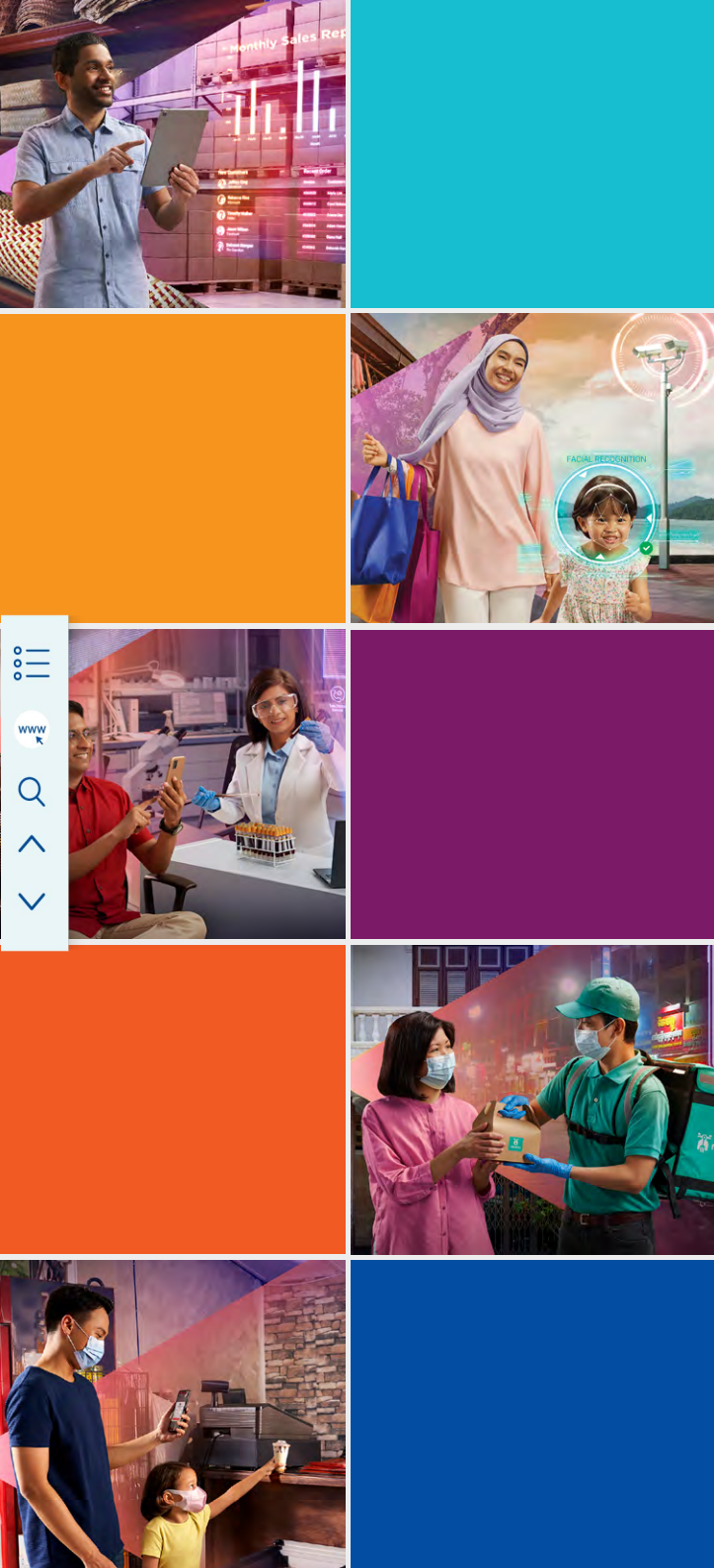
Signed the  
**Science Based  
Target Initiative**  
Business Ambition Pledge for 1.5°C

Won the Energy Management  
category at the  
**Sustainable Business  
Awards Malaysia  
2020/2021**

- testament of our Digital Telcos' green  
innovation to reduce carbon intensity

edotco's regional green commitment -  
**63%<sup>1</sup> reduction**  
in carbon footprint

edotco planted  
**~ 38,500 trees**  
in 6 countries



# Table of Contents

Creating Value For All In 2021 [↗](#)

## Overview

- 4 About This Report [↗](#)
- 6 This Is Axiata [↗](#)
- 7 Our Investor Proposition [↗](#)
- 8 Our Continuing Response To COVID-19 [↗](#)

## Leadership Insights

- 10 Chairman's Message [↗](#)
- 13 In Conversation With The President & Group Chief Executive Officer [↗](#)

## Our Strategy

- 28 Key Trends - Our Changing World [↗](#)
- 30 Considering What Matters [↗](#)
- 31 Stakeholders Engagement [↗](#)
- 33 Our Risks Linked To Strategy [↗](#)
- 37 Evolving And Adapting Our Strategy To Capture New Normal Growth Opportunities [↗](#)

## How We Create Value

- 39 Our Value Creation Model [↗](#)
- 40 Outcome 1: Delivering Long-Term Value To Shareholders [↗](#)
- 41 Outcome 2: Building A Modern, Agile And Digital Asian Talent Factory [↗](#)
- 43 Outcome 3: Becoming A Trusted And Reliable Digital Partner [↗](#)
- 45 Outcome 4: Supporting Governments And Communities In Our Markets [↗](#)
- 47 Outcome 5: Enabling Digitally-Connected Societies [↗](#)
- 49 Outcome 6: Minimising Environmental Impact [↗](#)

## Financial Resilience

- 52 Financial Review [↗](#)
- 55 Consolidated Statement Of Comprehensive Income [↗](#)
- 55 Consolidated Statement Of Cash Flows [↗](#)
- 56 Consolidated Statement Of Financial Position [↗](#)
- 57 Group Financial Snapshot [↗](#)
- 58 Group Financial Position [↗](#)
- 59 Key Performance Indicators [↗](#)
- 60 Our Share Price Performance [↗](#)
- 61 Our Dividend Policy [↗](#)

## Our Operating Companies

- 63 2021 Overview Of Digital Telcos' Performance [↗](#)
- 64 Celcom Axiata Review [↗](#)
- 66 XL Axiata Review [↗](#)
- 68 Dialog Axiata Review [↗](#)
- 70 Robi Axiata Review [↗](#)
- 72 Smart Axiata Review [↗](#)
- 74 Ncell Axiata Review [↗](#)
- 76 edotco Group Review [↗](#)
- 78 Boost Review [↗](#)
- 80 ADA Review [↗](#)

## Transparency & Accountability

- 83 Committed To Accountability [↗](#)
- 84 Our Governance Structure [↗](#)
- 85 Who Governs Us [↗](#)
- 86 An Experienced Leadership [↗](#)
- 89 Our Governance At A Glance [↗](#)
- 90 Embedding Sustainability Into Our Governance Structures [↗](#)
- 91 Board Leadership And Effectiveness [↗](#)
- 95 Board Committees [↗](#)
- 97 Board Accountability [↗](#)
- 99 Internal Control And Risk Management [↗](#)
- 101 Communication With Stakeholders [↗](#)

## Additional Information

- 104 Corporate Information [↗](#)
- 105 Notice Of Annual General Meeting [↗](#)
- 111 Statement Accompanying Notice of Annual General Meeting [↗](#)

- Proxy Form

[i](#) This interactive PDF allows you to access information easily, search for a specific item or navigate between sections and links.

[☰](#) CONTENT LIST [↗](#) LINK

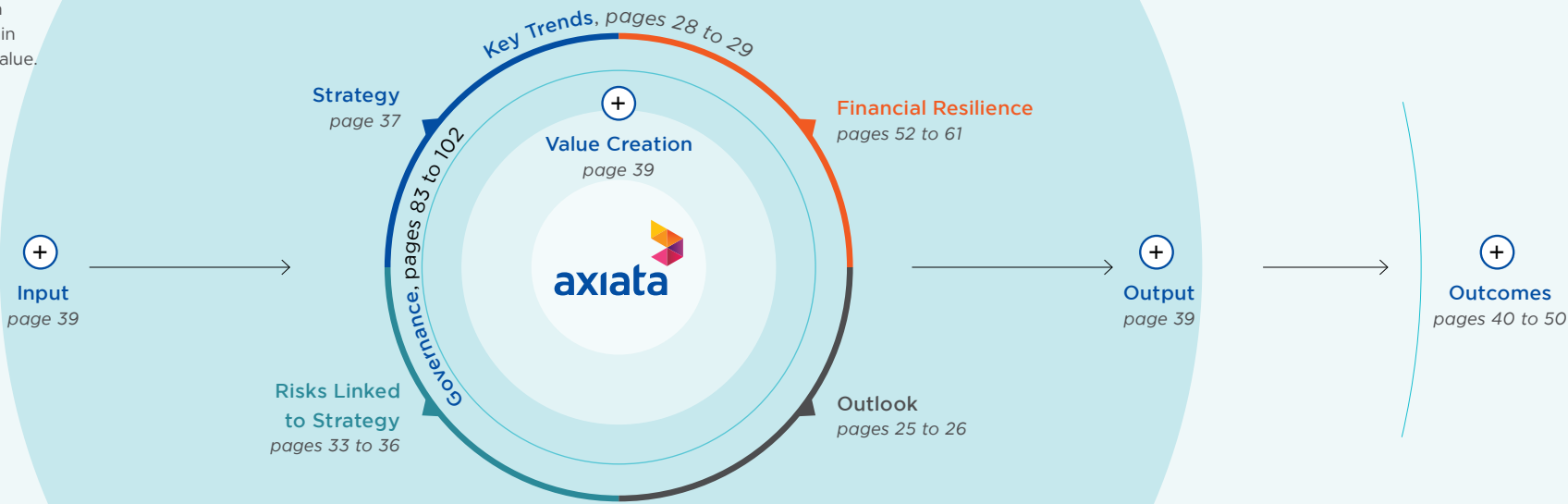
[◀](#) PREVIOUS PAGE [▶](#) NEXT PAGE

Navigation

This is Axiata's Value Creation Model (VCM) graphic. The VCM graphic will guide you on where you can find particular sections within this report which explains how we create value.

Our Six Capitals

- FC Financial
- SRC Social & Relationship
- HC Human
- MC Manufactured
- IC Intellectual
- NC Natural



Navigation icons

The following icons help to align our integrated narrative so that readers can get a greater sense of the inter-connectivity and inter-relatedness of our business.

Cross References

- Refer to IAR, SNCR and GAFS
- Refer to website

4P Goals

- Performance
- People
- Partnership
- Planet & Society

Capitals

- FC** Capital providers supply us with the necessary funding for our business, in addition to cash generated from operations and investment.
- HC** Our skilled regional workforce is a pivotal part of Axiata's business model. Our engaged, diverse, and innovation driven employees contribute to the success of our business.
- IC** Our strong brand equity and trust, culture, digitalisation and analytics efforts, as well as our digitised procedures and processes differentiate us in the marketplace.
- SRC** Continuous and ongoing close engagements and partnerships with our key stakeholders, among others, are key towards ensuring we maintain strong and trusted relationships with our stakeholders.
- MC** Our network infrastructures and data centres are an important source of competitive differentiation. Our Manufactured Capital also includes office buildings for our workforce.
- NC** We consume energy in our operations and use land to house our towers and other infrastructure.

- Customers
- Regulators and Government
- Shareholders
- Employees
- Community
- Suppliers
- Media

10 Key Focus Areas

- 1 Positioning for New Norms
- 2 OpCos Transformation
- 3 New Growth Areas
- 4 Cost Management
- 5 New Engagement Model
- 6 Digitisation and Analytics
- 7 Stakeholder Management
- 8 Organisation 5.0
- 9 Industry Consolidation
- 10 Portfolio Optimisation and Value Illumination

Material Matters

- Sustainable Business Growth
- Network Quality and Coverage
- Digital Inclusion
- Digitisation and Modernisation
- Fair Employment and Welfare
- Talent Development
- Employee Health, Safety and Wellbeing
- Customer Service
- Supply Chain Management
- Community Development
- Business Ethics and Compliance
- Data Privacy and Cyber Security
- Regulatory and Political Risk
- Climate Action
- Resource and Waste Management

## Enabling Smart Security

Utilisation of 5G technology to provide IoT solutions to enhance island-wide security in Pulau Langkawi, Malaysia

### CELCOM'S 5G SAFETY AND SECURITY SMART CITY SOLUTIONS



01 115 0 0000000000000000 SK14137667125  
FACIAL RECOGNITION

Overview

## About This Report

### Reporting Philosophy

In line with our purpose of Advancing Asia, Axiata Group Berhad (Axiata) is transforming societies across our footprint through our connectivity and digital solutions. Our reporting philosophy is grounded in our aim to provide our stakeholders with transparent, relevant and integrated information that will enable them to make better and more informed decisions about Axiata. We have developed our 2021 Reporting Suite in line with our stakeholders' value creation expectations.

### Scope and Boundary

Our Integrated Annual Report (IAR) 2021 covers the strategic business activities and outcomes of our Triple Core Businesses of Digital Telcos, Digital Businesses and Infrastructure within our 11 markets of operation in ASEAN and South Asia. It spans the period of 1 January 2021 till 31 December 2021 and includes significant subsequent events up to 31 March 2022.

### Materiality

Our materiality assessment was conducted in line with Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements, and incorporates our stakeholders' inputs as well as the business' perspectives. In order to assess the material issues that impact our ability to create value over the short, medium and long term, we have included risks identified through our risk management process. Throughout this IAR, we present our strategic responses to these material issues.

### Enhancing our Environmental, Social and Governance (ESG) Disclosures

Sustainability reporting combines economic performance, social responsibility and environmental commitments. This requires an organisation to have a business strategy that incorporates ESG elements to drive sustainable long-term growth.



#### The United Nations Sustainable Development Goals (UN SDGs)

We remain committed to the UN SDGs, and doing our part in alleviating global environmental and social issues as a leading regional telecommunications and digital conglomerate. Through various sustainability initiatives we are contributing to advancing SDG 4 on Quality Education and SDG 13 on Climate Action as key impact areas throughout our footprint.



FTSE4Good

#### FTSE4Good Bursa Malaysia (F4GBM) Index

Axiata remains a constituent of the F4GBM Index series following our December 2021 review which resulted in a 4-star ESG Grading Band<sup>1</sup>. Similarly, our FTSE Russell ESG score improved from 3.1 to 3.4 during the year. 2021 was also the year which saw Axiata's inaugural listing as a constituent of the FTSE4Good Bursa Malaysia Shariah Index.



#### Global Reporting Initiative Standards

We align our sustainability disclosures with GRI Standards and continue to be guided by GRI sustainability disclosure reporting principles in terms of content and quality. Our aim is to provide transparent, cohesive and comprehensive disclosures to our regional stakeholders.



SCIENCE  
BASED  
TARGETS

#### Science Based Target Initiative (SBTi)

Axiata is the first telecommunications company in Malaysia to commit to SBTi corporate net-zero standards. We have undertaken the setting of long-term science-based targets to reach net-zero emissions no later than 2050, with an intermediate target of 45% reduction in operational emissions by 2030.



#### Carbon Disclosure Project (CDP) Worldwide

Each year, Axiata participates in the CDP assessment. As of 2021, Axiata's CDP rating was D, reflecting further areas to improve on. We are leveraging our insights on best practices and have identified areas to improve our climate action efforts. The launch of our Net-Zero Carbon Roadmap in 2022 and alignment with SBTi is a significant step towards this end.



#### MSCI ESG Rating

Our focus on maintaining our MSCI ESG Rating has enabled us to retain our reputable ranking on the global index. In 2021, our MSCI ESG rating increased to 'AA' (Leader) from the position of 'A' (Average) which we had held for a five-year period previously.



#### Sustainability Accounting Standards Board (SASB)

We have committed to working towards aligning our sustainability disclosures according to the SASB Standards for the Telecommunications Industry. In line with this, we have begun organising our SASB Telco indicators in order to publicly disclose SASB standards in our future reports.



#### Task Force on Climate-related Financial Disclosures (TCFD)

We look forward to embarking on our TCFD journey in 2022 to help us understand the implications, risks and opportunities that climate change could have on our business operations across our regional markets. Through the adoption of TCFD recommendations, we seek to further advance our robust and future-proofed investment proposition and use our insights to guide the execution of Axiata's Net-Zero Carbon Roadmap.



Note: <sup>1</sup> The 4-star ESG Rating refers to the Top 25% by ESG Ratings amongst public listed companies in FBM EMAS

## About This Report

### Reporting Suite

#### Integrated Annual Report 2021



 Printed Version  
 Online Version

##### Disclosures

Management Discussion & Analysis:



- Leadership Insights
- Our Strategy
- How We Create Value
- Financial Resilience
- Axiata's Operating Companies
- Abridged Audited Financial Statements
- Corporate Governance Overview Statement

##### Reporting Frameworks

- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Value Reporting Foundation/International Integrated Reporting Council's (IIRC) International Integrated Reporting <IR> Framework
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- FTSE4Good Bursa Malaysia requirements

#### Governance & Audited Financial Statements 2021



 Printed Version  
 Online Version

##### Disclosures

Governance & Compliance Documents

- Full Directors and Management Profiles
- Statement on Risk Management and Internal Control
- Board Audit Committee Report
- Additional Compliance Information

Financial Statements

- Directors' Report
- Audited Financial Statements
- Independent Auditors' Report

##### Reporting Frameworks

- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)

#### Sustainability & National Contribution Report 2021



 Online Version

##### Disclosures

- Sustainability Framework
- Sustainability Governance
- Sustainability Material Matters (Management Approach and FY2021 Initiatives)
- Our Commitments
- Third-Party Assurance

##### Reporting Frameworks

- Bursa Malaysia Sustainability Reporting Guide
- GRI Standards (Core)
- FTSE4Good Bursa Malaysia requirements
- AA1000 Stakeholder Engagement
- ISAE 3000 (Revised) - Limited Assurance Engagement

### Forward-Looking Statements

Our business operates in a volatile landscape and is therefore subject to external events that could result in actual future performance differing from those projected in the forward-looking statements throughout this IAR.

### Assurance

Our Audited Financial Statements (AFS) are disclosed in the Governance and Audited Financial Statements 2021 and have been fully audited. Limited assurance has been provided on selected disclosure(s) within our Sustainability and National Contribution Report (SNCR) 2021.

### Approval by the Board

The Board of Directors (Board) applied its collective mind to ensure the integrity of this IAR as guided by the IIRC's International <IR> Framework and other disclosure requirements:

- Tan Sri Shahril Ridza Ridzuan
- Dato' Izzaddin Idris
- Dato Dr Nik Ramlah Nik Mahmood
- Dr David Robert Dean
- Khoo Gaik Bee
- Thayaparan S Sangarapillai
- Tan Sri Dr Halim Shafie
- Ong King How
- Syed Ali Syed Salem Alsagoff
- Nurhisham Hussein

### Images

The Axiata Prism featured on the covers of these reports and section dividers symbolise our catalytic role in helping societies embrace digitalisation for improved outcomes. With its solutions, programmes and infrastructure, Axiata's transformative impact drives productivity, enables digital inclusion and empowers communities to benefit from new opportunities to build a more sustainable future.

### Improvements in Axiata's IAR 2021

- Creating Value For All In 2021 (on page 1): Value creation highlights
- About This Report (on page 4): Explaining our ESG disclosures
- Key Trends - Our Changing World (on pages 28 to 29): Linking external environment to Strategy and Risks
- Considering What Matters (on page 30): Linking our Material Matters to ESG commitments
- Our Value Creation Model (pages 39 to 50):
  - Contextualised explanation of our trade-offs
  - Linking our Outcomes with our Capitals, Material Matters, 4P Goals and Stakeholders
- Our Operating Companies (on pages 64 to 81):
  - ESG disclosures for our OpCos
  - Message from OpCo CEOs on 2021 key achievements

Scan the QR code to  
view our IAR online



## This Is Axiata

As a regional mobile telecommunications and digital conglomerate, Axiata is in a prime position to empower entire societies across our footprint of 11 countries in ASEAN and South Asia to seize the opportunities of the digital age. Our role is integral in helping Consumers, Homes and Enterprises

navigate the new normal towards a more sustainable future. We have developed differentiated and segmented offerings across our three core businesses of Digital Telcos, Digital Businesses and Infrastructure based on our deep insights into our customers' needs.

### Our Purpose

#### Advancing Asia

### Our Vision

#### The Next Generation Digital Champion by 2024

### Our Values

#### Uncompromising Integrity, Exceptional Performance (UI.EP)

### Our Goals

#### The 4Ps that Define Our Success



##### Performance

To be one of Asia's largest mobile telecommunications and digital groups in all financial metrics as we grow in market capitalisation and generate strong Return on Invested Capital against Cost of 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 and environmentally sustainable society

### Our Footprint Across ASEAN and South Asia



Malaysia



Indonesia



Sri Lanka



Bangladesh



Cambodia



Nepal



Pakistan



Myanmar



Laos



Thailand



Philippines

### Shareholding Structure

(As at 31 March 2022)



36.74%

Khazanah Nasional Berhad

18.39%

Permodalan Nasional Berhad

17.03%

Employees Provident Fund  
Board

10.92%

Foreign Shareholdings

16.92%

Others

### Digital Telcos



Our Digital Telcos are leveraging the digital ecosystem to provide differentiated and segmented digital products and solutions for Consumers, Homes and Enterprises. They are answering Consumers' need for unlimited and nomadic digital mobility, providing

digital and technological convergence solutions as Homes shift to become the new centre of gravity, and enabling Enterprises to digitally transform in their quest to drive their growth.

### Digital Businesses



Our full spectrum fintech player in Malaysia, with a growing presence in the Indonesia market, is helping grow the digital economy by advancing digital and financial inclusion for micro-SMEs via fully digitised financing, payments and insurance based on rich transaction data.

Our Data and Artificial Intelligence company designs and executes integrated digital, analytics, marketing and eCommerce solutions, and is helping brands drive their digital and data maturity towards achieving their business goals.

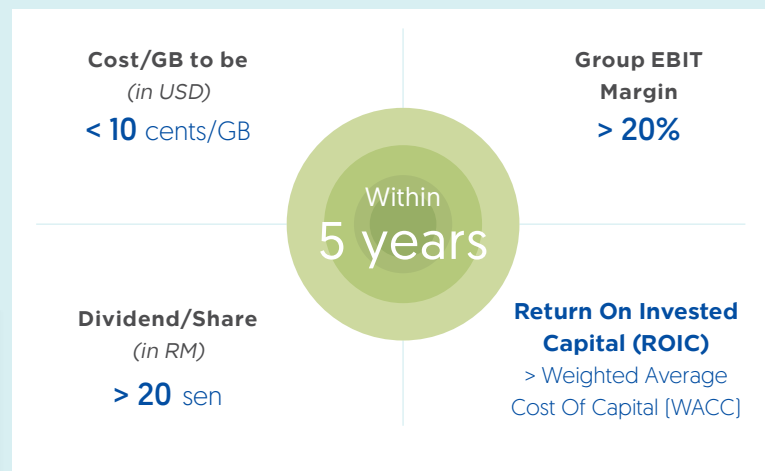
### Infrastructure



As at the end of 2021, edotco is the 7th largest TowerCo globally. Named the "2021 Asia Pacific Telecoms Tower Company of the Year" by Frost & Sullivan for the fifth consecutive year, it is acknowledged by Credit Suisse as one of three Malaysia-based ASEAN unicorns.

edoto is championing regional connectivity and bridging the digital divide in eight countries through next generation technology to provide seamless connectivity and contributing to the climate change agenda through green tower designs and renewable energy use.

## Our Investor Proposition

On track to reposition as a High Dividend Company,  
driven by disciplined execution

📄 IAR, In Conversation With The PGCEO and Financial Resilience on pages 14 and 52 to 61

## A financially resilient business

- Operating Free Cash Flow of **RM1.9 billion**
- Strong cash balance of **RM7.0 billion**
- Resilient balance sheet
  - Gross debt/EBITDA of **2.6x**
  - Net debt/EBITDA of **2.0x**
  - Dividend per share of **9.5 sen** in 2021, progressing towards becoming a High Dividend Company by 2024
- Boost's maiden tranche of Senior Class A Medium Term Notes (MTN) rated **A1** by RAM Rating Services Berhad on the back of a commendable non-performing financing (NPL) rate of less than 3% from funds disbursed to finance SME's working capital, supply chain and invoice financing to help them grow their businesses

📄 IAR, Outcome 1 on page 40

## Driving structural changes to future-proof the Group

- Proposed Celcom-Digi merger
- Boost-RHB consortium formed for Digital Bank licence application in Malaysia
- Acquisition of majority shares in Link Net Indonesia
- RM246.4 million SoftBank Corp. investment in ADA
- ADA's acquisition of Awake Asia to deliver end-to-end eCommerce solutions
- Celcom's acquisition of Infront and Bridgenet, Dialog's of H One and XL Axiata's of Hipernet to strengthen Enterprise market proposition
- edotco's acquisition of Touch Mindscape and D'Harmoni assets to strengthen its presence in Malaysia, and proposed acquisition of approximately 1,000 towers from XL Axiata in Indonesia

📄 IAR, In Conversation With The PGCEO and Our Operating Companies on pages 15 and 64 to 81

## Acknowledged as an industry leader in ESG

- ESG Ratings on the FTSE4Good Bursa Malaysia Index **upgraded to 4-star<sup>1</sup>**
- MSCI ESG Rating upgraded to **'AA'**
- **3rd place** in PwC Malaysia's Building Trust Awards 2021
- Committed to the United Nations Women's Empowerment Principles
- Established the Axiata Net-Zero Carbon Roadmap aligned to GSMA industry decarbonisation by 2050
- Signed the Science Based Target Initiative Business Ambition Pledge for 1.5°C
- Commence the adoption of Task Force on Climate-related Financial Disclosures' recommendations in 2022
- Axiata's Board of Directors ranking in Malaysia Board Diversity and Study Index 2021 conducted by the Institute of Corporate Directors Malaysia in collaboration with Willis Towers Watson:
  - **1st** in the Overall Top 312 Bursa-listed Companies category
  - **1st** in the Top 10 Companies by Market (≥ RM2 billion) companies

📄 IAR, Chairman's Message on page 11

## Harnessing the strength of our diverse talents across our regional footprint

- Highly skilled and capable leadership across all our regional businesses
- Regional Group-wide collaborations towards becoming The Next Generation Digital Champion via:
  - LEAP Programme
  - Collective Brain
- Continuously enhancing driving digital skills in line with IR 4.0 advancements as a Modern, Agile and Digital workforce
- Strong Employee Value Proposition - recognised by LinkedIn as one of the **Top 15 Companies** in Malaysia as the Best Place to Grow Your Career

📄 IAR, In Conversation With The PGCEO on page 24

📄 SNCR, Employees on pages 59 to 68

## Continuously delivering value and growth

- Axiata's investor proposition ensures shareholders derive returns from growth and yield
 

Revenue ▲ 7%	EBITDA ▲ 7%
<b>RM25.9 billion</b>	<b>RM11.4 billion</b>
PATAMI ▲ 100%	
<b>RM818.9 million</b>	
- Achieved Cost Excellence - total savings of **RM2.0 billion**
  - Opex savings - RM696 million
  - Capex savings - RM1.3 billion

📄 IAR, Chairman's Message, In Conversation With The PGCEO and Financial Resilience on pages 10, 13 and 52 to 61

## Our Continuing Response To COVID-19

- Contributed RM5 million in medical equipment to Malaysian medical frontliners via the Greater Klang Valley Special Task Force under the Ministry of Health



- Provided > 21,000 SIMs, and 300 laptops and dongles to > 21,000 students from lower income families to attend school online
- Bantuan Komuniti Prihatin gave food packs, devices and cash to > 3,500 low income earners, delivery riders and frontliners
- Donated food packs for > 12,000 students at institutions of higher learning via Bantuan Siswa Prihatin
- Distributed > 250 devices to frontliners to provide them Internet connectivity
- Provided vaccination assistance at five national vaccination centres
- Contributed oxygen tanks and concentrators to > 5 hospitals nationwide
- Continued extending free daily 1GB Internet for people to access education, employment and other online platforms
- Ensured employees safety and containment of COVID-19 through measures such as staff vaccination programmes, strict adherence to COVID-19 SOPs at the workplace, and equipping our frontliners with COVID-19 safety kits



- Held drive-through and walk-in vaccinations at XL's Indonesia Bangkit Vaccination Centre (SVIB) in Depok, West Java to simplify and speed up the vaccination process with > 61,000 people vaccinated
- XL's walk-in SVIB Medan, North Sumatra provided COVID-19 vaccinations with > 28,000 people vaccinated
- AXIS Vaccination Programme held vaccination drives at universities, institutes and schools with > 18,200 students vaccinated
- XL employees collaborated with Indonesian Red Cross to hold a convalescent plasma donation drive to help COVID-19 patients
- Provided 15% discount to upgrade XL Prioritas and free Internet packages for PRIO Flex reloads
- Gave free 2GB data daily for customers to access online learning apps for learning from home and MS Office 365 for WFH



- 'Dialog with Manusath Derana' provided relief to hospitals and families in areas under lockdown
- Partnered with Bank of Ceylon and Wavenet International to establish the National 1390 COVID-19 Integrated Home-based Care Solution, a digital platform and outreach centre for COVID-19 patient homecare
- Donated National Patient Bed Management Solution to the Ministry of Health to minimise admission time
- Enhanced urgently required critical care infrastructure in 18 hospitals
- Extended 'Suwa Diri', a free communication facility for critical care health workers nationwide



- Kept track of employee health daily through an employee health information app
- Ensured testing and treatment coverage for employees and family members suffering from COVID-19
- Supported the National Call Center-333 in combatting the pandemic crisis across the country
- Robi-10 Minute School held 'Lockdown Live' for students to prepare for national examinations and 'Government Live' in collaboration with Ministry of Education
- Via 'Sena Kallayan Sangstha', distributed food packs to lower income families
- Food support to > 6,600 sales field forces during Eid al-Adha
- Collaborated with NGOs Songjog and Footsteps to donate oxygen cylinders to the public
- Provided 1,500 data packs for doctors and medical staff to conduct COVID-19 tests
- Distributed masks and sanitisers in Chattogram through Chattogram City Corporation



- Distributed COVID-19 self-care kits to employees
- Ensured employees had the right tools and resources to WFH
- Continuously engaging with the team to ensure their wellbeing
- Increased employee insurance coverage for COVID-19



- Launched Smart Axiata Food Support Programme to raise funds and matched donations to send food packages to vulnerable families in remote areas
- Extended additional benefits to customers, including free calls, data and validity extension
- Used network to send automated messages that supported national COVID-19 awareness campaigns
- Plug-and-play Wi-fi service Smart @ Home supported customers by offering free deliveries of Smart @ Home
- Supported employees during lockdowns by providing food packages, emergency supplies and flexible work options
- Worked with Phnom Penh Municipality and Ministry of Post and Telecommunications to set up 21 vaccination centers capable of administering vaccinations to 4,200 people per day



- Provided 160 units of high flow oxygen concentrators to Ministry of Health and Population for distribution to different remote health institutions, health posts, isolation centres where it is not feasible to ensure supply of oxygen cylinders
- Collaborated with UNDP to manage COVID-19 vaccinations by providing free access to vaccination registration portal
- Supported the government in the dissemination of COVID-19 vaccination messages leveraging our infrastructure and network
- Collaborated with UNDP to manage COVID-19 vaccinations by providing free access to vaccination registration portal
- Launched Ncell COVID-19 Hotline Service with Dhulikhel Hospital providing 24/7 free health teleconsultation on COVID-19
- Continued giving free access to government hotlines 1133 and 1115



- Gave employees USD100 to improve their WFH experience, covering expenditure for home office furniture and gadgets, COVID-19 test kits, physical and mental health services, and other consumable items
- Unlimited leave days for self-care, personal learning, to support an unexpected event at home or loved one in need, and/or religious commitments. This was on top of fixed annual leave days provided under the pre-existing employment package
- Ensured the wellbeing of our employees during this pandemic by implementing initiatives such as 'Are You Okay' calls



- Provided food aid, hygiene supplies and medical aid across our footprint for > 5,000 people
- Bangladesh – meals for ~ 3,500 children in Dhaka, Narayanganj, Rangpur and Rajshahi District
- Malaysia
  - Food and essential items relief to ~ 1,000 families
  - Together with Immaret contributed 500 PPE sets to Klinik Kesihatan Gombak volunteers
  - COVID-19 and flood relief for 150 families in Kedah and 150 families in Sarawak
  - Collaborated with National Cancer Society Malaysia to roll out mobile COVID-19 vaccination programme benefitting 800 underprivileged people, old folks and the disabled in Kedah



## Building Future Visionaries

Fostering curiosity, nurturing ambition and empowering young minds in Indonesia to create a better and brighter tomorrow with critical awareness and insightful questions

**XL AXIATA FUTURE LEADERS**



Leadership  
Insights

## Chairman's Message



Tan Sri Shahril Ridza Ridzuan

## Dear Stakeholders,

On behalf of the Board of Directors (Board), I am honoured to present my first statement as Chairman of Axiata Group Berhad (Axiata), having been appointed on 1 January 2022.

It is heartening that Axiata has stayed true to its purpose of Advancing Asia throughout the year by creating significant value for its broad base of global stakeholders. In pursuit of its ambition to become The Next Generation Digital Champion by 2024, Axiata and its Group of Companies (collectively "the Group") remain on track in delivering the Axiata 5.0 Vision sustainably through strong business growth as well as operational and financial resilience.

📄 IAR, Our Investor Proposition on page 7

📄 IAR, In Conversation With The PGCEO on page 13

## ADVANCING ASIA DIGITALLY

## Continued Value Creation for Our Stakeholders

Axiata has consistently exemplified its commitment to include its regional communities in its value creation endeavours. With the pandemic firmly establishing connectivity and digital enablement as a necessity, Axiata is meeting the new increased demands of more than 163 million subscribers and over 185,000 enterprises by supporting communities and businesses through digitalised shifts.

As a valuable nation building partner, Axiata contributed a total of USD11.1 billion to the Gross Domestic Product of the 11 countries it operates in, and directly and indirectly supported some 700,000 jobs in a year which has seen rising unemployment. The Group is championing digital inclusion by grooming future Asian leaders through its regional programmes of Axiata Young Talent Programme (AYTP) in Malaysia, XL Future Leaders in Indonesia and SmartEdu in Cambodia. As at the end of 2021, a total of 2,693 Malaysian, 1,100 Indonesian and 41 Cambodian talented youths have been given the opportunity to further develop their potential, as well as grow their skillsets and knowledge to thrive in the digital economy.

In 2021, Axiata expanded its philanthropic outreach by pledging RM115 million for the next 10 years to Axiata Foundation to be channelled towards its Education pillar which includes its signature Axiata Young Talent Programme. The Foundation's coverage has also been expanded to include Community Investments – to enrich and empower communities through digital inclusivity – and Environment – to empower communities to do their part towards green and sustainable development, in alignment with Axiata's climate action strategy.

The Group is supporting technopreneurs in building resilient digital ecosystems that are becoming more relevant in the new normal through its venture funds spanning four countries. In 2021, the Axiata Digital Innovation Fund in Malaysia, Smart Axiata Digital Innovation Fund in Cambodia, Dialog Axiata Digital Innovation Fund in Sri Lanka and Robi Venture in Bangladesh have collectively provided funding to 45 digital start-ups and ventures to advance the development of local digital ecosystems in their respective countries.

Axiata has also maintained its growth trajectory towards becoming a compelling investment for shareholders and investors. In view of the Group's solid performance, a dividend of 9.5 sen per ordinary share for the year was announced, including the interim dividend of 4 sen per ordinary share declared for the financial period ended 30 June 2021.

📄 IAR, Our Continuing Response To COVID-19 on page 8

📄 IAR, In Conversation With The PGCEO on page 13

📄 IAR, How We Create Value on pages 39 to 50

📄 SNCR, Social Value Creation on pages 58 to 84



Nurturing young talents through our Axiata Young Talent Programme

Supported  
~ **700,000**  
jobs in a year which  
has seen rising  
unemployment

Contributed a total of  
**USD11.1 billion**  
to the Gross Domestic  
Product of the 11  
countries it operates in

Pledged  
**RM115 million**  
for the next 10 years to  
Axiata Foundation



Scan to watch a video of the  
Chairman's Message

## Chairman's Message

### Championing Sustainable Growth

Axiata is among industry leaders in adopting Environmental, Social and Governance (ESG) practices. Testament to this, in 2021 the Group's MSCI ESG Rating was upgraded to 'AA' from 'A', and its ESG Rating on the FTSE4Good Bursa Malaysia Index (FTSE4Good) from three-star to four-star<sup>1</sup>. Axiata remains one of the Top 10 constituents by market capitalisation on FTSE4Good.

In addition, Axiata has taken on board recommendations of the Malaysian Code on Corporate Governance (MCCG) 2021 which has enhanced the Board's oversight on sustainability-related issues and considerations in discharging their governance function. The Sustainability Steering Committee continues to strengthen Group-wide alignment towards achieving common ESG objectives and goals. This has been executed within the Stakeholder Management Key Focus Area under the Operational Excellence Pillar of the Axiata 5.0 Vision.

With sustainability firmly embedded within the Axiata 5.0 Vision, it is now one of the considerations in evaluating both Group and OpCo CEOs' Performance Scorecards. Embedding sustainability-related Key Performance Indicators (KPIs) in the Performance Scorecard is a key driver for the execution of Axiata's sustainability strategy Group-wide across its regional markets.




### Enhancing Digital Trust and Resilience

Considering how data usage has surged in the post-pandemic reality, Axiata has upheld its customers' right to data privacy. The Group's T.R.U.S.T. (Transparent, Rights, Use, Security and Transfer) principles are ingrained into its Privacy Policy, procedures and guidelines within the organisation and for third-party

partners. Personal data is only used for specifically stated purposes, and retained only for as long as reasonably required, while data analysis technologies employ techniques for anonymisation of the data. The common Group-wide policy adoption ensures that the same high standards are practiced regionally at all OpCos. This approach was a key driver in improving the Group's average Privacy Maturity Level by 91% to 2.67 in 2021 based on the Capability Maturity Model Integration (CMMI).

Axiata's Digital Trust and Resilience 2023 (DT&R2023) cyber security strategy has employed a comprehensive approach in protecting its digital assets by focusing on the synergy of function, Crown Jewel monitoring and protection, addressing new capabilities and adopting new technologies in being future fit and building a cyber savvy culture through awareness and training. This resulted in the Group levelling up its National Institute of Standards and Technology (NIST) Cyber Security Maturity to 3.7 in 2021 on the CMMI scale of 1 to 5, putting Axiata above the world average and regional averages of companies in Asia Pacific, Latin America and Europe.




Axiata continues to diligently monitor current and emerging risks within its regional operations. While none of the markets that the Group operates in currently regulate net neutrality, paid peering, zero rating and related practices, Axiata ensures that all its business practices in these areas are in full compliance with local anti-competition legislation and is continuously monitoring potential risks in this space.

-  **IAR**, Transparency & Accountability on pages 83 to 102
-  **SNCR**, Responsible Business Practices on pages 88 to 90
-  **GAFS**, Building Digital Trust Through Data Privacy and Cyber Security on pages 35 to 37

### Committing to Climate Action

The telco industry has a unique role to play in addressing climate action by not just reducing emissions within its own operations, but also providing digital solutions that will enable our customers to achieve their emissions goals. With regards to the latter, Axiata's contributions are shaped by its investments in digital solutions and improved network capabilities.

The Group has stepped up on our commitment to achieve industry decarbonisation by 2050 in line with the GSMA's ambition. During the year, the Group developed its Net-Zero Carbon Roadmap and articulated its commitment to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Framework, both of which will be implemented in 2022. Axiata was also the first Malaysian telco to join the Science Based Targets Initiative (SBTi) Business Ambition for 1.5°C campaign in 2021.

-  **IAR**, In Conversation With The PGCEO on pages 16 to 17
-  **IAR**, Outcome 6 on pages 49 to 50
-  **SNCR**, Environmental Stewardship on pages 47 to 56



The Smart team in Cambodia participates in an annual tree planting initiative

Axiata's

**MSCI ESG Rating  
upgraded  
to 'AA'**

from 'A' in 2021

**FTSE4Good  
ESG Ratings  
upgraded to  
4-star<sup>1</sup>**

from 3-star

Group's average Privacy  
Maturity Level based on  
CMMI improved by  
**91% to 2.67**  
in 2021

Note: <sup>1</sup> The 4-star ESG Rating refers to the Top 25% by ESG Ratings amongst public listed companies in FBM EMAS

## Chairman's Message

### Engaging and Developing Our Talents

In creating value for our people, our focus revolves around curating a Modern, Agile and Digital culture and enhancing Diversity, Equity and Inclusion whilst creating enabling mechanisms for employee wellbeing, professional and personal growth.

We have continued to refine the AxiataCares initiative, as part of our unique employer value proposition which embodies our philosophy of People First, Always. Adopting a holistic approach, AxiataCares caters for the employee experience through channels that nurture mutual trust between the employee and the company, fosters a conducive environment of partnerships and friendships amongst colleagues and enables them to meaningfully contribute to communities externally.

Significant efforts and resources are also directed at honing digital and innovation related competencies as well as talent development programmes to accelerate our people's development and leadership capabilities. Axiata FastForward, our virtual university platform featuring seven academies – Leadership and Management, Customer Experience, Technology, Sales and Marketing, Ways of Working, Finance and Business and Digital – curates learning journeys based on competencies to continuously upskill and reskill our people in line with becoming a Modern, Agile and Digital organisation. As a Group with regional presence, emphasis is also placed on building platforms to facilitate cross cutting collaborations and partnerships.

Diversity, Equity and Inclusion initiatives are gaining traction across the Group. To further infuse these values into Axiata's culture, it launched the Women of Axiata and Male Allies initiative for our people in March 2021, joined the 30% Club Malaysia in June 2021 towards increasing female representation at Board and senior levels, and signed the United Nations Women's Empowerment Principles Charter in February 2022. As an example of our commitment to advancing women in leadership, Axiata appointed four female executives into CXO<sup>2</sup> level roles across the Group in 2021.

As a positive indicator that we are tackling the right areas with our People and Culture initiatives, our Employee Engagement Survey for 2021 yielded a score of 91%, demonstrating a resilient and highly engaged workforce across the Group despite the challenging operating environments in our markets.

↓ IAR, In Conversation With The PGCEO on page 24

↓ IAR, Outcome 2 on pages 41 to 42

↓ SNCR, Employees on pages 59 to 68

### Strong Leadership for Continuity of Vision

On behalf of the Group, I would like to record our deepest appreciation to Tan Sri Ghazzali Sheikh Abdul Khalid for his steady hand at the helm providing guidance to the Group throughout his tenure as a Board Member since 24 March 2008, and as Chairman from 1 November 2018 till his retirement on 31 December 2021.

His contributions have been numerous and outstanding as part of the founding Board that was responsible for shaping Axiata's rise from its humble beginnings into the globally recognised regional mobile telecommunications and digital conglomerate it is today, and we are immensely grateful for his stewardship and guidance.

On a personal note, I would like to thank Tan Sri Ghazzali for enabling a smooth leadership transition by providing me his constructive feedback and insights between the period of my appointment as an Independent Non-Executive Director on 29 November 2021 till the date he stepped down.

The Board is also heartened by the steady leadership that Dato' Izzaddin Idris has demonstrated in his first year as President and Group CEO, as he provides continuity in the execution of the Axiata 5.0 Vision. The Group's strong operating performance in 2021 is testament to this.

Axiata has followed through with its Board Refresh Programme to heighten its corporate governance practices by appointing Nurhisham Hussein as a Non-Independent Non-Executive Director effective 25 January 2022. We look forward to working closely with Nurhisham and are confident his strategic insights and knowledge will help the Group maintain its growth momentum.

I am deeply aware of the responsibility the Board carries in ensuring that we continue to deliver on Axiata's vision for the long term and look forward to working collaboratively with my fellow Board members to sustain the Group's value creation and growth trajectory.

↓ IAR, Transparency & Accountability on pages 83 to 102

### Future-Proofing the Business

As the pandemic continues to exert an influence on global recovery and instability in global politics rises, Axiata treads into 2022 with cautious optimism. Having found its footing in serving the growing needs of digitalisation, Axiata is armed with a resilient balance sheet and a steady pipeline of corporate activities aimed at capturing new growth areas.

The era of 5G is unfolding across our region and with it, a new future of seamless and high-quality connectivity is set to redefine how we live, work and transact. As Axiata strides ahead to reposition the business and seize new growth, the Board is cognisant of significant shifts shaping the future of telco and digital service providers. We will be resolute in our efforts to ensure stringent monitoring and mitigation of risks. This is key to ensuring the business remains operationally resilient and agile to capture opportunities that will further secure Axiata's position as a trusted and reliable digital partner to all its stakeholders.

↓ IAR, In Conversation With The PGCEO on page 19

### Acknowledgements

On behalf of the Group, our sincere appreciation goes to the governments and regulators of Axiata's markets of operation for their continuous support. To the Axiata Family's diverse regional talents, we are indebted to you for your outstanding performance in yet another challenging year. We extend our sincere gratitude to the Group's shareholders for their unfailing faith in Axiata's value creation abilities. As we step into 2022, Axiata reasserts its commitment to maintain its momentum on a sustainable value creation path for all its stakeholders.

**Tan Sri Shahril Ridza Ridzuan**  
Chairman

## In Conversation With The President &amp; Group Chief Executive Officer



Dato' Izzaddin Idris

## EXECUTING FOR NEXT

Axiata Group Berhad (Axiata or the Company) and its Group of Companies (collectively “the Group”) occupy a unique position to respond to next normal needs as countries accelerate their digitalisation efforts across its footprint. Unprecedented demand for data and converged services, fintech solutions and enterprise digitalisation, as well as the global sustainability agenda continue to shape Axiata Group's evolution in line with its purpose of Advancing Asia. In embracing a holistic approach to deliver on its Purpose, Axiata Group is well placed to help societies reduce carbon emission levels through its mobile telecommunications technologies.

Tasked with steering this regional mobile telecommunications and digital organisation into a greener data and connectivity led future, we speak to Axiata's President & Group Chief Executive Officer (PGCEO), Dato' Izzaddin Idris to gain more insights on Axiata's continuing plans to navigate emerging opportunities and secure sustainable growth. At the same time, Axiata is also balancing the constantly evolving dynamics of regulatory, technological, environmental and competitive factors to ensure sustained returns to its shareholders.

📖 IAR, Key Trends on pages 28 to 29



Scan to watch a video  
of the President &  
Group Chief Executive  
Officer's Message

## Progressing with the Axiata 5.0 Vision

## 1. How did Axiata's strategy secure growth in 2021?

Upon finetuning our strategy to reset for a vastly different operating landscape beginning 2020, Team Axiata intensified our pace in 2021 to execute the 10 Key Focus Areas guided by Three Core Pillars of the Axiata 5.0 Vision which are Sustainable Growth, Operational Excellence and Structural Changes.

📖 IAR, Axiata 5.0 Vision on page 37

Whilst executing measures to secure future growth, management was intensely focused towards accelerating the business and ensuring cost excellence amidst challenging macroeconomic and regulatory factors, hyper-competition in the industry as well as continuing COVID-19 triggered uncertainties.

Internally, we ramped up digital transformation across the businesses to serve post-pandemic shifts as customers increasingly sought to interact and transact digitally with each other. Ultimately, the emphasis was on building effective sustainable business solutions across five core areas of Axiata's digitisation framework namely:

- Product and Services
- External Interfaces
- Internal Processes
- Infrastructure and Platform
- Organisation and Culture

Ongoing efforts to inculcate the Modern, Agile and Digital mindset across Axiata Group, and the empathetic approach towards crafting our employee journeys enabled the team to adjust well to hybrid ways of working, a decision taken in the interest of prioritising employees' safety and wellbeing throughout the unyielding pandemic environment across our markets. We remain on track towards building and sustaining Axiata as a high performing organisation that is rapidly transforming to become The Next Generation Digital Champion.

In ensuring a balanced outcome across our businesses, it was also heartening that Axiata maintained positive ratings in global sustainability indexes and benchmarks during the year, as we laid the foundations to launch our Net-Zero Carbon Roadmap in 2022. Across the footprint, our Operating Companies (OpCos) continue supporting their respective communities and governments in getting through challenges posed by COVID-19, as well as natural disasters and emergencies. We continued to contribute positively towards strengthening the digital ecosystems of the markets within which we operate. Here in Malaysia, we also expanded the scope and focus of Axiata Foundation to include Community Investments and the Environment, in addition to the existing Education focus.

In terms of performance, our OpCos contributed to a healthy expansion in Group revenue as they pivoted to cater to accelerated data demand, connectivity and digitalisation needs across the region. In constant currency, revenue excluding device (ex-device) expanded by 8.3%<sup>1</sup> to RM25.1 billion lifted by all OpCos except Ncell.

Staying the course in executing the 10 Key Focus Areas of the Axiata 5.0 Vision has enabled Axiata to deliver improvements across all metrics<sup>2</sup> as depicted in the charts that follow:



## In Conversation With The President & Group Chief Executive Officer


### How did Axiata's strategy secure growth in 2021? (cont'd)

Operational Excellence initiatives including our cost excellence programme, Collective Brain model, and leveraging on digitisation and analytics yielded results, as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) expanded by 8.5%<sup>1</sup> year on year (YoY) to RM11.4 billion mainly contributed by Celcom, Dialog, edotco and Axiata Digital Services (Axiata Digital)<sup>3</sup>.

Underlying PATAMI<sup>4</sup> grew by 57.5%<sup>1</sup> to RM1.3 billion due to improved EBITDA across all OpCos, reduced losses from Axiata Digital and lower net finance cost, offset by accelerated depreciation of 3G assets in Celcom and Robi.

Driven by our cost savings initiatives, we surpassed internal targets to achieve total cost savings of RM2.0 billion, of which RM696 million was opex in nature, and RM1.3 billion from better capex management. However, Operating Free Cash Flow (OFCF) dropped 43.1% to RM1.9 billion largely due to XL's accelerated capex and backlog capex at edotco.

Overall, Axiata closed the year with a resilient balance sheet as gross debt/EBITDA held at 2.6x and a healthy cash balance of RM7.0 billion. With this, we are able to confidently defend against market uncertainties, as well as capitalise on potential opportunities to further strengthen our value proposition in this digital era.

 IAR, Financial Resilience on pages 52 to 61

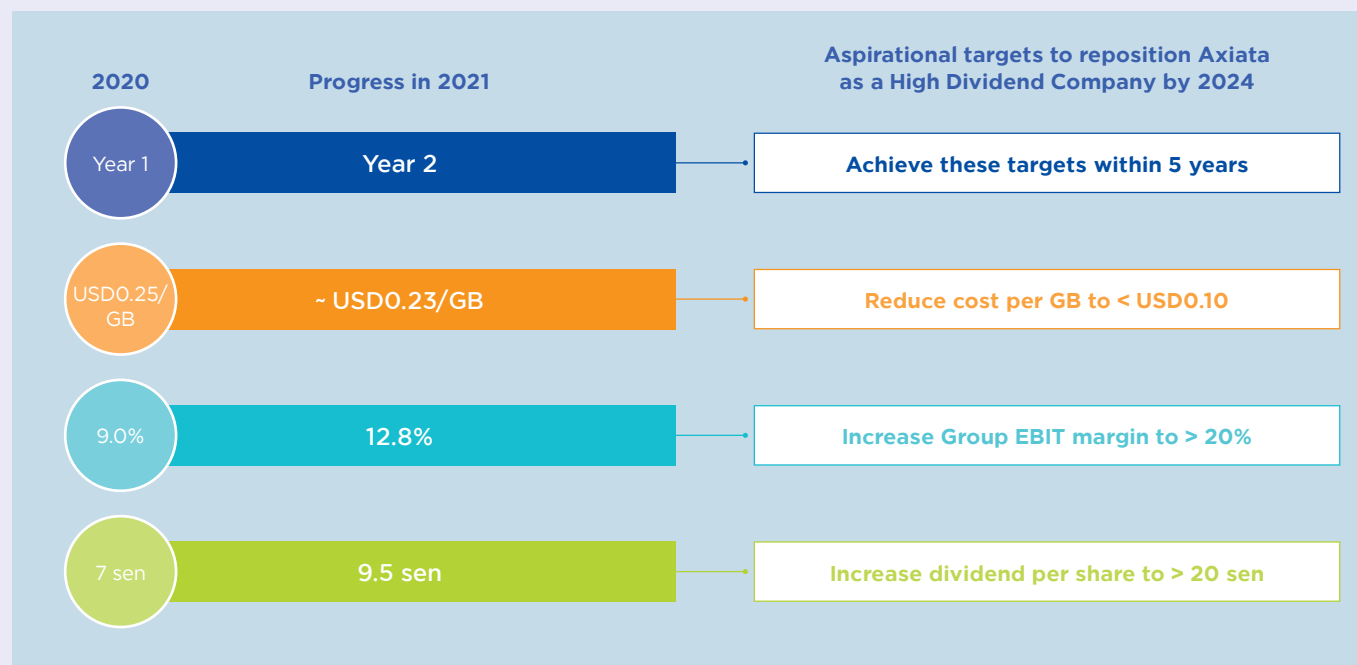
### 2. How is the Company tracking towards future-proofing Axiata Group?


Last year, I shared Axiata's Investors/Shareholders perspective of 5:10:20:20 to reposition ourselves as a High Dividend Company.

Where do we stand today? I am pleased to report that we are tracking well, encouraged by the disciplined execution of initiatives aimed at producing results in these six focus areas:

1. Grow Revenue by > RM6 billion through contributions from mobile, enterprise, digital businesses and infrastructure
2. Reduce Opex growth by < RM3 billion on concerted efforts to improve data cost per GB and data margin, with voice expected to decline to less than 5% of total cost
3. Reduce Depreciation and Amortisation growth by < RM1 billion with the sunsetting of 3G networks and capex optimisation
4. Reduce Financing Cost by > RM100 million through cheaper funding, capitalising on the low interest rate environment in 2020 with the issuance of USD1.5 billion bonds
5. Keep Mobile Capex < RM5.5 billion (20% intensity) leveraging on Collective Brain initiatives especially from efficiencies identified and optimisation efforts around the Procurement and Network functions
6. Refine Financial Strategy through an optimised Capital Allocation Framework including alignment of OpCos' dividend policy

Progress made in 2021 towards meeting our 2024 targets.



 IAR, Financial Resilience on pages 52 to 61

Notes: <sup>3</sup> Established in 2014, Axiata Digital Services is the digital services arm of Axiata, whose digital business portfolio includes Boost and ADA

<sup>4</sup> Underlying PATAMI excludes forex related (forex/derivative gains/losses, hedging cost) and others

## In Conversation With The President & Group Chief Executive Officer

### How is the Company tracking towards future-proofing Axiata Group? (cont'd)

In order to catalyse long-term value creation for our shareholders, Axiata continues to expand into adjacent businesses. Whilst the mobile business continues to be the foundation, we are also keenly seeking organic and inorganic growth opportunities in fixed, infrastructure, enterprise and digital.

Thus in 2021, Axiata Group embarked on a series of corporate activities to further secure our value proposition in supporting digital led recovery and growth.

#### Repositioning the business for new normal shifts

##### Proposed Celcom-Digi merger

- Synergistic benefits arising from the combination of scale, experience, competencies and financial strength of global telcos Telenor and Axiata, coupled with market knowledge of two well-established Malaysian companies
- To build a world-class Innovation Centre focusing on research and development, development of 5G use cases, supporting the local digital start-ups ecosystem and nurturing a knowledge-based workforce

##### Celcom's acquisition of Infront Consulting Group (M) Sdn Bhd and Bridgenet Solutions Sdn Bhd

- Enhanced Enterprise proposition with two acquisitions – Infront for Cloud services and managed networks capabilities and Bridgenet for cyber security and networking solutions

##### Proposed joint acquisition of Link Net with XL

- To drive future growth by leveraging on synergies between Link Net and XL through their combined positions in wireless communication services, sharing backbone and transmission networks and extensive customer base
- Well positioned to capitalise on the growing Enterprise market, and increased exposure to high Average Revenue Per User (ARPU) customers, as well as the fast growing fixed broadband market

##### Disposal of 5% stake in XL to Indonesian Investor Ferrymount Investments Ltd, a Special Purpose Vehicle between Procap Partners Ltd and Tiga Investments Pte Ltd

- Leveraging on the principals of Procap and Tiga Investments' extensive knowledge, experience, business partnerships, linkages to the digital ecosystem, and investments in and global capital markets to drive operational synergies and further develop digital and value-added services, as well as improve user experience

##### XL's proposed acquisition of PT Hipernet Indodata

- Enables XL to add to its Enterprise customer coverage and strengthen its product proposition

##### Dialog's acquisition of H One Private Ltd

- H One is the largest reseller of Microsoft enterprise solutions in Sri Lanka, and the acquisition is aimed at supplementing Dialog's wide range of Enterprise solutions suite

##### edotco's acquisition of Touch Mindscape

- Strategically adds a portfolio of approximately 1,000 tenanted towers to edotco's operations in Malaysia, with tower portfolio in the states of Melaka, Negeri Sembilan and Pahang having high co-location ratios of 2.4x<sup>5</sup>, 3.8x<sup>5</sup> and 3.4x<sup>5</sup> respectively along with long-term contracts in place, thus guaranteeing recurring cash flow into the future
- Strategic advantage of building towers in states it was unable to in the past
- Secures a strategic fibre network in the East Coast of Malaysia, backed by long-term customer contracts

##### Application for Digital Bank Licence by Boost Holdings Sdn Bhd (Boost) in partnership with RHB Banking Group

- Joint application submitted in June 2021
- Plans in place for regional expansion and potential monetisation of the fintech business

##### SoftBank Corp.'s investment in ADA

- Leveraging on SoftBank Corp.'s network of portfolio companies to provide digital marketing solutions
- Using funding and synergies to develop AI models for precision targeting, invest in content analytics, and establish data platforms to deliver insights and help businesses pivot for growth

##### ADA's acquisition of Awake Asia

- Integrated eCommerce practice marries Awake Asia's deep eCommerce expertise with ADA's media, creative and analytics solutions to drive online sales for brands through:
  - Digital marketing deeply linked to eCommerce revenue generation
  - Consumer data and analytics leveraged to uplift eCommerce sales
  - Reaching vast audiences in super apps and marketplaces

2022  
Focus

- Completion of the Celcom-Digi merger upon receiving the relevant approvals and successful integration of the two businesses
- Completion of the Link Net acquisition with XL and offering customer-focused converged solutions for Homes and Enterprises in Indonesia
- Awaiting outcome of digital banking licence application and if successful, launching its services
- Boost and ADA's regional expansion in ramping up towards realising their unicorn status ambitions
- Alongside expansion in Malaysia and Indonesia, edotco will continue to explore portfolio optimisation opportunities in footprint countries in line with its growth plans

## In Conversation With The President & Group Chief Executive Officer

### 3. With these targets, how is the PGCEO Scorecard structured towards delivering the Axiata 5.0 Vision?

The PGCEO's performance assessment is based on the "Balanced Scorecard" approach and comprises two differently weighted components - the Corporate Scorecard and the Strategic Key Performance Indicators (KPIs) - which are designed to address business and stakeholder needs dynamically whilst balancing short-term returns and long-term sustainability. For 2021, the two components were as follows:

1. 65% was derived from the Corporate Scorecard where the focus is on growth aspects of the business through metrics covering Revenue, Cash Flow, Profitability, Market Share and Customer Experience. These outcome-based, quantitative indicators were aimed at ensuring the rigor of execution to achieve short-term business targets against a challenging macroeconomic and industry environment
2. 35% was attributed to Strategic KPIs which covers Axiata's 10 Key Focus Areas. While a majority of the Strategic KPIs are outcome-based and quantifiable, selected KPIs within this component are qualitative in nature. Nonetheless, each of these KPIs were carefully selected to help future-proof the business and steer the organisation towards sustainable growth in the long run

These Corporate Scorecard and Strategic KPIs were cascaded to all OpCo CEOs and Axiata Senior Leadership Team Scorecards to ensure seamless alignment and accountability throughout the organisation. The foregoing framework has been in force for the past decade and is expected to continue in the foreseeable future.

During the year, the Board approved the inclusion of Sustainability as a Strategic KPI in line with the requirements of the Malaysian Code on Corporate Governance (MCCG) 2021. This is in addition to an existing Strategic KPI to drive the national development agenda through efforts to groom local talents and build digital entrepreneurs. In aligning with the Sustainability KPI, I am a member of the CEO Action Network (CAN) in Malaysia, contributing towards sustainability advocacy, capacity building, action and performance throughout the ecosystem.

In striving for customer satisfaction, significant emphasis is placed on the Voice of Customer KPI that I share with OpCo CEOs to track service levels, which is reflected in market scores such as the Net Promoter Score and Digital Reputation Score, among others.

In summary, my KPIs are focused on steering Axiata in its ongoing transition from a pure-play mobile business into a diversified mobile telecommunications and digital organisation driving digital inclusion and serving evolving connectivity needs as societies increasingly embrace the digital economy.

📄 IAR, CAN Case Study on page 32

📄 IAR, Axiata 5.0 Vision on page 37

📄 IAR, Net Promoter Score and Digital Reputation Score on page 43

## Stepping up on our Environmental, Social and Governance (ESG) Commitments

### 4. What key ESG actions did you take in 2021?

Having established a strong foundation, especially under the social and governance pillars through our various national contribution initiatives since inception, Axiata is on track to develop a focused climate action plan to further strengthen its ESG responses. Among key actions taken in 2021 are:



Completion of the Group-wide carbon inventory exercise to audit, assess and capture the full impact of our operations and the ways in which we use energy



This will be the foundation enabling us to develop a Group-wide target to reduce carbon emissions aligned to the Science Based Target Initiative (SBTi). To support this agenda, the Axiata Net-Zero Carbon Roadmap will be launched in 2022



Formalised our net-zero target commitment by signing the SBTi business pledge



Began preparatory work to embark on our Task Force on Climate-related Financial Disclosures (TCFD) journey

Acknowledging that our networks result in carbon emissions, the Chief Technology Officer (CTO) Council which represents all OpCos is taking into consideration our climate action agenda in the Network domain. Leveraging the Collective Brain model, they have incorporated efficient energy use to drive a common direction towards reaching both cost reduction and carbon emission targets. We are continuously seeking more efficient technologies that can be adopted to enhance our energy efficiency. Our direction moving forward is to deploy renewables as a source of energy where it is practical and cost efficient.

Additionally, Axiata's OpCos continued with their own environmental programmes. Many of our OpCos already have in place effective product end life management programmes that provide clear guidelines to improve material efficiency and reduce mobile e-waste. These include edotco's Carbon Neutrality Framework, Dialog's Waste Management Programme, Robi's e-Waste Recycling Programme, as well as Ncell's Resource and Waste Management Programme and its Waste Management Solution.

📄 IAR, Outcome 6 on pages 49 to 50

📄 SNCR, Environmental Stewardship on pages 47 to 56

## In Conversation With The President & Group Chief Executive Officer

### 5. What is the motivation behind Axiata's SBTi commitment?

This is an investment for the future which if not done today, will entail a higher outlay later. The SBTi commitment is based on our desire to adopt widely accepted standards in emissions reductions and net-zero targets in line with climate science. As a mobile telecommunications and digital organisation with a vast footprint in both ASEAN and South Asia, our investment in network expansion is critical to bridge the digital divide. However, that comes with the price of an increasing carbon footprint and it is incumbent upon us to mitigate the environmental impacts of potentially higher energy consumption from our networks and operations, whilst also implementing innovative solutions to address our energy needs.

#### 2022 Focus

- Launch the Axiata Net-Zero Carbon Roadmap to achieve net-zero emissions no later than 2050, with a near term 2030 target to reduce operational carbon emissions by 45% from the 2020 baseline

Our three-objective strategy for climate action is as follows:



Decarbonising network operations



Transforming our value chain



Driving an inclusive climate agenda

- Embark on our TCFD journey to deep dive into our climate-related risks and opportunities and expand our net-zero commitment to Scope 3 emissions, which covers the entire value chain of our operations



IAR, Outcome 6 on pages 49 to 50



SNCR, Environmental Stewardship on pages 47 to 56



SNCR, Net-Zero Carbon Roadmap on page 49

## Strengthening our Foundation as The Next Generation Digital Champion

### 6. What are the focus areas of Axiata's transformation to become The Next Generation Digital Champion?

We set off on this transformational journey a decade ago by leveraging the digital ecosystem. We expanded into digital businesses via Axiata Digital in 2013. As for our traditional mobile operators, the ambition was to transform into Digital Telcos. As we usher in the era of digitalisation and 5G, we are strengthening our foundations towards realising our future goals by undertaking the following initiatives:

1

'Digitising our Core' across all key functions through 'API-fication', simplification and process digitisation in order to achieve Operational Excellence

2

Leveraging Analytics to accelerate our evolution in a way which is relevant to the dynamic and competitive landscape we operate in

3

Transforming our IT Blueprint to an Open Digital Architecture

4

Moving our infrastructure and applications to Cloud, enabling us to quickly and cost effectively scale our digital apps and touch points to cater to the exponential rise in digital service channels in the new normal, thus providing excellent customer services anytime, anywhere

Of course, we need people with the right skillsets to drive our transformation. To this end, we reasserted control over IT Software Development by setting up our own software development and IT operations (DevOps) company Axiata Digital Labs (ADL) which now has over 1,100 software engineering professionals. ADL has not only reduced Group-wide development cost, but also set a standard by transforming our Business Support System (BSS) with its middleware platforms such as the Digital Telco Enabler (DTE) and AXP platforms, which are the bedrock of our digital stack.

Taking this a step further, we spearheaded a community of Analytics professionals, Axiata Certified Experts (ACE), to employ a structured approach in developing our people's Analytics skills, with the intention of moving 'Analytics to the Edge'. Our objective is to establish best practices in AI and Data Governance with a reference architecture enabling interoperability and portability of codes. Leveraging off our early success with external API marketplaces for both long and short tail businesses, we have built a very large community of over 50,000 developers and hundreds of short tail partners.



IAR, Outcome 2 and 3 on pages 41 to 42 and 43 to 44



SNCR, Next Generation Digital Champion on pages 21 to 45

## In Conversation With The President & Group Chief Executive Officer

### 7. How has Axiata improved its network in line with its ambition?

Our internal initiatives such as the cross-OpCo CTO Council are fuelling improvements in this area.

1

#### Efficiency gains from network transformation programme

Standardised network planning methodologies and guidelines as well as subsequent design reviews and optimisations of OpCos' network plans have resulted in major gains including reduced cost of delivery, in terms of both capex and opex expenditures

2

#### Collaboration amongst OpCos enable better adjustment to demand shifts

Unified design and planning approach between OpCos has enabled Axiata Group to support the 40% growth in network traffic in 2021

3

#### Sunsetting of 3G networks ongoing to prepare for 4G and 5G spectrum efficiency

In 2021 major advances were made by Celcom and Smart, as we sunsetted some 4,000 sites or 55% of our legacy networks, compared to the previous year

4

#### Concluded three successful Open RAN commercial pilots to better serve rising connectivity needs in the region

Formed strategic partnerships with leading global network solutions providers namely Mavenir and Parallel Wireless, and Infosys as systems integrator (SI) to successfully conduct Open RAN commercial field pilots in Malaysia, Indonesia and Sri Lanka



IAR, Outcome 3 and 4 on 43 to 44 and 45 to 46



SNCR, Network Quality And Coverage on pages 25 to 28

### 8. How far has Axiata progressed in transforming its traditional mobile OpCos into Digital Telcos?

2021 has been an extraordinary year for our Digital Telcos which delivered over 40% YoY EBIT growth. Advancements in this area are driven by a unique tool Axiata has developed to help OpCos continuously up their game with respect to digital transformation.

This unique tool is our signature LEAP (Learn, Engage, Accelerate and Perform) Programme, a multi-year initiative designed to accelerate digitisation across all functions of the business. Since LEAP's inception in 2018, we have seen a total of 480 digitisation initiatives, spanning across process automation, API-fication of our platforms and Micro-Services proliferation across multiple business functions. We have also established "end-to-end digital" telco models in our OpCos, leading examples being Celcom's 100% digital service Yoodo, and XL's fully digital Live.On offering.

Of course, monitoring our YoY performance is critical to ensure we are on track, and we are doing so with a portfolio of metrics:

LEAP Digital Maturity (LDM) which tracks the digital transformation of our OpCos across all functions, both front-end and back-end



Big Data Architecture (BDA) Index to assess our ability to process and analyse Big Data



Digital Telco Model (DTM) which charts the financial outcomes achieved through digital transformation across our OpCos



AI Maturity Index which determines our AI Maturity levels to create and scale business impact



Over the past three years, all our OpCos have shown significant progress across all these metrics. Moving forward, we will continue to evolve our products and services, external and internal interfaces, platform architectures, and Talent and Culture constructs, to be on par if not ahead of global best practices in digital transformation. On a broader perspective, Axiata will focus on taking AI to the next level of industrialised scale so that technological advancements create sustainable business outcomes. Axiata Group will also continue to have stronger focus on data governance and management, to ensure the highest standards of protocols and privacy protection for its consumers while putting special focus around AI governance and ethics at the centre of its digital agenda.



IAR, Outcome 2 on pages 41 to 42



IAR, Our Operating Companies on pages 63 to 81

## In Conversation With The President & Group Chief Executive Officer

### 9. How are Axiata's OpCos preparing for 5G?

An evolution from past technology, 5G is a catalyst for the future, delivering the promise of greater speed, capacity, reliability and much lower latency. It will revolutionise how we interact with technology in our daily lives, transform industries and elevate user experiences to new levels. Enabling higher performance, improved efficiencies and real time precision, industries such as agriculture, transportation and logistics, education, advanced healthcare, manufacturing, retail and public service, among others, stand to benefit from 5G enabled advancements and innovations to

enhance products, services and experiences. With roll outs gaining traction across the world, 5G is also taking off in Asia, with most of our footprint markets poised for deployment in the short to medium-term. In line with this, our OpCos continue to be supportive of national 5G ambitions in their respective countries and work is ongoing to prepare for roll outs, even as we step up internally on our digital transformation to lead our customers and communities into the 5G era. Briefly:



- Collaborated with ecosystem partners in preparation for 5G
- Conducted Malaysia's 1st Voice over 5G New Radio
- Trial calls
- Deployed world's first large scale FDD Smart 8T8R Network with Huawei



- Requested for 5G trial frequency and awaiting decision
- Presented amended 5G Trial Plan in accordance with the Nepal Telecommunication Authority's revised Working Procedure



- Partnered with Samsung for users to access Dialog's 5G trial network
- Launched Dialog 5G Innovation Centres in 12 Universities and 3 industrial companies to spearhead development of 5G ecosystem



- Launched 5G trials in 15 areas across Indonesia
- Partnered with 2 universities to co-develop IoT digital solutions running on the 5G network



- Extended partnership with digital security provider Subex Ltd to strengthen risk management capabilities towards launching innovative 5G services



- Secured approximately 250 5G sites with Digital Nasional Berhad (DNB)
- Malaysia to roll out Phase 1 5G in 2022
- Installed 1st 5G In-Building Solutions for DNB at Ministry of Finance



In Malaysia, on 16 March 2022 the Government announced its invitation to Mobile Network Operators (MNOs) to participate in a public-private partnership for the MNOs to acquire a 70% equity stake in DNB, the entity tasked with driving the country's single wholesale 5G network roll out.

Celcom together with other MNOs will work closely with the Ministry of Finance, Ministry of Communications and Multimedia, and DNB to further understand the implementation model, including the proposed shareholding offer and transaction process.

## In Conversation With The President & Group Chief Executive Officer

### 10. How is Axiata driving growth in the Enterprise segment?

Digitalisation is reshaping the ASEAN and South Asian regions into compelling engines of growth. In order to capture opportunities arising from the rapid digitalisation throughout the more than 540 million population within the region, some 75 million enterprises are leveraging on digitalisation to drive growth and competitiveness. As at the end of 2021, our Enterprise segment throughout our six Digital Telco operating markets are catering to the needs of around 185,000 enterprises with plenty of room to capture new growth in digital enablement.

Over the past two years, we have launched an aggressive but focused thrust to elevate our Group-wide Enterprise capabilities to reach market best standards. This is being driven along four principal dimensions as follows:

1. Making targeted acquisitions of in-market ICT leaders in our key operating markets to augment the capabilities of our OpCo Enterprise business. We will continue on this trajectory with similar focus and discipline going forward
2. Building on our acquisitions in previous years, we are establishing aggressive synergy multipliers by combining the capabilities of our new assets with the extensive go-to-market reach of our OpCos
3. Securing a portfolio of best-in-class partnerships and combining with hyper-scalers and ICT majors to deliver cutting edge IR 4.0 solutions for Enterprises within our operating markets
4. Applying consistent investment and focus to ramp up our organic skills and capabilities in the Enterprise space, with specific attention on sales and delivery capabilities including those centred on ADL

I am happy to report that our strategy is delivering results. The in-market Enterprise ICT acquisitions have grown our OpCos' capabilities across Axiata's footprint, including for Cloud engineering, cyber security and managed connectivity expertise. Our existing Enterprise business has started to scale, with these acquisitions adding new customers across the industry segments we operate in. For example, the acquisition of H One, a leading Cloud consultancy and Microsoft's key partner in Sri Lanka, supplements Dialog's expansive suite of Enterprise solutions to facilitate the acceleration of digital transformation for multiple flagship clients.

To further strengthen our Enterprise proposition, in 2021 we added Google Cloud to our line up of global enterprise technology partners enabling our OpCos to offer Google Workspace as part of their integrated ICT portfolio and solution bundles to small and medium businesses. Three of our leading OpCos have launched one stop SME digital kits offering simple and efficient Google solutions in conjunction with government initiatives to digitalise SME business operations. Within Axiata Group, ADL plays a catalysing role in providing the DevOps support required to drive the development of Enterprise solutions, for example Google Cloud Platform, within all our Digital Telcos.

As we pave the way for 5G networks in our markets, we are developing Beyond Connectivity solutions for Business-to-Business (B2B) or B2B2X. We believe this specialised B2B application development will primarily hinge on the ability to partner or collaborate at speed and with zero-touch, with the likes of hyper-scalers, other telcos and local solutions providers. We have recorded key wins in some of our markets where our OpCos are offering Beyond Connectivity Enterprise services that include Security as a Service (SaaS), Equipment, Cloud, Data Centre, Application and IT services.

#### Evolving our Enterprise Solutions to Cater to Regional Demand

##### Offering a full suite of products and services to serve Enterprise ICT and connectivity needs



##### Supported by ADL as our Regional Delivery Centre



Cloud resources and expertise in DevOps, IT infrastructure, Automation & Security



Track record with delivery of Cloud solutions in Telco, IoT platforms, fintech & applications



Equipped to provide range of Enterprise Cloud solutions including presales, demonstrations & workshops

##### Partnerships to grow competencies with technology leaders



2022  
Focus

- Scale up to build a regional Enterprise solutions provider by leveraging on the internal capabilities of our Digital Telcos, Digital Businesses and ADL assets
- Identify potential acquisitions in Indonesia, Cambodia and Nepal to strengthen presence in those markets

- Continue securing new technology and capability partners with extensive solutions and proven industry transformation expertise for various verticals and smart services including logistics and ports, healthcare and agriculture, among others

## In Conversation With The President & Group Chief Executive Officer

### 11. Are Axiata's Digital Businesses on track towards unicorn status?

Axiata's digital story began in 2013 when we set up Axiata Digital to identify and acquire opportunities within the digital ecosystem that were potentially relevant to us. Since then, we have undergone three distinct phases in our evolutionary journey to where we stand today, where our Value Illumination strategic focus is to build two unicorns.

2021 has been an exciting year for us, as we 'graduated' our digital businesses and set them off on their path to profitability with the ambition of unicorn status by 2024. We consolidated all our fintech offerings under the Boost umbrella to evolve into a full spectrum regional fintech business.

As for ADA, we are currently augmenting its product and service propositions by leveraging on synergies and partnerships established during the year to focus on new growth areas which includes Enterprise solutions.

#### Evolving Axiata's Digital Businesses

2013 - 2015

##### Phase 1: Inception and Experimentation

- Acquisition of various digital and Internet ventures for learning and experimentation
- Investment of USD200 million

2016 - 2018

##### Phase 2: Growth and Expansion

- Learnings from digital ventures led to incubation of new businesses namely Boost, ADA, Aspirasi and Apigate

Beyond 2018

##### Phase 3: Value Capture

- 2018: Sumitomo Corp invested USD20 million in ADA
- 2019: Mitsui & Co., Ltd invested in Axiata Digital establishing a pre-money valuation of USD500 million
- 2019: Monetised minority stake digital ventures with Pegasus 7 Ventures Pte Ltd at a valuation of USD140 million
- 2020: Great Eastern Holdings invested USD70 million into Boost
- 2021: SoftBank Corp. invested USD60 million into ADA

### 12. What's next for Boost?

Boost has advanced into a formidable fintech player in Malaysia, and is bolstering its presence in the adjacent high-growth Indonesia market in line with its regional expansion plans.

In strengthening Boost, we have consolidated the five lines of businesses that have been incubated as part of our digital business growth strategy over the years. The consumer eWallet business was re-branded to Boost Life and has gained mainstream adoption in Malaysia as one of the top three providers in the eWallet space. We carved out our merchant business as Boost Biz, while the credit business that originated with Aspirasi which pioneered the provision of loans to small businesses and SMEs in Malaysia has been consolidated into Boost Credit. In the Indonesian market, Boost Indonesia's current focus is on small merchants, while Boost Connect which was originally Apigate provides Cross Border Payments.

In June 2021, the consortium formed by Boost with RHB Banking Group applied for a digital banking licence under the framework issued by Bank Negara Malaysia. Boost has also been steadily building its proposition as a regional fintech provider, and in March 2022 became the first fully regional digital financier to obtain an investment grade A1 rating for its maiden tranche of Senior Class A Medium Term Notes.

Having run the distance in laying the foundations for a well-structured fintech driven business, Boost is now ramping up towards becoming a Regional Digital Financial Services Champion with the business continuing to chalk new milestones in this nascent industry which promises high growth in the future.

#### 2022 Focus

- Explore monetisation/fund raising in 2022 or 2023 to support Boost's regional growth ambitions
- Launching of the digital bank, if successful with the digital bank licence application

#### Boost's 5 Pillars



- ~ 9.7 million users
- One of the top three eWallets



~ 561,000  
merchants



Disbursed  
> RM900 million in  
loans in Malaysia and  
Indonesia



~ 122,000  
merchants



Serves over  
100 digital partners  
and providing them with  
access to over  
1 billion consumers



IAR, Outcome 5 and Boost Review on pages 47 to 48 and 78 to 79

## In Conversation With The President & Group Chief Executive Officer

### 13. What are the prospects for ADA?

ADA, our digital analytics and AI company, has always been at the forefront of digital transformation since its inception in 2018 – recognising the opportunity to change the game for marketing and business operations with data and analytics. In just a short span of time, we have already witnessed the mark that ADA has made in the industry especially with the recent strategic investment of RM246.4 million from SoftBank Corp., enabling the company to develop and invest in more data solutions to serve their clients better. The acquisition of Awake Asia also allowed ADA to deliver end-to-end eCommerce solutions across its footprint of 10 markets in South and Southeast Asia.

ADA is on a steady growth path, as revenue in 2021 soared by 89.4% YoY on the back of the expansion of our customer engagement business and our clients' increased focus on digital transformation. With its robust digital ecosystem and support by Sumitomo Corporation as an investor as well as other partners, ADA is well positioned to become one of the largest digital services providers as they ride the digitalisation wave as an enabler for enterprises seeking to grow their digital maturity.

**SoftBank Corp.'s RM246.4 million strategic investment** into ADA to accelerate our analytics, data and AI digital marketing capabilities

**Merger with Awake Asia** to expand ADA's eCommerce solutions and footprint to the **10th market in Vietnam**

**Revenue soared by 89.4%** YoY, with Customer Engagement Solutions (CES) growing close to 2x



**3,361 engaged brands** across 10 markets

**65 industry awards**, including **Campaign Asia's Tech Agency of the Year** for the 3rd consecutive year

Marketing Solutions recorded **> 50% revenue growth in 6 markets**, doubling average revenue per client in 2021

## 2022 Focus

- Identifying strategic partnerships and acquisitions as ADA seeks to become the largest digital services provider in Asia Pacific (APAC)
- Adapting capabilities and enabling our pioneering clients into the new Metaverse frontier
- Deeper and more integrated industry-focused analytics to empower better decision making amongst our clients



IAR, Outcome 3 and ADA Review on pages 43 to 44 and 80 to 81

## In Conversation With The President &amp; Group Chief Executive Officer

## 14. Can you share more about edotco's expansion plans?

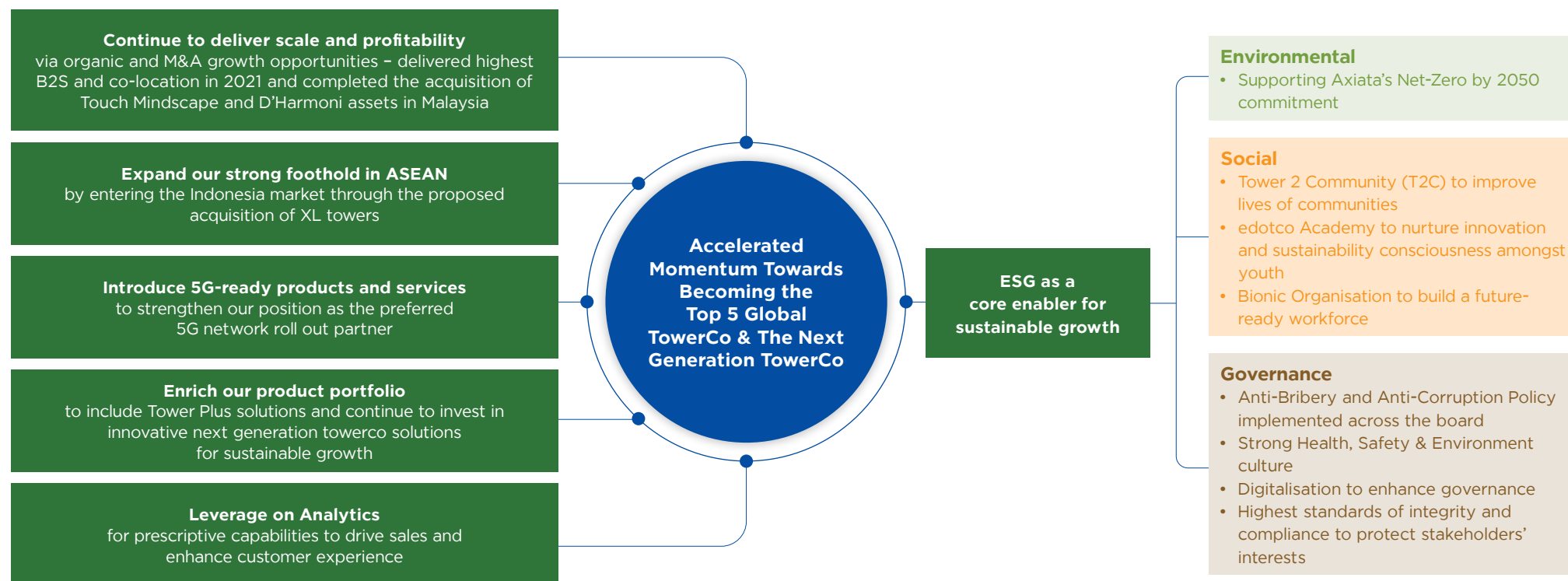
edotco has progressed in its journey to become The Next Generation TowerCo by complementing its traditional towerco products with value-added and innovative offerings. The company recorded its strongest growth in terms of Built-to-suit (B2S) and co-location in most of its markets and contributed approximately RM2.0 billion to Group revenue during the year. As at the end of 2021, edotco has become the seventh largest towerco in the world based on the numbers of owned and managed sites in its portfolio, a step closer to its ambition of becoming a Top Five Global TowerCo by 2024.

In March 2022, edotco set a new milestone by penetrating into the Indonesia market through its proposed acquisition of approximately 1,000 towers from XL, which upon completion will expand

its presence to nine markets across ASEAN and South Asia with a portfolio of close to 50,000 owned and managed towers. Coupled with the acquisition of Touch Mindscape in Malaysia involving approximately 1,000 towers, edotco has clearly been accelerating its strategy towards becoming a Top Five Global TowerCo by 2024.

Given its resilient business model and strong balance sheet, there is enough headroom to fund edotco's ongoing organic and inorganic expansion plans through a combination of borrowings and internal funds. At the same time, we are also cautious about business risks in Myanmar and keeping a close watch on further developments in the market.

## On Track to Realise edotco's Vision

2022  
Focus

- edotco's foray into Indonesia has provided it with a strong foothold in one of Asia's most sought-after tower and telecom markets
- edotco plans to aggressively pursue organic and inorganic growth to scale up its operations and cement its leadership position in the region
- To realise value from its acquisitions



## In Conversation With The President & Group Chief Executive Officer

### Leveraging Regional Synergies to Build Resilience

#### 15. What is Axiata's approach to drive its talents?

Axiata Group has been resilient and agile in responding to challenges and opportunities arising from the post-pandemic surge in digital use, as driven by our high performing workforce. We are future-proofing our workforce through the execution of our People Strategy which seeks to sustain an inclusive and winning culture through high organisational effectiveness, nurturing people capabilities and maximising talent potential, towards propagating The Axiata Winning Culture.

The Axiata Winning Culture essentially consists of three core facets – The Axiata Way to forge a unique identity in upholding core values and leveraging on our agility and innovation to deliver goals without compromising ethics and integrity; Core Values to harmonise Group values whilst acknowledging the nuances and uniqueness of each of our OpCos; and building a modern mindset and workspace in an agile and digital ecosystem in line with our Modern, Agile and Digital (M.A.D.) aspiration.

The Axiata Winning Culture leverages on the rich diversity of our talents in the 11 markets we operate in, and harnesses the spectrum of experience, knowledge and insights that our multi-cultural, multi-gender and multi-generational workforce possesses. In crafting our cultural constructs, we also acknowledge that our role is to bring about harmonisation and not necessarily standardisation, as different businesses and markets have their unique characteristics and nuances.

#### 16. How does this Winning Culture translate into real action?

The Axiata Winning Culture acts as an enabler to integrate our collective knowledge, and leverage on each other's strengths to co-create solutions – in short, helping each other out as Team Axiata.

Initiatives such as Collective Brain, Expert Working Group Councils and People Circles have been able to drive vast improvements Group-wide as a result of collaborative decisions made by our OpCo leaders across ASEAN and South Asia, a true reflection of how we are leveraging “the best of us for the benefit of all of us”. Among others, we have been able to centralise Procurement negotiations, as well as streamline and harmonise Network and IT functions.

We are on track to achieve targeted capex and opex savings of RM3 billion to RM4 billion by 2024 through design optimisation in Network and IT, and Procurement negotiations. In 2021, we delivered on total savings of RM2.0 billion, of which RM1.1 billion was derived from the Collective Brain approach. It is clear that we are sustaining our momentum to achieve our target of delivering cost savings of between RM3 billion and RM4 billion by 2024.

Business verticals have successfully adopted a collaborative approach towards their ways of working

#### Our Collaboration Platforms



##### Expert Working Group (EWG) Councils

- Analytics
- Enterprise
- Digitisation
- Cost Leadership
- Sales & Marketing
- Products & Innovation
- Digital Customer Experience
- Knowledge Management



##### People Function Circles

- Performance Management & Rewards
- Learning & Development
- Talent Leads
- Young Talent
- Wellbeing
- Governance
- Culture, Engagement & Diversity, Equity and Inclusion (DEI)



##### Collective Brain

- Harnesses the collective experience and capabilities of experts located across Axiata Group for Network, IT & Group Wholesale
- Efficiencies gained through network design optimisation, procurement, digitalisation & other operational aspects

## In Conversation With The President &amp; Group Chief Executive Officer

## Well-Poised for the Future

## 17. What is the outlook for Axiata?

Stepping into 2022, we are determined to sustain our growth momentum, and are imbued with a sense of cautious optimism of our prospects ahead. While short-term uncertainties will prevail, signs are that the world is coming to terms with living and working with COVID-19, and it will progress from a pandemic to an endemic phase, driven by increasingly high vaccination rates worldwide.

Against this backdrop, Axiata will continue riding the momentum already built in the Group-wide execution of Axiata 5.0, to deliver value for both our business and stakeholders by executing the strategic priorities of our 10 Key Focus Areas. At the same time, we will augment our ESG proposition as a responsible and sustainable organisation.

## Short Term

- Headline KPIs: Targeting mid-single digit for revenue excluding device growth driven by demand for data, digital content and enterprise digital transformation; substituting EBIT for EBITDA growth as a better measurement of our capital-intensive business, and have set a high single digit target in light of prevailing tough external conditions
- Capex for 2022 is targeted at RM7.1 billion across the footprint
- Identify inorganic opportunities that enables Axiata to expand into adjacent areas to better serve customers and businesses, in line with Axiata 5.0
- Ongoing monitoring and mitigation of risks especially from regulatory challenges across footprint markets - the global chip supply shortage; uncertain macroeconomic environment and geo-political conflicts; hyper-competition and evolving dynamics for digital/telco players; increased taxes in several of our markets; and developments in Myanmar
- Specifically in Sri Lanka, there are concerns on the escalating socio-economic and political crisis and its impact on our employees, customers and operations. Dialog continues to sustain its operations despite the challenges and we are closely monitoring the situation
- Launch Axiata's Net-Zero Carbon Roadmap and embark on our TCFD journey
- Preparing for 5G roll outs and synergistic partnerships across markets, doubling down in high growth markets such as Indonesia and Bangladesh
- Integration on track, awaiting regulatory approval for proposed Celcom-Digi merger in Malaysia
- Completion of the Link Net acquisition
- On the Ncell Capital Gains Tax matter, the arbitration tribunal set up under the rules of the International Centre for Settlement of Investment Disputes had postponed the hearing from August 2021 to between 11-22 April 2022, with 4-5 July 2022 in reserve
- Awaiting Bank Negara Malaysia's approval for digital banking licence jointly applied with RHB Banking Group
- Seek regional expansion opportunities for Boost and ADA
- edotco remains in growth mode to increase its tower portfolio in the region

## Medium Term

- Continue to seek out market consolidation opportunities across our footprint in line with new normal adjustments
- Immerse Axiata in AI initiatives to future-proof the business by building an 'AI First' organisational mindset
- Closely monitor emerging risks and opportunities, in line with the demands of climate change, energy transition and industry decarbonisation
- Progress our Net-Zero Carbon Roadmap, TCFD and SBTi commitments
- Remain committed to building a M.A.D. workforce with talent development and digital skills programmes, and embracing the trust-based Flex@Axiata hybrid working environment
- Prioritise Diversity, Equity and Inclusion through our Women of Axiata and Male Allies initiative and our commitment to the United Nations Women's Empowerment Principles Charter
- Strengthen our position as a truly Digital Telco across our footprint through digital and technological convergence for the Home and Enterprise segments
- With AI and IR 4.0 technologies embedded within our Digital Telco processes, manage future risks associated with AI within four major dimensions of Organisation, Customer, Workplace and Society
- Expanding our digital bank ambition and eCommerce proposition through our two digital businesses
- edotco to further strengthen its market proposition by diversifying into 5G ready towers, products and offerings
- Focus on expanding edotco's tower portfolio both organically and inorganically, as it continues to leverage on advanced network technologies to provide innovative and value-added products and services across its regional footprint



In Conversation With The President & Group Chief Executive Officer


What is the outlook for Axiata? (cont'd)

Long Term

- Our short and medium-term strategies will have strengthened our ability to accelerate our transformation as The Next Generation Digital Champion advancing the lives and livelihoods of our customers throughout the region
  - In tandem, we will focus on delivering on our fundamental Investor Proposition of a High Dividend Company, to provide shareholders with sustainable return on their investment with the following targets by 2024:
    1. Group revenue > RM30 billion
    2. edotco revenue > RM5 billion
    3. Enterprise business to contribute 20% of total revenue
    4. Mobile revenue comprising 80% of Group revenue
- Continue pursuing Operational Excellence and leverage on Group synergies through the Collective Brain to become the lowest cost producer of data and deliver on our customer promise to fulfil their demands anytime, anywhere
  - Driving sustainable growth will be priority as we work towards realising our targets under Axiata's Net-Zero Carbon Roadmap, TCFD and SBTi commitments and continue to fulfil our digital inclusion and national contribution responsibilities

We believe that our robust business fundamentals and strong performance track record, combined with our empathetic approach to become The Next Generation Digital Champion bringing meaningful value to our customers, communities and the planet sets up well to keep delivering on our value creation promise moving forward. We are particularly excited about

beginning our Net-Zero Carbon Roadmap in the year ahead, which will drive our environmental commitment to combat climate change and preserve the planet for future generations. For more insight into our ESG agenda in the years to come, please refer to our Sustainability and National Contribution Report 2021.

 IAR, Key Trends and Risks Linked To Strategy on pages 28 to 29 and 33 to 36

Acknowledgements

On behalf of Team Axiata, I would like to extend our sincere gratitude to Tan Sri Ghazzali Sheikh Abdul Khalid who stepped down as Chairman of the Board of Directors on 31 December 2021 in line with his intention to retire. As one of the founding Directors since 2008, Tan Sri Ghazzali has played a significant role in contributing to the transformation of Axiata from a home-grown Malaysian company to the leading mobile telecommunications and digital organisation it is today. His exemplary service as Chairman, since 2018, has seen us through some of the most challenging years the world has faced, and we are deeply grateful to him for his stewardship and guidance.

Taking his place, we are extremely pleased to welcome Tan Sri Shahril Ridza Ridzuan who took the reins as Chairman on 1 January 2022. Tan Sri Shahril holds a distinguished record serving at some of the most outstanding Malaysian corporate institutions. With his extensive experience, expertise and network of relationships, we are confident he has many valuable insights to share as he guides us to deliver on our stakeholders' expectations most responsibly.

My appreciation also goes to all the Directors for their commitment in rigorously upholding the highest standards of governance. To all our shareholders, we thank them for their continued faith and trust in our ability to create value. We also wish to extend our appreciation to our stakeholders in the respective governments, agencies and business partners in all our markets, who continue to work collaboratively with Team Axiata to embrace the new digital paradigm.

Backed by our strong fundamentals we are confident that despite the challenges that lie ahead, we will continue to engender sustainable long-term growth, as mapped out under the Axiata 5.0 Vision.

**Dato' Izzaddin Idris**  
President & Group Chief Executive Officer

Connecting SMEs To The Digital Future

Utilising Cloud technology to help businesses digitise and grow, with advanced technology tools boosting collaboration, productivity and generating data-based insights

AXIATA ENTERPRISE CLOUD SOLUTIONS

Monthly Sales Report



Team Productivity



Transaction History

New Customers

- Jeffrey King  
Accenture
- Rebecca Rios  
Microsoft
- Timothy Walker  
Fedex
- Jason Wilson  
Facebook
- Deborah Morgan  
The Guardian

Recent Order

Invoice	Customers	Date	Amount	Status	Amount
#360600	Maria Lee	08/08/2020	923.00	Confirmed	DS00248TRC
#360612	Carol Salazar	23/06/2020	281.70	Confirmed	DS00360TBA
#350632	Donna Day	15/03/2020	1,410.31	Confirmed	DS35982TBA
#265010	Adam Herrera	30/01/2020	1,211.87	Confirmed	DS11539EEA
#298300	Diana Hall	19/09/2019	946.65	Confirmed	DS56562AAA
#240065	Deborah Harvey	23/02/2019	452.41	Confirmed	DS00360TBA

Our Strategy

## Key Trends - Our Changing World

### Operating Environment

#### Digital Acceleration

- Acceleration in 'offline-to-online' digital migration for work, education and economic transactions caused a surge in demand for data and digital solutions
- Mobile voice service marginalised as majority of users adopted Over-The-Top (OTT) voice applications
- Change in data usage profile from business districts to residential areas as more people are working/learning from home
- Proliferation of customer data in a hyper-connected world has heightened the need for enhanced controls, transparency, security and protection surrounding data privacy and cyber security

### Strategic Implications

- There is need for differentiation of Axiata's digital telco proposition from mobile competitors by leveraging on IR 4.0 technologies
- Digital businesses primed to expand market share and further build revenue streams
- Critical to maintain continuous network service as interruptions would lead to loss of service confidence and market share
- Need to ensure that the Group upholds strong data privacy and cyber security standards
- By being an early mover and expanding network coverage to underserved areas, Axiata will be able to capture greater market share
- Accelerated adoption of digital technologies will require employees to be upskilled/ reskilled

### Way Forward

- Harnessing Group synergies and leveraging regional presence to strengthen the value proposition of Axiata's digital telcos and digital businesses
- Aligning the Group's Network Transformation Programme and future network strategy with sectoral technological advancements, particularly on 5G technology
- Embarking on organic and inorganic expansion opportunities for all three lines of businesses to cater for new normal shifts
- Offering Beyond Connectivity Enterprise solutions for B2B and B2B2X which include Security, Equipment, Cloud, Data Centre, Application and IT services
- Building a Modern, Agile and Digital (M.A.D.) workforce with the digital, analytics and AI skills to drive our Axiata 5.0 Vision
- Inculcating cyber savvy culture into the workforce through cyber and data privacy awareness training and attack simulation assessments
- Axiata Supplier Code of Conduct ensures that vendors and business partners adhere to a high standard of data protection and compliance controls
- Executing the three-year cyber security strategy, Digital Trust and Resilience 2023, to improve processes, technology and people, under the oversight of the Axiata Board, Board Risk and Compliance Committee and Risk and Compliance Management Committee
- Maintaining our National Institute of Standards and Technology (NIST) cyber maturity level above the Asia Pacific and World average benchmarks and focusing on enhancing trust and resilience by evolving to a risk-based approach in addressing cyber threats

### Link to Strategy and Risks

#### Our Strategic Response

① ③ ⑥ ⑧

#### Link to Risks

- Market Risk
- People Risk
- Strategic & Investment Risk
- Technology Risk
- Cyber & Data Privacy Risk

#### Climate Change

- Climate change agenda has accelerated with all industries, including the telco sector, committing to industry decarbonisation by 2050
- Acceleration in replacement of traditional energy sources with renewables across all sectors
- Businesses' ability to address climate-related risks is becoming an increasingly important factor that banking and financial institutions consider when making decisions on loans and funding

- Axiata is cognisant that if we do not heed the call for action on climate change, our business will lose its credibility in the marketplace, thus damaging our reputation. It also puts us at risk of non-compliance with increasingly stricter environmental legislation across our all our markets
- The climate change agenda dovetails with Axiata's drive for Operational Excellence As Part of Our DNA, as initiatives addressing climate risks will offer us both operational excellence and cost efficiencies
- edotco is supporting Axiata to be net-zero through various initiatives such as renewable energy sites, tower innovation using alternative materials, sites solarisation and a regional reforestation programme, among others

- Signed the Science Based Target Initiative Business Ambition Pledge for 1.5°C and plan to launch the Axiata Net-Zero Carbon Roadmap
- Commencing the adoption of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations to improve and increase reporting of climate-related financial disclosure and information
- Maintaining environmental awareness and product end life management programmes across all OpCos
- Seeking efficient technologies which can enhance network energy efficiency and reduce GHG emissions
- edotco to maintain its momentum towards achieving net-zero through the edotco Carbon Neutrality Framework
- Chief Technology Officer Council to continue leveraging on the Collective Brain to incorporate efficient energy use in our regional network in line with both cost reduction and carbon emission targets

#### Our Strategic Response

⑤ ⑦

#### Link to Risks

- Strategic & Investment Risk
- Regulatory Risk
- Governance & Compliance Risk

## Key Trends - Our Changing World

Operating  
Environment

## Macroeconomic Factors

- Heightened macroeconomic risks actuated by prolonged global lockdowns
- Supply chain disruptions caused inflationary pressure on SIMs and delay in delivery of network equipment
- Technology sector remains exposed to broader economic headwinds, with considerable pressure on working capital and liquidity
- As a multinational company operating in various markets, Axiata is subject to foreign exchange risk in terms of currency value fluctuations
- Escalating socio-economic and political crisis in Sri Lanka, causing shortages in basic necessities, inflation and more than 60% depreciation of Sri Lankan Rupee against the USD

Strategic  
Implications

- Economic slowdown led to customers tightening spending across the board
- Supply chain disruptions impacting mobile handsets and network equipment could lead to future dips in revenue
- Currency volatility could affect earnings
- Continue with prudent financial management to build financial resilience
- In Sri Lanka, steep currency decline, heightening cost of living and power cuts impacting employees, customers and Dialog's operations

## Way Forward

- Maintaining a strong balance sheet and liquidity position
- Continue reducing financing cost and optimising capital structure amidst uncertain macroeconomic backdrop
- Continuing with Cost Excellence Programme by leveraging on the Collective Brain, disciplined cost management and ensuring capex efficiency
- Business Continuity Plan to address potential risks arising from our footprint spanning countries across Asia, through a systematic identification of critical business processes and adequate recovery actions
- Axiata Procurement Centre monitors the performance of our vendors and continuously develops new relationships to manage potential disruptions to supply chains
- Oversee and control the Group's treasury and funding matters
- Develop hedging strategies which are governed strictly by the treasury policies
- Monitor current and future outlook of the relevant economies and foreign exchange markets
- Dialog to continue sustaining operations despite challenges

Link to  
Strategy  
and RisksOur Strategic  
Response

① ④ ⑤ ⑩

## Link to Risks

- Financial Risk
- Market Risk
- Operational Risk
- Strategic & Investment Risk

## Regulatory Environment

- Robi and Ncell successfully acquired more spectrum for 4G to cope with increased consumer demand
- Regulatory environment poised for 5G
- Policymakers returning to pre-COVID-19 policy agenda including modernisation of sectoral legislation and regulatory framework, and development of national digital economy blueprints in some markets
- Greater scrutiny of big tech over digital competition in the region similar to anti-trust action in US, Europe and China may result in Asia Pacific policymakers introducing digital regulations

- Proactive regulatory management as a core component of Stakeholder Management under the 10 Key Focus Areas of the Axiata 5.0 Vision
- Consistently partnering with industry association groups to collectively carry our positions to regulators and policymakers
- Developed public policy thought piece titled "Impact of policymaking and the State of mobile broadband connectivity in South Asia" used to advocate for lower sectoral taxation policies for our South Asian markets

- In general throughout 2021, Axiata OpCos have improved on their regulatory compliance performance and will continue doing so into the future
- Proactively managing stakeholders including support from the Government of Malaysia as well as Malaysian Embassies and High Commissions abroad to protect our investments overseas
- Conducting joint advocacy campaigns with the GSMA, International Telecommunication Union (ITU) and other international bodies on industry related matters
- Maintaining policies and procedures in alignment with the Malaysia Anti-Corruption Commission Act Section 17A on Corporate Liability with appropriate control mechanisms, automated systems and staff awareness programmes in place
- Upholding strict compliance, and fair and transparent practices of government policies in all operating markets, with dedicated personnel and resources to constantly monitor all relevant developments and maintain ongoing and courteous relationships with governing authorities

Our Strategic  
Response

⑦

## Link to Risks

- Market Risk
- Geo-Political Risk
- Regulatory Risk
- Governance & Compliance Risk

## Hyper-competition

- Customers more conscious of price points, service type/scope and responsive customer service
- Rise in data consumption offset by intense price competition in markets
- Telcos are facing limited incremental revenues, which combined with rising operating costs are pressuring margins
- Intensified competition as demand for faster mobile and fixed wireless connections create more viable alternatives to wired connections, along with new opportunities for bundled service offerings and business models for service providers
- Ever-expanding options for high-quality communication and Internet services from telecom, cable, wireless and satellite Internet providers are scaling up competition between diverse players

- Renewed focus on customer experience, Digital Telco transformation to cater to digital and technological convergence, and focusing on Enterprise needs for digital transformation
- Need to enhance and improve our network in line with new demands
- Ensure that our employees have the digital skills and talents to provide our differentiated products and services

- Retaining focus on our regional triple core businesses which does not confine our risks to one country or one sector
- Differentiating ourselves through an intelligent Omnichannel Customer Experience (CX) and better customer service
- Accelerating our Network Transformation Programme
- Focus on the digitisation of our human capital across the People Lifecycle by embedding digital HR and Analytics
- Towards becoming a Digital Telco, our community of Analytics professionals, Axiata Certified Experts (ACE) are developing our people's Analytics skills
- Driving efficiencies and innovations through investment in new technologies, initiatives focused on cost improvements, and establishing strategic ties with OTT and digital product developers to create products and services that meet evolving customer needs, with the aim of increasing customer wallet share, customer retention and maintaining profitable growth
- Closely monitor the competitive landscape, explore and make appropriate investments to upgrade our technology and platform, as well as reviewing the relevance of our products and services to stay in the game

Our Strategic  
Response

① ② ③ ⑥ ⑧ ⑨ ⑩

## Link to Risks

- Financial Risk
- Market Risk
- Technology Risk
- Operational Risk
- Strategic & Investment Risk

## Considering What Matters

Considering our material matters enables Axiata to gain a deeper understanding of how our internal and external stakeholders perceive and respond to the key sustainability issues that we face, and identify those that potentially have the most positive or negative impacts on our efforts to create value for both our business and our stakeholders. We conduct our materiality assessment once every two years, or when there is a significant change in our business or operating environment, with the last one led by an independent consultant in 2020. In 2021, Group Sustainability conducted an internal annual review of our material matters to ensure its continued relevance to the Group. The internal review reaffirmed that there were no changes to the material matters and its prioritisation from 2020.

We approach our material matters by grouping them into our Next Generation Digital Champion, Environmental, Social and Governance (ESG) Pillars. Our approach gives us better insights into how our material matters are linked to ESG factors that are important to our business, and affect our ability to execute our strategy towards achieving the Axiata 5.0 Vision. This has enabled us to embed sustainability factors into our business model, strategy, assessment of risks and opportunities, as well as our business operations, thus strengthening integrated thinking throughout the Group.

### Our Materiality Assessment Methodology

Guided by Bursa Malaysia's Sustainability Reporting Guidelines and Toolkits as well as the Global Reporting Initiative (GRI) Standards, we employed the following process in assessing our material matters:

#### Review of Material Matters

- Reviewed and updated our material sustainability matters in response to changes in our business landscape, risk environment, internal policies, KPIs, emerging local and global sustainability trends, regulatory developments and stakeholder opinions

#### Stakeholder Engagement

- Conducted a structured stakeholder prioritisation exercise
- Identified the influence and dependence of key stakeholders
- Obtained prioritised stakeholders feedback on sustainability matters

#### Sustainability Impact Assessment

- Conducted workshops within the Group to further prioritise sustainability matters from the business perspective

## Our Material Matters

Anchored on our aspiration to be The Next Generation Digital Champion by 2024, we ensure the way we operate integrates ESG elements. This structure guides our value creation disclosures and narrative for our stakeholders on how we are Advancing Asia.

### Our Material Matters for Next Generation Digital Champion:

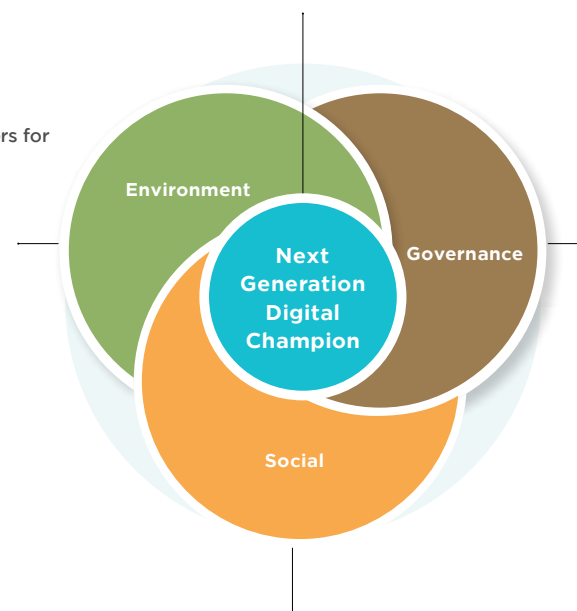
- Sustainable Business Growth
- Digital Inclusion
- Network Quality and Coverage
- Digitisation and Modernisation

### Our Material Matters for Environment:

- Climate Action
- Resource and Waste Management

### Our Material Matters for Governance:

- Business Ethics and Compliance
- Data Privacy and Cyber Security
- Regulatory and Political Risk



### Our Material Matters for Social:

- Fair Employment and Welfare
- Employee Health, Safety and Wellbeing
- Customer Service
- Community Development
- Talent Development
- Emergency and Disaster Response
- Supply Chain Management

## Stakeholders Engagement

Axiata's commitment to create long-term value for our ecosystem of stakeholders throughout our regional footprint in ASEAN and South Asia takes into account the feedback we receive from our

continuous engagements with our stakeholders which are conducted through multiple channels. The table below provides highlights of engagement activities and outcomes in 2020.



### Customers



### Regulators and Government



### Shareholders



### Employees

#### Why They Are Important

We value each of our customers and the experience that they have on our network, and the impact of our solutions and services. We are committed to delivering optimum performance to meet our customers' expectations and improve user experience.

Our regulators and authorities specify the national laws and regulations that determine the licence and scope of our activities in our respective markets operation. They provide our OpCos access to operating licences, and impose regulatory measures which have potential cost implications for the Group.

As owners of Axiata, shareholders provide us with the financial capital needed to sustain our growth. They are entitled to receive a return on their investment and be apprised of developments in the Group.

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 our business strategy.

#### How We Engage

We undertake a range of surveys across our markets to understand customer satisfaction levels and expectations. Scores are benchmarked against our peers, and the data analyses, among others, drive operational excellence.

We proactively engage with country regulators and authorities through industry meetings, thought leadership platforms, and capacity building workshops to support and enable the digital ecosystem.

We conduct an Annual General Meeting to meet and be accountable to shareholders. We also organise regular investor roadshows and analyst meetings to engage shareholders on current corporate developments.

Axiata conducts an annual Employee Engagement Survey, regular Townhalls and a range of digital platforms to stay engaged with employees across the Group.

#### Matters Raised

- Network quality and availability
- Improving customer experience
- Price of packages, products and service differentiation

- Spectrum allocations and licensing fees
- Taxation and industry long-term sustainability
- Compliance with regulations and customer service standards
- Information security and data protection
- IR 4.0 and digitalisation towards the Digital Economy
- Developing local digital talents and national talent pipelines
- Integration of Environmental, Social and Governance (ESG) matters into the business operations, particularly climate change

- Financial performance
- Long-term business strategy
- Board composition
- ESG strategy and performance, which includes management of climate-related risks
- Share price performance and outlook
- Support of the United Nations Sustainable Development Goals (UN SDGs)

- Long-term business strategy and performance
- Career and talent development opportunities
- Work-life balance and employee wellbeing support which has heightened during pandemic
- Pay and remuneration
- Diversity and inclusivity

#### Axiata's Response and Results

- Be the lowest cost producer relative to our customer promise
- Drive operational excellence in relation to customer expectations
- Creating digital lifestyle products and self-service customer care solutions
- Support during the pandemic for customers – for remote assistance on products, product deals and packages, and reliable connectivity

- Investing in the development of local telecommunication infrastructure
- Contributing directly and indirectly to the development of the local and regional digital economy
- Supporting digital innovation funds to drive the development of local and regional digital ecosystems
- Deploying world-class cyber security and data privacy practices

- Transparency in corporate reporting and disclosures through multiple platforms, and sharing of these reports for wider public awareness
- Briefings and engagements with shareholders on emerging topics in the industry and national landscape

- Providing job opportunities to local citizens
- Group and OpCo Talent Development programmes
- Transforming towards a Modern, Agile and Digital (M.A.D.) organisation

# Stakeholders Engagement



## Community

### Why They Are Important

We are present in a diverse and fast developing economic region. We recognise that strong community participation and engagement is needed as part of our social licence to operate.

### How We Engage

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.

### Matters Raised

- Support of the UN SDGs
- Building capacity of future leaders
- Pre- and post-disaster assistance
- Addressing local social needs
- Developments in digital connectivity and of the wider digital ecosystem for society at large during the pandemic

### Axiata's Response and Results

- Digital and Financial Inclusion initiatives covering aspects of digital skills, and digital connectivity and inclusivity
- Disaster Management and Response initiatives
- Developing national talent towards becoming future leaders
- Established Digital Innovation Funds in three countries to spur innovation and local entrepreneurship



## Media

The media provides a platform to communicate with our key stakeholders and local communities. Media channels allow us to promote new products and services, corporate announcements and thought leadership.

We engage with the media through interviews, press releases, conferences and other engagement activities.

- Corporate developments
- Financial and market performance
- Industry trend and issues
- Technology breakthroughs
- National policy matters

- Providing regular performance, network and Mergers and Acquisitions updates
- Implementation of the Axiata 5.0 Vision to advance our digital footprint



## Suppliers

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.

We conduct engagements 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.

- Performance against Supplier Code of Conduct
- Emerging corporate developments and understanding the long-term strategy
- Opportunities for vendor development
- Supplier support and continuity of services during pandemic

- Sourcing local vendors
- Supporting the Bumiputera Empowerment Agenda in Malaysia to build local, regional and global champions
- Verticalisation of procurement services across the Group to provide scale
- Supporting local direct and indirect employment through our supply chain
- Value chain discussions for telco industry to operate during pandemic as an essential infrastructure service

## An Illustrative Case Study of Our Industry Engagements in 2021: CEO Action Network (CAN) Malaysia

### Background

Established in 2020, CAN is a closed-door coalition of peer-to-peer business leaders comprising CEOs and Board members of major companies in Malaysia. CAN aspires to catalyse the integration of ESG into business models to create an ecosystem for sustainable businesses and sustainable development. It is following through on this through a dedicated Working Group, Workstreams and members actively driving initiatives addressing three focus areas of advocacy, capacity building and sustainability performance.

In 2020, Axiata Group became one of the 54 members of CAN and have been actively participating in the Policy Advocacy Workstream. We are also engaging with various stakeholders including our supply chain, regulators and policy makers, the government, and our cross-sectoral peers to share industry best practices and strategies that can future proof companies.

### The Issue

- The Climate Change agenda requires urgent action through an 'All of Government and Whole of Society' multiple stakeholder approach to effectively mitigate and limit environmental impacts
- With almost 70% of ESG impacts arising from businesses' supply chains, it is necessary to elevate SMEs' awareness and focus on the importance of ESG factors to reduce risks and obtain their support to achieve targets

### Our Response

In September 2021, Axiata joined CAN members to publicly pledge to 14 Collective Commitments covering the three categories of environment, people and governance. We have committed to achieving our goals by 2023 or within three years of becoming a member of CAN.

## Our Risks Linked To Strategy

## Financial Risk

Risk Level: ●

## Market Risk

Risk Level: ●

## People Risk

Risk Level: ●

Risk Category	Financial Risk	Strategic Risk	Operational Risk
Risk Movement	Increased in 2022	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> <li>Exposure to foreign exchange (forex) currency volatilities across 11 markets of operation, specifically the socio-economic and political crisis in Sri Lanka</li> <li>Exposure to funding and cashflow constraints in anticipation of Merger and Acquisition (M&amp;A) activities, as a result of limited balance sheet headroom</li> <li>Challenging COVID-19 operating environment could cause difficulties in meeting financial targets</li> </ul>	<ul style="list-style-type: none"> <li>Operating in emerging markets with challenging macroeconomic and geopolitics</li> <li>Fragmented market structures and high infrastructure costs</li> <li>Rapidly advancing IR 4.0 and telco technologies</li> </ul>	<ul style="list-style-type: none"> <li>Increasing demand for digital and compliance-based talents</li> <li>Loss of key talents remains a pressing concern</li> <li>Health and safety of all employees are a key priority, largely due to COVID-19</li> </ul>
Impact	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Inability to pay shareholder dividends, ensure sustainable growth and continue as an ongoing business concern</li> </ul>	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Failure to meet financial targets will affect profitability and competitive ability, with greater cost leakages</li> </ul>	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Business disruption</li> </ul>
Mitigating Actions and Opportunities Arising	<b>Risk Owners: Axiata Treasury Management Centre</b> <ul style="list-style-type: none"> <li>Closely monitoring forex movements and formulates hedging strategies to minimise exposure on foreign loans</li> <li>Monitoring Gross Debt/EBITDA level to ensure it is within the set threshold</li> <li>Revisiting investment/funding plans, reviewing product plans, monitoring OpCo dividend policy and setting financial guardrails</li> <li>Reviewing business structure to identify business leakages and enhance the business model</li> <li>Closely monitoring developments in Sri Lanka and impacts on Dialog's business, as well as in Myanmar on edotco's business, where the latter's potential impact to the Group is less than 5% of our net assets</li> <li>Whilst developments in Ukraine have no direct impacts on our businesses as yet, we are closely tracking the likely indirect impact of the conflict</li> </ul>	<b>Risk Owners: OpCo CEOs</b> <ul style="list-style-type: none"> <li>Aggressive M&amp;A, focusing on industry consolidations in targeted markets</li> <li>Seeking opportunities for telco infrastructure sharing to reduce investment costs</li> <li>Investing in new technologies for the competitive edge</li> <li>Establishing strategies with digital players to meet evolving customer needs and reap higher revenue yield per customer</li> </ul>	<b>Risk Owners: Group People Division</b> <ul style="list-style-type: none"> <li>Active talent hiring agenda and robust talent development programmes</li> <li>Competitive salary packages benchmarked against peers, attractive performance-based rewards and a positive working environment</li> <li>Imposing stringent working protocols and SOPs for Work-In-Office and Work-From-Home arrangements to combat COVID-19</li> <li>Enhancing the AxiataCares programme at Group and OpCo levels</li> </ul>
Key Risk Indicators	<ul style="list-style-type: none"> <li>Composition of local vs foreign currency borrowings across all OpCos</li> <li>Gross Debt/EBITDA level</li> <li>OpCos actual vs budget financial performance</li> </ul>	<ul style="list-style-type: none"> <li>ROIC &lt; WACC</li> <li>Achievement of cost savings target</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate</li> <li>Employee engagement survey</li> </ul>
Changes for 2021	<ul style="list-style-type: none"> <li>Strengthened the monitoring of internal processes and governance</li> <li>Reviewed business plans to maximise business outputs/profitability whilst enhancing business cost optimisation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Improved ways of doing business</li> <li>Strategic move towards digitisation and digital markets</li> </ul>	<ul style="list-style-type: none"> <li>Improved employee wellbeing programme</li> <li>Tightened SOPs and daily tracking of employees' health declaration</li> <li>Enhanced AxiataCares programme</li> </ul>
Link to Strategy and Material Matters	<b>Our Strategic Response</b> ① ② ③ ⑨ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Sustainable Business Growth</li> <li>Emergency Disaster and Response</li> </ul>	<b>Our Strategic Response</b> ② ③ ④ ⑨ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Customer Service</li> <li>Data Privacy</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Business Ethics and Compliance</li> <li>Regulatory and Political Risk</li> </ul>	<b>Our Strategic Response</b> ③ ④ ⑦ ⑧ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Talent Development</li> <li>Fair Employment and Welfare</li> <li>Employee Health, Safety and Wellbeing</li> </ul>

## Our Risks Linked To Strategy

## Geo-Political Risk

Risk Level: ●

## Strategic and Investment Risk

Risk Level: ●

## Technology Risk

Risk Level: ●

Risk Category	Strategic Risk	Strategic Risk	Operational Risk
Risk Movement	Unchanged	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> <li>Political instabilities, civil unrest and other social tensions</li> <li>Adverse regulatory changes and uncertainty in policy making</li> </ul>	<ul style="list-style-type: none"> <li>Industry restructuring and rationalisation via market convergence and consolidation</li> <li>Challenges and investment cost of growing the digital and Enterprise business</li> </ul>	<ul style="list-style-type: none"> <li>Continuous investments in new technologies, upgrades and equipment</li> <li>Rapid technological advances may result in premature obsolescence of key technology and equipment before their end life cycle</li> </ul>
Impact	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Disruption of business operations, with negative market sentiment eroding investor confidence in the longer term</li> </ul>	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Sustainable business growth</li> </ul>	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Business disruption</li> </ul>
Mitigating Actions and Opportunities Arising	<b>Risk Owners: OpCo Management, Group Regulatory</b> <ul style="list-style-type: none"> <li>Closely collaborate with OpCos to track market geo-political developments, and tap into their local expertise, familiarity and connections to assess changing scenarios</li> <li>Maintain a neutral stance and foster healthy government relations across all markets</li> <li>Contribute to national socio-economic development through various CSR programmes</li> </ul>	<b>Risk Owners: Mergers and Acquisitions Committee, Group Corporate Development</b> <ul style="list-style-type: none"> <li>Active M&amp;A activities balanced by robust due diligence to evaluate, manage and anticipate potential risks and challenges</li> <li>Post-acquisition transitional teams to ensure alignment and adoption of Axiata's organisational, operational and cultural values</li> <li>Seeking out opportunities for infrastructure sharing to manage cost whilst maintaining strategic alliances</li> <li>Closely monitoring the market landscape to anticipate other developments that may heighten competition</li> </ul>	<b>Risk Owners: Group Technology</b> <ul style="list-style-type: none"> <li>Constantly reviewing and refreshing our technology to remain relevant whilst maintaining financial prudence</li> <li>Future proofing is a critical criterion in network equipment selection and built into the procurement process</li> <li>Increasing digitisation and automation efforts to ensure optimum technology utilisation</li> <li>Proactively conducting studies on technological advancements, especially in 5G, while charting future network strategy</li> <li>Monitoring the implementation of various systems and applications across all divisions and seeking out opportunities for consolidation and synergies</li> </ul>
Key Risk Indicators	<ul style="list-style-type: none"> <li>General elections and key geo-political events that may give rise to political instability and civil unrest</li> </ul>	<ul style="list-style-type: none"> <li>ROIC &lt; WACC</li> </ul>	<ul style="list-style-type: none"> <li>ROIC &lt; WACC</li> <li>Digitisation and automation across all functions</li> </ul>
Changes for 2021	<ul style="list-style-type: none"> <li>Improved monitoring processes of key geopolitical events, and anticipating emerging risks</li> </ul>	<ul style="list-style-type: none"> <li>Improved due diligence exercise with the increased importance of non-quantitative factors, especially anti-bribery and anti-corruption compliance and due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Improved processes and internal control</li> </ul>
Link to Strategy and Material Matters	<b>Our Strategic Response</b> ① ③ ⑦ ⑧ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Sustainable Business Growth</li> <li>Business Ethics and Compliance</li> <li>Talent Development</li> <li>Fair Employment and Welfare</li> <li>Regulatory and Political Risk</li> <li>Community Development</li> </ul>	<b>Our Strategic Response</b> ① ③ ⑥ ⑦ ⑧ ⑨ ⑩ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Customer Service</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Digitisation and Modernisation</li> <li>Talent Development</li> <li>Supply Chain Management</li> </ul>	<b>Our Strategic Response</b> ② ③ ④ ⑤ ⑥ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Digital Inclusion</li> <li>Digitisation and Modernisation</li> <li>Supply Chain Management</li> <li>Community Development</li> </ul>

## Our Risks Linked To Strategy

### Regulatory Risk

Risk Level: ●

### Cyber and Data Privacy Risk

Risk Level: ●

Risk Category	Compliance Risk	Operational Risk
Risk Movement	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> <li>Broad range of telco regulations, depending on market maturity</li> <li>Potential increase in tax and levies imposed by the relevant regulatory bodies</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining customer data confidentiality, integrity and system availability</li> <li>Providing protection against cyber security attacks and data privacy breaches</li> <li>Inspiring customer confidence, and digital trust and resilience as a competitive differentiator</li> </ul>
Impact	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Policies and regulations could disrupt business operations, impair returns and long-term growth prospects, as well as limit our flexibility to respond to market conditions, competition and new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Service interruption resulting in loss of service confidence and market share</li> <li>Business disruption, and exposure to penalties for breach/leakage of confidential information and non-compliance of regulatory requirements such as the Personal Data Protection Action 2010</li> <li>Compromising customers' confidence may lead to business loss</li> </ul>
Mitigating Actions and Opportunities Arising	<b>Risk Owners: Group Regulatory</b> <ul style="list-style-type: none"> <li>Collaborating with other telco players to present a united voice advocating strict compliance, and fair and transparent policies</li> <li>Active engagements and dialogues with regulatory and government officials to anticipate emerging regulations, and address and highlight concerns of the telco sector, to advocate sustainable regulatory regimes</li> <li>Participating in government consultations and industry events, to foster collaboration and knowledge sharing for best industry policies and practices</li> <li>Dedicated Subject Matter Experts (SMEs) to monitor regulatory compliance at Group level and across all OpCos</li> </ul>	<b>Risk Owners: Group Risk and Compliance</b> <ul style="list-style-type: none"> <li>Maturing cyber security and data privacy across all OpCos against global benchmarks and best practices by adopting and aligning to internationally recognised standards such as the NIST Framework, IAPP<sup>1</sup>/ CIPM<sup>2</sup> and CMMI<sup>3</sup> based Privacy Maturity models</li> <li>Establishing a long-term Data Privacy and Cyber Security Strategy Framework and Roadmap, ensuring alignment and standardisation across all OpCos to meet strategic objectives</li> <li>Embedding Cyber Security and Data Privacy controls by design across all business facets by incorporating the related standards and requirements in: <ul style="list-style-type: none"> <li>Protecting our hardware and software</li> <li>Improving Training and Awareness</li> <li>Reducing third-party risk through the Supplier Code of Conduct and improved contract clauses</li> <li>Periodic automated assessments and remediation to identify gaps</li> </ul> </li> <li>Incorporating Cyber Security and Data Privacy performance metrics into OpCos' KPI scorecards</li> </ul>
Key Risk Indicators	<ul style="list-style-type: none"> <li>Regulatory Compliance scorecard</li> <li>Emerging regulatory requirements and government policies that may impact our business</li> <li>Record tax hike/pressures and penalties across all OpCos</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring cyber-attacks/breach/incidents and their impact on business operations</li> <li>Maturity level assessment defined in the Cyber Security and Data Privacy scorecard across all OpCos</li> <li>Measuring the mean time to respond on cyber events and its improvement trends</li> </ul>
Changes for 2021	<ul style="list-style-type: none"> <li>Improved regulatory compliance monitoring and insights</li> <li>More agile responses in adopting and adapting to adverse regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of scope of processes and internal controls</li> <li>Improvements in monitoring use-cases and response plans</li> <li>* Use of automation for improvements in scale, speed and repeatability</li> </ul>
Link to Strategy and Material Matters	<b>Our Strategic Response</b> (4) (7) <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Data Privacy</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Climate Action</li> <li>Business Ethics and Compliance</li> <li>Digitisation and Modernisation</li> <li>Regulatory and Political Risk</li> <li>Resource and Waste Management</li> </ul>	<b>Our Strategic Response</b> (2) (3) (4) (7) <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Customer Service</li> <li>Data Privacy</li> <li>Sustainable Business Growth</li> <li>Business Ethics and Compliance</li> <li>Regulatory and Political Risk</li> </ul>

Notes: <sup>1</sup> IAPP = International Association of Privacy Professionals  
<sup>2</sup> CIPM = Certified Information Privacy Manager

<sup>3</sup> CMMI = Capability Maturity Model Integration

Risk Level: ● Medium Level ● Medium to Medium High Level ● Medium High Level ● High Level

## Our Risks Linked To Strategy

	Operational Risk	Risk Level: ●	Governance Risk	Risk Level: ●
Risk Category	<b>Operational Risk</b>		<b>Compliance Risk</b>	
Risk Movement	Unchanged		Unchanged	
Context	<ul style="list-style-type: none"> <li>Complex end-to-end telco business with three distinct business segments of Digital Telcos, Digital Businesses and Infrastructure</li> <li>Supply chain disruptions due to global lockdowns imposed as a result of the pandemic</li> </ul>		<ul style="list-style-type: none"> <li>Ensuring high ethical standards and good corporate governance</li> <li>Section 17A of the MACC<sup>4</sup> Act came into effect in June 2020 and has taken centre stage in corporate governance focus</li> <li>Heightened investor focus on ESG risks</li> </ul>	
Impact	<ul style="list-style-type: none"> <li>High risk impact</li> <li>Business disruption</li> </ul>		<ul style="list-style-type: none"> <li>High risk impact</li> <li>Loss of investors' confidence</li> <li>Potential material penalties in the event of breach/non-compliance with the MACC Act related to ABAC</li> </ul>	
Mitigating Actions and Opportunities Arising	<b>Risk Owners: Group Technology, Group Procurement</b> <ul style="list-style-type: none"> <li>Monitoring vendor performance, especially for major and high risk vendors</li> <li>Monitoring supply availability, according to current and future needs</li> <li>Exploring alternative vendors to reduce dependencies</li> <li>Establishing clear Business Continuity Management (BCM) plans to address supply chain risks, disruptions, and the business recovery strategy based on multiple crisis simulation scenarios</li> </ul>		<b>Risk Owners: Group Risk and Compliance, Group People Division, Group Sustainability</b> <ul style="list-style-type: none"> <li>Axiata's Code of Conduct guides personnel conducting business for/on behalf of the Group</li> <li>Implementation of Group-wide Corporate Compliance Programme to build strong governance in conformance to the TRUST principles defined in the MACC Act, and strengthening Axiata's compliance maturity</li> <li>Establishment of a strong governance structure with the BRCC and the Risk and Compliance Management Committee</li> <li>Establishing the Sustainability Steering Committee and developing the Sustainability Roadmap ensuring Group-wide efforts towards common goals</li> </ul>	
Key Risk Indicators	<ul style="list-style-type: none"> <li>Service/supply disruption and business downtime</li> <li>Performance of major and critical vendors</li> </ul>		<ul style="list-style-type: none"> <li>Non-compliance/breach cases/deviation from Group's governance policy instruments</li> <li>Bribery and corruption charges that may lead to corporate liability charges</li> <li>Regulatory fines</li> </ul>	
Changes for 2021	<ul style="list-style-type: none"> <li>Improved supply chain management strategy</li> <li>Strengthened monitoring process to specifically manage COVID-19 impacts and government sanctions imposed on identified high risk vendors</li> </ul>		<ul style="list-style-type: none"> <li>Improved the governance structure, process and culture, especially in the area of ABAC compliance</li> </ul>	
Link to Strategy and Material Matters	<b>Our Strategic Response</b> ③ ④ ⑦ ⑧ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Network Quality and Coverage</li> <li>Customer Service</li> <li>Data Privacy</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Supply Chain Management</li> <li>Digitisation and Modernisation</li> <li>Community Development</li> <li>Employee Health, Safety and Wellbeing</li> <li>Emergency Disaster and Response</li> </ul>		<b>Our Strategic Response</b> ③ ⑦ ⑧ <b>Link to Material Matters</b> <ul style="list-style-type: none"> <li>Data Privacy</li> <li>Sustainable Business Growth</li> <li>Climate Action</li> <li>Business Ethics and Compliance</li> <li>Regulatory and Political Risk</li> <li>Resource and Waste Management</li> </ul>	

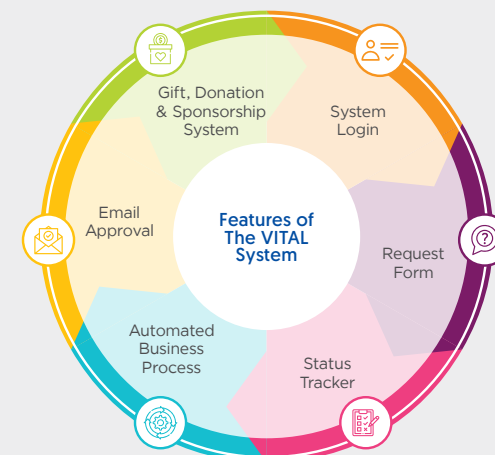
## An Illustrative Case Study on How We Identified and Mitigated against Anti-Bribery and Anti-Corruption (ABAC) Risks

## The Issue

Following the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 that came into effect in June 2020, there was a need to review and monitor the Gifts, Donations and Sponsorships (GDS) transactions across Axiata Group. To strengthen governance, the GDS Policy and GDS Committee were introduced in June 2020. However, the manual review process, document record-keeping and approval poses a risk of human error, inconsistencies of record-keeping and operational inefficiencies.

## Our Mitigation Plan

To mitigate these risks, we rolled out a digitisation initiative in 2021 to automate the process. Our aims were to improve lead time, transparency and reporting, as well as process GDS transactions across Axiata Group. Known as the VITAL system, its name is in line with the VITAL values and principles embedded in our ABAC Policy.



## Value Created

- Increase operational efficiency when executing GDS related transactions process
- Ease the process and mobility of doing business with both web and app based features
- Track and monitor the completion status of all GDS transactions logged in
- Enable cross-referencing and checking to ensure no overlap of transactions thus reducing fraud risk
- Store all related supporting documents in a secured environment
- Track patterns, outliers of the GDS transactions recorded and provide valuable insights to management of key high risk areas that may require attention
- Generate automated reporting across the Group thus allowing consistency and depth of information being reported to the GDS Committee

## Evolving And Adapting Our Strategy To Capture New Normal Growth Opportunities

Axiata's journey towards becoming The Next Generation Digital Champion by 2024 is steered through the execution of our Axiata 5.0 Vision

Our strategy guides us towards developing an inclusive regional connectivity and digital ecosystem that empowers communities and businesses to build a better future for themselves. With the digital age having firmly arrived, our three core businesses are primed to serve new normal shifts and demands, to continue delivering strong growth momentum.

We are stepping up on core competencies and organisational efficiencies, and contributing towards strengthening digital ecosystems in line with our goal to drive long-term value creation. Having built positive traction through the Group-wide execution of Axiata 5.0 over the past three years, we remain committed to disciplined execution of our strategy to deliver on our promise of inclusive and sustainable growth in line with our purpose of Advancing Asia.

### VISION

# The Next Generation Digital Champion by 2024

### ASPIRATIONS

#### Digital Telcos


Transform from Mobile-Centric Telcos to Converged Digital Operators, to become #1 or strong #2 in all our markets

#### Digital Businesses

Create 2 "Unicorns"

#### Infrastructure

Top 5 Global TowerCo

 **IAR**, In Conversation With The PGCEO, Key Trends and Our Risks Linked To Strategy on pages 13 to 26, 28 to 29 and 33 to 36

### AXIATA 5.0 VISION: 3 CORE PILLARS AND 10 KEY FOCUS AREAS



#### SUSTAINABLE GROWTH

- 1 Positioning for New Norms**  
Emerging as the winner among the gainers by optimising assets, accelerating digital and managing interfaces
- 2 OpCos Transformation**  
Each OpCo to zero in on key focus areas to achieve long-term strategic objectives
- 3 New Growth Areas**  
Capturing double-digit growth in Enterprise, Home and Digital Value Added Services



#### OPERATIONAL EXCELLENCE

- 4 Cost Management**  
To be the lowest cost producer of data and deliver on our Customer Promise
- 5 New Engagement Model**  
Transformation via the virtual centralisation of the Collective Brain
- 6 Digitisation & Analytics**  
Leveraging on Data Analytics, AI and ML as a core differentiator
- 7 Stakeholder Management**  
Greater focus on regulatory and sustainability matters and our role as nation building partners
- 8 Organisation 5.0**  
Reimagining and refining evolving competencies



#### STRUCTURAL CHANGES

- 9 Industry Consolidation**  
Explore Mergers and Acquisitions where opportunities arise
- 10 Portfolio Optimisation & Value Illumination**  
Driving organic growth and identifying strategic inorganic transactions

## Advancing Healthcare For Everyone

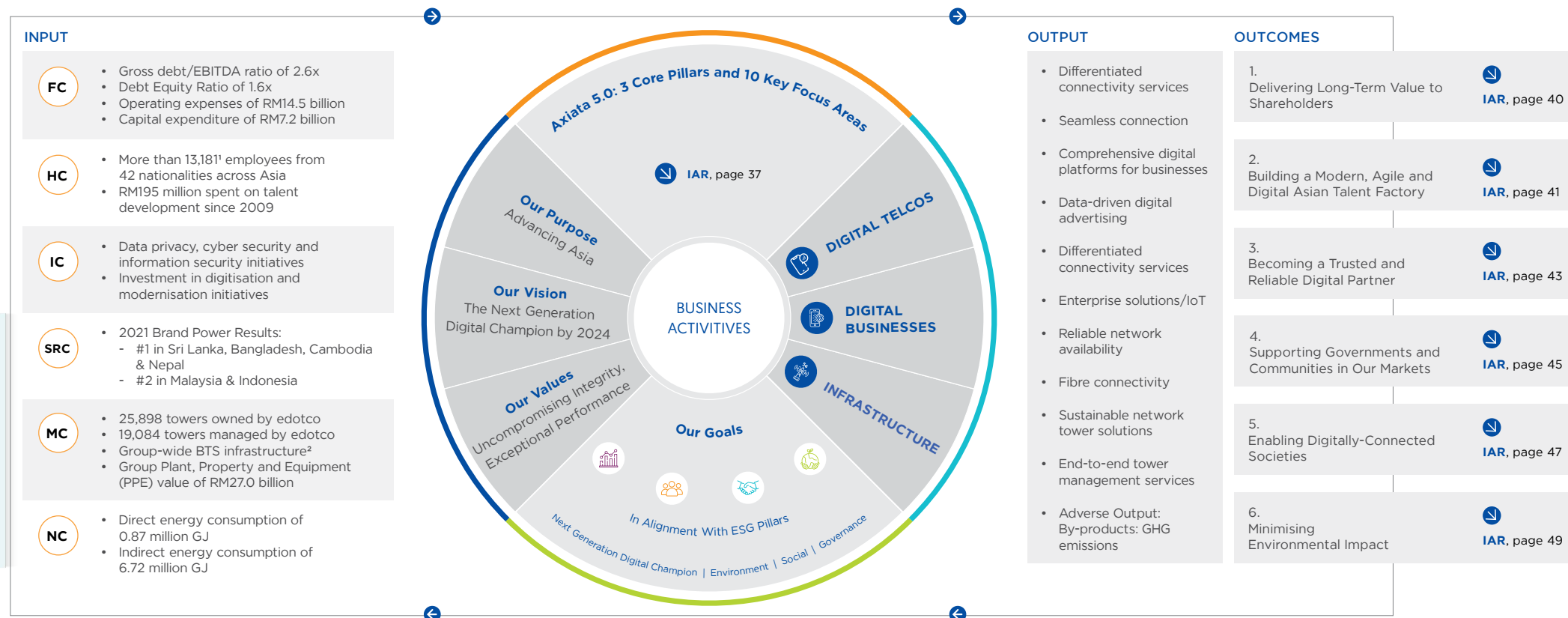
A digital healthcare and wellbeing assistant in Nepal that connects with doctors, therapists and lifestyle advisors

**NCELL TELEMEDICINE**



How We  
Create Value

## Our Value Creation Model



### TRADE-OFFS

#### Financial Capital (FC)

- Used our FC across all our capitals to sustain business growth
- Leveraged on our IC of Collective Brain to drive cost optimisation to improve FC management
- Continued paying dividends to shareholders, thus boosting our SRC

#### Human Capital (HC)

- Invested FC in training and development to drive digital skills amongst our workforce, thus improving our IC and HC
- Our IC of Flex@Axiata offers employees remote working options via digital platforms thus further supporting IC
- In the longer term, FC spent on wages for HC efforts to achieve the Axiata 5.0 Vision will shore up our SRC, FC and IC

#### Intellectual Capital (IC)

- Invested FC in new technologies, digitisation and analytics, AI/ML and Analytics at the Edge, thus enhancing our IC in the longer term
- Our robust IC has enabled us to expand and enhance our suite of products for Consumer, Home and Enterprise segments, to capture new normal opportunities which will augment our FC and improve SRC in the longer term
- IC investments in shoring up data privacy and cyber security is key to inspiring customer trust, thus boosting our SRC

#### Social & Relationship Capital (SRC)

- Expended HC manhours through volunteerism activities and FC to support community programmes and initiatives
- Continued to grow our SRC by helping communities to cope with the impacts of the COVID-19 pandemic
- Engaged with industry peers, regulators and governments to contribute to sustainable development through our partnerships and thought leadership, thus boosting SRC, IC and FC in the longer term

#### Manufactured Capital (MC)

- Enhanced MC by investing FC in network upgrades and expansion
- Improved seamless user experience from upgrades led to better customer experiences to improve SRC
- As we invest in MC, we are also investing in advanced technologies to future proof ourselves, thus improving IC

#### Natural Capital (NC)

- Energy consumption of our MC has negative impacts on NC
- Invested FC in IC for more efficient technologies towards efficient energy use in our MC of networks and buildings
- Invested our IC and FC to draw up the Axiata Net-Zero Carbon Roadmap to achieve net-zero by 2050, thus enhancing our NC, MC, SRC, IC and FC in the longer term

## Outcome 1: Delivering Long-Term Value To Shareholders

### Our Value Creation Goals

- Maximise shareholder value by maintaining sustainable dividend payout
- Sustained long-term business growth and profitability by ensuring financial resilience

### Activities and Processes to Create Value

- Achieved cost excellence with RM2.0 billion in savings, including RM1.1 billion from Collective Brain initiatives
- Aligned OpCos' dividend policy and payout ratio to support Axiata's aspiration to become a High Dividend Company by 2024
- Disposed 5% stake in XL to Indonesian investor Ferrymount Investments, bringing global and digital business partnerships to further develop XL's digital and value-added services
- ADA closed its second round of funding, with RM246.4 million investment from SoftBank Corp. which established a valuation of > RM1 billion
- edotco Malaysia completed the acquisition of Touch Mindscape Group in December 2021 to bolster position in Malaysia
- Lower financing cost by taking advantage of the low interest rate environment through the 2020 dual-tranche offering of a 10-year Sukuk (issued at 2.163%) and 30-year Euro Medium Term Notes (issued at 3.064%)
- Monetised higher demand for data and content arising from change in consumer usage patterns amidst the pandemic with improved products, reliable network and strong distribution
- Strengthened Enterprise offerings beyond connectivity with ICT solutions, to ride on the digital transformation wave amongst businesses
- Activated new spectrum in Sri Lanka and Nepal leading to improved 4G network capacity and coverage, thus enhancing competitiveness

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### 4P Goals



Performance

#### Material Matters

- Sustainable Business Growth

#### Stakeholders



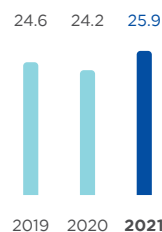
Shareholders



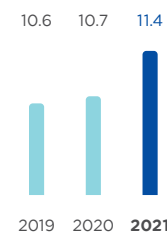
Media

### How We Measure and Communicate Our Value

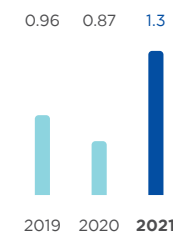
#### Revenue (RM billion)



#### EBITDA (RM billion)



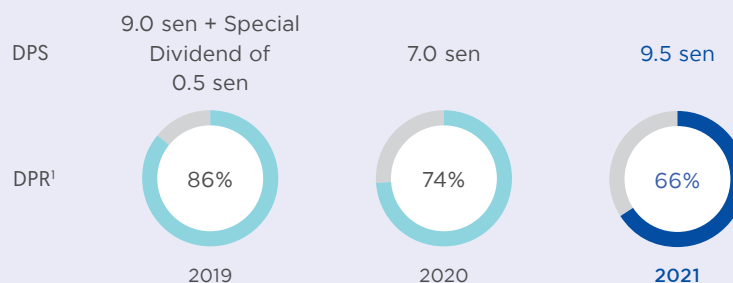
#### Normalised PATAMI (RM billion)



#### Cash Balance (RM billion)



### Dividend Per Share (DPS)/Dividend Payout Ratio (DPR)

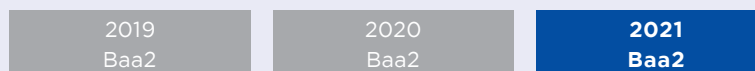


### Gross debt/ EBITDA ratio



### Credit Ratings

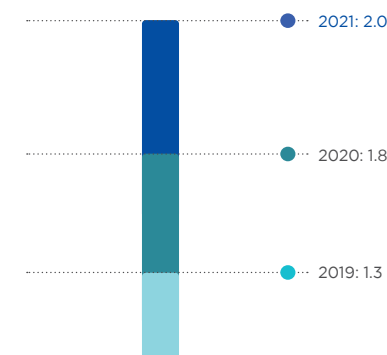
#### Moody's



#### S&P



### Cost Savings (RM billion)



With operational excellence as a Key Focus Area of the Axiata 5.0 Vision, the Cost Excellence Programme continued to deliver strongly with **RM2.0 billion savings** in 2021 across capex and opex

2021  
Collective Brain savings of **RM1.1 billion**

Note: <sup>1</sup> DPR - Dividend Payout Ratio excluding special dividend

## Outcome 2: Building A Modern, Agile And Digital Asian Talent Factory

### Our Value Creation Goals

- Talent development platform geared towards being a Modern, Agile and Digital (M.A.D.) Asian Talent Factory
- Attract and retain talented employees
- Diverse workforce with multiple opportunities for career advancements

### Activities and Processes to Create Value

- Built a collaborative culture of digital and innovation through programmes and platforms such as LEAP<sup>1</sup>, Collective Brain<sup>2</sup>, FastForward<sup>3</sup> and Synapse<sup>4</sup>
- Achieving operational excellence through the AI@Scale initiative driven by AGA<sup>5</sup> and creating an AI-first organisational mindset via ACE<sup>6</sup>
- Driving a robust data privacy and cyber security culture through a combined training programme and international standards based independent maturity assessment
- Leadership skills and internal talent development programmes of GAP<sup>7</sup> and OADP<sup>8</sup>
- Introduced the Axiata Way, our unique identity where we take a balanced approach to achieve our goals, without compromising our ethics and integrity
- Flex@Axiata for flexible working arrangements
- Workplace Transformation for hyper-collaboration and co-creation
- Ignite as an enhanced performance management system
- People Quality Framework refined to elevate Culture Fit and Leadership
- AxiataCares for employee wellbeing, career growth and community service
- Pivoted our culture framework to Our Winning Culture, with our Core Values as our foundation, and recalibrated M.A.D culture as part of our New Ways of Working (WoW)
- Elevated commitment to Diversity, Equity and Inclusion (DEI):
  - Signed the United Nations Women Empowerment Principles Charter
  - Launched Women of Axiata and Males Allies initiative
  - Joined 30% Club Malaysia towards increasing female representation at Board and senior levels
  - Participated in Leadwomen Women Empowerment Training and Leadwomen Women in Leadership programmes
  - Established DEI Circle with representatives/advocates from all OpCos

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Customer Service
- Talent Development
- Fair Employment and Welfare
- Employee Health, Safety and Wellbeing
- Digitisation and Modernisation

#### 4P Goals



#### Stakeholders



### How We Measure and Communicate Our Value

#### Advancing as Next Generation Digital Champion

- LEAP Digital Maturity
  - 3 out of 6 OpCos at 'Digital Leader' stage
  - 3 out of 6 OpCos at 'Driving Digital' stage
- Big Data Analytics Index
  - Group Big Data Maturity improved to 92%<sup>9</sup> in 2021 from 87% in 2020
  - All OpCos are classified as Innovative Leaders based on TM Forum Global Big Data Analytics Maturity Framework
- AI Maturity Index
  - Group-wide average AI maturity increased from 29% in 2020 to 47%<sup>10</sup> in 2021
  - 3 OpCos at Level 4 and advancing while the remaining OpCos have demonstrated accelerated growth in maturity levels
  - All OpCos are well positioned to adopt an AI Factory approach to use case development

#### ADL

- > 1,100 digital telco professionals: 100+ Certified Cloud Professionals, 20+ UI/UX Experts, 100+ Agile Specialists & 60+ AI/ML experts

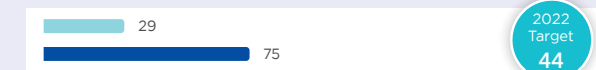
#### ACE, AGA & Axiata FastForward - AI & Analytics Talents

Currently 177 data professionals, targeting to certify 212 by end 2022

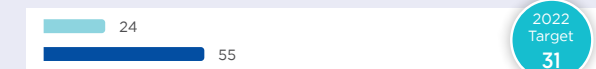
##### Data Scientists



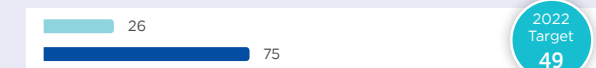
##### Cloud Engineers



##### Data Engineers



##### Data Analysts



##### Analytics Translator



● Certified as at end 2021 ● Certified as at end 2022

### Building Digital Trust with a Robust Data Privacy & Cyber Security Culture

- Mandatory training for staff and vendors: > 90% completion Group-wide & 99.5% completion at Corporate Centre
- Almost all OpCo DPOs<sup>11</sup> trained on CIPM<sup>12</sup>
- Group average Privacy Maturity Level of 2.7/5.0, a 91% improvement from 2020
- Group average Cyber Security Maturity Level of 3.7/5.0, a 6% improvement from 2020

Notes: <sup>1</sup> LEAP = Learn, Engage, Accelerate and Perform programme to assess and accelerate OpCos' digitisation initiatives across all functions  
<sup>2</sup> A platform that integrates collective knowledge to co-create solutions  
<sup>3</sup> A virtual university with curated learnings based on competencies  
<sup>4</sup> Axiata's knowledge management portal  
<sup>5</sup> AGA = Axiata Group Analytics  
<sup>6</sup> ACE = Analytics Certified Experts  
<sup>7</sup> GAP = Group AXcelerator Programme

### Talent Development

**RM195 million** spent on Talent Development since 2009, with **> 1,700 training hours** logged in 2021

### Health & Safety

Average LTIFR<sup>13</sup> across OpCos ranging from



Telco Industry Benchmark of 0.8

<sup>8</sup> OADP = OpCo Accelerated Development Programme  
<sup>9</sup> Includes XL, Dialog, Robi, Smart, Ncell, ADA and ADL  
<sup>10</sup> Includes XL, Dialog, Robi, Smart, Ncell, ADA, edotco and ADL  
<sup>11</sup> DPOs = Data Privacy Officers  
<sup>12</sup> CIPM = International Association of Privacy Professionals Certified Information Privacy Manager  
<sup>13</sup> LTIFR = Lost Time Injury Frequency Rate

## Outcome 2: Building A Modern, Agile And Digital Asian Talent Factory

### How We Measure and Communicate Our Value

#### Talent at Axiata

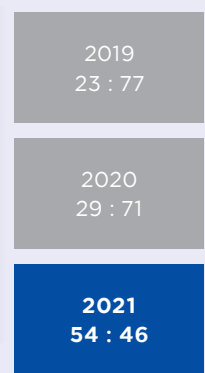
##### Top Management



##### Middle Management

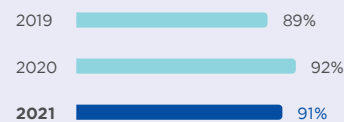


#### External : Internal Hiring Ratio

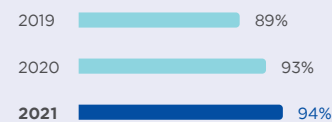


#### Group Employee Engagement Survey Result

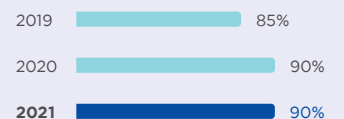
##### SEI<sup>14</sup>



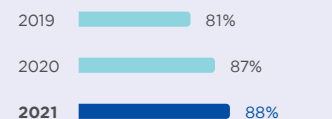
##### UI.EP



##### Ethics



##### High Performance Culture



#### Freedom for Collective Bargaining and Joining a Union

- **2** Digital Telcos have employee unions
- Unions represent **3.4%** of our employees

#### ADL's Achievement

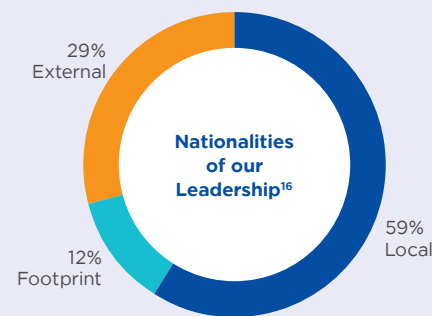
ADL obtained **2 Catalyst Awards** at TM Forum's Digital Transformation World Series for its Catalyst Projects:

- "Cross-industry marketplace for CSP collaboration, Phase 3" in Visionary Impact category
- "Measurements of Trust in AI" in Sustainability Leadership category

#### Leadership at Axiata

##### Leadership Positions in 2021

- 42% filled internally
- 9 out of 12 CEOs<sup>15</sup> filled by internal talents
- Nationalities of our leadership - 28



##### Gender Diversity in Leadership



##### Women in Leadership

**20%** leadership positions<sup>18</sup> held by women in 2021

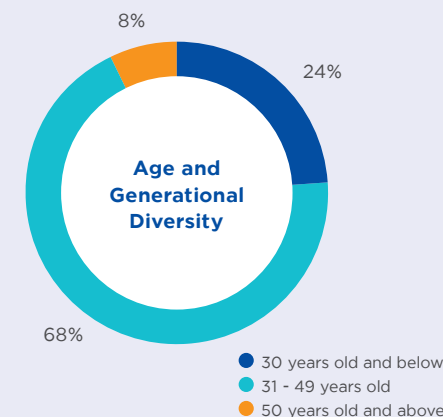
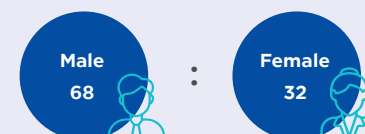
**4 female** leadership appointments in 2021

#### Diverse Talent Base

**> 40** nationalities employed across our OpCos

##### Gender Diversity

Male : Female employee ratio



Notes: <sup>14</sup> SEI = Sustainable Engagement Index

<sup>15</sup> 12 CEOs comprise 7 telco CEOs (including Group CEO) and 5 non-telco CEOs (digital businesses and edotco)

<sup>16</sup> Locals - Locals working in their respective OpCo country. Footprint - Non-locals from Axiata's footprint countries. External: Non-locals from outside Axiata's footprint countries

<sup>17</sup> The 2020 figure for women in leadership covered employees in six digital telcos of Celcom, XL, Dialog, Robi, Smart and Ncell, as well as edotco and Corporate Centre. However, the 2021 figure has been updated to include our digital businesses of Axiata Digital, Boost, ADA and ADL

<sup>18</sup> Women in Senior Management Teams (CEO-1) across Axiata Group

## Outcome 3: Becoming A Trusted And Reliable Digital Partner

### Our Value Creation Goals

- Provide amazing customer experience across our footprint
- Establish strong brand equity and trust
- Establish digital platforms to cater to customer needs for innovative digital products and services

### Activities and Processes to Create Value

- 'Digitising our Core' through 'API-fication', simplification and process digitisation to achieve Operational Excellence
- Network Transformation Programme to standardise and enhance network and conducted three Open RAN commercial trials in Malaysia, Indonesia and Sri Lanka
- IT Blueprint Transformation to an Open Digital Architecture (ODA)
- ADL<sup>1</sup> as our DevOps company transforming our Business Support System with its Digital Telco Enabler platform
- Acquisitions and partnerships to enhance Enterprise proposition
- Developing Beyond Connectivity Solutions for B2B<sup>2</sup> or B2B2X
- Leveraging on Digitisation and Analytics as core differentiators
- Leveraging AI on an industrialised scale to revolutionise the way Axiata operates and democratise AI driven digital solutions
- Providing digitised customer experiences in line with new normal demands
- Yoodo, a brand under Celcom, is Malaysia's first truly customisable digital telco with 100% of its users managing their lines via the Yoodo app
- Building customer trust and ensuring cyber resilience via Axiata's Cyber Security Strategy - "Digital Trust and Resilience (DT&R2023)"
- Strengthening Group ethics and integrity culture via the Anti-Bribery and Anti-Corruption (ABAC) Plan 2020 - 2023

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Network and Quality Coverage
- Digitisation and Modernisation
- Customer Service
- Supply Chain Management
- Community Development
- Emergency and Disaster Response
- Data Privacy and Cyber Security
- Digital Inclusion

#### 4P Goals

- Partnership

#### Stakeholders

- Customers
- Suppliers
- Employees

Notes: <sup>1</sup> ADL = Axiata Digital Labs  
<sup>2</sup> B2B = Business-to-Business

<sup>3</sup> Axiata began compiling Enterprise customers at Group-level beginning in 2021, in line with advancing its Enterprise proposition regionally

<sup>4</sup> Axiata began using Brand Power Results in 2020 to measure customer satisfaction

<sup>5</sup> Axiata started using Digital Reputation Score in 2020

<sup>6</sup> API = Application Programming Interface for building and integrating application software

### How We Measure and Communicate Our Value

#### Total Number of Mobile Customers (million)



#### Total Number of Enterprise Customers<sup>3</sup>

**185,000**  
Total number of enterprise customers in 2021

#### Digital Reputation Score<sup>5</sup>

2021

**1**  
in 4 markets  
- Robi, Dialog, Ncell & Smart

**2**  
in 2 markets  
- XL

**3**  
in 1 market  
- Celcom

2020:  
#1 in 3 markets  
- Robi, Dialog & Ncell

#2 in 2 markets  
- XL & Smart

#4 in 1 market  
- Celcom

#### ABAC Plan

- **99% completion rate** on mandatory ABAC training
- **Initial ABAC Risk Assessment completed** by all OpCos as at end 2021

#### Network Transformation Programme

- Better seamless end user experience
- Serve rising regional connectivity needs, especially in rural and underserved areas

#### IT Blueprint Transformation

Published  
**> 5,000**  
APIs<sup>6</sup>  
across regional footprint

#### Brand Power Results<sup>4</sup>

2021

**1**  
in 3 markets  
- Dialog, Ncell & Smart

**2**  
in 3 markets  
- XL, Celcom & Robi

2020:  
#1 in 2 markets  
- Celcom & Dialog

#2 in 4 markets  
- Robi, XL, Smart & Ncell

#### Net Promoter Score

2021

**1**  
in 4 markets  
- Celcom, Dialog, Ncell & Smart

**2**  
in 2 markets  
- Robi & XL

2020:  
#1 in 4 markets  
- Celcom, Robi, Dialog & Smart

#2 in 2 markets  
- XL & Ncell

#### ADA serving regional businesses

- Serving ADA clients in diverse industries across 10 markets with our end-to-end digital solutions
- Presence across 10 markets including Singapore, Indonesia, Bangladesh and South Korea
- Grew to over 1,000 employees across 10 countries bringing together many diverse capabilities in marketing technology, eCommerce, digital media and analytics
- Grew partnerships across all businesses, notably Facebook and Google
- Expanded telco ecosystem to new operators including DTAC, Smart Philippines, Mobifone and Telia

#### Number of Clients



## Outcome 3: Becoming A Trusted And Reliable Digital Partner

### How We Measure and Communicate Our Value

#### Enhanced Enterprise Solutions

##### Celcom

- One stop SME Biz Suite, to offer digital packages as SME business solutions
- Partnered with Microsoft for Cloud services and Telefonica for cyber security services
- Completed 2 acquisitions to enhance Cloud, Cyber Security and Software-defined WAN services

##### XL

- Cloud-based productivity tools and connectivity
- XL acquisition of Hipernet to strengthen Enterprise product proposition and add to Enterprise customer coverage

##### Robi

- Enriched solution capability with next generation products such as ICT, IoT hyper-scaler Cloud and others
- Continued leadership in SME

##### Dialog

- Increased delivery capabilities in Cloud solutions with acquisition of H One, the largest Microsoft reseller in Sri Lanka and Maldives, as well as a Cloud solutions provider for these 2 countries
- SaaS<sup>7</sup> offerings including digital marketing

##### Smart

- Utilising telco data to offer personalised and interactive advertising on Pleng, Smart's music streaming app
- The first Cambodian telco to offer 'Sponsored Data' a B2B2C product for online businesses to offer free data connections to their customers who are on Smart's network

#### Digitisation & Analytics as Enablers

##### Celcom

- Celcom e-store recording > 100,000 transactions and averaging > 700,000 visits per month
- Linked > 600 APIs as a part of digital development to enable critical business functions

##### Yodo

- > 1.1 million downloads & > 152,000 unique users
- Linked 8 data sources which allows real-time monitoring of digital operations and dashboards

##### XL

- IoT solution for Smart Homes

##### Robi

- Successfully launched "AI ML Recommendation Engine" on its own OTT<sup>8</sup> platform - "BINGE" - which resulted in 12% additional watch hour for 1.5 million of BINGE's user base
- Empowered > 500 employees through self-service BI<sup>9</sup> using Tableau to their own decisions using data
- Topped the AI Maturity chart among all Axiata OpCos for the 3rd consecutive year, with TM Forum's assessment revealing Robi within the "Advancing" category of AI Maturity

##### Dialog

- Retail Hub enabling > 50,000 retail partners to perform automated transactions

##### Smart

- Using Analytics for churn prediction model
- Streamlined access to data across different business functions through implementation of a single data lake

##### Ncell

- Enhanced digital platforms - Distribution Management System, Single Retailer App, Social Distribution & Customer App

#### Digitised Customer Experience

##### Celcom

- Celcom App highest rated app vs peers - 4.7 on Apple App Store & 4.3 on Google Play Store
- App transaction value reached > RM1.5 billion, with > 500,000 YoY active users & > 50% total app penetration

##### XL

- Added ShopeePay as digital payment method LiveOn app, making it a 100% digital experience

##### Dialog

- MyDialog self-care app most downloaded app in Sri Lanka - > 7 million connections

##### Robi

- 66% increase in customer interactions at Digital Customer Touchpoints
- 99%+ customer interactions took place in selfcare channels
- 48% growth in MAU<sup>11</sup>
- 29% growth in monthly digital Chatbot unique users
- #1 self-care app user rating in the Bangladesh Telecommunication Industry - App Store Rating: 4.7 & Play Store Rating: 4.4
- Streamlined access to data across different business functions through implementation of a single data lake

##### Smart

- New self-care app SmartNas 3.0, with enhanced features and improved UI/UX design

##### Ncell

- Revamped Ncell App with new UI/UX and added features

#### Strengthened Data Privacy and Cyber Security

- Improved CMMI<sup>12</sup> Maturity Level for NIST<sup>13</sup> functions across all OpCos to 3.7 in 2021, from 3.5 in 2020
- Cyber Defence staffing and skilling improved internally by 15% over use of external resources
- Implemented Groupwide Data Privacy processes on Risk Assessment, Privacy by Design, and Data Breach simulation exercises
- Synergistic programmes promoting collaboration led to development of improvements in technical standards for Cloud, Telco and Application Development
- Implemented new technology to improve cyber security Group-wide
- Culture and People risk initiatives improved cyber awareness and reduced the threat of phishing exposure
- 91% compliance on baseline security controls applied to critical IT assets
- 73% improvement in Mean Time to Respond times Group-wide

#### Analytics Use Cases

- Repository of over 100 high impact use cases covering all major organisational aspects
- Development of 44 brand new use cases which have been commercially deployed
- Top 15% of use cases have successfully been replicated across the majority of OpCos

#### Group Digital Interaction Ratio<sup>10</sup> Improvement



Notes: <sup>7</sup> SaaS = Security as a Solution

<sup>8</sup> OTT = Over the Top

<sup>9</sup> BI = Business Intelligence

<sup>10</sup> As of 2021, digital interactions refer to all customer queries, complaints and conversations via self-care apps and other digital channels. This differs from 2020 digital interactions which included digital recharge transactions. Axiata began monitoring Digital Interaction Ratio in 2020

<sup>11</sup> MAU = Monthly Active Users

<sup>12</sup> CMMI = Capability Maturity Model Integration

<sup>13</sup> NIST = National Institute of Standards and Technology

IAR, In Conversation With The PGCEO on pages 13 to 26

SNCR, Digital Inclusion, Social Value Creation and Responsible Business Practices on pages 29 to 41, 58 to 84 and 88 to 90

GAFS, Building Digital Trust Through Data Privacy and Cyber Security on pages 35 to 37

## Outcome 4: Supporting Governments And Communities In Our Markets

### Our Value Creation Goals

- Contribute to the socioeconomic development of the countries we operate in
- Advance national digital ambitions and aspirations

### Activities and Processes to Create Value

- Continued supporting governments and communities throughout the region through the COVID-19 pandemic, Gross Domestic Product contributions, tax and fee payments and job creation
- Accelerated 5G roll out throughout our footprint to support national 5G ambitions, and developed digital programmes and services to contribute to national digital policies
- Expanded and enhanced network coverage and quality in line with national Quality of Service policies and national digital agendas
- Championed female empowerment through AYP<sup>1</sup> programmes and GSMA's Connected Women Initiative
- Provided humanitarian aid to communities in need in line with GSMA's Humanitarian Connectivity Charter
- Sustained edotco's community outreach programmes – Tower 2 Community provided electricity from renewable energy sites, clean water and humanitarian relief; EVE<sup>2</sup> programme enabled staff to give back to society and contribute to UN SDG Goal 2 (Zero Hunger)
- OpCos CSR<sup>3</sup> programmes to elevate the socioeconomic status of communities

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Network Quality and Coverage
- Digital Inclusion
- Community Development
- Emergency and Disaster Response
- Business Ethics and Compliance
- Regulatory and Political Risk
- Climate Action
- Resource and Waste Management

#### 4P Goals

- Partnership
- Planet & Society

#### Stakeholders

- Customers
- Community
- Media
- Regulators and Government
- Suppliers

### How We Measure and Communicate Our Value

#### Total National Contribution (USD billion)



#### Number of Jobs Supported Across the Region (million)



#### Total Taxes and Fees Paid (USD billion)



#### Tower 2 Community Impacts



### Contributing to Advancing National Digital & QoS Policies

#### Celcom

Jalanan Digital Negara (JENDELA)	MyDigital National Transformation Blueprint
----------------------------------	---

- 100% completion on roll out and upgrading of 4,165 sites in line with JENDELA
- Advanced 5G services by successfully initiating Malaysia's first Voice-over 5G New Radio (VoNR) trial call
- Celcom and Huawei deployed the world's first large-scale FDD<sup>4</sup> Smart 8T8R network for seamless 4G experience
- > 1,000 sites upgraded in rural areas as part of USP<sup>5</sup> programmes

#### XL

##### Indonesia Digital Roadmap

- Collaborated with Huawei to test wireless broadband solution - "Huawei RuralStar Pro" - featuring LTE for backhaul in Kalimantan to expand broadband connection in remote areas
- Collaborated with BAKTI<sup>6</sup> to optimise the USO<sup>7</sup> scheme in ~ 181 remote points in Maluku Islands and Papua
- Expanded 4G network in rural areas in West Kalimantan by adding > 260 4G BTS

#### Robi

##### Digital Bangladesh

- Robi's 333 - the short code for accessing public services in Digital Bangladesh obtained Honourable Mention for Best Innovation Public Service at Bangladesh Innovation Awards 2021
- bdapps, an initiative by Robi, recognised as the National App Store by Government's ICT Division
- With 73.7% of active subscribers being data users, and 44.4% of active subscribers being 4G users, Robi is leading the digitalisation drive in the industry

#### Dialog

##### National Digital Policy for Sri Lanka

- Added 453 new sites to the mobile network in 2021 reaching a total of 4,380 sites by end 2021
- Dialog is supporting TRCSL's<sup>8</sup> Gamata Sanniwedanaya Project and has initiated 233 new site projects in 9 districts by end 2021, with 3 sites deployed by end 2021
- Coverage enhancements in 2021 resulted in improvements to coverage in 1,028 villages
- Deployed 415 lamp poles and macro towers along railway tracks island-wide to facilitate Mission Critical Communication Solutions (MCS) for SL Railways and to ensure uninterrupted mobile connectivity for railway commuters

#### Smart

##### Digital Cambodia

- Improved 4G LTE network coverage and quality in rural areas by adding 385 BTS in 21 provinces
- All new locations are fully equipped with advanced LTE technology for better Internet speed
- Deployed QoS feature in EPC<sup>9</sup> by prioritising numerous OTT<sup>10</sup> and VoIP<sup>11</sup>

#### Ncell

##### Digital Nepal

- Collaborated with MoCIT<sup>12</sup> and NTA<sup>13</sup> to set up digital labs in 60 government schools benefitting > 30,000 students
- Increased 4G population coverage to 76.6% in 2021, from 58.1% in 2020

#### edotco

JENDELA (Malaysia)	Digital Cambodia	Digital Bangladesh
Bangladesh Smart City	National Digital Policy for Sri Lanka	5G Strategic Plan & Policy (Pakistan)

- Malaysia – Awarded JENDELA Phase 1 Project under 14 clusters for 220 sites
- Cambodia – Orkide Botanic Fibre Project rolled out fibre to ~ 900 homes
- Bangladesh – Exploring Fibre POC<sup>14</sup> with partners
- Sri Lanka – Partnering with Hutch on Open RAN POC
- Philippines – Ongoing roll out with Globe Telecom customers
- Pakistan – Focusing on B2S<sup>15</sup> roll outs and exploring fibre opportunities

#### Boost

PENJANA <sup>16</sup> Economic Recovery Plan	Shop Malaysia Online <sup>17</sup>
--	------------------------------------

- RM50 ePENJANA Credits Programme
- Collaborated with MDEC<sup>18</sup> on the Micro-SME e-Commerce campaign for smaller tier merchants to pivot from offline to online business models

Notes: <sup>1</sup> AYP = Axiata Young Talent Programme  
<sup>2</sup> EVE = Employee Voluntary Engagement  
<sup>3</sup> CSR = Corporate Social Responsibility  
<sup>4</sup> FDD = Frequency Division Duplex  
<sup>5</sup> USP = Universal Service Provision  
<sup>6</sup> BAKTI = Telecommunications and Information Accessibility Agency  
<sup>7</sup> USO = Universal Service Obligation

<sup>8</sup> TRCSL = Telecommunications Regulatory Commission of Sri Lanka  
<sup>9</sup> EPC = Evolved Packet Core  
<sup>10</sup> OTT = Over-the-Top  
<sup>11</sup> VoIP = Voice Over Internet Protocol  
<sup>12</sup> MoCIT = Ministry of Communications and Information Technology  
<sup>13</sup> NTA = Nepal Telecommunications Authority

<sup>14</sup> POC = Proof of Concept  
<sup>15</sup> B2S = Built to Suit  
<sup>16</sup> PENJANA is the Malaysian Government's Short-Term Economic Recovery Plan  
<sup>17</sup> Shop Malaysia Online is a government initiative led by the Ministry of Finance under the Belanjawan 2021 eCommerce Programme  
<sup>18</sup> MDEC = Malaysian Digital Economy Corporation

## Outcome 4: Supporting Governments And Communities In Our Markets

### How We Measure and Communicate Our Value

#### Empowering Women

##### AYTP

- Axiata Virtual Girls Coding Challenge in Malaysia – empowering > 50 undergraduate women to pursue career opportunities in ICT
- Partnered with Girls 4 Girls Malaysia to help women develop courage and skills to take on public leadership – reached out to > 120 women



##### XL

- Sisternet – > 43,700 members
- Sispreneur – > 1,000 female entrepreneurs

##### Dialog

- Yeheli Thozi – > 120,000 active users
- Ideamart for Women – > 4,500 individual engagements & 15.6% revenue contribution from female-led Ideamart businesses

##### Robi

- Robi Ichchedana – > 1.2 million monthly active users
- Robi-CARE Girls Empowerment programme – > 100 girls
- > 4,000 active female app developers on bdapps, with women comprising 20% of total app developers

##### Connected Women Initiative

##### Celcom

- Ibu Digital – 100 women
- Digitalpreneur @ Lembah Subang – 31 women
- Google Bootcamp – > 2,300 female students
- CYDIP<sup>19</sup> Students Competition – 131 female students

#### edotco EVE Highlights



**~ 1,500**  
families, students and orphanages  
received food and essential items in conjunction with religious & cultural celebrations in Malaysia



Provided necessities to  
**> 100** families &  
**> 4,250** people  
from underprivileged communities in Malaysia, Pakistan, Myanmar & Bangladesh



**~ 1,400** students &  
**~ 1,600** families  
in Myanmar, Malaysia & Bangladesh received ICT support

#### CSR Programmes

##### Celcom

- Committed to empower underserved communities by promoting digital inclusion and accessibility via devices assistance for lower income families, online tuition and digital entrepreneurship training

##### Dialog

- Expanded Nenasa TV to 6 channels to bridge the gap for equitable education
- Extended free connectivity and facilities to all Child Development Centres in Sri Lanka

##### Smart

- Partnered with UNESCO to provide Basic Education Equivalency Programme for youths who had left school to work to continue with their education - 2,102 students

##### Ncell

- Kicked-start Telemedicine and Health Informatics Programme in collaboration with Dhulikhel Hospital to serve remote and underserved communities with quality health care services
- Collaborated with Zonta Club to provide literacy classes for 200 women in rural areas

#### 2021 Contributions to Humanitarian Connectivity Charter



- > 1 million early warning SMS broadcasted to alert the public and increase awareness of preparedness, in collaboration with the National Disaster Management Agency
- Provided flood relief to > 1,500 beneficiaries, offering food and cleaning assistance with the Malaysian Relief Agency, and post-flood assistance by > 100 Celcom Volunteers



- Aid for victims of Seroja hurricane in East Nusa Tenggara & earthquake in East Java and East Sulawesi



- Distributed dry rations to > 44,000 individuals affected by floods and lockdowns, and provided safety gear to 34 hospitals across Sri Lanka



- Continued collaboration with the Department of Hydrology and Meteorology for the implementation of flood Early Warning System to improve disaster preparedness and save lives



- Collaborated with Malaysia Relief Agency to provide aid to families affected by floods in Hulu Langat and Nanding



- Provided aid to > 2,000 families in Malaysia, Bangladesh, Pakistan and Myanmar affected by floods and COVID-19

Note: <sup>19</sup> CYDIP = Celcom Young Digital Innovators Programme

IAR, Our Continuing Response To COVID-19 and In Conversation With The PGCEO on pages 8 and 19

SNCR, Social Value Creation on pages 58 to 84

## Outcome 5: Enabling Digitally-Connected Societies

### Our Value Creation Goals

- Increase population coverage and connect underserved areas
- Aid digital and financial inclusion

### Activities and Processes to Create Value

- Regional technology venture funds supporting the development of the digital economy – ADIF<sup>1</sup>, SADIF<sup>2</sup>, DADIF<sup>3</sup> and R-Venture<sup>4</sup>
- Dialog powered the Venture Engine Start-up Acceleration Programme to help innovative and scalable start-ups and entrepreneurs
- Bangladesh's largest online school Robi-10 Minute School continues to provide students in Bangladesh with high quality online education
- Dialog, XL and Celcom empowering students with online and digital support
- Smart supporting Krousar Thmey Foundation's Words and Pictures app for children with disabilities to learn new words, Sipar's Mobile Library Programme - a library on wheels traveling to remote areas nationwide - and partnered with Sipar to establish a Vocational Orientation Center with a digital library
- Enabling digital financial inclusion and a more secure transacting experience via full spectrum fintech provider Boost<sup>5</sup> in Malaysia and Indonesia, and eZ Cash in Sri Lanka
- Bridging the digital divide for micro-entrepreneurs, fishermen and farmers by providing digital service solutions and support
- Yoodo (a brand under Celcom), Smart, Robi and Boost contributing to the development of the fast-growing eSports ecosystem

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Network Quality and Coverage
- Digital Inclusion
- Digitisation and Modernisation
- Customer Service
- Supply Chain Management
- Community Development
- Emergency and Disaster Response
- Data Privacy and Cyber Security

#### 4P Goals



Planet & Society

#### Stakeholders



Customers



Employees



Suppliers



Regulators and Government



Community



Media

### How We Measure and Communicate Our Value

#### Developing the Regional Digital Ecosystem

ADIF Funding for Digital Start-Ups<sup>5</sup>  
(Malaysia)

- Invested RM63.2 million between 2014 - 2021
- Continuing to provide support to investee companies
- 17 investee companies recording an average YoY growth of 34% in 2021

SADIF Funding for Digital Start-Ups  
(Cambodia)  
(USD million)



Invested in 10 companies

DADIF Funding for Digital Start-Ups  
(Sri Lanka)  
(SLR million)



Invested in 5 companies

r-ventures Funding for Digital Start-Ups (Bangladesh)  
(BDT million)



Invested in 13 companies

#### Contributing to Digital & Online Education



- Bantuan Peranti Prihatin & #MyBaikHati - distributed > 300 laptops, tablets and smartphones to students from lower income families
- Provided free Internet access & tuition content for national examination candidates at Community Internet Centres - 58 centres benefitting 1,445 students
- CERDIK - > 4,000 educators from 1,164 schools took part in 5 webinar series to enrich their online teaching delivery
- Celcom Young Digital Innovators Programme enriching > 4,000 educators for online teaching delivery and developing > 250 future innovators



- Robi-10 Minute School
  - > 13.5 million social media based learners
  - > 3.5 million app based learners



- Donated 500 smartphones and free data packages to students to take part in distance learning
- Digital Madrasah Academy 4.0 Incubation Programme - > 1,300 registrants and > 110 students joined the programme
- Donated 100 laptops and Internet access to 12 Islamic boarding schools



- Words & Pictures app - SMS blast to encourage mobile downloads of Cambodian Sign Language app
- Sipar Mobile Library Programme - > 5,300 beneficiaries
- Sipar Vocational Orientation Center benefitted > 1,300 students



- Guru.lk - empowering > 700,000 guru users, enterprises, schools, teachers and students
- Nenasa Smart Schools - benefitting > 250,000 students in 153 schools across Sri Lanka
- Nenadiri initiative - > 100,000 school children from 470 schools obtained Data Scholarships to attend online classes



- Launched student plan providing combo pack of voice, SMS and data for e-learning purposes, which whitelists digital platforms such as Microsoft Teams, Google Meet, Zoom and local education portals - > 359,000 total activations

Notes: The funding for SADIF, DADIF and r-ventures (Robi Ventures) refers to cumulative value from the start of investments since 2018, and for Robi Venture since start of investments since 2019

<sup>1</sup> ADIF = Axiata Digital Innovation Fund

<sup>2</sup> SADIF = Smart Axiata Digital Innovation Fund

<sup>3</sup> DADIF = Dialog Axiata Digital Innovation Fund

<sup>4</sup> r-ventures = Robi Ventures

<sup>5</sup> The RM100 million ADIF was formed in 2014 to help digital start-ups to enhance their innovative products and grow their businesses through funding, know-how and market access. As at end 2020, ADIF has completed the disbursement of funding and is now focusing on providing support to the companies it has invested in

## Outcome 5: Enabling Digitally-Connected Societies

### How We Measure and Communicate Our Value

#### Bridging the Digital Divide

##### Celcom

- Bantuan Komuniti Digital – provided > 60 courses on digital entrepreneurship via VOD<sup>6</sup>
- > 3,000 participants/ students/ entrepreneurs trained through Digitalpreneur, BeBoZz, Google Bootcamp & Ibu Digital

##### XL

- Laut Nusantara improving livelihoods of fishermen - > 57,600 downloaders and > 48,500 active users
- Launched Desa Digital Nusantara to empower rural communities to embrace digital technologies

##### Dialog

- Govi Mithuru improving livelihoods of small holder farmers - > 174,600 app users & > 804,400 interactive voice services users
- Sayuru – weather warning service for fishing and coastal communities - > 70,000 users
- Saviya – advisory services for dairy farmers - > 17,000 users
- Venture Engine has funded > 35 start-ups

##### Robi

- National app store bdapps empowering digital entrepreneurs - > 45,000 apps & > 25,000 developers earning ~ BDT295 million revenue
- Launched android app creation tool Appmaker+ to enable innovation in digital creation - > 3,000 developers developed > 350 apps
- Launched DigiCure as a one stop digital diabetic solution – onboarded > 45 doctors & > 3,000 app downloads

##### Smart

- Cambodia Entrepreneurship Day - > 6,000 youth participants, with 240 youths to be trained in entrepreneurship

#### Developing the eSports ecosystem

##### Yodo

- Collaborated with top game publishers in the world - Tencent Games and Moonton, for tournaments including PUBG Mobile National Championship and Professional League, Mobile Legends: Bang Bang (MLBB) Professional League and M3 World Championship which garnered > 125 million views
- Partnered with renowned global eSports organisation Alliance, to establish the Yodo Alliance PUBG Mobile team which qualified and competed in the PUBG Mobile Global Championship
- Partnered with regional esports organisation, RSG to form Yodo RSG MLBB team who became the champions of the MLBB Professional League and Yodo RSG Call of Duty Mobile (CODM) team who were crowned as the winner of the CODM MYSG Championship 2021

- Supported the development of the Malaysian eSports grassroots scene by organising the Yodo PUBG Mobile Campus Championship and supported the Varsity Esports League, organised by the Malaysian Higher Education Ministry

##### Smart

- Organised e-sports tournaments, and supported local esports teams to participate in international tournaments - Held 6 tournaments with > 3,900 participants
- Partnered with Razer Gold to offer subscribers effortless purchases of virtual credit

##### Robi

- Launched first ever fantasy gaming platform in Bangladesh telecom industry, Game Plan - > 35,000 downloads - > 13,000 unique users

##### Boost

- Launched one-stop gaming storefront Game Connect in Malaysia

#### Driving Financial Inclusion



Customers<sup>7</sup>  
in Malaysia  
(million)



2020 : 8.8  
2019 : 5.1



Merchants<sup>7</sup>  
in Malaysia



2020 : > 300,000  
2019 : > 195,000



Number of SMEs  
Served by  
Boost Credit in  
Malaysia & Indonesia



2020 : > 9,900  
2019 : > 1,400



Total Loans Disbursed  
by Boost Credit in  
Malaysia & Indonesia  
(RM million)



2020 : > 200  
2019 : > 38



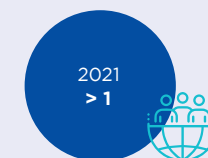
Digital Partners<sup>7</sup>



2020 : > 100  
2019 : > 80



Global Consumer  
Reach<sup>7</sup>  
[billion]



2020 : > 1  
2019 : > 0.4



Merchants<sup>7</sup>  
in Indonesia



2020 : > 121,000  
2019 : > 115,000



eZ Cash  
Registered Users  
(million)



2020 : 4.0  
2019 : 3.7

Notes: <sup>6</sup> VOD = Video on Demand

<sup>7</sup> In 2021, Boost consolidated into four core brands of Boost Life, Boost Biz, Boost Credit and Boost Connect. Additionally, there is Boost Indonesia which caters to the Indonesian market. Customer breakdown for 2021 refers to post-consolidation of Boost which rebranded the consumer eWallet business Boost into Boost Life, carved out Boost's merchant business into Boost Biz, rebranded the credit business Aspirasi into Boost Credit, and Apigate into Boost Connect. 2019 and 2020 numbers for Boost Life refer to the eWallet customers, for Boost Biz as previous Boost's merchants, for Boost Credit as Aspirasi customers, and Boost Connect as Apigate clients. Boost Indonesia's focus is on small and medium merchants for General Trade

## Outcome 6: Minimising Environmental Impact

### Our Value Creation Goals

- Focused carbon reduction strategy towards achieving net-zero by 2050 in line with mobile industry decarbonisation goals
- Optimise energy consumption through design innovations and renewable energy sources

### Activities and Processes to Create Value

- Launched Axiata's Net-Zero Carbon Roadmap outlining our approach towards achieving net-zero emissions by no later than 2050, with a near term target to reduce operational carbon emissions by 45% from a 2020 baseline
- Set Group-wide targets for Scope 1 and Scope 2 emissions across our networks and facilities towards
- Commence the adoption of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations
- Signed the SBTi<sup>1</sup> Business Ambition Pledge for 1.5°C
- All OpCos represented in the Chief Technology Officer Council and leveraging on Collective Brain to enhance network energy efficiency by using more efficient technologies
- Converting BTS sites to renewable energy sources across the Group
- Corporate centre environmental initiatives – Axiata Green Spaces and Sustainability Champions OpCo environmental awareness, waste management and product end life management programmes to improve material efficiency, recycle waste and reduce mobile e-waste
- edotco's initiatives
  - Developed preliminary Carbon Neutrality Framework in alignment with recognised standards
  - 63% reduction in carbon footprint per site as a result of optimisation projects completed between 2014 and 2020
- 85% implementation of Green Office initiatives across all NTCs<sup>2</sup> in 2021, compared to 75% in 2020
- Sustainable waste management via edotco Green Framework for site build, operation and maintenance, and office commercial waste
- Green sites in 2021
  - > 2,000 solar technology sites
  - > 17 wind or solar-wind hybrid sites
  - > 120 solar air-conditioner sites
  - > 2 fuel cell sites
  - > 17,000 lithium-ion battery sites
- New energy solutions
  - > High-capacity energy solutions developed for Philippines
  - > New battery capacities for Bangladesh
- 31 bamboo towers RFAI<sup>3</sup> as at end 2021, and patent certificate obtained for bamboo tower invention from Department of Patents Bangladesh
- 18 carbon fibre towers RFAI as at end 2021
- Completed first Spun Pre-stressed Concrete (SPC) Pole and first bamboo reinforced concrete plinth POCs<sup>4</sup> in Bangladesh and Malaysia respectively
- Total of 523 smart lamp poles – 508 in Sri Lanka and 15 in Bangladesh
- Employed Just Nice Tower designs in Bangladesh and Cambodia, with POC ongoing in Pakistan
- Tree planting programme across the footprint

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Business Ethics and Compliance
- Regulatory and Political Risk
- Climate Action
- Resource and Waste Management

#### 4P Goals



Planet &amp; Society

#### Stakeholders

Regulators and  
Government

Employees



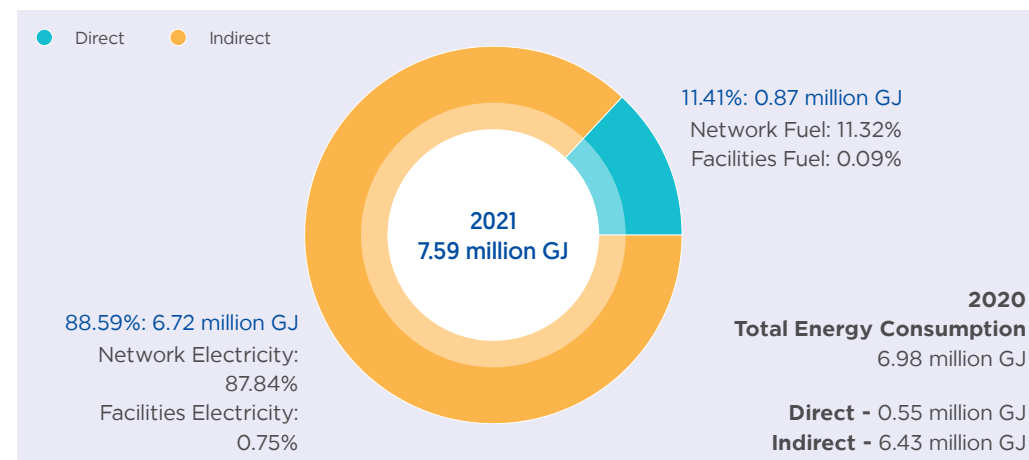
Community



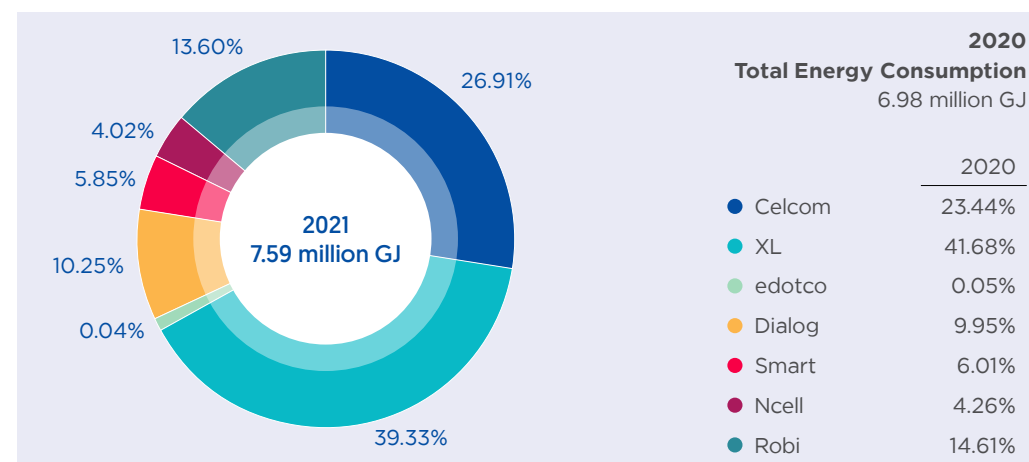
Suppliers

### How We Measure and Communicate Our Value

#### Group-wide Total Energy Consumption<sup>5</sup>



#### Group-wide Total Energy Consumption by OpCos<sup>5</sup>



Notes: <sup>1</sup> SBTi = Science Based Target Initiative

<sup>2</sup> NTC = National Tower Companies

<sup>3</sup> RFAI = Ready for Active Installation refers to towers which have been built and in ready status for installation

<sup>4</sup> POC = Proof of Concept

<sup>5</sup> In 2021, Axiata conducted an exercise to enhance our collection, analysis and assurance processes for our energy and emissions data which resulted in a revision in 2020 emissions. For more information, refer to SNCR page 50

## Outcome 6: Minimising Environmental Impact

### How We Measure and Communicate Our Value

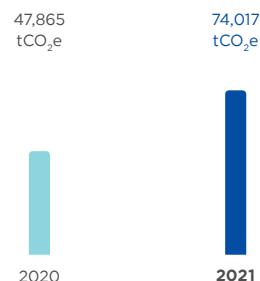
#### Group-wide GHG emissions<sup>5</sup>

**Total 2021: 1,309,834 tCO<sub>2</sub>e**

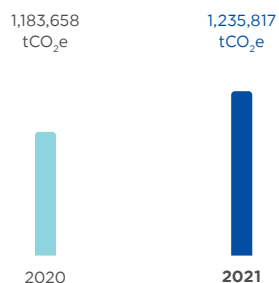
Total 2020: 1,231,523 tCO<sub>2</sub>e



#### Scope 1<sup>6</sup>



#### Scope 2<sup>7</sup>



#### OpCo Environmental Programmes



- Decommissioned 63 standby Gensets
- Converted 24H running gensets to commercial power supply at 52 sites
- Installed Advance Metering Infrastructure (AMI)<sup>8</sup> at 157 sites, which reduced 194 kWh on average
- Obtained higher energy efficiency by introducing solar hybrid solution at 47 sites, which uses multiple energy sources from solar, battery and gensets
- Adoption of Charge-Discharge Cycling (CDC) of batteries at 24 sites to reduce diesel dependency



- Recycled 472 tonnes of company's e-waste in environmentally sustainable manner
- Capacity to recycle 500 kg of office waste per month
- Deployed tower-mounted solar solutions across 35 sites, generating roughly 195.5 kW



- Reduced paper use by 80%
- Energy savings by environmentally friendly sources:
  - Fuel: 177,997.3 litres
  - Electricity: 1,676,659.0 kWh
  - Total CO<sub>2</sub> savings: 1,457.0 tCO<sub>2</sub>e
- 76% of total waste sent to landfill
- 66% of waste recycled for animal food; 43% of paper recycled
- Waste collection:
  - 529.7 tonnes of e-waste
  - 21.3 tonnes of waste paper and cardboard
  - 12.1 tonnes of Polythene and Plastic
  - 0.5 tonnes of Regi foam
  - 6 tonnes of food waste



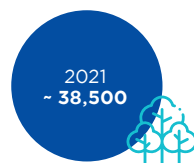
- Planted and maintaining over 6,000 trees along the 10.2 km Ring Road Green Belt stretch
- Waste management programme – recycled 178.1 tonnes of metals and plastics and recycled 218.5 tonnes of batteries according to environmental practices and legislation



- Equipped 825 sites with solar panels
- Employees planted 2,021 mangrove seedlings

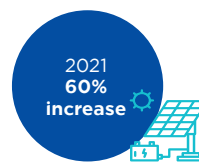


- Number of trees planted



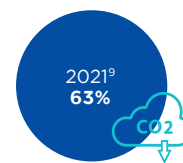
2020 : 23,750  
2019 : 13,770

- YoY edotco Renewable Energy Generation



2020 : 42% increase  
2019 : 47% increase

- edotco reduction of carbon emission per site against target of 63% as a result of optimisation projects completed between 2014 and 2020



2020 : 58%  
2019 : 54%

- Sustainable waste management

**908.8 tonnes**  
of e-waste collected & recycled;

**545.1 kg**  
of recyclable items;

**38.9 kg**  
of mobile waste

Notes: <sup>5</sup> In 2021, Axiata conducted an exercise to enhance our collection, analysis and assurance processes for our energy and emissions data which resulted in a revision in 2020 emissions. For more information, refer to SNCR page 50

<sup>6</sup> Direct GHG emissions from sources that are owned or controlled by the Group

<sup>7</sup> Indirect GHG emissions resulting from the generation of electricity, heating and cooling or steam purchased by the Group

<sup>8</sup> Calculations on carbon emission reductions are based on in-house estimations which are currently undergoing an external audit and verification process which will be completed by the end of the second quarter of 2022

<sup>9</sup> AMI = Advanced Metering Infrastructure solution

## Realising Entrepreneurial Dreams

Empowering traditional entrepreneurs with e-commerce tools such as DesaMall, a platform for these artisanal craftsmen to promote and sustain their business into the future

**CELCOM DESAMALL@KPLB**



# GASING TRADISIONAL

SORT

NEWEST HIGHEST PRICE LOWEST PRICE MOST POPULAR



RM 80

Add to cart



RM 50

Add to cart



RM 120

Add to cart



RM 60

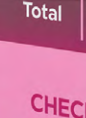
Add to cart



RM 80



RM 60



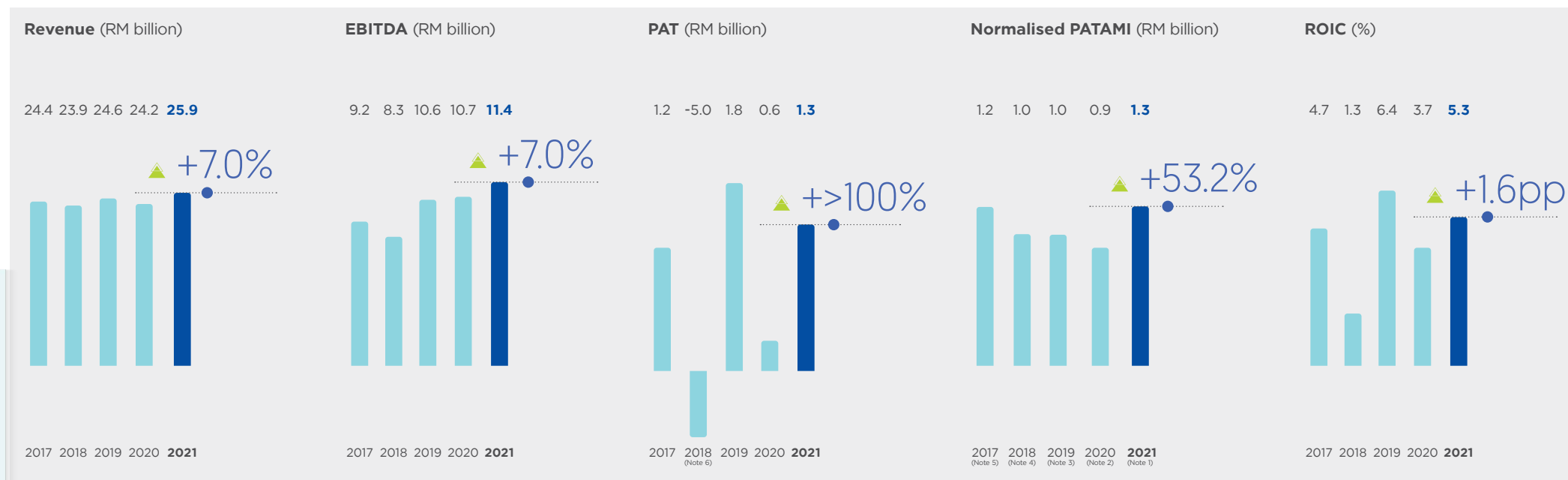
Total RM 140

CHECKOUT

Financial  
Resilience

## Financial Review

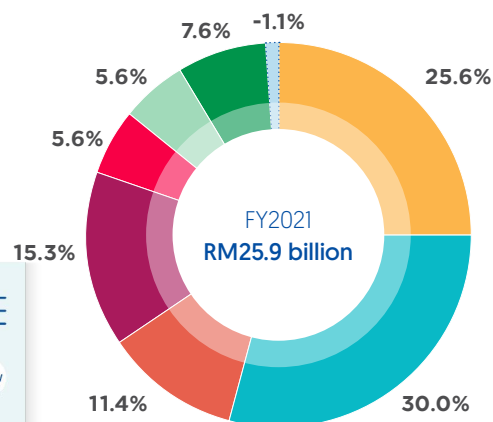
## Five-Year Group Financial Highlights



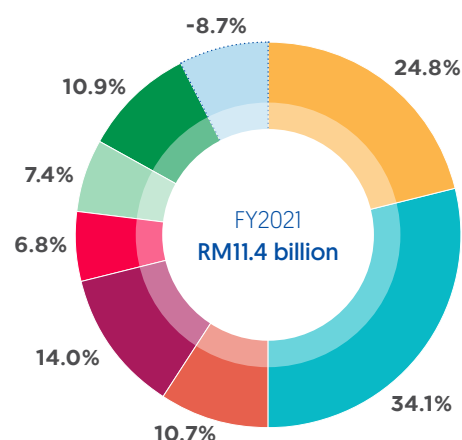
## Financial Review

## Summary Breakdown of Revenue and EBITDA

## REVENUE

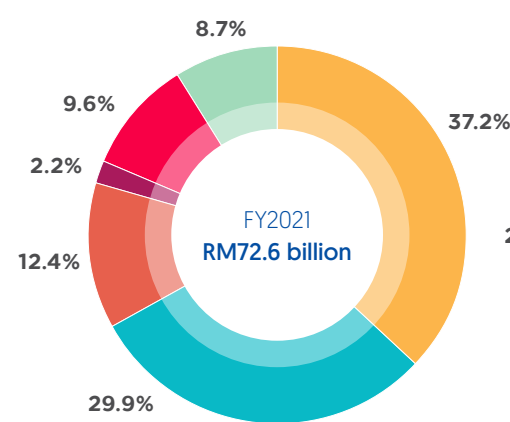


## EBITDA

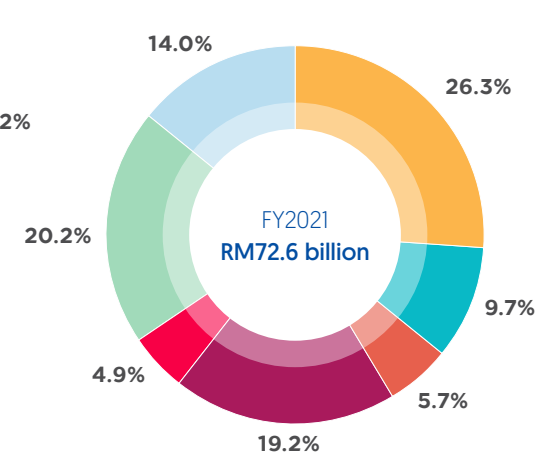


## Summary Breakdown of Total Assets and Total Liabilities &amp; Equity

## TOTAL ASSETS



## TOTAL LIABILITIES &amp; EQUITY



## Financial Review

## All in RM Million unless stated otherwise

	FY2021	FY2020	FY2019 <sup>2</sup>	FY2018 <sup>2</sup>	FY2017
1. Revenue	25,901	24,203	24,583	23,886	24,402
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	11,404	10,657	10,619	8,334	9,230
3. Earnings from Associates and Joint Ventures	4	19	(3)	(428)	(404)
4. Profit Before Tax (PBT)	2,174	1,171	2,780	(4,073)	1,936
5. Profit After Tax (PAT)	1,277	624	1,815	(4,975)	1,162
6. Profit After Tax and Minority Interests (PATAMI)	819	365	1,458	(4,762)	909
7. Normalised PATAMI <sup>1</sup>	1,326	865	960	1,010	1,205
8. Total Shareholders' Equity	18,005	17,641	16,181	17,477	24,731
9. Total Assets	72,550	67,962	66,534	63,855	69,911
10. Total Borrowings (exclude lease liabilities)	19,050	17,745	16,826	19,130	19,184
11. Total Lease Liabilities	10,171	9,629	8,840	N/A	N/A
12. Customers (million) <sup>3</sup>	163	157	153	149	348

## Growth Rates YoY

1. Revenue	7.0%	-1.5%	2.9%	-2.1%	13.2%
2. EBITDA	7.0%	0.4%	27.4%	-9.7%	15.2%
3. Total Shareholders' Equity	2.1%	9.0%	-7.4%	-29.3%	4.9%
4. Total Assets	6.8%	2.1%	4.2%	-8.7%	-1.2%
5. Total Borrowings (exclude lease liabilities)	7.4%	5.5%	-12.0%	-0.3%	-13.8%

## Share Information

1. Per Share					
Earnings (basic) - sen	8.9	4.0	16.0	(52.6)	10.1
Earnings (diluted) - sen	8.9	4.0	16.0	(52.4)	10.1
Net Assets - RM	2.0	1.9	1.8	1.9	2.7
2. Share Price information - RM					
High	4.19	4.60	5.26	5.70	5.49
Low	3.25	2.66	3.73	3.25	4.29

## Financial Ratio

1. Return on Invested Capital <sup>4</sup>	5.3%	3.7%	6.4%	1.3%	4.7%
2. Gross Debt to EBITDA <sup>5</sup>	2.6	2.6	2.4	2.3	2.1
3. Debt Equity Ratio <sup>6</sup>	1.6	1.6	1.6	1.1	0.8

## Notes:

- 1 Excludes foreign exchange gains/losses and derivatives, gain/loss on disposal of associates and joint venture, gain on divestment of non-core digital businesses, loss on asset held-for-sale, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, purchase price allocations amortisation, gain on disposal of towers, severance payment, goodwill impairment, Idea (the Group's associate company in India that was derecognised as an associate in 2018) related losses and gain on disposal of rights.
- 2 FY2019 and FY2018 are based on restated financials.
- 3 From FY2018 onwards, customers exclude Idea and M1 (the Group's associate company in Singapore that was disposed in 2019) customers.
- 4 EBIT less tax over average invested capital.
- 5 From FY2019 onwards (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2017 and FY2018: Total borrowings over EBITDA.
- 6 From FY2019 onwards (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders' equity; FY2017 and FY2018: Total borrowings over total shareholders' equity.
- 7 From FY2019 onwards, based on post MFRS 16 "Leases".

## Financial Review

## Consolidated Statement of Comprehensive Income

	Financial Year Ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Revenue	25,900,661	24,203,171
Operating costs:		
- depreciation, impairment and amortisation	(8,094,868)	(8,484,994)
- foreign exchange gains/(losses)	58,239	(196,083)
- domestic interconnect, international outpayment and other direct costs	(2,199,930)	(1,822,171)
- marketing, advertising and promotion	(2,192,658)	(1,892,272)
- other operating costs	(7,963,233)	(7,305,590)
- staff costs	(2,071,006)	(2,227,532)
- net impairment on receivables and amounts due from subsidiaries	(69,817)	(298,731)
Other gains - net	52,034	2,693
Other income - net	398,655	516,393
Profit before finance costs	3,818,077	2,494,884
Finance income	150,982	177,183
Finance costs	(1,565,069)	(1,693,067)
Foreign exchange (losses)/gains on financing activities	(234,355)	173,395
	(1,799,424)	(1,519,672)
Associates		
- share of results (net of tax)	11,689	17,862
Joint ventures		
- share of results (net of tax)	(7,706)	860
Profit before taxation	2,173,618	1,171,117
Taxation and zakat	(896,737)	(547,072)
Profit for the financial year	1,276,881	624,045
Profit for the financial year attributable to:		
- owners of the Company	818,900	365,155
- non-controlling interests ("NCI")	457,981	258,890
	1,276,881	624,045
Earnings per share (sen)		
- basic	8.9	4.0
- diluted	8.9	4.0

## Consolidated Statement of Cash Flows

	Financial Year Ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Receipts from customers and others	25,250,051	24,167,782
Payments to suppliers, employees and others	(14,438,737)	(15,053,690)
Payments of finance costs	(1,398,060)	(1,400,405)
Payments of income taxes and zakat (net of refunds)	(576,240)	(576,986)
Total cash flows from operating activities	8,837,014	7,136,701
Purchase of PPE (net of disposal)	(6,248,195)	(4,518,966)
Acquisition of intangible assets (net of disposal)	(570,347)	(596,723)
Investments in deposits maturing more than three (3) months	80,400	601,802
Investments in subsidiaries (net of cash acquired)	(1,400,993)	-
Investments in associates	(2,421)	(16,797)
Investments in joint ventures	-	(11,169)
Interest received	149,820	192,101
Purchase of other investments	(12,672)	(1,953)
Disposal of other investments	559	150,582
Net proceeds from sale of towers	-	580,790
Payments for ROU assets	(123,866)	(22,495)
Redemption of preference shares by an associate	5,837	-
Others	4,980	4,237
Total cash flows used in investing activities	(8,116,898)	(3,638,591)
Proceeds from borrowings and Sukuk (net of repayments)	668,241	1,393,400
Sale and leaseback of towers	-	561,908
Additional investments in subsidiaries by NCI	-	7,897
Capital injections in subsidiaries by NCI	247,237	294,000
Proceed from IPO of a subsidiary	-	184,092
Net proceed from partial disposal of a subsidiary	420,667	-
Repayments of lease liabilities	(1,522,063)	(1,328,392)
Share buyback of a subsidiary	-	(40,469)
Dividends paid	(1,030,315)	(852,732)
Others	(309)	9,596
Total cash flows (used in)/from financing activities	(1,216,542)	229,300
Net (decrease)/increase in cash and cash equivalents	(496,426)	3,727,410
Exchange gains/losses and restricted cash	86,594	(20,353)
Cash and cash equivalents at the beginning of the financial year	6,722,162	3,015,105
Cash and cash equivalents at the end of the financial year	6,312,330	6,722,162
Bank overdraft	213,632	116,555
Deposits and others	443,390	355,537
Total deposits, cash and bank balances	6,969,352	7,194,254

## Financial Review

## Consolidated Statement of Financial Position

	As at	
	31/12/2021 RM'000	31/12/2020 RM'000
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	13,905,207	13,883,028
Reserves	4,100,117	3,758,114
Total equity attributable to owners of the Company	18,005,324	17,641,142
Non-controlling interests	7,060,505	6,238,288
Total equity	25,065,829	23,879,430
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	14,819,079	14,773,895
Derivative financial instruments	91,162	121,784
Deferred income	260,360	445,237
Deferred gain on sale and leaseback assets	307,754	422,817
Trade and other payables	1,116,080	1,303,042
Provision for asset retirement	747,795	640,507
Deferred tax liabilities	1,377,516	1,086,780
Lease liabilities	8,412,149	7,894,276
Total non-current liabilities	27,131,895	26,688,338
	52,197,724	50,567,768
<b>NON-CURRENT ASSETS</b>		
Intangible assets	21,722,687	20,634,399
Contract cost assets	232,519	179,801
Property, plant and equipment	26,975,288	24,495,647
Right-of-use assets	8,983,213	8,518,895
Associates	257,898	274,635
Joint ventures	25,569	33,737
Financial assets at fair value through other comprehensive income	220,744	220,978
Financial assets at fair value through profit or loss	5,678	4,467
Derivative financial instruments	76,817	8,343
Trade and other receivables	1,280,866	1,315,895
Deferred tax assets	358,530	310,324
Total non-current assets	60,139,809	55,997,121

**CURRENT ASSETS**

Inventories	222,747	141,663
Trade and other receivables	5,060,933	4,362,395
Derivative financial instruments	121	-
Financial assets at fair value through profit or loss	65	138,113
Tax recoverable	109,514	97,610
Deposits, cash and bank balances	6,969,352	7,194,254

Assets classified as held-for-sale

Total current assets

**LESS: CURRENT LIABILITIES**

Trade and other payables	13,555,061	12,001,948
Deferred income	3,609	3,820
Deferred gain on sale and leaseback assets	123,902	121,365
Borrowings	4,231,416	2,971,544
Lease liabilities	1,758,846	1,734,320
Derivative financial instruments	20,497	10,881
Current tax liabilities	653,031	532,947

Liabilities classified as held-for-sale

Total current liabilities

Net current liabilities

	As at	
	31/12/2021 RM'000	31/12/2020 RM'000
	222,747	141,663
	5,060,933	4,362,395
	121	-
	65	138,113
	109,514	97,610
	6,969,352	7,194,254
	12,362,732	11,934,035
	47,889	30,593
	12,410,621	11,964,628
	13,555,061	12,001,948
	3,609	3,820
	123,902	121,365
	4,231,416	2,971,544
	1,758,846	1,734,320
	20,497	10,881
	653,031	532,947
	20,346,362	17,376,825
	6,344	17,156
	20,352,706	17,393,981
	(7,942,085)	(5,429,353)
	52,197,724	50,567,768

## Financial Review

### Group Financial Snapshot

Demonstrating resilience and readiness to meet with growing data demand, connectivity and digitalisation needs across its footprint, the Group closed its financial year ended 31 December 2021 (FY2021) on a steady footing, demonstrating robust operational performance against a challenging external environment.

Focused execution of the Axiata 5.0 Vision aimed at strengthening the Group's foundations to position for the digitally accelerated environment yielded strong organic growth in revenue and EBITDA, and increased profits for the year.

#### Revenue

- Group revenue improved by 7.0% to RM25,900.7 million for FY2021 with growth across all Operating Companies (OpCos) except for Ncell
- Key growth drivers are as follows:
  - Growth in prepaid and MVNO business at Celcom
  - Higher data contribution at XL Axiata
  - Growth across core business lines for Dialog
  - 4G leadership in Robi
  - Higher data subscribers at Smart
  - New tower builds in major markets of Bangladesh and Malaysia for edotco
  - Improvements in its customer engagement business at ADA
  - Boost's acquisition of new users and merchants

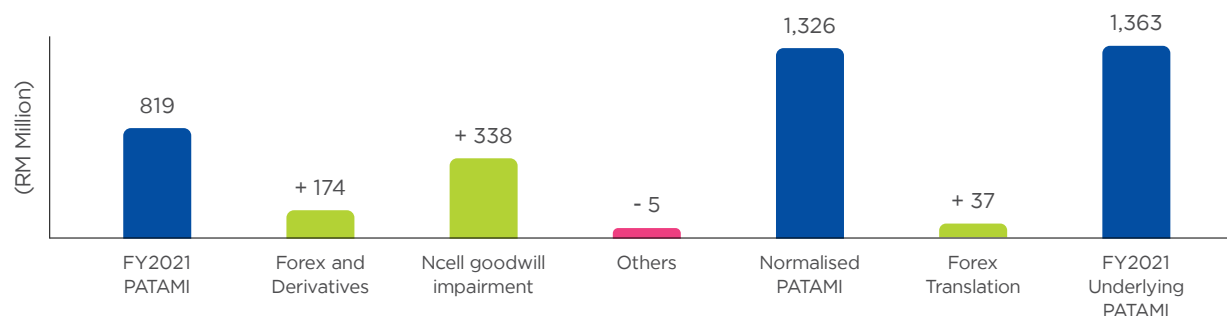
#### EBITDA

- Group EBITDA increased by 7.0% to RM11,404.0 million with improvement from all OpCos except Ncell
- Growth in EBITDA was mainly driven by higher revenue and diligent cost management

#### PAT/PATAMI

- Group PAT and PATAMI both increased by more than 100% to RM1,276.9 million and RM818.9 million respectively mainly driven by higher top lines, lower depreciation and amortisation and asset impairment, and lower finance costs, which were partly offset by higher foreign exchange losses from financing activities, higher taxes and one-off impairment of Ncell's goodwill amounting to RM338.4 million
- In FY2021, there were lower one-off gains compared to FY2020 when XL Axiata recognised a one-off gain on sale and leaseback of telecommunication towers amounting to RM444.2 million (PATAMI: RM294.8 million)
- Adjusting for one-off items mainly from impairment of Ncell's goodwill, gains on foreign exchange and derivatives, Group normalised PATAMI for FY2021 stood at RM1,325.6 million

#### Bridging of 2021 PATAMI to normalised/underlying<sup>1</sup> PATAMI



<sup>1</sup> Numbers are based on constant currency

#### Cost Optimisation

The Group's Cost Excellence Programme incrementally delivered RM2.0 billion in cost savings and avoidance in FY2021 with over 500 unique Group-wide initiatives completed.

- The savings comprised of capital expenditure (capex) of RM1.3 billion and operating expenses (opex) of RM0.7 billion across various functional areas, with the most significant savings derived from Network and IT through strategic negotiations with vendors and suppliers
- Other cost improvements included optimisation of business operations, sales and marketing and new subscriber acquisition. This involved digitisation, simplification and automation of various business processes for sustainable efficiency results. Increasingly more share of savings were delivered through sustainable efficiency measures as in the past
- The Cost Excellence Programme continued to drive efficiencies throughout the Group, in line with Axiata's target to become the lowest cost producer of data in all operating markets

## Financial Review

### Group Financial Position

As at 31 December 2021, the Group's financial position remained robust with a healthy cash balance at RM7.0 billion and gross debt to EBITDA of 2.6x.

#### Total equity stood at RM25.1 billion

- Total equity increased by RM1.2 billion
- Increase in equity balance was mainly contributed by:
  - Profit of RM1.3 billion
  - Currency translation gains of RM303.6 million as a result of weakening of MYR against OpCos' local currencies
  - Dilution of equity interest in subsidiaries of RM246.3 million mainly from restructuring of digital businesses
  - Partial disposal of a subsidiary of RM421.9 million
  - Increase was partially offset by dividends to shareholders and non-controlling interest of RM1.0 billion

#### Total assets balance stood at RM72.6 billion

- Total assets increased by RM4.6 billion
- Property, plant and equipment (PPE) increased by RM2.5 billion resulting from the following:
  - Additions in FY2021 of RM7.2 billion mainly due to XL Axiata's accelerated capex and backlog capex at edotco
  - Acquisition of subsidiaries amounting to RM247.3 million
  - Currency translation gains of RM99.7 million
  - Increase was partially offset by depreciation during the financial year amounting to RM5.0 billion
- Right-of-use assets (ROU) increased by RM464.3 million mainly due to:
  - Additions in FY2021 amounting to RM2.1 billion mainly from XL Axiata, edotco and Celcom
  - Currency translation gains of RM115.7 million
  - Increase was partially offset by depreciation during the financial year of RM1.7 billion
- Intangible assets increased by RM1.1 billion, mainly driven by:
  - Goodwill and other intangible assets recognised from acquisition of subsidiaries of RM1.7 billion
  - Acquisition of spectrum licences and others during the financial year of RM405.6 million
  - Increase was partially offset by amortisation amounting to RM861.3 million and one-off impairment of Ncell's goodwill of RM338.4 million
- Increase in total assets was partly offset by reductions in deposits, cash and bank balances by RM224.9 million

#### Total liabilities stood at RM47.5 billion

- Gross liabilities increased by RM3.4 billion
- Trade and other payables increased by RM1.4 billion due to higher capex spending at XL Axiata and renewal of spectrum licences at Robi
- Gross borrowing (excluding lease liabilities) increased by RM1.3 billion mainly due to drawdown of loans to finance the acquisition of a subsidiary in edotco
- Lease liabilities increased by RM542.4 million. Total additions during the year amounted to RM2.0 billion, mainly due to new sites rolled out in XL Axiata and edotco, which was partly offset by lease payment of RM1.5 billion

#### Capital Investments

- The Group incurred capex investment of RM7.2 billion at 27.9% capex intensity to support its continuous growth. These investments were mainly sourced from internal funds. The spend was in line with the Axiata 5.0 Vision to become The Next Generation Digital Champion by 2024
- Whilst uncertainties arising from the pandemic/endemic and consequent macro economic challenges, government policies and regulatory risks in our footprint markets remain in 2022, Axiata will continue with the momentum already built in the Group-wide execution of Axiata 5.0, that is anchored upon:
  - **Sustainable Growth:** Position for the 'New Norms' through opportunistic investments, to continue OpCos transformation agenda and extract value from the new growth areas of Enterprise, Home and Digital Value-Added Services (VAS)
  - **Operational Excellence:** Realise our goal of becoming a low-cost producer through the 'Collective Brain' engagement model; supported by Group-wide digitalisation and analytics initiatives
  - **Structural Changes:** Continued execution of Portfolio Optimisation and Value Illumination. Some of the transactions in the pipeline may have short to medium term impact but will be long term accretive to the Group

#### Cash Position and Dividends

- The Group's cash balance stands at RM7.0 billion
- As a result of strong performance supported by a resilient balance sheet and healthy cash balance, the Board of Directors approved a total dividend of 9.5 sen per ordinary share (FY2020: 7.0 sen per ordinary share) which translates to a 66% dividend payout ratio

#### Capital Structure and Capital Resources

- The Group's debt to equity gearing ratio (total borrowing including lease liabilities over total shareholder's equity) stood at 1.6x as at 31 December 2021

#### Capital Allocation and Balanced Portfolio

- The Group is on track to be a "High Dividend Company"
- The aspiration to pay more than 20 sen DPS by 2024 to be delivered via disciplined execution of ongoing and planned initiatives
- Towards ensuring a balanced portfolio, the Group is focusing on portfolio optimisation and value illumination by increasing growth rate and valuation multiple

## Financial Review

### Key Performance Indicators

On 25 February 2021, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2021. The Group's 2021 Headline KPIs announced were as below:

Revenue Growth<sup>2</sup>

EBITDA Growth

FY 2021 Achievement	FY 2021 Headline KPIs	FY 2021 Achievement
@ Actual currency	@ Constant rate <sup>1</sup>	
6.8%	Low single digit	8.3%
7.0%	Low single digit	8.5%

Notes:

<sup>1</sup> Constant rate is based on FY20 Average Forex Rate (e.g. 1 USD = RM4.202)

<sup>2</sup> Revenue is based on revenue excluding device (revenue ex-device)

Despite another challenging year arising from the COVID-19 pandemic, the Group posted a strong set of results in FY2021 on the back of higher contribution across all OpCos (except for Ncell in Nepal), digital businesses and infrastructure. Underlying profit improved, driven by growth in EBITDA, lower net finance cost and narrowed losses at digital businesses, moderated by the impact of accelerated depreciation of 3G assets.

Year on year, Celcom in Malaysia recorded strong revenue recovery in tandem with positive subscriber momentum, while EBITDA improved from cost optimisation initiatives. XL Axiata in Indonesia registered low single digit revenue growth amidst heightened competitive pressures and EBITDA margin remained healthy. Robi in Bangladesh and Smart in Cambodia benefitted from higher data contribution in tandem with higher data subscribers and usage, leading to high single digit revenue growth. Dialog in Sri Lanka achieved double-digit growth in revenue and EBITDA, with higher contribution across all segments of mobile, fixed and TV. Ncell in Nepal faced challenges in the international long-distance business, prolonged lockdowns and increased competition although diligent cost management led to improvement in EBITDA margin.

Our digital businesses focus on two business verticals namely Digital Financial Services via Boost and Data and Artificial Intelligence via ADA. Positively, Boost posted lower losses driven by lower marketing expense whilst ADA recorded its third consecutive year of profit, benefitting from the acceleration of digital marketing transformation amongst enterprises. Our regional tower company edotco also recorded good performance driven by improved contribution from new tower builds in its major markets of Bangladesh and Malaysia.

Overall, the Group posted revenue ex-device growth of 6.8% and EBITDA growth of 7.0% in FY2021. Against headline KPIs at constant rate<sup>1</sup>, the Group exceeded targets of low single digit growth for both metrics with 8.3% growth in revenue ex-device and 8.5% growth in EBITDA.

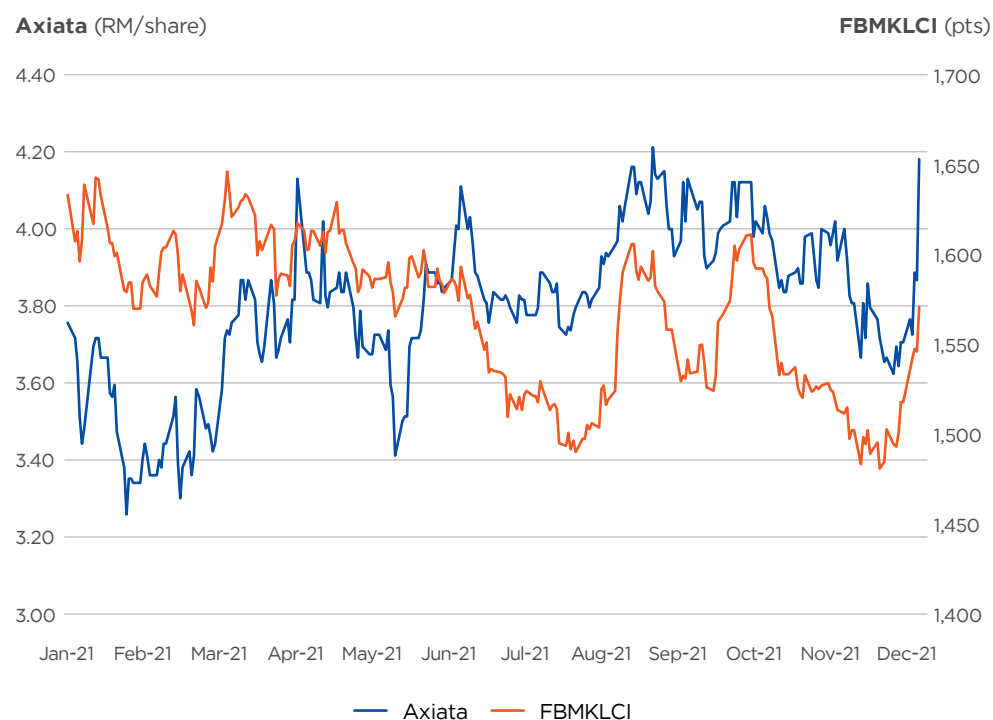
## Our Share Price Performance

In FY2021, Axiata's share price rose 11.2% to end the year at RM4.16, outperforming the local benchmark index FTSE Bursa Malaysia KLCI (FBMKLCI) which declined 3.7% to 1,567.53. Axiata's market capitalisation improved to RM38.2 billion on 31 December 2021 from RM34.3 billion on 31 December 2020, closing the year as the ninth largest company on FBMKLCI. In terms of foreign shareholdings, the figure inched up to 10.9% as at end 2021 compared to 10.4% in the preceding year.

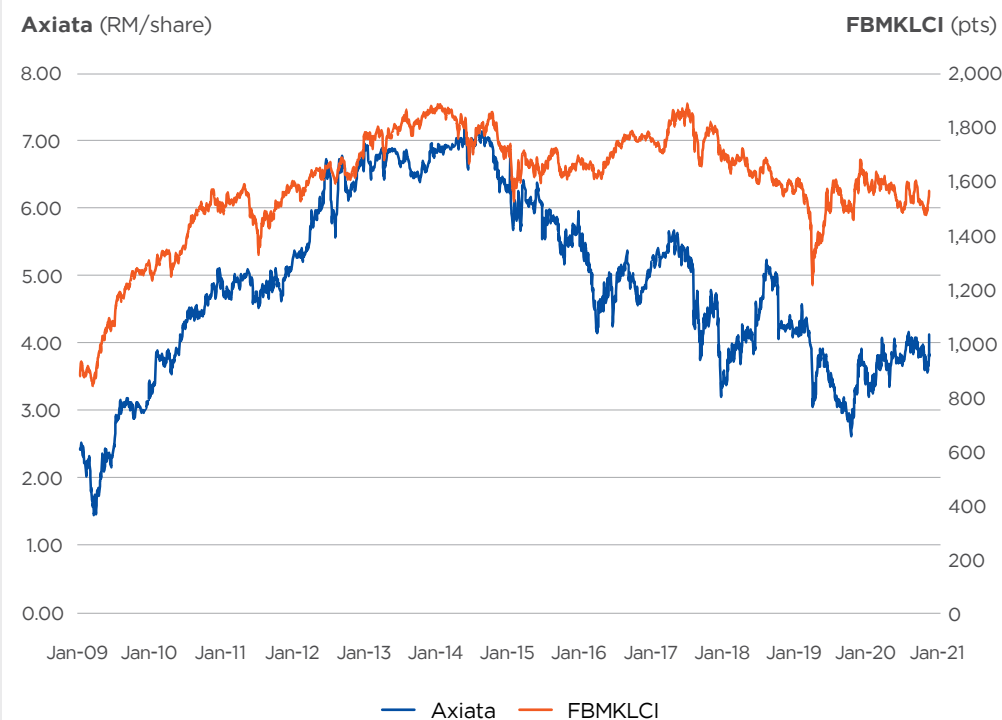
Share price performance for the year was largely driven by positive sentiment arising from the announcement of the proposed merger between Celcom Axiata and Digi in April 2021, supported by strong earnings delivery throughout the year. Other major announcements include the formalisation of a joint bid for digital bank licence in Malaysia by Axiata and RHB in June 2021, and the proposed acquisition of Link Net by Axiata and XL Axiata in July 2021.

From 2009 to 2021, Axiata's share price had increased by 69%.

### Share Price Performance (2021)



### Share Price Performance (2009 - 2021)



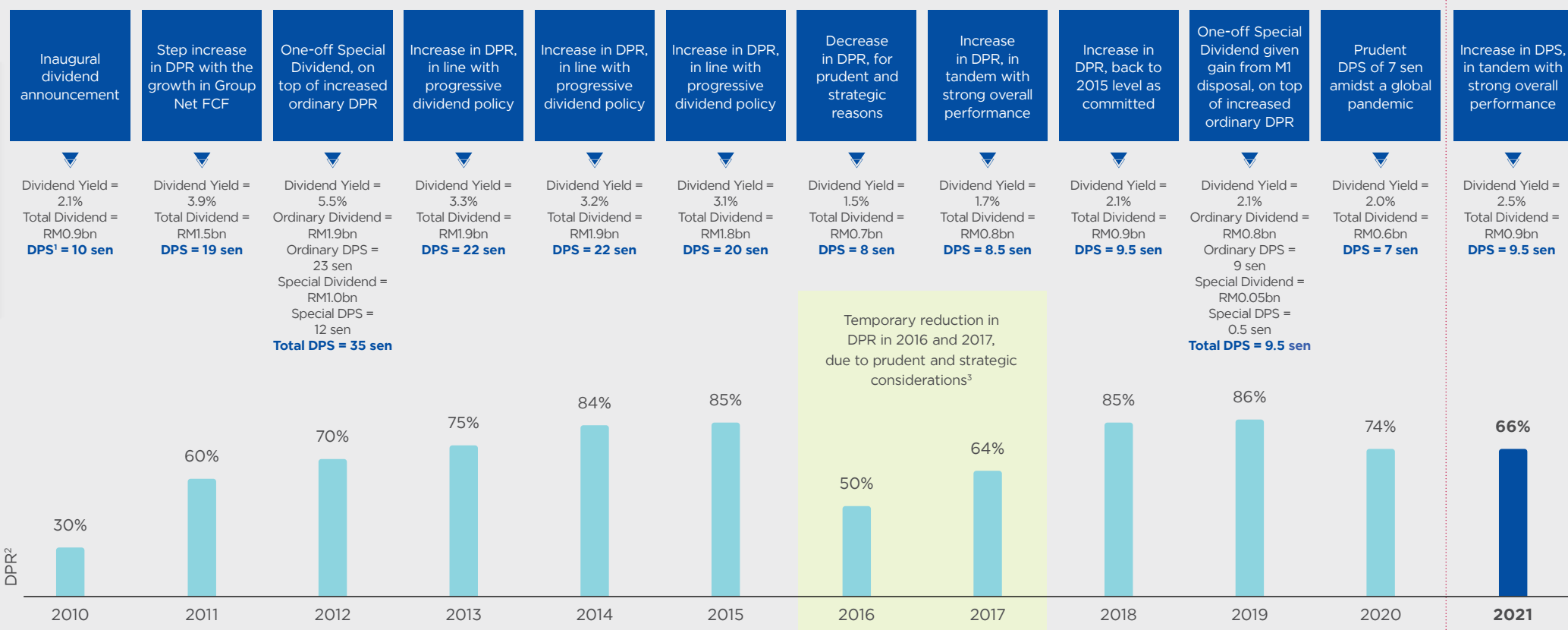
## Our Dividend Policy

Supported by robust performance in FY2021 and a healthy balance sheet, Axiata announced a second interim dividend of 5.5 sen per share in February 2022, bringing full year dividend declared for the financial year ended 31 December 2021 to 9.5 sen per share. This includes a first interim dividend of 4.0 sen per share paid in September 2021. The FY2021 dividend per share (DPS) of 9.5 sen is higher than FY2020 DPS of 7.0 sen, and translates to a dividend payout ratio (DPR) of 66%.

The Board remains committed to our dividend policy whereby the Company intends to pay dividends of at least 30% of its consolidated normalised PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

Axiata continues to focus on executing the 10 Key Focus Areas of the Axiata 5.0 Vision to deliver high and sustainable dividends for our shareholders.

### PRUDENT AND DISCIPLINED DIVIDEND PAYOUT



<sup>1</sup> DPS – Dividend per share

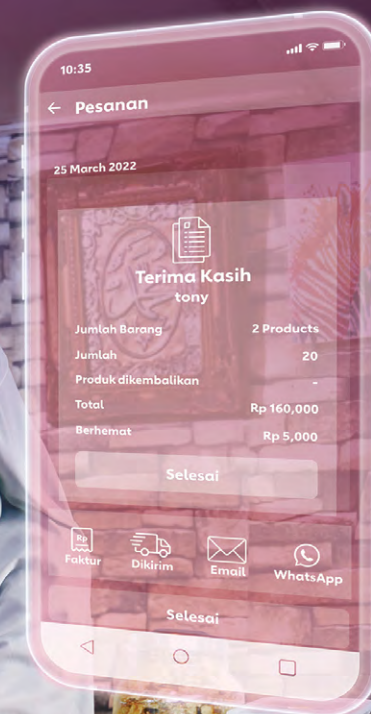
<sup>2</sup> DPR – Dividend payout ratio excluding special dividend

<sup>3</sup> The Group announced lower DPR in 2016 and 2017 based on two reasons. First, for prudent reasons, to mitigate against impacts of volatile forex and regulatory risk. Second, for strategic reasons, to enable 4G/data leadership investments as well as for possible mergers and acquisitions (M&A) exercises in the areas of market consolidation. Axiata reverted to DPR of 85% in 2018.

## Advancing The Digital Economy

Enabling merchants to leverage the digital economy via mobile transactions spanning customer orders, inventory and supplier management, as well as access to supply chain financing

**BOOST INDONESIA**

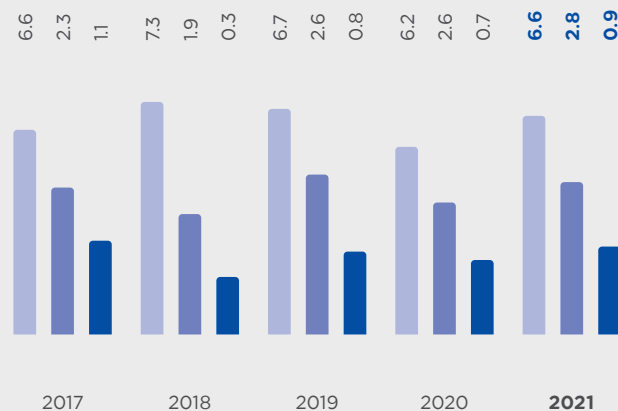


Our Operating Companies

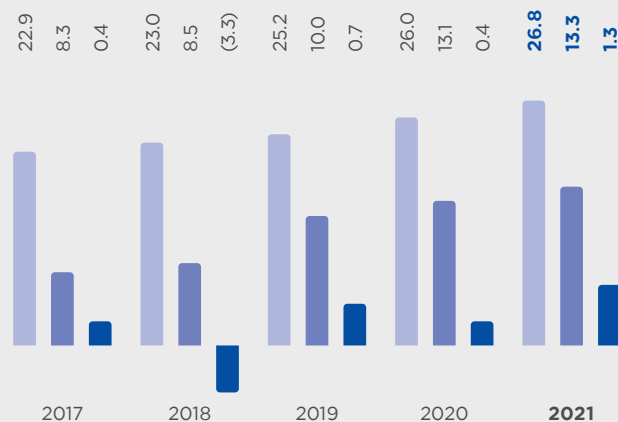
## 2021 Overview Of Digital Telcos' Performance

Reporting By Geographical Location<sup>1</sup>

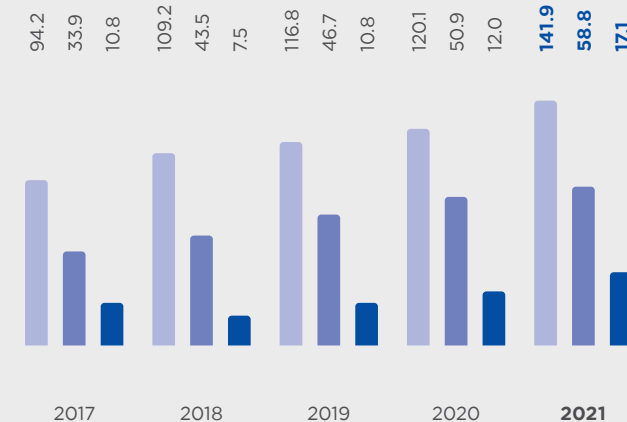
Malaysia (RM billion)



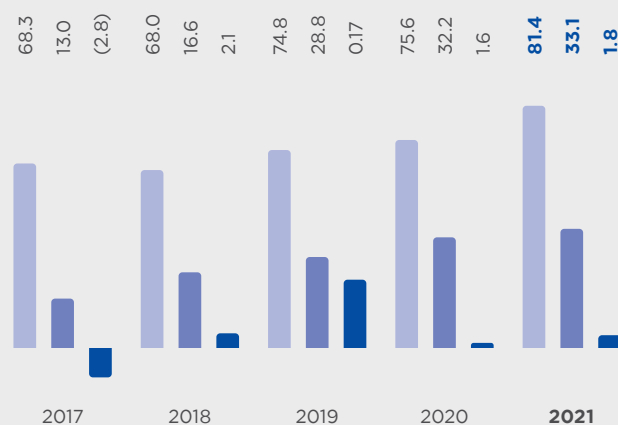
Indonesia (IDR trillion)



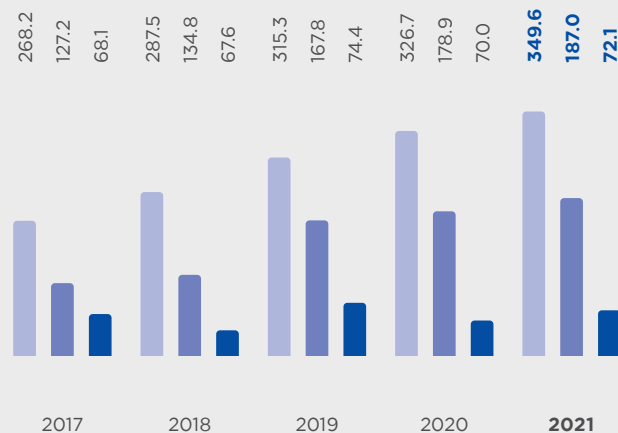
Sri Lanka (SLR billion)



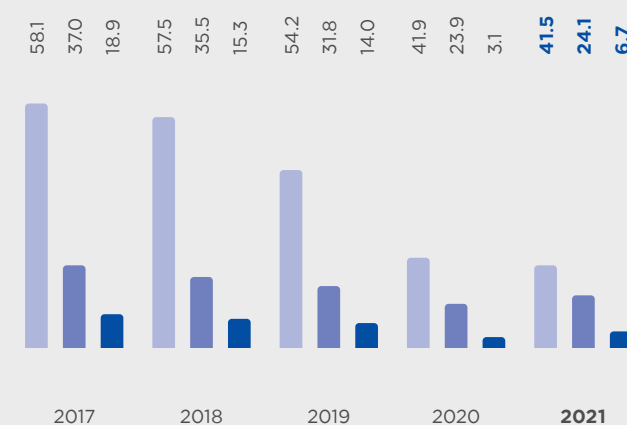
Bangladesh (BDT billion)



Cambodia (USD million)



Nepal (NPR billion)



Notes: 2019 financial numbers are post International Financial Reporting Standards (IFRS) 16 (except for Indonesia, which is only from 2020)

<sup>1</sup> Axiata's reporting by geographical location is conducted for its Digital Telcos: Celcom, XL Axiata, Smart, Dialog, Robi and Ncell

<sup>2</sup> 2017 figures have been restated to exclude edotco Cambodia's results, for like to like comparison with 2018 figures

<sup>3</sup> Nepal's financial numbers are based on financial year ended mid (15th/16th) December through the years 2017 to 2021

<sup>4</sup> Cambodia's Revenue are pre IFRS 15 for the years prior to and up to 2019, 2020 and 2021 Revenue is post IFRS 15



## Malaysia

**Year of Investment/  
Shareholding:**  
2008/100%

**Nature of Business:**  
Mobile Telecommunications

**Customers:**  
9.6 million

**Technology Deployed:**  
Mobile:  
GSM/GPRS/EDGE, 3G/HSPA+,  
LTE/LTE-A/VoLTE

**Fixed Network:**  
FTTx, WTTx

**No. of BTS:**  
2G : 10,758  
3G : 6,754  
4G : 28,384

**Network Coverage  
(by population coverage)**  
2G : 95.22%  
3G : 73.41%  
4G : 94.46%



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



Scan QR code to visit  
Celcom's website



**Datuk Idham Nawawi**  
CEO of Celcom Axiata

2021 was a challenging year but Celcom remained agile and resilient to future-proof our business and meet the increasing demand for digitalisation during the pandemic. We addressed our customers' reliance on our network to always remain connected while staying safe at home by introducing innovative and affordable products, and special relief initiatives during difficult times. Additionally, Celcom collaborated with various partners to deliver cutting-edge solutions to drive digital transformations across Malaysian enterprises. Major floods impacted certain parts of Malaysia late last year that caused huge losses to many Malaysians. Celcom worked quickly to restore affected services and allocated RM2 million for flood relief assistance to assure Malaysians that they could depend on us during times of crisis.

Celcom continued to invest in network improvement initiatives to provide reliable services and consistent experience with our widest network coverage across the country including Sabah and Sarawak, in line with Jalinan Digital Negara (JENDELA)'s objectives. We will remain committed on investing in digital capabilities to offer growth opportunities for businesses, improve our consumers' quality of life and stimulate Malaysia's economic development, which includes the anticipated 5G roll out. This supports our vision to enable digital inclusivity and become the nation's Most Inspiring Digital Organisation.

## Financial Review

- Strong recovery through subscriber additions of **> 900,000 subscribers** in prepaid and postpaid segments
- Profitability grew faster than revenue and **PATAMI improved > 5x of revenue**
- Revenue increased 6.5%** with double-digit growth in prepaid revenue and robust postpaid performance
- EBITDA, excluding one-off impact of Employee Restructuring Programme in 2020, **increased by 5.8% through revenue** and improved cost management
- PATAMI increased 39.2%** due to lower net finance cost and one-off gains

## Revenue (RM billion)



## Customers (million)



## EBITDA (RM billion)



## Blended ARPU (RM)



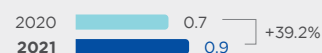
## EBITDA Margin (%)



## Smartphone Penetration (%)



## PATAMI (RM billion)

Data Usage (Per Data Sub  
Per Month) (GB)

## ESG Highlights



Holistic energy management approach covering our network, facilities, retail stores and offices

Reduced energy consumption by implementing 52 Conversion Power Supply sites and 158 Advanced Metering Infrastructure sites, and decommissioning 63 diesel Standby Genset sites

Rolled out sustainability training for employees covering topics such as climate action, energy transition and carbon footprint management to enhance their knowledge

Organised awareness programmes highlighting climate issues with more than 700 attendees from across the industry and worldwide

Industry representation by Celcom CEO at the CEO Action Network (CAN): Telecommunications Sector Round Table Series 2021, and representing Axiata Group at Malaysia Climate Action Week 2021 to advocate for sustainability



~ 300,000 people benefitted from ~ RM8 million of CSR initiatives such as Bantuan Komuniti Prihatin, Digitalpreneurs, Siswapreneurs and Tuisyen Pintar among others

BeBozz provided opportunities to Malaysians to become digital entrepreneurs - onboarded 35 entrepreneurs and conducted training sessions for 213 students

Launched digital food pack initiative, Bantuan Komuniti Digital for the B40 segment which provided Boost Wallet top ups to spend on local stores

Enhancing women's digital skills via Ibu Digital, Digitalpreneur @ Lembah Subang, Google Bootcamp, CYDIP Teacher's Webinar Series and CYDIP Students Competition



Robust Anti-Bribery and Anti-Corruption (ABAC) culture through the implementation of ABAC Policies and Procedures, The Blue Spirit (Code of Conduct), Gifts, Donations & Sponsorships Policy & Procedures and Supplier Code of Conduct

Conducted ABAC training and awareness programmes for our employees and vendors/suppliers

Strengthened data privacy through the implementation of the data privacy roadmap

Strengthened cyber security through the Celcom Corporate Information Security and Celcom Telecom Network Security Policy, and enhanced cyber security risk management based on ISO 27001 for information security management systems and National Institute of Standards and Technology (NIST) cyber security frameworks

## Celcom Axiata Review

### Awards Highlights

#### Frost & Sullivan Best Practices Awards 2021

- Excellence in Customer Experience - Telecommunications Industry Malaysia - Online Experience
- Excellence in Customer Experience - Telecommunications Industry Malaysia - Contact Center Experience

#### Asia Responsible Enterprise Awards (AREA 2021)

- Social Empowerment Category - Digital Entrepreneurship and Equity in Education

#### Frost & Sullivan Institute - 2021 Enlightened Growth Leadership

#### Business Media International (BMI)

- VISA Sustainable Brand Award 2021

#### International Business Review ASEAN Awards 2020

- Corporate Excellence Award - ICT & Telecommunications Sector

### Operating Environment

- Heightened competition as telcos attempted recovery from COVID-19 setbacks
- Increased data usage as customers used mobile devices and network as primary digital access
- Surge in digital use with Work-From-Home (WFH) and e-learning
- Industry shift to unlimited data model in line with demand for more data at lower prices
- The Government driving Malaysia's transformation into a digitally nation through MyDigital, JENDELA and the acceleration of 5G

### Business Review 2021

- Celcom invested approximately RM1 billion into network and systems to support the 1.8 million subscriber and data traffic growth since the pandemic began in 2020
- Unprecedented double-digit growth in Prepaid revenue, PATAMI and Subscribers despite challenging market climate
- Expanded Home fibre presence, with strong YoY growth of > 2x growth in base and > 150% in revenue
- Non-Mobile grew > 5% driven by M2M and Enterprise SMS
- Maintained network resilience as data and voice traffic increased in tandem with robust customer acquisition
- Improved customer experience via enhanced coverage and capacity upgrades
- Enhanced Enterprise proposition with two acquisitions – Infront for Cloud services and managed networks capabilities and Bridgenet for cyber security and networking solutions
- Advanced on 5G:
  - Completed full Proof of Concept tests on Converged Core functionality
  - Completed 5G core readiness upgrade
- Conducted Malaysia's 1st Voice over 5G New Radio trial calls
- Celcom and Huawei deployed the world's first large scale Frequency Division Duplex (FDD) Smart 8T8R Network
- Synergistic 5G partnerships with:
  - Huawei to develop Smart Solutions for Sunway City
  - LG Uplus and Media Prima to deliver 5G content and services
  - PLUS to elevate mobility and connectivity experience
  - Cyber security to spearhead initiatives in understanding, leaning, managing, mitigating and reducing 5G security threats
- Robust bad debt management, disciplined cost optimisation, cost control and capital allocation
- Delivered > RM350 million in cost savings through the Collective Brain (CB)
- Achieved RM1.5 billion in transaction value through digitisation and analytics as enablers to develop new enhanced features such as multiple payments
- Celcom Life App remained highest rated amongst peers on Google Playstore and iOS
- Focused on finalising Celcom-Digi merger

### Outlook for 2022 and Beyond

- Expect limited growth in mobile market, with declining data yield
- Celcom will continue to play an active role in driving the implementation of MyDigital, JENDELA and accelerate 5G
- Accelerate from a mobile-centric to a convergence-centric organisation, from limited connectivity play to a comprehensive Enterprise services organisation, and from traditional mobile model to a digital operating model, embedding analytics and AI
- Drive seamless convergence experience and propositions across all channels and segments as growth engine
- Deepen digitalisation efforts to fulfil customer needs and address pain points whilst driving cost optimisation
- Evolve retail and distribution channels towards digital channels and optimisation of existing channel mix
- Broaden and deepen Enterprise service portfolio with new vertical industry solutions and lead innovations in IR 4.0 and 5G
- Continued focus on M&A and key partnerships between service providers and a wider ecosystem of technology companies
- Grow digital Value-Added Services through strategic regional and global content partnerships to increase wallet share and drive higher customer engagement
- Implement Phase 2 of Digital Stack Transformation to enable nimble operations and go-to-market agility
- Continue enhancing cost and operational efficiency by transforming cost base to deliver improvements in EBITDA and PATAMI
- Implement Flexible Working Arrangement (FWA) for employees
- Continue building core and future competencies towards building a high performing organisation



## Indonesia

**Year of Investment/  
Shareholding:**  
2005/61.48%

**Nature of Business:**  
Mobile

**Customers:**  
57.9 million

**Technology Deployed:**  
Mobile:  
GSM, GPRS, EDGE, 3F, HSPA+,  
DC-HSPA+, 4G LTE, 4.5G

**No. of BTS:**  
2G/3G: 85,078  
4G: 77,204

**Network Coverage  
(by population coverage)**  
2G Population coverage: > 92%  
3G Population coverage: > 94%  
4G Population coverage: > 96%



**Dian Siswarini**  
President Director of  
XL Axiata

I am pleased to say that XL has consistently maintained and improved upon its performance in 2021, by digitising ourselves and transforming our business on an end-to-end basis. This strategy aligned with our vision of becoming the #1 Converged Operator, and was successful in helping the company manage and maintain business continuity in an environment that was greatly disrupted by the pandemic. We also had a strategy in place to mitigate intense competition by focusing on our customers. Customer centricity is vital to the success of the company.

Not only did we try to provide the best services and products for our customers, we truly focused on our Customer Experience, particularly in Digital. We also ensured that network performance remained strong as well. This strategy of Customer Experience was what set us apart from our competition. Instead of merely looking at what our competitors were doing, we went one step further and focused on what our customers needed. It was this focus on the customers that enabled us to finish 2021 on a strong note.

## Financial Review

- **Revenue growth of 3%**, the fifth year in a row that XL outperformed the market
- **Ex-device revenue rose 2.7%** with a 5% increase in data contribution
- Average Revenue Per User (ARPU) was stable at **IDR36,000**
- **EBITDA increased 1.7%** moderated by higher sales and marketing expense to improve distribution channels
- **PAT rose > 100% to IDR1.3 trillion**, the highest since 2013, from EBITDA flow through, boosted by lower depreciation and amortisation from 3G sunset in 2020 and lower net finance cost

### Revenue (IDR trillion)



### Customers (million)



### EBITDA (IDR trillion)



### Blended ARPU (IDR thousand)



### EBITDA Margin (%)



### Smartphone Penetration (%)



### PAT (IDR trillion)



### Data Usage (Per Data Sub Per Month) (GB)



## ESG Highlights



**Modernising indoor BTS RAN devices using air-conditioning (AC) to outdoor devices which reduces electricity consumption**

**Managing energy use at the workplace** by setting operating hours for AC and electricity use, and using automatic timed electrical switches

**Promoting video conferencing meetings** instead of face-to-face meeting to reduce business trips, contributing to a smaller carbon footprint



**Improved customer convenience** by implementing the Zero Touch Operation platform including network management automation as part of digital transformation strategy

**Collaborated with Huawei to bridge the digital divide in remote areas** by testing wireless broadband solution Huawei RuralStar Pro

**Contributing to promote gender equality** by participating in the international forum of the G20 Empowerment and Progression of Women's Economic Representation (Empower)



**Improved customer data protection** by collaborating with Helios Data to implement Secure Data Sharing technology

**Enhanced data security** via implementation of Data Leakage Prevention Procedures and Data Sharing Procedures for internal and external parties

**Enhanced risk management** by implementing new Anti-Bribery and Anti-Corruption and Gifts, Donations and Sponsorships Policy and Procedures

**Elevated cyber security** by operationalising end-to-end National Institute of Standards and Technology Cyber security Framework



Scan QR code to visit  
XL's website

## XL Axiata Review

### Awards Highlights

#### Won 2 awards at WOW Brand Indonesia 2021, MarkPlus, Inc.

- Live.on - Digital Operator category
- XL Axiata - Cellular Operators category

#### Lauded as

##### 'The Best in Building Digital Transformation'

at the TOP Digital Company Awards 2021 by Marketing Magazine

#### Recognised for innovative use of Big Data at Asosiasi Big Data & AI (ABDI) Award 2021

- Best Data Technology for Smart Intelligent City
- Best Data Governance for Enterprise Data Protection Excellence

#### Selular Award 2021, Selular

- Most Innovative Data Package for "XL SATU Fiber"
- Best Home Internet for XL Home

#### Best Public Company Award 2021, Warta Ekonomi

- "Indonesia Best Public Company 2021 with Prudent Trading Share" for the category of Infrastructure, Utilities and Transportation, sub-category of Telecommunication

#### Indonesia Customer Service Quality Awards 2021 by SWA Media Group

- Cellular Operator Service Center for XL Center
- Cellular Operator Apps for myXL

#### Gold Champion in the Corporate Social Responsibility Programme

category at the Bisnis Indonesia Corporate Social Responsibility Award (BISRA) 2021 by Bisnis Indonesia & Habitat for Humanity Indonesia

#### Robust governance recognised at the Indonesian Institute for Corporate Directorship Corporate Governance Award 2021

- Top 50 Big Capitalisation Public Listed Companies
- Best Non-Financial Sector for Big Capitalisation Public Listed Company

### Operating Environment

- Intense price competition as consumer wallet reduced
- Data usage heightened with WFH and digital lifestyles
- Slight recovery in data pricing in the second half of 2021 as competition rationalised
- Remote working dominated business operations
- Positive regulatory environment geared towards supporting communities through the pandemic

### Business Review 2021

- Launched 5G trials in 15 key urban population centres across Indonesia, including Bali, Medan, Makassar and Yogyakarta
- Continued to aggressively roll out 4G network, and added 23,000 4G BTS in 2021, to increase BTS count to > 162,000 across 458 cities and areas
- Accelerated digital propositions resulting in Monthly Active Users (MAU) growth of +67% for XL and +39% for AXIS
- Introduce 1st convergence proposition, towards becoming leading convergence player in Indonesia
- Strong YoY growth in Enterprise and Home segments
- Launched digital proposition for Home segment
- Initiated omnichannel customer care transformation and significantly shifted from traditional to digital traffic
- Drove efficient cost management through Operational Excellence
- Leveraged on Collective Brain (CB) to record 55% cost savings YoY
- Employee productivity improved +5% YoY
- Partnered with high-speed broadband and cable TV operator Link Net to sustain competitive positioning and ensure profitable growth
- Acquired 51% stake in local service provider Hipernet to expand Enterprise customer coverage and strengthen product offerings

### Outlook for 2022 and Beyond

- Expectations for price competition to rationalise with industry consolidation as a result of Indosat and Hutchinson merger
- With WFH and hybrid work as the new norm, data usage expected to grow
- 5G spectrum auctions to be held in 2022 ahead of full 5G commercial roll out
- In 2022, the focus will be on scaling up its convergence offering, which XL has started in 2021 with the launch of "XL Satu" the first of its kind converged offering in the Indonesian market
- Consolidation of the industry is a positive and with less market players, the focus will move away from pricing and be more on Customer Experience of which XL intends to play its part with its continued network investment and digitalisation initiatives.
- XL will also focus on growing its contributions from the Enterprise segment through a more complete offering and opportunities for further revenue growth in ex-Java regions which have been performing well and increasing its overall contributions to XL's business.
- XL to expand 5G coverage to provide best customer experience
- Finalise the Link Net acquisition and leverage on synergies to drive growth
- Boost Enterprise growth via strategic partnerships to becoming leading ICT player
- Focus on convergence by scaling up Home offerings
- Retain focus on cost management via operational efficiencies, and digitalisation and automation
- Drive further improvements via CB
- Enhance digital propositions in end-customer and distribution channels
- Become an AI-powered organisation
- Continue building an agile organisation with high employee engagement and productivity levels



## Sri Lanka

**Year of Investment/  
Shareholding:**  
1995/82.74%

**Nature of Business:**

Communication Services,  
Telecommunications Infrastructure  
Services, Media and Digital  
Services including Financial  
Services and Dialog Enterprise

**Customers:**

17.6 million

**Technology Deployed:**

Mobile:  
GSM/EDGE, 3G/HSPA+,  
LTE/LTE-A, 5G Pilot  
Fixed Network:  
FTTx, DOCSIS, LTE, WIFI, Wibas

Media:  
IPTV, DTH (Satellite TV), ViU mini  
(Android Stick), ViU Hub 2.0  
(Android TV)

**No. of BTS:**

2G: 5,187  
3G: 3,327  
4G Mobile Broadband: 4,667  
4G Home Broadband: 2,476

**Network Coverage  
(by population coverage):**

2G: 98.37%  
3G: 87.50%  
4G Mobile Broadband: 95.10%  
4G Home Broadband: 70.60%



Scan QR code to visit  
Dialog's website



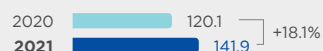
**Supun Weerasinghe**  
Director/Group CEO of  
Dialog Axiata

Dialog is pursuing Axiata's shared aspiration of becoming the Next Generation Digital Champion by 2024. Guided by our purpose of Empowering and Enriching Sri Lankan Lives and Enterprises, we are striving towards creating sustainable digital ecosystems across our footprint to benefit all our stakeholders. We are confident that our long-term strategies,

investments in latest technology and infrastructure combined with agility, will accelerate our journey towards positioning Dialog Axiata as the Next Generation Digital Champion in Sri Lanka. We remain committed to transforming our country, underpinned by inclusive and equitable access to technology.

**Financial Review**

- Delivered double-digit growth, as revenue improved by 18.1% driven by higher contributions across all segments of Mobile, Fixed and TV
- Growth supported by the acquisition of Enterprise ICT service provider H One in January 2021
- PATAMI increased 41.8% as a result of increased EBITDA and lower net finance cost

**Revenue (SLR billion)****Customers (million)****EBITDA (SLR billion)****Blended ARPU****EBITDA Margin (%)****Smartphone Penetration (%)****PATAMI (SLR billion)****Mobile Data Usage (Per Data  
Sub Per Month) (GB)****ESG Highlights**

**Deployed solar powered sites in tower locations.** Site in Chavakachcheri was the 1st 100% solar dependent tower site

**137 sites converted to solar,** which run on a hybrid of solar and grid or other source of electricity

**Commenced E-Kunu,** our eWaste and general waste recycling project

**Partnered with Ministry of Environment on "Husma Dena Thuru"** initiative to create awareness and inculcate a culture of preservation and urban forestry across Sri Lankan homes

**The 1st quad play telco in South Asia** to obtain the ISO 14001: 2015 certification in environmental management in June 2021



**Partnered with Ministry of Sports and Youth on "Youth Can" project** to help talented youth develop their skills in 6 areas

**Via the "Nenadiri" initiative,** provided Data Scholarships to facilitate 103,478 schoolchildren from 470 schools country-wide with online learning

**Converted all Learning and Development modules to online programmes for internal staff:**

- Total of 3,641 programmes, with 61,087 training manhours
- 405 e-Learning Programmes, with 42,237 training manhours
- 3,236 Online Classroom Programmes, with 18,850 training manhours



**Implemented Anti-Bribery and Anti-Corruption (ABAC) risk register**

**Implemented ABAC Policy, Gifts, Donations, and Sponsorships Policy, and Supplier Code of Conduct** which includes ABAC clauses

**Conducted mandatory training on ABAC, cyber security and data privacy** for all employees

**Genie payment platform received Payment Card Industry Data Security Standards (PCI-DSS) Version 3.2.1 certification** for the 5th consecutive year

## Dialog Axiata Review

### Awards Highlights

#### Brand Finance Sri Lanka

- Most Valuable Brand (3rd consecutive year)
- Most Valuable Telecommunications Brand (14th consecutive year)

#### SLIM People's Choice:

- Telecommunication Brand of the Year (10th consecutive year)
- Youth Choice Brand of the Year (2nd consecutive year)
- Service Brand of the Year (2nd consecutive year)

#### TM Forum Excellence Awards 2021

- Winner - AI, Data & Insights category

#### Ceylon Chamber of Commerce – Best Corporate Citizen | Sustainability Award 2021

- Ranked amongst Top 10 Corporate Citizens
- Economic Contribution Award
- Sector Based Sustainability Champions (Knowledge Service Sector)

**The ISO 14001 Standard** - Dialog Axiata Group is the 1st Quad Play Telco in South Asia to Receive the ISO 14001:2015 Certification

Recognised as the best network for **Speed Leadership, Coverage & Video experience leader** during first and second half of 2021 by Opensignal

### Operating Environment

- Macro uncertainty driven by COVID-19 pandemic and foreign exchange concerns in Sri Lanka
- Competitive industry landscape with aggressive 4G coverage and capacity expansion by competitors
- Mobile data usage grew > 55% for the year and fixed data usage surged > 75% driven by WFH and streaming related data demand

- Multiple initiatives by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) including preliminary steps to implement number portability, public consultation on introducing unified licensing framework and development of guidelines for value added services

### Business Review 2021

- Dialog improved mobile Customer Market Share (CMS) and maintained strong leadership in Data Market Share (DMS) in 2021
- Home Broadband (HBB) achieved CMS leadership in the third quarter of 2021, driven by significant subscriber growth of > 490,000 subscribers during the year
- Dialog TV (DTV) recorded positive PAT for the first time since 2014, supported by rental revision, growth in advertising revenue and aggressive cost management
- Dialog continued to secure key wins in Opensignal's Mobile Network Experience Report 2022 with awards for Video Experience, Games Experience, Voice App Experience, Download Speed Experience, Upload Speed Experience and 4G coverage experience
- Cost transformation programme yielded positive results contributing to cost savings of SLR5 billion via digitisation, tactical initiatives and transformational initiatives
- Accelerated our journey to democratise analytical capability across the organisation via Analytics at the Edge

- Acquired H One Private Ltd, the largest Microsoft enterprise solutions reseller in Sri Lanka, which contributed 13% to Enterprise revenue and recorded 45% YoY growth post acquisition
- Restructured Dialog Digital Services' internal processes and portfolio to better serve fintech, healthtech, edutech and insuretech
  - Rebranded and relaunched Genie App as a comprehensive financial marketplace with multiple financial services including digital payment solutions, digital savings, mutual funds, wealth management, personal financial management and insurance
  - MyDoctor merged with Doc990 to create a wide HealthTech portfolio for customers
- In 2021, Dialog Axiata Digital Innovation Fund (DADIF) invested in Agrithmics, a digital platform connecting small hold farmers to agricultural businesses and financial institutions. To date, DADIF has invested in seven digital start-ups with one exit

### Outlook for 2022 and Beyond

- Sri Lanka is engulfed in an economic and political crisis resulting from the impacts of COVID-19, significant tax cuts and large sovereign debt repayments collectively depleting the limited foreign reserves of the country. As a result, the Sri Lankan Rupee (SLR) depreciated by more than 60% against the USD since mid-March 2022, causing a significant rise in inflation, prolonged power cuts and shortage of essential fuel and medicine
- Dialog is sustaining its operations in this challenging period, and will continue to monitor the situation and respond accordingly
- Key focus areas for 2022 and beyond include prudent financial management to navigate macro uncertainty driven by socio-economic and political crisis, forex depreciation and inflation
- Further expand broadband coverage and capacity to enhance customer experience, and sustain customer market leadership and data market leadership
- DTV to focus on sustaining profitability despite impact of forex depreciation via focus on revenue and cost management
- Continued focus on digital services, including fintech, healthtech, edutech and insuretech verticals
- Focused initiatives to drive Enterprise growth, with emphasis on converged connectivity, work from anywhere solutions, Data Centers, Security, ICT Apps and Analytics for enterprises
- Leverage on H One to further expand on other hyper scale opportunities and grow regionally
- Ramping up digital transformation programme and push towards achieving vision of "zero manual processes" via further automation of sales and front-end functions, and improving digitisation of back-office functions
- Continuously introduce new digital skills such as AI/ML, Big Data Analytics, hyper automation, Cloud computing and cyber security to our employees to achieve business agility and robust growth
- Enhance employee engagement via a leadership engagement blueprint clearly identifying career transitions points for both management and specialised skills



## Bangladesh

**Year of Investment/  
Shareholding:**  
1996/61.82%

**Nature of Business:**  
Mobile Telecom Operator

**Customers:**  
53.7 million

**Technology Deployed:**  
Mobile:  
GSM/EDGE, 3G/HSPA+,  
LTE/LTE-A

**No. of BTS:**  
2G BTS: 14,800  
3G BTS: 11,341  
4G BTS: 14,810

**Network Coverage  
(by population coverage):**  
2G: 99.6%  
3G: 92.7%  
4G: 98.1%



**M. Riyaaz Rasheed**  
Acting CEO/CFO of  
Robi Axiata

Despite pandemic challenges, I am proud to share that we turned the crisis into a powerful enabler in our digital transformation journey. With more than half our data subscribers comprising 4G users, we are aggressively challenging the market leader on the data front. Our customers consume the highest volume of data in the industry and this continues to improve.

Alongside tremendous data growth, Robi was yet again the AI Maturity champion in 2021 amongst all Axiata entities for the third consecutive year. This award indicates our groundbreaking use of digital technologies to unlock innovation. We have leveraged our strategic advantage for operational efficiencies, whilst introducing customised innovative digital products and services.

Recognition of Robi's bdapps as the national app store by the Government's ICT Division has helped us democratise the process of digital innovation in Bangladesh and allowed us to forge a deeper relationship at the community level. Supported by a highly engaged pool of talents, we secured industry leading growth for the third consecutive year. While the overall profit margin is encouraging, the huge tax burden still looms large on our profitability. Although data usage is growing exponentially, ever-sliding data prices remain a concern for sustainable growth.

## Financial Review

- Revenue ex-device rose 7.6% due to data revenue momentum
- Data revenue increased 11.8% in tandem with higher usage led by growth in 4G subscriber base
- EBITDA improved by 2.7% moderated by higher network cost and sales and marketing expense
- PATAMI surged by 16.1% lifted by lower net finance cost and tax which cushioned the impact of higher depreciation and amortisation

## Service Revenue (BDT billion)



## PATAMI (BDT billion)



## Device Revenue (BDT billion)



## Customers (million)



## Total Revenue (BDT billion)



## Blended ARPU/month (BDT)



## EBITDA (BDT billion)



## Smartphone Penetration (%)



## EBITDA Margin (%)



## Data Usage (Per Data Sub Per Month) (MB)



## ESG Highlights



Continuous efforts in carbon sequestration, efficient use of energy resources and successful experimentation with solar power generation at a BTS site under the national Net Metering Scheme

472 tons of e-Waste from Technology, IT and Admin recycled as part of environmentally sustainable drive

Implemented green initiatives at our corporate office:

- 10KW solar power generation capacity installed
- Recycling office waste
- Schedule-based light operations to reduce energy consumption



Female hire reached 21% in 2021 on the back of continued promotion of gender equality and inclusivity

Launched the industry's first motherhood management programme, Compassion, to support female employees

Upskilled employees in Big 11 Digital Technologies

Launched Robi Ask Niaz All Employee Learning Programme, which covered 80% of all employees by end 2021



Developed data privacy roadmap and established data privacy team to elevate customer data privacy

Training and awareness programmes for employees and critical stakeholders on data privacy and data security

Implemented vendor onboarding governance process and enhanced vendor risk management through Anti-Bribery and Anti-Corruption clauses and Supplier Code of Conduct

Engaged with vendors and business partners to raise awareness on enhanced governance processes



Scan QR code to visit  
Robi's website

## Robi Axiata Review

### Awards Highlights

**19th Global Edition of the Business Leader of the Year Awards** – Innovation Leadership and Green Telecom Award

**Bangladesh Innovation Award 2021** – 333, Robi's platform to access public service in Digital Bangladesh, received Honourable Mention in the Best Innovation Public Service category

**Institute of Cost Management Accounts of Bangladesh (ICMAB) Best Corporate Award 2020** – Silver Award (Telco category)

**Robi recognised as the most socially devoted brand in Bangladesh** for more than 3 consecutive years by Social Baker and ranked #1 in the world in the second quarter of 2021

**Project Management Institute of Bangladesh's Bangladesh Project Management Symposium and Excellence Awards 2021** – PMO of the Year Award

### Operating Environment

- SIM penetration at 106.9% in a four-player market
- Mobile Internet penetration reached 67.3% with 6.5pp YoY increment
- 8.9% data revenue growth across the industry, while voice revenue increased at a lower rate of 3%
- Data price fell by 32% due to competitive pricing as well as the absence of regulation on data floor price
- Bangladesh Telecommunication Regulatory Commission held auctions for 7.4 MHz of spectrum in 1800 band and 20 MHz in 2100 band

### Business Review 2021

- Data as a key driver for revenue growth resulted in high data consumption
- Increased digital adoption led to higher digital recharge and app penetration
- Strengthened core offerings in data, voice and Digital Value-Added Services
- Focused on developing digital portfolio in line with evolving customer demand via internal platform development as well as partnerships to generate maximum synergy and value
- Expanding presence in new growth areas and increased Enterprise ICT penetration by developing digital portfolio catering to new market demands
- Focused on reducing cost per GB data and maximising spectrum utilisation
- Enhanced Collective Brain (CB) engagement to drive initiatives towards streamlined data production cost and procurement efficiency for Network and IT
- Recognised as Champion in AI Maturity within Axiata Group for third consecutive year, and received LEAP Award for 'Most Digitised OpCo'
- Robi's app store, bdapps, recognised as national app store
- Purchased spectrum of 2.6 MHz in 1800 and 5 MHz in 2100 bands
- Upskilled employees' capability in advanced technology via training on AI/ML, data science, IoT, Blockchain, Cloud computing and UI/UX design, among others
- Continued with momentum towards achieving an AI-led, analytics driven organisation with talents possessing future ready skillsets

### Outlook for 2022 and Beyond

- Data to continue as key growth driver. Although, data price is expected to continue to decline in a hyper-competitive industry
- Robi will focus on business recovery by leveraging on key new normal drivers
- Continue accelerating digital adoption across all key functions to enhance digital capabilities and drive operational efficiency
- Develop further digital channels for serving customers and focus on high quality digital experiences for customers in line with the evolving consumer behavior
- Delivering diversified solutions for the Enterprise segment based on their digital transformation needs
- Continue building synergies within our own platforms and through partnerships to capture greater Enterprise market share
- Leverage on Operational Excellence and continue applying Digitalisation and Analytics across the business
- Deliver improved financial performance through continued cost transformation and optimisation to improve EBITDA
- Focus on reducing cost/GB further with efficient spectrum utilisation and functional superiority
- Continue leveraging on CB engagement in Enterprise, Network, IT and Procurement
- Commercialise predictive network maintenance concept to ensure better customer experience
- Continuously strive towards embedding a digital DNA within the organisation to be more agile and adaptive and create scalable impact
- Focus on business preparedness and capitalising opportunities that will arise from 5G deployment
- Drive towards infrastructural readiness for efficient deployment of 5G Technology
- Becoming a data driven organisation through AI and analytics and drive their monetisation through business applications such as churn prediction models, real time interactive dashboards and others
- Nurture organisation talents with contextual and future ready skills such as but not limited to AI/ML, data science and blockchain, among others

**Cambodia****Year of Investment/  
Shareholding:**  
2013/72.48%**Nature of Business:**  
Mobile Telecom Operator**Customers:**  
7.4 million**Technology Deployed:**  
Mobile:  
GSM/EDGE, 3G/HSPA+,  
LTE/LTE-A**No. of BTS:**  
2G: 3,211  
3G: 1,962  
4G: 3,255**Network Coverage  
(by population coverage)**  
2G: 99.6%  
3G: 63.5%  
4G: 95.7%**Feiruz Ikhwan**  
Acting CEO/CFO of  
Smart Axiata

With our sights set firmly on becoming Cambodia's #1 and most loved communication tech brand, Smart has accelerated our efforts in driving improvements in network quality and coverage while simultaneously investing in the development of our community through cause-driven initiatives.

In our mission to connect and make lives better, we tirelessly invest, expand and take appropriate measures in delivering excellent Internet experiences while ensuring that our connectivity solutions are available and affordable to all.

Beyond establishing ourselves as Cambodia's leading telecommunications operator, we are equally driven to provide our community with opportunities

to grow and thrive in today's digital age. Towards supporting this, Smart Axiata works closely with key stakeholders to deliver positive and meaningful change by offering initiatives and programmes geared towards delivering quality education for all, fostering digital talents and environmental stewardship. Our initiatives impact all levels of society, from equipping high school and university students with digital skills to growing the digital ecosystem by empowering local entrepreneurs with the necessary funding and training.

In delivering connectivity to our millions of customers in Cambodia while implementing award-winning initiatives, Smart is proud to play a part in helping Cambodia achieve its aspirations of becoming a digital economy.

**Financial Review**

- Revenue increased by 7.0% due to higher data contribution from growing data subscriber base and usage
- EBITDA expanded by 4.5% as a result of higher revenue, offset by higher network cost
- PAT grew by 3.0%

**Revenue (USD million)****Customers (million)****EBITDA (USD million)****Blended ARPU (USD)****EBITDA Margin (%)****Smartphone Penetration (%)****PAT (USD million)****Data Usage (Per Data Sub  
Per Month) (GB)**

Note: Smart's Revenue are pre IFRS 15 for the years prior to and up to 2019. 2020 and 2021 Revenue are post IFRS 15.

**ESG Highlights**

**Investing in renewable energy (RE)** by incorporating solar farms and solar panels - total of 825 RE sites

**Prioritised employee training and awareness programmes** on sustainability and green stewardship concepts including clean energy, single-used plastic and energy efficiency

**Monitoring carbon emission targets** in line with Axiata's net-zero commitment

**Collaborated with the Ministry of Environment:**

- Employee volunteer programme to plant mangrove seedlings
- Sponsored the National Eco-School Competition for schools across the country to showcase their green stewardship



**Continued to contribute** to the Ministry of Post and Telecommunications' USO Fund and the Capacity Building and Research Development Fund

**Committed 1% of annual revenue** to implementing strategic programmes that aim to build ICT talents and develop Cambodia's digital economy

**Launched digital literacy talk show** with experts from ministries, NGOs and research organisations to deliver insightful discussions on Internet safety

**Signed MoUs with 10 universities** to offer a first-of-its-kind, accredited blended entrepreneurship course



**Implemented Code of Conduct** for all vendors

**Elevated ethics and integrity culture** by conducting training and awareness programmes for employees covering Anti-Bribery and Anti-Corruption (ABAC), Whistleblowing Policy and cyber security and data privacy

**Conducted risk assessment exercise** across all divisions to review and determine risks within our operations



Scan QR code to visit  
Smart's website

## Smart Axiata Review

### Awards Highlights

#### Frost & Sullivan Asia Pacific Best Practices Awards 2021

- Cambodia Mobile Service Provider of the Year 2021
- Cambodia Mobile Data Service Provider of the Year 2021

#### Global Banking and Finance Review 2021

- Best CSR Company Cambodia 2021
- Best Telecommunication Company Cambodia 2021
- Leading Company in Building Community Resilience Cambodia 2021

### Operating Environment

- Mobile-led telco industry, with top three mobile operators dominating more than 90% of market share
- Data usage continued to rise as the market continued to experience an increase in customer demand at one of the lowest prices in the region
- Increasing smartphone adoption rate, digital literacy and social media as well as mobile data usage
- Association of Telecommunication Operators in Cambodia officially launched in March 2021

### Business Review 2021

- Addressed digital divide in the country by expanding 4G coverage to rural communities with 385 additional sites across 21 provinces
- Launched 'SmartThomMorng! Monthly', a new 30-day tariff plan that offered subscribers longer plan validity and more benefits
- Maintained position as the digital champion in the industry through unique products and experiences:
  - Launched Data SmartLoan and Data Pack to give customers a seamless surfing experience with an integrated data purchase plan through Facebook, making Smart the first telco in the country to do so
  - Streamlined e-gaming experience for subscribers with convenient payment options and special deals on gaming currencies
  - Revamped Smart's self-care app, SmartNas, to provide more transparency and benefits to customers
  - Utilised cutting-edge customer experience management systems to enhance retail digital experience and operations across Smart Shops nationwide
  - Integrated digital channels in customer journeys through the use of gamification and dynamic adjustment of bonuses based on targeted transactions
- Enhanced solutions for the Enterprise segment through numerous initiatives:
  - Pleng, Smart's music streaming app, provides businesses with specific targeted advertising campaigns
  - First Cambodian telco to offer a B2B2C product - Sponsored Data - which allows businesses to sponsor data usage for customers to access applications or websites
  - Beyond basic connectivity solutions, Smart is becoming an end-to-end solutions provider with personalised bundling and high-quality services by leveraging on telco analytics
  - Ongoing activities to diversify our service portfolio by looking into the latest technology including such as data network management, network security and intelligent voice
- Extended product portfolio in the fixed broadband space through convergence offerings including online security for Consumers, special deals on Home IoT products and exclusive entertainment content
- Retained leadership as the lifestyle and entertainment provider through innovative content offerings on social media platforms
- Fostered growth of the local eSports industry by organising world-class gaming tournaments and investing in Cambodian gamers and game developers
- Perceived industry leader in Corporate Social Responsibility initiatives with more than 1% of revenue committed to CSR initiatives in line with government priorities

### Outlook for 2022 and Beyond

- Strengthening our mobile data leadership while introducing new digital, entertainment and lifestyle offerings in line with our aspiration to be the #1 and most loved communication tech brand in Cambodia by 2022
- Expand digital services by exploring opportunities in Enterprise and IoT, and Home Wi-Fi segments
- Sustaining our momentum in building a digital talent factory by creating employee development programmes and building up technical capabilities within our employees
- Leveraging on digitisation in internal business operations to achieve operational excellence
- Sustaining our commitments in social and nation building contributions. Through strategic CSR and sustainability initiatives, Smart will deliver long term and positive impact for communities while engaging with key stakeholders in government and across the ecosystem
- Actively exploring opportunities to support the government's digital economy agenda through initiatives such as development of ICT talents, providing expertise to stakeholders and cooperating with the authorities on development initiatives
- Address key environmental issues and strengthen our stance as a responsible and green digital champion in Cambodia



## Nepal

**Year of Investment/  
Shareholding:**  
2016/80%

**Nature of Business:**  
Mobile Telecom Operator

**Customers:**  
16.8 million

**Technology Deployed:**  
Mobile:  
GSM, EDGE, 3G/HSPA+

**No. of BTS:**  
2G: 3,893  
3G: 3,406  
4G: 3,676

**Network Coverage  
(by population coverage)**  
2G Population Coverage:  
92.47%  
3G Population Coverage:  
53.82%  
4G Population Coverage:  
76.55%



Scan QR code to visit  
Ncell's website



**Andy Chong**  
CEO/MD of Ncell Axiata

The pandemic has highlighted the importance of resilience for businesses to be ahead of the curve. Going digital was critical to saving the day as corporates rushed to invest in digitalising their existing value chain. Success in the digital space is much less about the technology itself, rather it is a lot more about people and processes. For Ncell, digital transformation has been on our agenda from the onset and we initiated and fast-tracked several major initiatives around digitalising our customer and channel engagement value chain, amongst others. As a result, our customers and partners are now engaging with us digitally.

2021 has been a milestone year as it reflected positive performance in many digitalisation activities including in areas such as digital platforms enhancement, internal processes automation, digital top-up, and the shift from traditional to digital marketing, to name a few, embodying agility and adaptability. Going digital relates to the corporate mindset. It involves reorganising the company and reforming the culture, so that businesses are less sensitive to externalities, can better compete and grow faster.

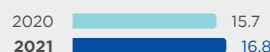
## Financial Review

- Challenged by economic pressures from lockdowns and intense competition
- Revenue reduced by 1.1% dragged by International Long Distance (ILD) revenue
- EBITDA increased by 1.1% due to cost control, with healthy EBITDA margin of 58.2%
- PAT rose more than 100% from a low base in FY2020 due to one-off adjustments

## Revenue (NPR billion)



## Customers (million)



## EBITDA (NPR billion)

Blended ARPU  
(NPR Per Month)

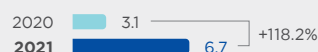
## EBITDA Margin (%)



## Smartphone Penetration (%)



## PAT (NPR billion)

Data Usage (Per Data Sub  
Per Month) (MB)

## ESG Highlights



**Completed landscaping and planting trees on 10.2 km of Green Belt Ring Road,** and continued greening and maintenance of the stretch in collaboration with the Department of Forest and Soil Conservation

**Collaborated with the United Nations Development Programme (UNDP)** for the Go Green programme as part of climate action initiative

**Resource and waste management programmes** for waste disposal in compliance with environmental legislation and material recycling

**Collaborated with Doko Recyclers** to launch Scientific Waste Management Solution on Smart Sustainability practices for consumption and disposal



**Initiated trainee programme** to provide on the job experience to undergraduates and fresh graduates

**Embarked on Ncell Accelerated Development Programme** with 15 employees from various departments

**Revamped Ncell App with new UI/UX,** enhanced features, integrated Chatbot and a new system to improve customer experience

**Rolled out e-Know Your Customer (eKYC)** to digitally onboard customers and launched Retailers App and Agents App for supply chain



**Enhanced governance** by forming the Board Risk and Compliance Committee (BRCC), Risk and Compliance Management Committee (RCMC) and Gifts, Donations and Sponsorships Committee (GDSC)

**Implemented Enterprise Risk Management (ERM), Anti-Bribery and Anti-Corruption (ABAC) and GDS Policies and Procedures**

**Completed ABAC Risk Assessment** for all departments and developed risk registers

**Conducted cyber security/data privacy sessions** with vendors to reinforce requirements

## Ncell Axiata Review

### Awards Highlights

#### Global Business Outlook (GBO) Awards 2021

- Telecom CEO of the Year
- Most Socially Responsible Telecom Company

#### World Communication Awards (WCA) 2021

- The Social Contribution Award
- Crisis Response Award

#### HR Meet 2021, Growth Sellers Private Limited

- National HR Excellence Awards 2020

#### TM Forum Catalyst Awards 2021

- TM Forum Catalyst Team Award for Sustainability Leadership

#### Employer Branding Institute, World Human Resource Development Congress and Stars of the Industry Group

- Asia's Best Employer Brand Award 2021

#### World Information Technology and Services Alliance (WITSA) Global ICT Excellence Awards 2021

- Merit Award for Innovative Health Solutions Award (Private Sector/ NGO)

#### Asian-Oceanian Computing Industry Organisation (ASOCIO) Awards 2021

- Health Tech Award

### Operating Environment

- Revenue pressured by lockdown and stiff competition from fixed Internet and broadband. Economic challenges reduced customer wallets
- Customer demand continued to accelerate and data pricing continued to drop
- Significant increase in data usage and fixed wireless broadband as Ncell continued to garner strong share of the 4G customers in the market
- Voice business impacted by greater OTT Voice usage

### Business Review 2021

- Subscribers increased 7% due to high gross additions driven by comprehensive distribution process reengineering programmes and robust Customer Lifecycle Management (CLM) initiatives
- Launched new digital initiatives:
  - Enhanced digital platforms – Distribution Management System (DMS), Single Retailer App (SRA), Social Distribution and Single Customer App (SCA)
  - Single Customer App adopted by 1.12 million users
  - Automation of finance, procurement and logistics processes
  - Digitisation of HR
- 29% contribution from digital recharge in 2021
- Expanded Revenue Generating Base acquisition
- Focused on Fixed Wireless Access (FWA) with increasing bundled services and sales
- Expanded fibre connectivity and Data Centre for Enterprise segment
- Enhanced digitalisation of Value-Added Services portfolio, including expanding entertainment and content business
- Undertook major initiatives to maintain profit margin by focusing on capex and opex savings and optimisation
- Recorded opex savings of NPR705 million and capex savings of NPR2.0 billion
- Derived benefits from Collective Brain (CB) synergies
- Provided access to online learning and engagement portals including Synapse
- On track with digitisation and transformation towards becoming a Digital Telco

### Outlook for 2022 and Beyond

- Expectations for economic recovery in 2022 as the pandemic subsides, with data growth on the back on increasing adoption of digital lifestyles
- Ncell to scale up on adoption of digitalisation, progressive self-care digitalisation, optimisation of Billing Support System structure
- Differentiate ourselves by using Digital Telco Enabler as the digital transformation platform
- Focus on capturing greater data market share by expanding coverage to increase data revenue
- To capture revenue growth opportunities in new coverage areas using market intelligence and data driven analytics
- Continue focus on digitalisation to further promote adoption, efficiency and resiliency in S&D and self-care app and others
- Faster 4G upgrades [L900 expansion] for reaping benefits from digitalisation
- Product innovation and foster collaboration with stakeholders
- Loyalty programme for customers, churn management, and improvement in network/customer experience
- To accelerate consumption of data usage via innovative campaigns and offers
- Continuity to the momentum on cost efficiency
- Target high and medium value customer acquisition
- Focus on capturing greater value in the Enterprise segment and expand FWA revenue
- Focus on digitisation of sales and services, customer care management, and marketing and products towards becoming a Digital Leader
- At the organisational level, to embed analytics into our decision-making
- Maintain focus on opex and capex savings, and optimisation
- Improve cost per GB
- Focus on elevating Net Promoter Score by improving network
- Continue with CB collaborations in network, IT and finance



## Malaysia

**Year of Investment/  
Shareholding:**  
2012/63%

**Nature of Business:**  
Telecommunications  
Infrastructure and  
Services



**Mohamed Adlan  
Ahmad Tajudin**  
CEO of edotco Group

2021 was a transformational year for edotco. As the pandemic caused a global surge in data traffic, large site roll outs and network uptime were required to facilitate people working and schooling from home.

With these unique challenges, edotco delivered outstanding growth with record-breaking build-to-suit and co-location tenancies across our footprint, coupled with an aggressive M&A in our key markets to bring us closer to our Global Top 5 aspiration. Our priority also included delivering maximum shareholder value for their investment.

Internet access became a basic human right and edotco is conscientious about our responsibility to help nations accelerate digital equality. In 2021,

we supported national digital transformation initiatives such as Malaysia's JENDELA and Bangladesh's Smart City, enabling mobile network operators to serve the unconnected.

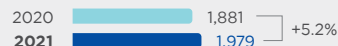
We also laid the foundation to build future societies premised on ESG principles by being the first Malaysian telecommunications company to join the United Nations Global Compact (UNGC). Our Centre for Design Excellence (CoDE) continuously innovates tower designs using alternative materials, structures and power systems to deliver on our green ambitions to foster a low carbon future. Our efforts have garnered global accreditations and accolades, such as becoming one of the three Malaysia-based 'unicorns' in Asia.

Group	Malaysia	Bangladesh	Myanmar	Cambodia	Sri Lanka	Pakistan	Philippine	Laos
<b>25,898</b> Towers Owned	<b>5,041</b> Towers Owned	<b>13,198</b> Towers Owned	<b>2,127</b> Towers Owned	<b>3,082</b> Towers Owned	<b>504</b> Towers Owned	<b>1,907</b> Towers Owned	<b>25</b> Towers Owned	<b>14</b> Towers Owned
<b>19,084</b> Towers Managed	<b>12,465</b> Towers Managed	<b>3,773</b> Towers Managed	<b>949</b> Towers Managed	<b>1,157</b> Towers Managed	<b>740</b> Towers Managed	<b>0</b> Towers Managed	<b>0</b> Towers Managed	<b>0</b> Towers Managed
<b>40,943</b> Tenancies	<b>10,349</b> Tenancies	<b>18,846</b> Tenancies	<b>4,266</b> Tenancies	<b>4,343</b> Tenancies	<b>509</b> Tenancies	<b>2,588</b> Tenancies	<b>28</b> Tenancies	<b>14</b> Tenancies
<b>1.58</b> Tenancy Ratio	<b>2.05</b> Tenancy Ratio	<b>1.43</b> Tenancy Ratio	<b>2.01</b> Tenancy Ratio	<b>1.41</b> Tenancy Ratio	<b>1.01</b> Tenancy Ratio	<b>1.36</b> Tenancy Ratio	<b>1.12</b> Tenancy Ratio	<b>1.00</b> Tenancy Ratio

## Financial Review

- Total owned and managed towers grew by 34% whilst tenancy counts grew by ~16% causing revenue to expand by 5.2%
- Organic and inorganic growth in major markets of Bangladesh and Malaysia, as other markets contributed positively
- EBITDA increased by 13.0%, benefitting from higher revenue, cost optimisation and better collection, resulting in lower bad debt provisions compared to FY2020, offset against one-off retirement benefit in Malaysia and regulatory costs in Bangladesh
- PATAMI surged by 72.9%, contributed by higher EBITDA and supported by unrealised forex gain, offset against higher tax provisions

## Revenue (RM million)



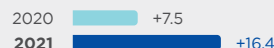
## Tenancies



## EBITDA (RM million)



## Tenancy Growth (%)



## PATAMI (RM million)



## ESG Highlights



**Sustainable waste management** as guided by the edotco Green Framework - collected and recycled 908.8 tonnes of e-waste and 545.05 kg of recyclable items in 2021

**Maintaining our Tree Planting Programme** across our footprint - planted ~38,500 trees by end 2021

**63% reduction in carbon footprint per site** from optimisation projects completed between 2014 and 2020<sup>1</sup>

**Undertake a lifecycle approach** to building green infrastructure, improve energy efficiency and invest in renewable technologies

**Implemented Green Office** initiatives across 85% of our National Tower Companies (NTCs)



**Impacted > 11,000 families** through our Tower 2 Community programme which provides electricity from renewable energy sites, clean water and humanitarian relief

**Provided humanitarian aid** to > 5,000 people across our footprint according to community needs

**Enhanced occupational health and safety management** by obtaining the ISO 45001 Certification in Malaysia, Myanmar, Bangladesh and Pakistan

**Elevated our Diversity, Equity and Inclusion commitment** with a range of initiatives including our CEO, Chief People Officer and Director of Governance, Risk and Compliance becoming members of the 30% Club Malaysia, to promote greater female representation at senior leadership and Board levels



**The 1st telecommunications company in Malaysia** to become a signatory of the UNGC in August 2021, demonstrating our commitment to the 10 principles on Human Rights, Labour, Environment and Anti-Corruption in all aspects of our business

**The 1st telecommunications company in Malaysia** to become a signatory of the UNGC in August 2021, demonstrating our commitment to the 10 principles on Human Rights, Labour, Environment and Anti-Corruption in all aspects of our business

**Developed and executed** our Integrity and Anti-Corruption Plan (IACP)

**Conducted mandatory e-learning and training programmes** Company-wide with 100% completion rate on UIEP values, and Risk, Compliance and Governance-related issues

Scan to watch more from  
our Chief Executive Officer,  
edotco Group



Scan QR code to visit  
edotco's website

<sup>1</sup> Calculations on carbon emission reductions are based on in-house estimations which are currently undergoing an external audit and verification process which will be completed by the end of the second quarter of 2022.

## edotco Group Review

### Awards Highlights

UN Global Compact Network Malaysia & Brunei Sustainability Performance Award 2021 recognised edotco under the Sustainable Development Goal Ambition Benchmark 8, in which all materials and products are recovered, recycled, or repurposed at the end of use

Recognised as one of three ASEAN 'Unicorns' by Credit Suisse

Frost and Sullivan's Asia Pacific Telecoms Tower Company of the Year for the 5th consecutive year

1st telco in Malaysia accepted as UNGC signatory

#### Sustainable Business Awards Malaysia 2021

- Winner - Workforce Category
- Significant Achievements - Energy Management Category

Sustainability & CSR Malaysia Awards 2021 - Company of the Year for Excellence in Environmental and Community Welfare

### Operating Environment

- Heightened competition in towerco space with companies supported by strong shareholders entering Asian markets
- 5G policy implementation concluded in Malaysia with consultation in Pakistan and Bangladesh at an advanced stage
- Posts and Telecom Department of Myanmar continues to play active roles in managing various operational challenges emanating from the military coup and international sanctions
- Change of leadership in policymaker and/or regulator prompted formulation and execution of fresh stakeholder engagement in Malaysia, Philippines, Myanmar, Cambodia and Sri Lanka to ensure coherent sector policies implementation and a sustainable operating environment

### Business Review 2021

- Secured edotco's first 5G active Distributed Antenna Systems (DAS) from Digital Nasional Berhad (DNB) Malaysia, and leveraged on our in-house Network and Planning Analytics (NaPA) tool to conduct a 5G coverage planning study
- Secured ~ 250 5G sites with DNB to roll out first phase of 5G in 2021
- Customer engagement on edotco 5G aspiration in Philippines and Thailand
- Solidified leadership in Malaysia via Touch Mindscape acquisition which strategically added ~ 1,000 new tenanted towers to our portfolio, enables edotco to build towers in states it was not able to previously, and secured a fibre network
- Secured strong foothold in the new market of Indonesia via acquisition of approximately 1,000 towers from XL Axiata
- Bangladesh and Pakistan delivered their highest completed new site counts at ~ 2,800 and 300 sites respectively
- Deployed NaPA to identify and cater to network "dark spots" to answer surging demand for data
- Rapidly deployed units near hotspot locations such as quarantine centres, hospitals and residential areas throughout our footprint
- Navigating towards profitability via cost initiatives, analytics-based colocations and loading revenue
- Diversifying the value chain by pursuing next generation infrastructure solutions towards becoming The Next Generation TowerCo
- Through R&D, CoDE is accelerating the roll out of advanced industry solutions:
  - Low-cost solution designs for Malaysia, Myanmar, Pakistan and Cambodia, providing between 12% and 20% in cost optimisation
  - Bangladesh – designed > 1,600 sites foundations in-house enabling less reliance on vendors, and better budget management and quality assurance
  - Cambodia – strengthened 28 sites to resolve overload issue and released 77 sites for colocation
  - Designed and deployed first Spun Pre-stressed Concrete (SPC) Tower in Bangladesh
  - Provided ~ 18,000+ design, drawing, Technical Site Survey Report and Bill of Quantities related support to all NTCs

### Outlook for 2022 and Beyond

- Aggressive expansion by new market entrants via new builds and tower acquisition
- Focus on growth by delivering scale and profitability by continuing to optimise cost, strive for double-digit growth and complete our Southeast Asia footprint
- Introduce 5G-ready offerings to solidify our position as the preferred 5G network roll out partner through:
  - Commercialising management and power services for 5G related products
  - Deepening of adjacent products such as bandwidth services, in-building DAS and small cells
  - Validate Network as a Service (Naas) for rural telephony use case
- Enrich product portfolio by introducing Tower Plus solutions
- Zero-touch operations through digitalisation to streamline and automate key processes
- Leverage on analytics to drive Sales, Operations, Customer Experience and cost saving initiatives
- Strengthen ESG compliance through a solid ESG framework and adoption of best practices in sustainability
- Create a Bionic organisation and establish a Championship culture as part of our distinctive corporate culture
- Solidify network roll out efforts via partnerships with technology players, municipal councils and state agencies to solve "under connected" issues
- Advancing regional thought leadership initiatives to encourage harmonisation of international best practices in licensing and infrastructure roll out across in-country policies and regulatory frameworks



**Year of Investment/  
Shareholding:**  
2017/75.36%

**Nature of Business:**

Financial Technology (Fintech) platform that offers end-to-end full spectrum digital financial service



**Sheyantha Abeykoon**  
CEO of Boost

**What We Do**

Boost is the fintech arm of Axiata that unifies financial services spanning payments, micro-financing, micro-insurance, cross border content services and merchant solutions. We combine deep fintech, in-house data and AI to meet growing and diverse needs of our customers and merchants across the region, with the aim of becoming a full spectrum fintech player in Southeast Asia.

Our businesses are streamlined into four core brands:

- **Boost Life** – provides financial services beyond eWallet and is a consumer platform that serves the needs of all Malaysians through extensive digital features ranging from bill payments to online shopping, buying groceries, food delivery, insurance purchase and many more
- **Boost Biz** – the merchant business platform that offers more than just payment solutions for enterprises of all sizes, through self-serve online business tools and digitalisation solutions
- **Boost Credit** – formerly Aspirasi, it houses the micro-financing and micro-insurance business and is a pioneering Digital Alternative financier in Malaysia and Indonesia
- **Boost Connect** – formerly Apigate, Boost Connect is a regional cross border payment and customer growth platform ecosystem provider driven by innovative products and services

Two words sum up the year in review for us at Boost: Ambition and Resilience. We are fast seeing the results of the confluence of efforts we've put in to lend strength to our value proposition of being a full spectrum fintech player in the region. In 2021, we saw exceptional revenue growth, and increased digital users across Boost, which is a testament to the strong efforts by the team in one of our most challenging years.

We have synergised our business lines encompassing payments, lending, merchant solutions and cross-border payments, and pioneered innovative offerings through scalable technology platforms that meets the diverse

needs of our consumers, while championing micro, small and medium-sized enterprises (MSME).

As a digital bank aspirant, we look forward to creating an inclusive financial digital ecosystem for users and merchants across the region and will continue to ramp up the momentum towards building up Boost as an indomitable player that offers simplifies financial services access and innovative fintech solutions in Southeast Asia. I believe these aspirations will give Boost a sustainable competitive advantage and future-proof the business for years to come.

**Financial Review**

- Gross Transaction Value (GTV) grew by 25.7% to RM5.0 billion, driven by growth in online and offline payments
- Revenue soared by 65.4% following the acquisition of 0.9 million new users and 139,000 new merchants
- Boost's loan book across Malaysia and Indonesia improved with total GTV of loans disbursed increasing by ~ 13x and 55x respectively over 2020 and 2021
- With Indonesia as a key growth engine, Boost Indonesia expanded 5x YoY to disburse upwards of IDR250 billion per month in loans, making it one of the largest lending P2P operations in the country

**ESG Highlights**



**Recognised as a leading eWallet by the government** for its eBelia initiative via RM150 eBelia credit to empower youth under the PEMERKASA economic stimulus package

**Selected for Go-eCommerce Onboarding campaign and Shop Malaysia Online** initiatives under the Belanjawan 2021 programme by the Ministry of Finance and Malaysia Digital Economy Corporation

**Company-wide Gold Diggers Programme** to enhance employee outcomes

**Joined the DuitNow QR ecosystem** to support the regeneration of the Malaysian economy in a safe and contactless way

**Programmes educating the community** on eWallet and aiding in their business development

**Boost Connect's transformation programme 'Camelot'** designed to deliver optimal business results built on three pillars - Stable, Secure & Predictable Operations; Product as a Differentiator; and Becoming Pat Neutral



**Boost Credit**

- Adopted a robust Anti-Bribery and Anti-Corruption (ABAC) Policy and Partner's Code of Conduct
- Progressively increased Syariah-compliant microfinancing offerings to benefit SMEs and underserved communities
- Conducted in-depth analysis on the adequacy and effectiveness of risk management and internal controls within the company

**Boost Connect**

- Improved third-party risk management to strengthen and enhance business integrity compliance
- Enhanced organisational risk governance through strengthening of resource capability, operational and risk management processes
- Continuously developing, enhancing and strengthening data privacy policies and procedures aligned with Group's three-year Privacy Project



Scan to watch more from  
our Chief Executive Officer,  
Boost



Scan QR code to visit  
Boost's website



## Boost Review

### Awards Highlights

#### A+M Markies Awards 2021

- Gold – Most Effective Use, Loyalty and CRM for Online Boost Day 8.8 and 12.12
- Bronze – Most Creative Campaign Pivot, for Boost Raya Campaign

#### Malaysia Technology Excellence Awards 2021

- Fintech – Payments award for “Street Parking”
- Fintech – Financial Services award for “Micro-Insurance (Boost Protect)”

One of the winners of the [Sustainable Brands Awards 2021](#)

### Operating Environment

- Heightened market demand for payment and microfinancing services and digitalisation support
- Boost Indonesia faced competition from older Peer-to-Peer (P2P) fintech companies especially in Indonesia
- Digital consumption across entertainment and gaming surged
- Bank Negara Malaysia (BNM) issued the Merchant Acquiring Services Policy Document applicable to Boost Connect as a registered merchant acquirer
- Positive regulatory and policy environment supporting SMEs' business recovery

### Business Review 2021

#### Boost

- Formed in mid-2021 by consolidating and integrating five different subsidiaries – Boost Life, Boost Biz, Boost Connect, Boost Credit and Boost Indonesia – with fully digitised financing, payments and insurance for merchants and customers based on rich transaction data
- Lasting shift in volumes core from offline to online use cases and continued engagement growth
- Having built Boost's proposition as a fintech provider, in March 2022 became the first fully regional digital financier to obtain an investment grade A1 rating from RAM Ratings for our maiden tranche of Senior Class A Medium Term Notes

#### Boost Credit

- Submitted comprehensive application for Digital Bank Licence in June 2021 with upcoming announcement in 2022
- Embarked on the region's first asset-backed securitisation programme of Boost Credit loans to sustainably secure external funding and optimise cost of capital
- First ever non-banking institution to collaborate with Credit Guarantee Corporation (CGC), a BNM subsidiary, on a Portfolio Guarantee scheme to effectively scale loan book growth

- Developed multiple dynamic dashboards for instant insights on data visualisation by using Tableau
- Customers' performance data and alternative data are continuously fed into the ML model to improve the accuracy and effectiveness of the credit scoring process

#### Boost Connect

- Launched Boost Connect Bundling platform for Celcom, which enabled it to launch its Games and Edutainment Walla offering
- Leveraged on OpCo synergies to launch Boost Connect Storefront housing top-ranked game titles:
  - Smart Game Voucher Market for Smart
  - 'Game Connect' for Boost Life
- In 2021, successfully transitioned the organisation into agile ways of working by setting up five squads of cross-functional teams to define and drive product roadmaps, and a Camelot Guild to provide support and guidance where required
- Achieved cost reduction of 39% YoY with an empowered culture to “Invest where it matters the most” across all functions

### Outlook for 2022 and Beyond

#### Boost

- Awaiting results of digital banking licence application in 2022
- Financially empower the lower income segment and MSMEs, as we strive towards placing Boost on the global unicorn map
- Focusing on a spectrum of Merchant and B2B Business solutions from digitising merchant solutions to food delivery, data as a service, advertising, marketing and cataloguing
- Expanding and further strengthening Boost's on-ground presence with merchants in secondary cities and towns in key growth states
- Continue integrating services between OpCos to strive towards an end-to-end merchant solution-based entity
- Enable cross entity data consolidation to monitor performances across Boost to enable dynamic critical decision making
- Having established the building blocks for Boost to scale regionally, we are committed to become a regional fintech champion for MSMEs. We plan to replicate our playbook in new high population markets in South Asia, especially Bangladesh, as potential foothold opportunities

#### Boost Credit

- Double down across various channels such as offline, online and ecosystems, among others, and across Boost entities to further scale outreach and access to financing to underserved MSMEs
- Collaborate with strategic ecosystem partners to rapidly scale BNPL, enabling and facilitating quick and easy financing for partners' customer bases
- Further optimise unit economics of products to improve contribution margins in pursuit of profitability

#### Boost Connect

- Explore new opportunities for Boost Connect payment platform ecosystem to expand regional presence
- Focus on next phase of growth by expanding the Storefront, Bundling and voucher distribution business
- Explore opportunities in new service verticals centred on consumer lifestyle demand
- Continue to expand market coverage in Southeast and South Asia
- Venture into payment gateway business as a natural progression to complement Boost's financial service ecosystem

**Year of Investment/  
Shareholding:**

2014/61.23%

**Nature of Business:**Integrated Digital Advertising,  
Analytics, and Artificial  
Intelligence Firm**Srinivas Gattamneni**  
CEO of ADA

2021 has been another great year for ADA, filled with accomplishments we have been working towards since we first started in 2018. Our mission to digitally transform the marketing industry is still at the heart of what we do, more so in the age of COVID-19 where the need for digital transformation is crucial for businesses. We recorded EBITDA YoY growth of 149% and PATAMI growth of 7.5x<sup>1</sup> from FY2020. We welcomed SoftBank Corp. as a strategic shareholder, with a USD60 million investment to bring further data and AI solutions to ADA clients. We also acquired Awake Asia to deliver true end-to-end eCommerce solutions across our footprint. To enhance our capabilities and solutions, we continued building strategic partnerships with various players in the digital landscape, including Facebook, Google and our ecosystem of telco partners.

Our business continues to be validated through the 65 awards we have won, including the prestigious Campaign Asia's Tech Agency of the Year award for the third consecutive year. Our team grew from 700 to over 1,000 members across all ten countries, bringing together many diverse capabilities in marketing technology, eCommerce, digital media and analytics. While 2021 marked many new highs for ADA, it was also one of the most challenging years for us due to the prevailing uncertainties of the pandemic. We made sure our people were well taken care of, through enhanced benefits and more team activities including Career Chats and Lunch and Learn to inculcate a sense of togetherness through virtual platforms. In 2022, we will continue to build ADA towards achieving our unicorn ambition.

**What We Do**

ADA is a data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions. Operating across 10 markets in South and Southeast Asia, ADA partners with leading brands to drive their digital and data maturity, and achieve their business goals.

ADA is creating value for brands across its footprint by:

- Helping businesses achieve their data and digital marketing maturity
- Using data, insights and cross domain teams to catalyse business growth for our clients
- Integrating tech, media and creative to drive meaningful business outcomes with digital marketing
- Helping brands deliver seamless eCommerce operations through our end-to-end eCommerce solution - digital marketing, eCommerce insights, customer service, creative automation, and supply chain and logistics
- Guiding businesses in their digital transformation journey through the relevant marketing technology (MarTech) solutions
- Deriving business insights from the telco and mobile ecosystem to create enhanced customer experiences
- Delivering business messaging solutions through our strategic partnerships with top OTT platforms in the region

**Financial Review**

- Revenue surged by 89.4% due to expansion of customer engagement business and increased client focus on digital transformation
- YoY EBITDA growth of 149%
- PATAMI growth of 7.5x<sup>1</sup> from FY2020

**ESG Highlights****An equal opportunities employer, with an even distribution of women and men – Female : Male ratio in 2021:**

- Overall workforce - 50:50
- Senior leadership - 38:62
- New hires - 47:53

**In conjunction with International Women's Day, doubled down on our commitment to support working parents** by extending maternity and paternity leave

**A full spectrum of talent development programmes to upskill our employees including Mentorship Programme, TikTok Learning Programme, Career Management Framework, enhanced Internal Mobility Framework, FUSE portal for online learning, and customised programmes and certifications**

**> 60,000 hours of learning content consumed** on Coursera, LinkedIn and other learning platforms

**Continued to prioritise employee health, safety and wellbeing**

**Completed Anti-Bribery and Anti-Corruption controls**

**Achieved National Institute of Standards and Technology (NIST) Maturity levels of 2.74 out of 5.00**

**Completed mandatory governance trainings** including Data Privacy and Cyber security Refresher, Digital Trust, Anti-Bribery and Corruption Awareness

**Conducted training for third-party Vendors and third-party Service Managers** on areas related to governance

**Enhanced trainings on Enterprise Risk Management**



Scan to watch more from  
our Chief Executive Officer,  
ADA



Scan QR code to visit  
ADA's website

## ADA Review

### Awards Highlights

#### 2021 Campaign Asia Pacific (APAC) Agency of the Year

- Winner of Asia-Pacific Tech Agency of the Year for the third consecutive year
- Southeast Asia Consultancy Agency of the Year (Silver)
- Southeast Asia B2C Marketing Agency of the Year (Bronze)
- Southeast Asia Mobile Marketing Agency of the Year (Bronze)

#### The Drum Awards for Digital Advertising Asia Pacific 2021

- Best Ad Ops Team (Winner)

#### ASEAN Digital Transformation Award 2021 – Winner of Business to Consumer (B2C) Subcategory

### Operating Environment

- More brands turning to online channels to engage consumers and as new marketing/sales channel
- Heightened competition from digital agency, data and analytics, digital media inventory, marketing technology, and eCommerce enablement players
- Businesses seeking Marketing Technology and eCommerce solutions to drive business growth and digital maturity
- Metaverse to impact every part of our customers' marketing funnel from customer experience and content, to media distribution

### Business Review 2021

- Strategic investment and acquisitions:
  - SoftBank Corp. strategic investment into ADA of RM246.4 million
  - Acquisition of Awake Asia to deliver end-to-end eCommerce across our footprint
- Strengthened our competitive edge via new partnerships:
  - Service expansion
    - > Launched Marketing Technology and eCommerce enablement
  - Products, Data & Analytics
    - > Launched Southeast Asia's first ever Recovery Index Dashboard that measures the level of activity in 10 markets through footfall and app usage
    - > Rolled out new products including Customer Explorer Insights 2.0, Integrated Segment Optimisation, eCommerce insights tool, Financial Services business insights dashboard and OTT messaging solution
  - New partnerships
    - > Established new partnership with WhatsApp as an official Business Solution Provider partner and API partner
    - > Customer Engagement/ Global Messaging:
      - Extended partnerships with new mobile network operators such as DTAC, Smart Philippines, Mobifone and Telia
      - Established new strategic Southbound connections and Google partnership
- > Marketing Technology: Extended partnerships with Yellow Messenger, Optimizely, and HubSpot.
- > Business Insights: Extended partnerships with Human Inc for knowledge sharing and joint pitches
- New products and services:
  - Launched new and innovative MarTech and e-Commerce enablement solutions
  - Added ~ 3.1 billion data points daily to XACT to glean consumer insights
  - New products include Customer Explorer Insights 2.0, Integrated Segment Optimisation, eCommerce insights tool, Financial Services business insights dashboard and Over The Top (OTT) messaging solution
- Grew our team to > 1,000 people across 10 countries, weaving together diverse talent capabilities in MarTech, eCommerce, digital media and analytics
- Launched Southeast Asia's first ever Recovery Index Dashboard, a data-driven dashboard to help brands navigate post-pandemic recovery by measuring activity levels in 10 markets through footfall and app usage
- Focused on cost savings and financial efficiencies
- Automated key processes across HR and Finance
- Drove process improvement initiatives across our organisation for operational efficiency

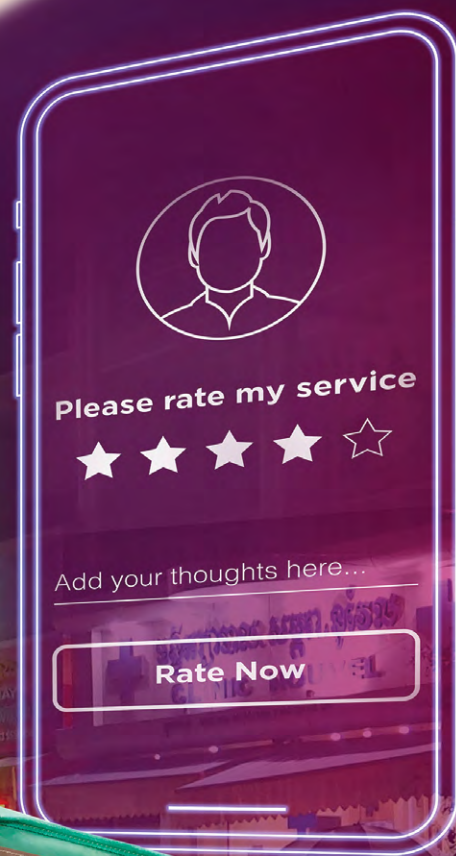
### Outlook for 2022 and Beyond

- ADA's vision is to be a sustainable and profitable unicorn by 2024, as APAC's largest digital services provider
- \* Focus on continued performance growth across Net Revenue, EBITDA and PAT by scaling existing business lines and capturing new growth from emerging services and geographical expansion
- Integrating our services in Business Insights, Digital Marketing, Creative, Marketing Technology, eCommerce enablement and Customer Engagement Solutions to create a virtuous cycle that enables our clients to achieve data and digital maturity
- Continue to focus on innovation and build a sustainable growth engine through new products and solution launches as well as cementing strategic partnerships across our business pillars
- Enable our pioneering clients to venture into the Metaverse
- Continue with hybrid working arrangement for our employees' safety and wellbeing
- Expand employee learning modules and programmes to stay ahead of the curve and encourage a growth mindset
- Continue to encourage gender equity amongst our employees
- Double down on cost savings and financial efficiencies initiatives ranging from process improvement to automation

## Bringing Convenience to Customers 24/7

Investment to support the NHAM24 Super App which enables customers to order food anywhere anytime, during pandemic lockdowns

**SMART AXIATA DIGITAL INNOVATION FUND**



**Transparency & Accountability**

## Committed To Accountability

**The Board of Directors of Axiata Group Berhad (Board or BOD) strongly advocate and support the principles of good corporate governance. The Board has continually strived to enhance and strengthen the Group's governance system and processes to ensure that the highest levels of corporate governance is practised Group-wide.**

This Corporate Governance Overview Statement (CG Overview Statement) presents key governance highlights for the financial year 2021 and up to the date of publication of this IAR, outlining how Axiata complies with the three principles, 43 practices and five Step-ups of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) during the year under review.

This statement has been made in accordance with the authority of the Board dated 23 March 2022 and finalised and updated until the date of the publication of the Integrated Annual Report (IAR) 2021 with delegated authority to the Board Annual Report Committee (BARC)\*.

This statement is complemented with a Corporate Governance Report (CG Report) based on a prescribed format pursuant to paragraph 15.25 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities). The CG Report is available on the Company's website under the Corporate Governance section as well as via an announcement on Bursa Securities. This statement should also be read in conjunction with the Statement on Risk Management and Internal Control (SORMIC) and the Board Audit Committee (BAC) Report as well as other information in the Governance and Audited Financial Statements 2021 (GAFS) and the Sustainability and National Contribution Report (SNCR) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2021 and continuing until the date of this IAR 2021, the Company has complied with the provisions of the MCCG 2021 save for Practices 5.9 and 8.2, respectively relating to the required number of women directors and senior management remuneration as well as Practice 9.4 which is the Step Up on the requirement to have all Independent Non-Executive Directors on the Board Audit Committee. A more thorough description of the manner in which the Company is addressing these departures is set out in the CG Report.

The Board is committed to maintaining the highest standards of good governance to promote quality

decision making and the execution of those decisions within a disciplined framework of policies and procedures.

Good governance exists in an environment where roles and responsibilities are clearly defined, forums are conducive for a robust debate and performance is regularly reviewed. We outline our progress and describe our governance efforts over the next few pages. The Board provides effective leadership to the Group and embraces the principles of ethical leadership in setting and implementing the Group's strategy.

To ensure we make and execute good decisions and direction in the interest of the Group, its shareholders and other stakeholders, the Board works continuously to maintain and develop its governance framework. The Board exercises independent judgement on all issues reserved for the Board's review and approval, while simultaneously considering the needs of all stakeholders, and take full responsibility for the management, direction and performance of the Group.

### HOW OUR CORPORATE GOVERNANCE ACTIVITIES CONTRIBUTE TO VALUE CREATION

Good corporate governance contributes to value creation by ensuring accountability through reporting and disclosure, effective risk management, clear performance management, transparency and ethical and effective leadership. In addition, the diversity of our directors in terms of gender, race, nationality and professional background (refer pages 85 and 89) facilitates an environment for constructive dialogue and enables the Board to consider the needs of a wide range of stakeholder interests.

The Board believes these qualities of governance, which are aligned with the principles of the MCCG 2021, enable the Group to create value for stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section of this IAR.

### CHANGES IN OUR GOVERNANCE FRAMEWORK

In underscoring Axiata's commitment towards sustainability as a Group-wide agenda, the Board had resolved to expand the scope and rename the Board Annual Report Committee as the Board Sustainability Committee (BSC) effective 8 April 2022. In addition to the existing role it plays in the preparation of the Integrated Annual Report Suite, the BSC shall also

oversee all matters relating to sustainability practices within the Group. This timely evolution to dedicate a Board Committee on sustainability is aligned with the increasing emphasis placed by regulators on sustainability matters as observed through the introduction of the new practices in the MCCG 2021.

The Board Risk and Compliance Committee's (BRCC) scope of responsibility and focus encompasses Enterprise Risk Management, Compliance, Ethics, and Cyber Security and Data Privacy. The combination of the functions of Compliance and Ethics with Enterprise Risk Management provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in the Operating Companies (OpCos).

The BRCC also oversees the matter of corporate liability brought about by Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020. The provision of corporate liability will render directors and senior management personally liable for acts of corruption committed by the company, either by personnel or parties acting on behalf of the company unless the company has in place "adequate procedures" designed to prevent persons associated with it from undertaking such conduct. Axiata has put in place such a framework. The purpose of compliance management is to ensure the Group complies, in letter and spirit with all the laws, regulatory requirements and internal standards of protecting our company and management and supporting our employees in doing the right things, detecting and responding to situations of potential non-compliance and driving a corporate culture of integrity.

Although it has been four years since the inaugural issue of our annual report in an integrated manner with IAR 2017 issued in 2018, matters relating to Environment, Social and Governance (ESG) remains a core focus of Axiata and commands significant attention. In keeping with the growing importance of ESG, we welcome the introduction of various ESG recommended practices in MCCG 2021 by introducing key performance indicators (KPIs) on ESG matters for the GCEO and OpCo CEOs as well as designating the Group Chief Corporate Officer as the senior management member in charge of ESG. The Board also plans for at least a twice-yearly tabling of ESG matters to Board meetings.

## OUR GOVERNANCE PRACTICES

### • Leadership

The Company is headed by an effective Board of Directors, whose roles and responsibilities are all clearly defined. The roles of Chairman and the GCEO are held by separate individuals. The Chairman takes responsibility for leading the Board, whilst day-to-day management of the Group is delegated to the GCEO.

📄 **IAR**, details on the Board of Directors and the Board's role and activities on pages 85, 89 and 91

### • Effectiveness

The Board Nomination and Remuneration Committee oversees many of the activities which, together, underpin the effectiveness of the Board. It takes the lead on succession planning, taking account of the size and structure of the Board, evaluates the balance of skills, experience, independence and knowledge of the Company on the Board, and reviews outputs from the annual effectiveness evaluation of the Board.

📄 **IAR**, details on the Board Nomination and Remuneration Committee activities on page 95

### • Accountability

The Board Audit Committee assists the Board in fulfilling its statutory and fiduciary responsibilities by reviewing the financial statements and financial reporting process, the audit process, the adequacy and effectiveness of systems for internal controls, risk management and governance, and the process for monitoring compliance with law and regulations.

📄 **IAR**, details on the Board Audit Committee activities on pages 97 and 98

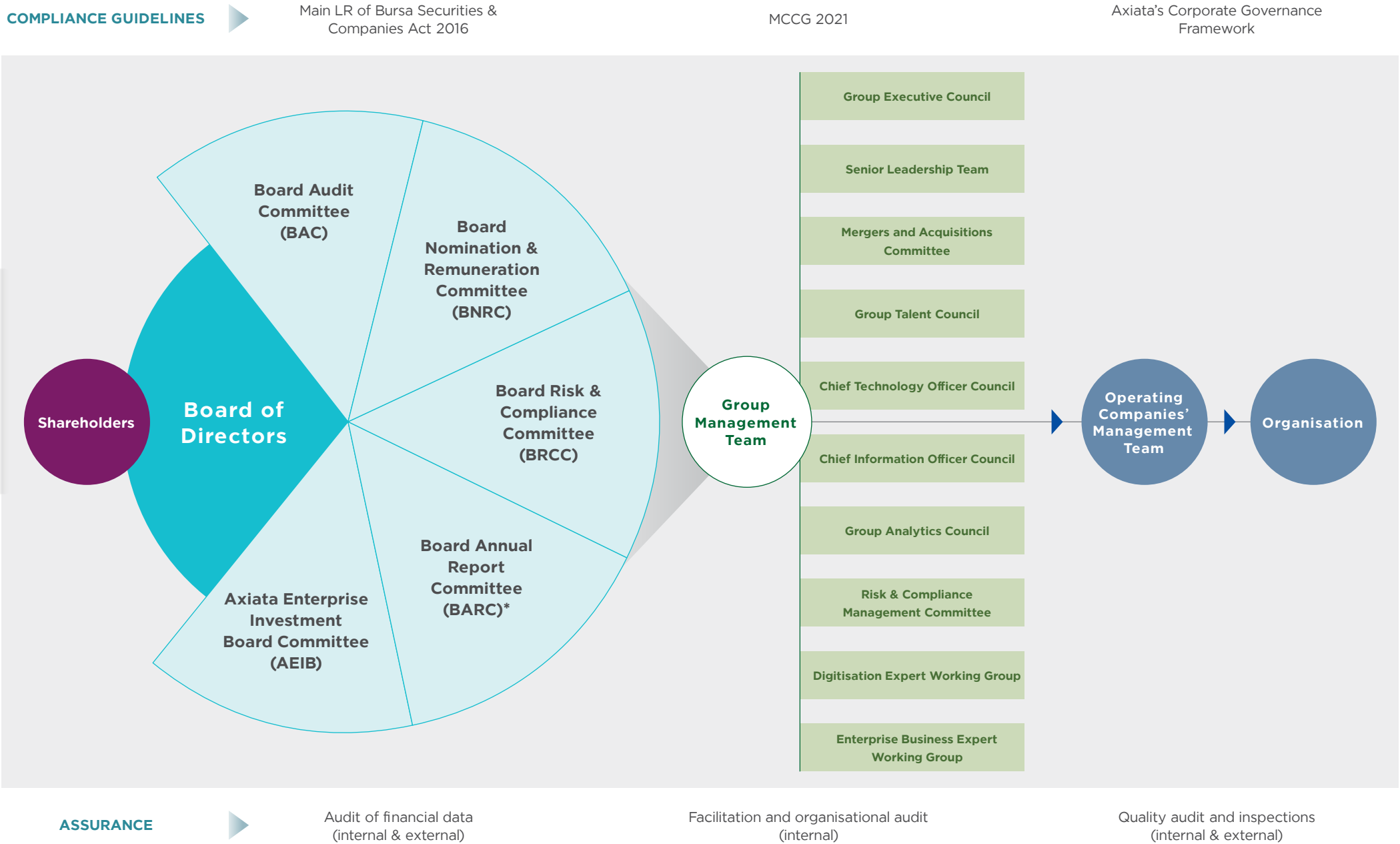
### • Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCFO, whilst the Chairman and other Non-Executive Directors also engage with shareholders as necessary. The views and concerns of shareholders, as well as engagement with them more generally, is considered by the whole Board.

📄 **IAR**, details on our stakeholder relationships on pages 101 and 102

\* Now known as the Board Sustainability Committee effective 8 April 2022

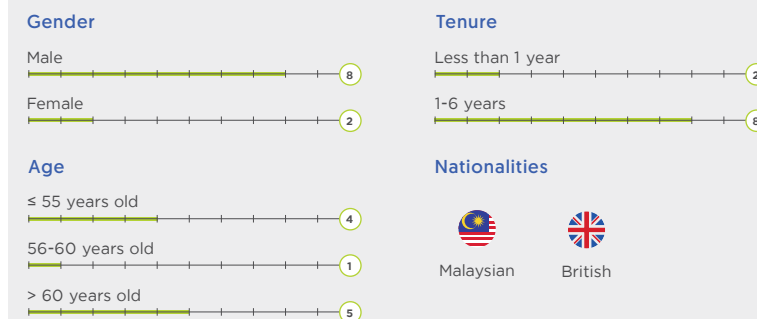
Our Governance Structure



\* Now known as the Board Sustainability Committee effective 8 April 2022

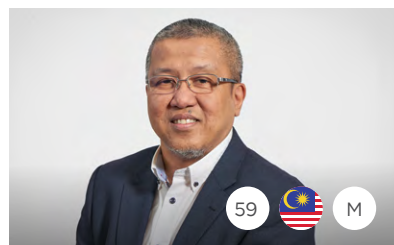
## Who Governs Us

Axiata's Board composition reflects our belief in embracing diversity in age, gender, background and skills for Board members to collectively provide rigorous oversight that enables the Company to fulfill our purpose of Advancing Asia as we uphold our values of Uncompromising Integrity and Exceptional Performance. In a fast-transforming world, our Board is committed to ensuring that the Company continues to deliver enduring value for our shareholders and greater ecosystem of stakeholders.



Tan Sri Shahril Ridza Ridzuan<sup>1</sup>

Chairman,  
Independent Non-Executive Director



Dato' Izzaddin Idris

Managing Director/  
President & Group Chief Executive Officer



Dato Dr Nik Ramlah  
Nik Mahmood

Senior Independent  
Non-Executive Director



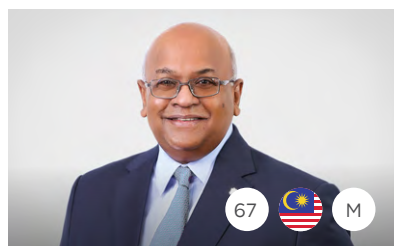
Dr David Robert Dean

Independent  
Non-Executive Director



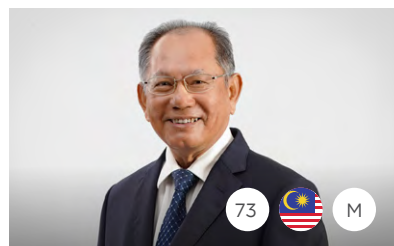
Khoo Gaik Bee

Independent  
Non-Executive Director



Thayaparan S Sangarapillai

Independent  
Non-Executive Director



Tan Sri Dr Halim Shafie

Independent  
Non-Executive Director



Ong King How

Non-Independent Non-Executive Director  
Representative of Khazanah Nasional  
Berhad



Syed Ali Syed Saleem Alsagoff

Non-Independent Non-Executive Director  
Representative of Permodalan Nasional  
Berhad



Nurhisham Hussein<sup>2</sup>

Non-Independent Non-Executive Director  
Representative of Employees Provident  
Fund

Notes:  
Age as at 31 March 2022

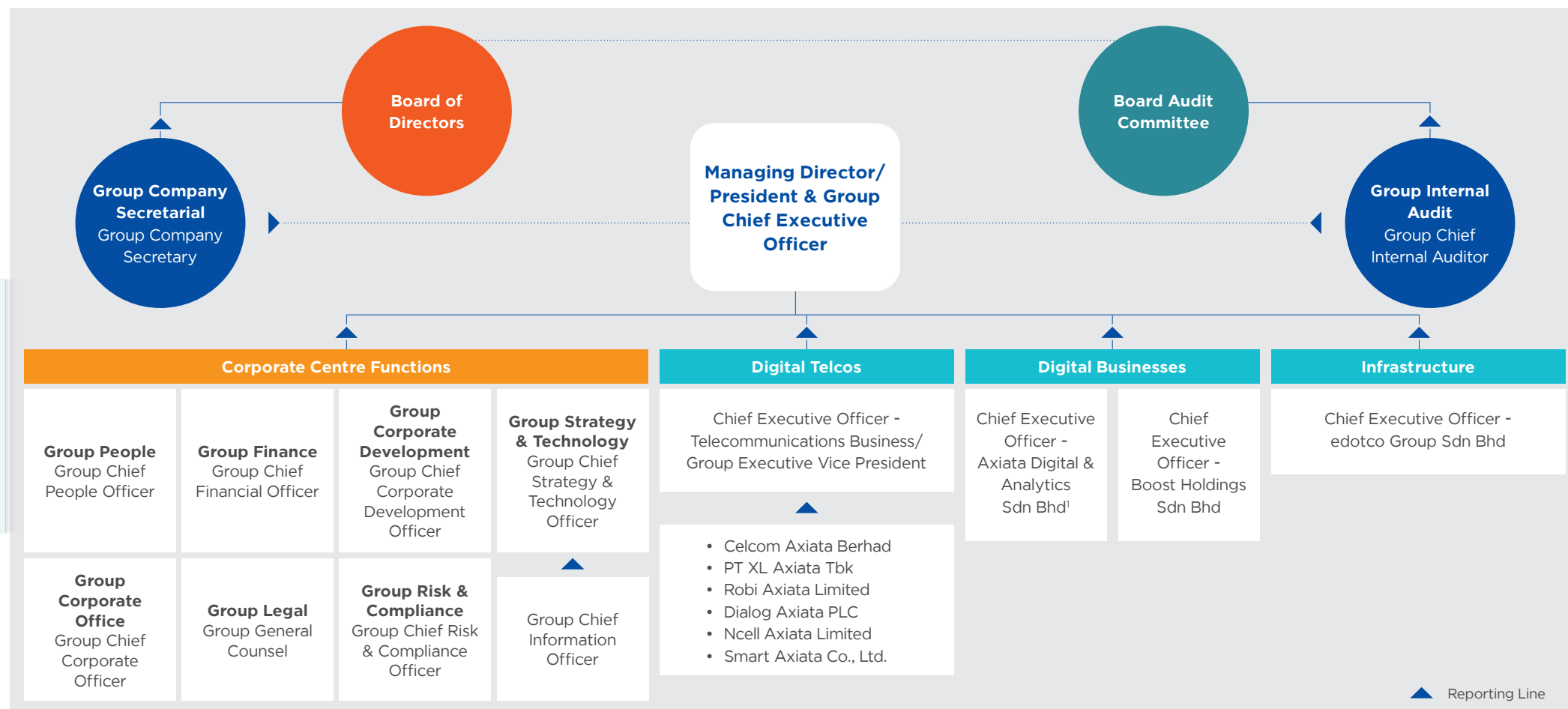
<sup>1</sup> Appointed as Director on 29 November 2021 and subsequently as Chairman on 1 January 2022

<sup>2</sup> Appointed on 25 January 2022

GAFS, Profile of Directors on pages 4 to 7

## An Experienced Leadership

## GROUP ORGANISATIONAL CHART

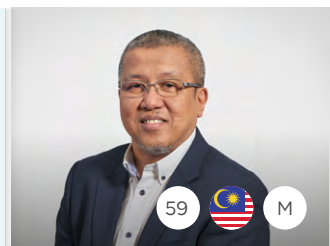
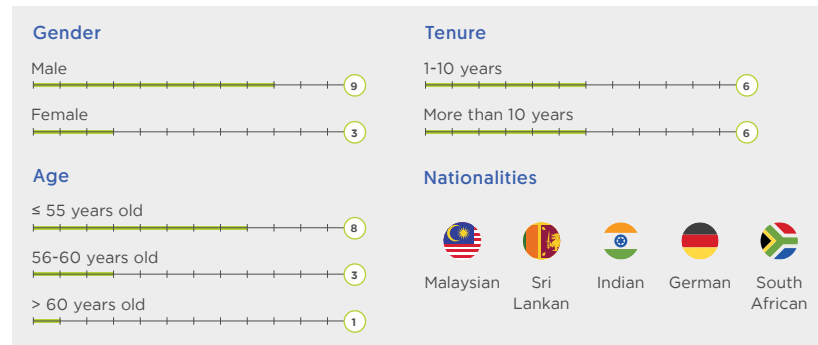


Our people are core to our success. We are specialists in our markets because we recruit, nurture, motivate, develop and reward talented professionals. This contributes profoundly to our reputation and our market presence. It supports our ability to work closely with our clients and stakeholders in strong partnerships where trust and reliability are essential. We aim to create a positive experience for all our people with responsive and caring management, effective technology, quality working environment and supportive collegiate colleagues. This enables us to deliver professional, high-quality, consistent and compliant work product and services.

To this end, our senior leadership team leads the charge in the implementation of strategy, the progress made towards meeting targets and the management of risk, human resources and Group-wide issues and initiatives. They are responsible for the maintenance of and compliance with Group operating standards. They also discuss issues faced by individual businesses in addition to those common across the Group to ensure that best practice and experience are pooled in meeting the Group's objectives and vision.

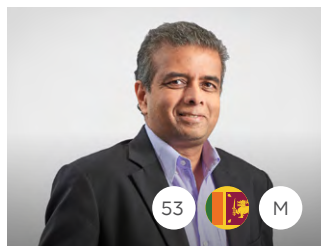
## An Experienced Leadership

Our diverse and experienced senior leadership team leverage on their combined skills and vast cross-industry experience to drive the Company's value creation journey. With clearly defined and focused portfolios, their forward-looking leadership in executing the Axiata 5.0 Vision continues to propel the Company towards sustainable performance and growth for the long-term.



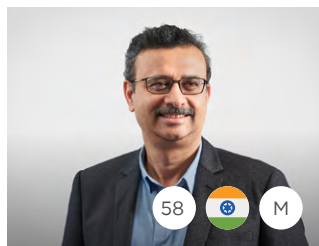
**Dato' Izzaddin Idris**

Managing Director/  
President & Group  
Chief Executive Officer



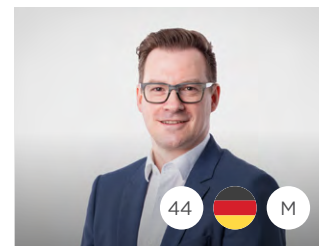
**Dr Hans Wijayasuriya**

Chief Executive Officer -  
Telecommunications Business/  
Group Executive Vice President



**Vivek Sood**

Group Chief Financial Officer



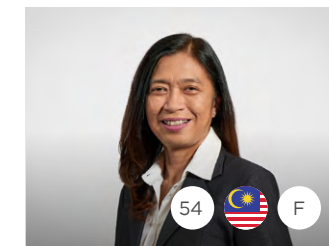
**Thomas Hundt**

Group Chief Strategy &  
Technology Officer



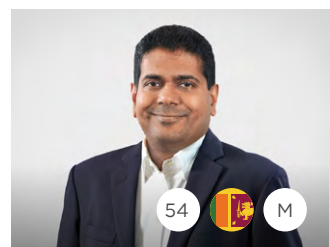
**Norlida Azmi**

Group Chief People Officer



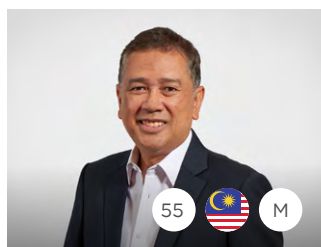
**Lila Azmin Abdullah**

Group Chief Corporate  
Development Officer



**Anthony Rodrigo**

Group Chief Information Officer



**Asri Hassan Sabri**

Group Chief Corporate Officer



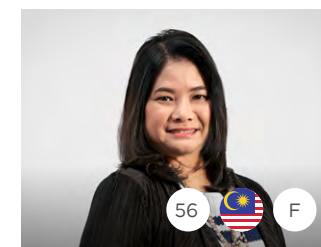
**Hadi Helmi Zaini Sooria**

Group Chief Internal Auditor



**Abid Abdul Adam**

Group Chief Risk and  
Compliance Officer



**Suryani Hussein**

Group Company Secretary



**Tan Gim Boon**

Group General Counsel

Note:  
Age as at 31 March 2022

**GAFS**, Profile of Group Senior Leadership Team on pages 12 to 15

## An Experienced Leadership

### OPERATING COMPANIES' ORGANISATIONAL CHART

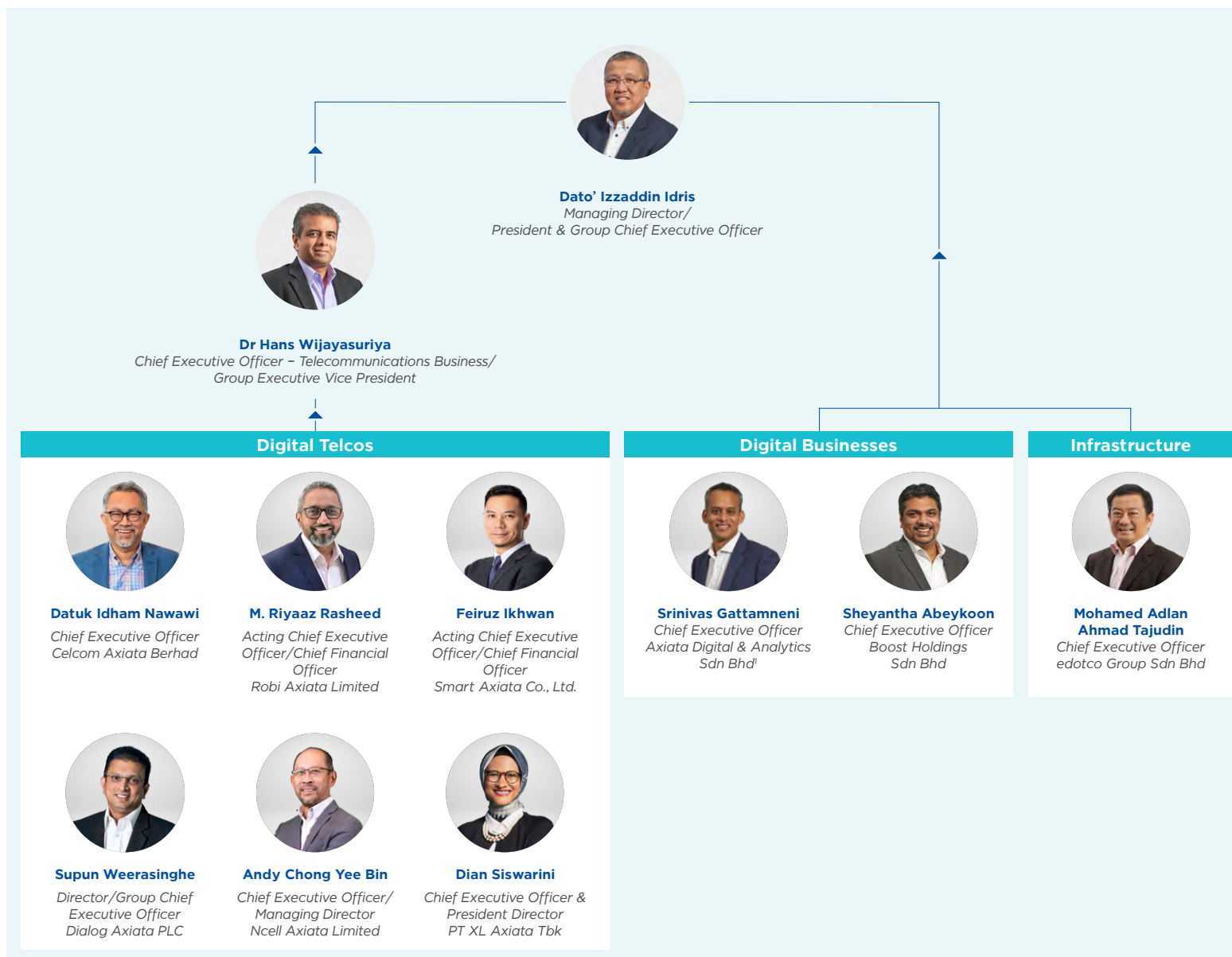
A transitional leadership at Smart was established in late 2021, where Feiruz Ikhwan, CFO of Smart assumed the role of Acting CEO. This followed the assumption by Thomas Hundt, the previous CEO of Smart, of the role of Group Chief Strategy & Technology Officer.

In August 2021, M. Riyaaz Rasheed, the CFO of Robi was appointed to the position of Acting CEO, upon notification by the previous Managing Director & CEO of Robi of his intention not to seek renewal of his contract expiring on 31 October 2021. M. Riyaaz Rasheed continues to retain his role as CFO, which ensures a smooth transition and continuity of the business.

Mohamed Adlan Ahmad Tajudin, an internal talent was appointed CEO of edotco in November 2020. Previously serving as the Chief Financial Officer and Director of XL, Adlan has been with the Axiata Group for 18 years since he joined Celcom in 2003 as Vice President, Finance.

These appointments demonstrate orderly succession planning undertaken in accordance with the Axiata Talent Management Framework. The succession plans are presented to the Board at least twice a year, the frequency of which has been increased to be quarterly in 2022. The plans include talent (both internal and identified external talent) ready to take on senior roles within different time frames and the intervention required for key talent.

The succession planning process provides Axiata a ready pool of talent to plan ahead with and when there is insufficient bench strength, to scout the market and identify promising candidates in advance of the anticipated demand.



Notes:  
Information as at 31 March 2022

<sup>1</sup> Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd)

## Our Governance At A Glance

### ROLE OF THE BOARD

The Board is responsible for setting the vision and strategy for the Company to deliver value to its shareholders through implementing its strategic business plan. Under the Chairman's leadership, Board members share collective responsibility for corporate governance arrangements. The Board's roles and responsibilities are detailed in the Board Charter, which is available online at the Company's website under the Corporate Governance section. The last revision of the Board Charter was on 20 February 2020.

### BOARD ROLES AND THEIR RESPONSIBILITIES

#### Chairman

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda.

➡ IAR, details on the Chairman on page 85

#### Senior Independent Non-Executive Director (SINED)

SINED acts as an intermediary to convey concerns of the INEDs on the Board to the other members of the Board and in the event of any dissension in the execution of their duties.

➡ IAR, details on SINED on page 85

#### Independent Non-Executive Directors (INEDs)

The primary responsibility of an INED is to protect the interests of minority shareholders and other stakeholders. In addition, the INEDs play a key role in strategy and business performance.

➡ IAR, details on INEDs on page 85

#### Managing Director/President & Group Chief Executive Officer

The Managing Director/President & Group Chief Executive Officer is responsible for leading and managing the Group's business within a set of authorities delegated by the Board and for the implementation of the Group strategies and policies.

➡ IAR, details on the Managing Director/President & Group Chief Executive Officer on page 85

#### Company Secretary

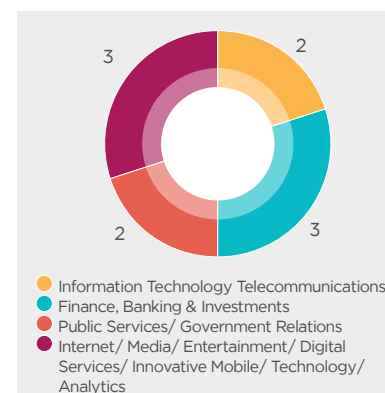
The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, policies and procedures and compliance with the relevant regulatory requirements.

➡ IAR, details on the Company Secretary on page 87

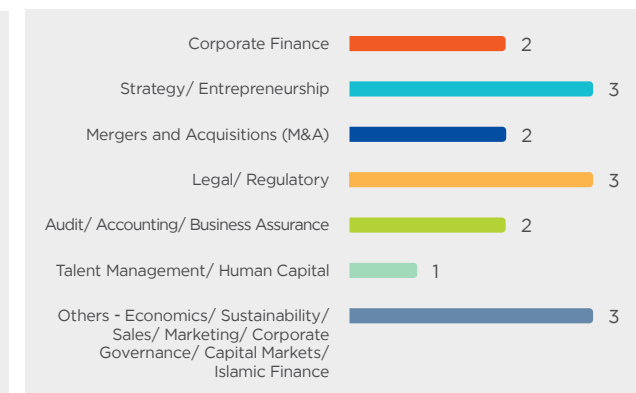
The attendance of the respective Directors at meetings of the Board and Committees held in 2021 are provided below:

Name of Board Members	Board	BAC	BNRC	BRCC	AEIB	BARC*
Tan Sri Ghazzali Sheikh Abdul Khalid™	23/23					
Tan Sri Shahril Ridza Ridzuan#	1/1					
Dato' Izzaddin Idris	23/23			6/6	2/2	5/5
Dato Dr Nik Ramlah Nik Mahmood	23/23		15/15	6/6		
Dr David Robert Dean	23/23	7/7		6/6	2/2	
Khoo Gaik Bee	23/23		15/15			5/5
Thayaparan S Sangarapillai	23/23	7/7			2/2	5/5
Ong King How	23/23		15/15			
Tan Sri Dr Halim Shafie	23/23			6/6		
Syed Ali Syed Salem Alsagoff	23/23	7/7			2/2	

### Industry Experience



### Functional Experience



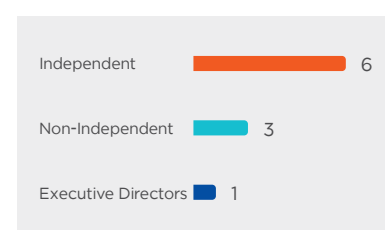
### APPOINTMENT OF DIRECTORS

There is a clear and transparent process for the selection, nomination and appointment of suitable candidates to the Board of Axiata and achieving board balance through diversity in skill set, experience, age, nationality, and gender is a key objective. This principle is encapsulated in the Axiata Board Composition Framework. Based on this framework, both merit and diversity are factors considered hand in hand when selecting board members.

The formal process involves the Board Nomination and Remuneration Committee (BNRC) first identifying the gap in Board composition before sourcing for candidates. Subsequently, the BNRC evaluates and recommends to the Board suitable candidates who fulfil the requirements. Other criteria such as integrity, existing commitments, potential risks and/or conflicts of interest and ability to bring a different perspective and increase diversity of the Board are also considered in the BNRC's review. The process for Board appointment also mandates the BNRC and Managing Director/President & Group Chief Executive Officer to engage external consultants and this has been utilised on many occasions.

Additionally, the Board is in the process of adopting a Fit & Proper Policy where the proposed candidates to be appointed to the Board or reappointments of directors to the Board are assessed to determine fitness and probity. This is also in keeping with the amendments to the Main LR made by Bursa Securities as communicated to all listed issuers by way of a letter from Bursa Securities dated 19 January 2022.

### Board of Directors



### Total Hours For Board & Board Committee Meetings 2021

132.38 hours Board (Including Board Retreats)	39.58 hours BNRC	24.00 hours BAC
6.52 hours BARC*	2.00 hours AEIB	17.50 hours BRCC

Notes:

Nurhisham Hussein was appointed on 25 January 2022

~ Resigned on 31 December 2021

# Appointed on 29 November 2021

\* Now known as the Board Sustainability Committee effective 8 April 2022

## Embedding Sustainability Into Our Governance Structures

**At Axiata, we have strengthened our sustainability governance structure based on the enhanced alignment between the Group and OpCos for effective implementation of sustainability strategies and initiatives moving forward.**

Overall, Axiata Board of Directors is accountable for Axiata's sustainable strategies. At the Board level, we've actively brought forward topics of key sustainability issues and management across Group including development and implementation of the Net-Zero Carbon Roadmap, with emphasis on 2022 being the planning year that brings together a collaborative effort in organisational readiness. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

Sustainability-related key performance indicators (KPIs) have been included in our Group CEO and OpCo CEOs' annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance as part of internal control assurance.

The management of sustainability at Group, is driven and supported by Axiata Sustainability Steering Committee, established in 2020, which further strengthened sustainability governance at Group.

Our Group Sustainability Team undertakes key roles related to our goals, acting as the custodian of our sustainability programmes, including:

- monitoring and managing of business sustainability practices and targets
- keeping abreast of latest developments, e.g, global sustainability trends, sustainability related guidelines, standards and frameworks
- ensuring management of ESG risk on our Group Risk Profile, assessed and evaluated every quarter
- educating our internal and external stakeholders through various communication platforms
- raising skill sets and technical knowledge on current and core ESG developments of our sustainability contact points across the Group
- continue to collaboratively work with functions across Axiata to further integrate ESG considerations into our risk management processes

The alignment of the Group and OpCos sustainability activities, progress and achievements to the Group's sustainability agenda is overseen by the Group Sustainability team. In doing so, the Group Sustainability team ensures the effective development, integration and implementation of Group Sustainability objectives and initiatives as governed by the Sustainability Governance body. Additionally, the team provides advisory support and capacity building for the sustainability teams in our OpCos, which report indirectly to Group Sustainability.

Our OpCos' sustainability teams engage with local stakeholders to identify material issues and aligning and customising our Group Sustainability Framework for local relevance. The OpCos are responsible for the governance, daily management and operations, programme implementation and data collection as identified by the Group's material matters. OpCos are also encouraged to produce their own Sustainability Report in compliance with the Global Reporting Initiative (GRI) Standards.



Note: The Board Annual Report Committee was rescoped, remodeled and renamed as the Board Sustainability Committee effective 8 April 2022 to provide enhanced oversight on ESG management across Axiata Group

## Board Leadership And Effectiveness

### BOARD FOCUS AREAS

Monitoring of the Company's performance and business planning for the year remain a priority for the Board's deliberation despite a considerable amount of time and attention being devoted to strategic matters and mergers and acquisitions (M&A).

The Board also considered new opportunities and new ways of engagement as well as reaping the benefits of the Collective Brain initiative to leverage on the wide range of talent, skill and expertise available within the Group. Efforts were also expanded in assessing the various options available in unearthing and increasing value to and within the Group.

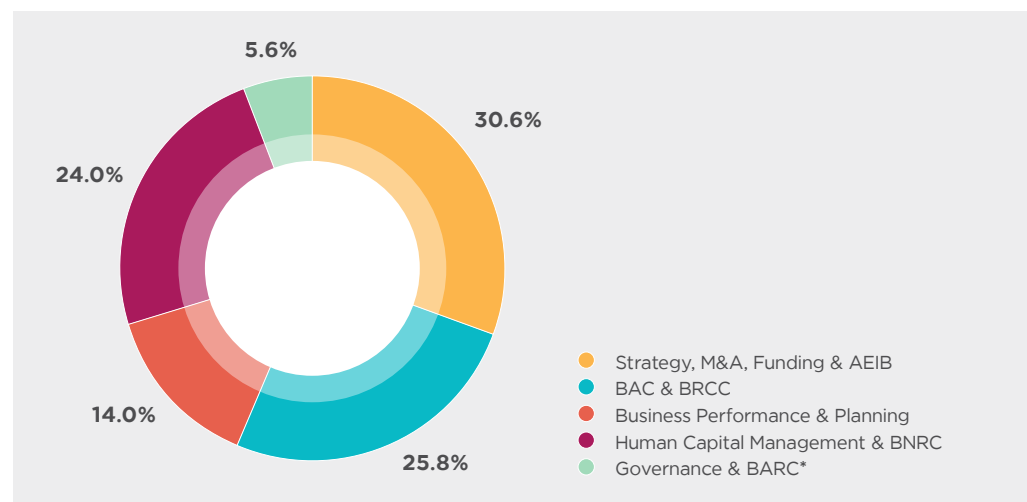
### BOARD ACTIVITIES IN 2021

- The Board allocated approximately 30.6% of its time in 2021 during Board meetings focusing on strategic matters and M&A.
- At the Board Retreat held in October 2021, the Board focused on deliberating on Axiata's strategic direction across its businesses and footprint, taking into account the state of the telecommunications industry and the direction that the industry is heading to.

### PRIORITIES FOR 2022

The focus of the Board for 2022 would be to ensure Axiata sustains its growth momentum while delivering value through the execution of the Axiata 5.0 Vision to become The Next Generation Digital Champion by 2024 and repositioning Axiata as a High Dividend Company. Axiata's ESG proposition is expected to be augmented with the launch of the Net-Zero Carbon Roadmap in 2022 and the commencement of its Task Force on Climate-Related Financial Disclosures (TCFD) journey to deep dive into the Group's climate-related risks and opportunities. Focus shall also be placed on regional expansion opportunities of our core businesses to enable Axiata to better serve our customers.

### TOPICS FOR DISCUSSION AT BOARD MEETINGS



\* Now known as the Board Sustainability Committee effective 8 April 2022

### CODE OF CONDUCT AND ETHICS [CODE]

The Code is in line with the practices in the Malaysian Code on Corporate Governance under both the 2017 and 2021 iterations as well as the provisions of the Securities Commission Guidelines on the Conduct of Directors of Public Listed Companies issued in July 2020. All of the OpCos adopt a code of conduct similar to that of Axiata leading to a shaping of a common ethical culture within the Group. The provisions of the Code are also embedded within the Employees Code of Conduct and our core values of Uncompromising Integrity and Exceptional Performance applicable across the Group.

The Code is available online, <https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf>

### AXIATA ADVISORY PANEL

The Axiata Advisory Panel (AAP) advises the Board on matters relating to the business of the Group across its geographical footprint and other areas and location that the Group intends to venture. The AAP comprises members with extensive and established knowledge and experience of the business and industry environment that Axiata is involved in.

The current members of the AAP are Tan Sri Jamaludin Ibrahim and Gita Irawan Wirjawan. In the course of the year, the counsel and advice of the AAP were sought as required. A briefing and engagement session was organised in July 2021 for the Board to assess the political climate and developments in corporate Indonesia.

### BOARD EFFECTIVENESS EVALUATION

The Board engaged the services of Towers Watson (Malaysia) Sdn Bhd (TWM) to assist with the 2021 Board Effectiveness Evaluation (2021 BEE) of the Board's performance.

TWM is a professional HR consultancy firm that specialises in facilitating board reviews. Board members (except Tan Sri Shahril Ridza Ridzuan and Nurhisham Hussein whose appointments were only after the start of the BEE) and selected members of the Senior Leadership Team were invited to participate in interviews and complete a questionnaire, which amongst others, addressed the performance of the Board and its Committees, and the Board's role in integrating sustainability considerations in Axiata's corporate strategy in line with the emphasis of the Malaysian Code on Corporate Governance 2021. The specific assessments included those of the Board and each Board members' skill set. These were structured along both self-assessment and peer reviews extending specifically to independent directors and the Managing Director/President & Group Chief Executive Officer (GCEO).

## Board Leadership And Effectiveness

### BOARD EFFECTIVENESS EVALUATION (CONT'D)

#### STRENGTHS

The 2021 BEE was undertaken with an intermediate approach involving three modules, which were Interviews with the Board of Directors and selected members of the Senior Leadership Team (qualitative), Board, Committee, Self and Peer Assessment (quantitative), and Composition and Diversity Assessment (quantitative). Some of the key findings of the 2021 BEE are as follows:

- The Board composition enables diversity of thought as Board members provide multiple perspective given their diverse background and experiences
- There is a high degree of trust in the GCEO and a professional relationship between the Board and management
- On Boardroom conduct and dynamics, there is a good level of respect with acknowledgement of each individual's strengths and no domineering person on the Board

#### IMPROVEMENT

The findings of the 2021 BEE have also recommended areas for continuous improvement which reinforced the continuing agenda of the Board in the following areas:

- On the matter of corporate strategy and direction setting, the Board should continue to deliberate and define the role and focus of Axiata and the Board moving forward
- In order to further enhance the effectiveness of board governance and oversight, clear demarcation of responsibilities between Group and OpCos and delegated authority to Board Committees would make for more efficient use of Board meeting time and more effective deliberation and decision making of the Board
- More time should be spent on deliberating Senior Management succession planning and providing mentoring and coaching support to Senior Management

#### BOARD RE-ELECTION

In respect of the Directors standing for election/re-election, the BNRC and Board took into consideration the self and peer ratings and other feedback on the areas evaluated as undertaken in the 2021 BEE with the following findings:

**Dato' Izzaddin Idris**

He is acknowledged for his integrity and compliance to regulations along with a diligent and successful undertaking of duties and responsibilities expected within the stipulated time frame.

As the Managing Director/President & Group Chief Executive Officer of Axiata, his wide ranging strategic, commercial, operational and leadership experience in the corporate sector brings a well rounded perspective in steering Axiata's growth across its footprint and complements the diversity of the Board.

**Dato Dr Nik Ramlah Nik Mahmood**

As a Senior Independent Non-Executive Director, she is acknowledged for her effective and tactful communication with stakeholders along with an objective manner of seeking as well as incorporating information and feedback into the decision making process.

Her extensive experience in policy and regulatory reform, capital market regulation as well as corporate governance are valuable to Axiata's business that is continuously pursuing strategic growth opportunities and operating across multiple jurisdictions.

**Dr David Robert Dean**

He is acknowledged for demonstrating good understanding of fundamental issues affecting Axiata and its stakeholders, strength in probing Senior Management and showing foresight which enables him to anticipate opportunities and provide practical advice to the Board.

This, together with his wealth of international experience in the technology and telecommunications space, enables him to provide macro industry perspective and insights which contribute to his effectiveness as the Chairman of the BRCC and AEIB, especially from a strategy and business outlook and ability to probe on risk matters.

**Tan Sri Shahril Ridza Ridzuan**

The Board had at its meeting on 23 March 2022 recommended the re-election of Tan Sri Shahril Ridza Ridzuan. His profile is set out in the 'Profile of Directors' section of the Governance & Audited Financial Statements 2021 on page 4.

**Nurhisham Hussein**

The Board had at its meeting on 23 March 2022 recommended the re-election of Nurhisham Hussein. His profile is set out in the 'Profile of Directors' section of the Governance & Audited Financial Statements 2021 on page 7.

The assessment in respect of Directors' independence in the 2021 BEE was carried out using the criteria prescribed under the Main LR of Bursa Securities. All Independent Directors assessed have declared adherence to all the relevant stipulations in accordance with Paragraph 1.01 and Practice Note 13 of the Main LR of Bursa Securities.

## Board Leadership And Effectiveness

### PROFESSIONAL DEVELOPMENT AND EDUCATION

New directors receive a comprehensive and tailored induction programme in order that they are fully informed about the Group's activities on joining the Board. They are apprised of the business operations and environment, fiduciary duties and responsibilities, and the Board's expectations in respect of a director's commitment, ethical behaviour and the need to keep abreast of regulatory changes and trends.

Training is an area delegated to the Board Nomination and Remuneration Committee as part of its brief to ensure that the Board continues to possess the skills, experience and knowledge to meet the needs of the business. Training requirements are discussed and relevant and suitable training programmes are periodically made known to the directors all of which are facilitated and assisted by the Group Company Secretary.

#### Briefings During The Year

Several of the in-house presentations by external speakers during the course of the year were as follows:

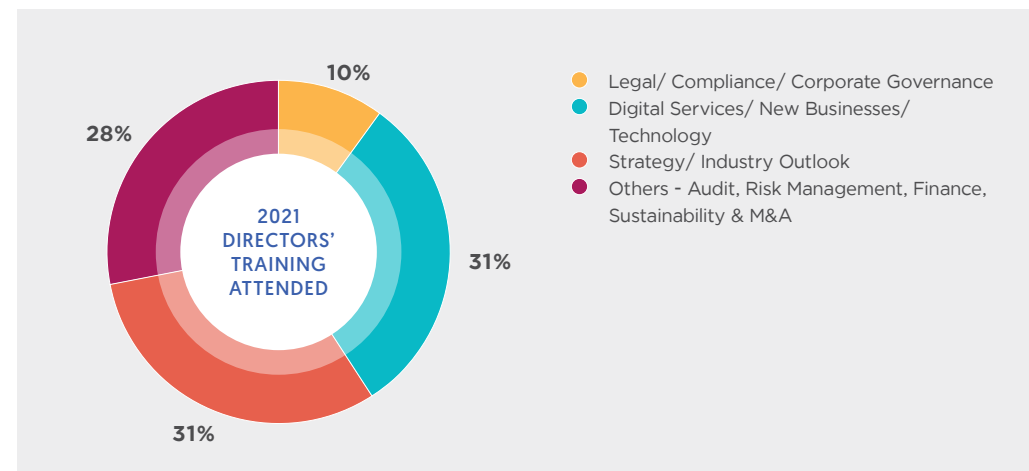
- Sector Outlook and Total Shareholder Return (TSR) Expectation
- Building an ICT Business
- Economist: Macro & Market
- Value Creation

There is also a Telco Primer organised for new directors appointed to the Board of Axiata if the person is not from the telco industry.

OpCos Induction Programme – all new directors appointed on the Board of Axiata will have the opportunity to attend an Axiata Board Induction as well as induction programmes organised and conducted by OpCos. These programmes by the OpCos are conducted once a year and Axiata Directors are encouraged to participate in at least one of these visits depending on their availability. Unfortunately, travel restrictions imposed due to the COVID-19 pandemic had not allowed for such visits in 2021.

### 2021 DIRECTORS' TRAINING AREAS

The Group Company Secretary actively disseminates training programmes to the Directors, which amounted to 36 in 2021 and includes 6 on digital services, new business and technology. Inclusive of in-house programmes, the Directors attended 75 training programmes in 2021, mainly in the areas of digital services, new business, technology, strategy and industry outlook.



### REMUNERATING FAIRLY

#### Non-Executive Directors (NED)

As a regional company, the remuneration philosophy is to develop a remuneration structure that commensurates with the Directors' responsibilities at both Board and Board Committee levels and is sufficient to attract, incentivise and retain quality Directors. The remuneration packages differentiate the Chairman and ordinary members of the Board and Board Committee to reflect the larger role and responsibilities of the Chairman.

The following table outlines the remuneration structure for NEDs of the Group in 2021:

Remuneration	Monthly Fees <sup>1</sup> (RM)		Meeting Allowances <sup>2</sup> (RM)	
	NEC <sup>3</sup>	NED	NEC <sup>3</sup>	NED
Board of Directors	30,000.00	20,000.00	3,000.00	2,000.00
Board Audit Committee (BAC)	4,000.00	2,000.00	3,000.00	2,000.00
Board Risk and Compliance Committee (BRCC)	3,000.00	1,500.00	2,250.00	1,500.00
Board Nomination and Remuneration Committee (BNRC)	1,200.00	800.00	1,500.00	1,000.00
Other Board Committees	Nil	Nil	1,500.00	1,000.00

Notes: <sup>1</sup> In accordance with Shareholders' approval, Axiata pays Board and Board Committees' Directors' fees on a monthly basis

<sup>2</sup> Meeting allowances are paid on a per meeting basis, notwithstanding any adjournment and number of days

<sup>3</sup> NEC refers to Non-Executive Chairman

## Board Leadership And Effectiveness

### REMUNERATING FAIRLY (CONT'D)

#### Non-Executive Directors (NED) (cont'd)

In 2021, a review of the NEDs' remuneration structure was conducted by Aon Malaysia Sdn Bhd. The review covered the following areas:

- Quantum of fees and meeting allowance for Board and Board Committees;
- Frequency and timing of payment of fees;
- Review of Benefits package;
- Review of travel allowances;
- Rates of Committees; and
- Mix of cash and equity.

Based on the analysis which included benchmarking Axiata against Malaysian similarly sized and regional-based international telecommunication peers, the recommendation was to increase the Chairman monthly fees to align with median and to align Board Committee ratios to P50 among similar-sized companies in Malaysia. The BNRC and Board had considered the proposal and decided to recommend for the increase in monthly fees for the Board Committees and to align the BRCC meeting allowances with that of the BAC.

In enabling Axiata to bring its focus on sustainability to the next level, the BNRC had recommended and the Board resolved to rescope, remodel and rename the Board Annual Report Committee as the Board Sustainability Committee (BSC) with expanded roles and responsibilities which includes oversight of the Sustainability Practices of the Group and the preparation of the Integrated Annual Report Suite. In line with this, the Board recommended the proposed payment of BSC monthly fees and meeting allowances.

The revised remuneration structure for NEDs of the Group which will be tabled for Shareholders' approval at the 30<sup>th</sup> Annual General Meeting is as below:

Remuneration	Monthly Fees <sup>1</sup> (RM)		Meeting Allowances <sup>2</sup> (RM)	
	NEC <sup>3</sup>	NED	NEC <sup>3</sup>	NED
Board of Directors	30,000.00	20,000.00	3,000.00	2,000.00
BAC	9,000.00	4,000.00	3,000.00	2,000.00
BRCC	9,000.00	4,000.00	3,000.00	2,000.00
BNRC	5,000.00	3,000.00	1,500.00	1,000.00
BSC	2,500.00	1,500.00	1,500.00	1,000.00
Other Board Committees	Nil	Nil	1,500.00	1,000.00

Notes: <sup>1</sup> In accordance with shareholders' approval, Axiata pays Board and Board Committees' Directors' fees on a monthly basis

<sup>2</sup> No new meeting allowance paid if meeting is adjourned to or continued on a different date or time

<sup>3</sup> NEC refers to Non-Executive Chairman

#### Benefits

Benefits comprises annual overseas business development trips, leave passage, travel allowance, travel allowance for Non-Resident NEDs, equipment, telecommunication facilities, insurance and medical.

At the 29<sup>th</sup> AGM of the Company, the Shareholders approved the extension of Travel Allowance for Non-Resident NEDs for their attendance at Board and Board Committee meetings virtually. The total extended Travel Allowance paid in 2021 including accrued extended Travel Allowance for 2020 is RM183,400.00. The extended Travel Allowance is expected to continue to be paid to the Non-Resident NEDs after the 30<sup>th</sup> AGM until the restrictions imposed on global travel are fully uplifted and travel may be safely undertaken thereafter.

#### Executive Directors (EDs)

The Company's policy on remuneration for the EDs is formulated to ensure that the level of remuneration is generally set to provide market competitiveness to attract, retain and motivate an ED of the highest calibre to competently manage the Company.

The remuneration is therefore structured to link various components of the package with corporate and individual performance. It also takes into account total compensation of comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on benchmarking conducted by independent consultants.

The current remuneration framework of the EDs consists of basic salary, benefits-in-kind and Employees Provident Fund (EPF) contributions, as a guaranteed component. On top of this, the EDs are eligible for two types of performance-based incentives which are the Short-Term Incentive Plan (STIP) linked to a particular financial year's targets and the Long-Term Incentive Plan (LTIP) which is linked to a 3-year long-term target.

For the STIP, the performance of the EDs is measured based on the achievement of the annual KPIs. These KPIs comprise not only quantitative targets, such as annual revenue, EBITDA, PATAMI or Return on Invested Capital (ROIC) and relative performance of the OpCos, but also qualitative targets which include strategic milestones and initiatives that need to be achieved and implemented in a given year, on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development. The weightage of the qualitative and quantitative targets may be adjusted to accommodate the Group's aspirations.

For the LTIP, the performance of the EDs is measured on the achievement of a combination of ROIC and Earning Per Share (EPS) including aggregate overall performance within the vesting period.

## Board Committees

## BNRC

Board Nomination and  
Remuneration Committee

## Members

- Dato Dr Nik Ramlah Nik Mahmood (Chairman) (SINED)
- Khoo Gaik Bee (INED)
- Ong King How (NINED)

## Nomination

- Oversee the selection and assessment of Directors and ensure that Board composition meets the needs of Axiata
- Propose new nominees to the Board of Directors of Axiata and any Committee of the Board
- Facilitate and review Board induction and training programmes
- Assess Directors on an ongoing basis
- Recommend or approve, as the case may be, the key management of Axiata Group

## Remuneration

- Recommend to the Board the remuneration of the EDs in all its forms, drawing from outside advice as necessary
- Assist the Board in determining the policy and structure for the remuneration of Directors and Senior Management of Axiata Group
- Administer the Performance-Based Employee Share Option Scheme and Restricted Share Plan (Axiata Share Scheme) and Axiata Group Performance-Based Long-Term Incentive Plan in accordance with the Bye-Laws of the Axiata Share Scheme and Axiata Group Performance-Based Long-Term Incentive Plan (Bye-Laws) as approved by shareholders of the Company

## Activities in 2021

## Nomination

- Considered the changes to the Board of Axiata involving the appointment of one new Director and retirement of one Director in 2021 and the appointment of one new Director in 2022
- Reviewed and recommended the proposal for appointment and contract renewal for Key Management
- Reviewed reports on Directors' training including making recommendations thereof
- Reviewed changes proposed in respect of the nomination of Axiata nominee directors on OpCos' Boards
- Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group
- Discussed the recommendations of the 2021 BEE and follow-up actions for 2022 BEE
- Succession Planning and Talent Management Review
- Reviewed the suitability of the Directors due for re-election at the 2021 AGM
- Reviewed and recommended the GCEO's succession plan

## Remuneration

The BNRC considered and recommended to the Board the following matters:

- GCEO KPI 2020 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2021 Restricted Share Plan Grant and Vesting
- Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework
- Top Management Remuneration Revision

## Structural Changes to Board Composition

The following changes to the composition of the Board of Axiata and OpCos occurred during the year 2021 and in early 2022:

- Appointment of Tan Sri Shahril Ridza Ridzuan as Director and Chairman of Axiata in place of Tan Sri Ghazzali Sheikh Abdul Khalid
- Appointment of Nurhisham Hussein as Director of Axiata
- Appointment of Muhammad Afhzal Abdul Rahman as Director of Celcom
- Appointment of Tan Sri Dr Halim Shafie as Director and Chairman of Smart in place of David Lau Nai Pek
- Resignation of Simon Perkins as Director and Thomas Hundt as CEO and Director of Smart
- Appointment of Thayaparan S Sangarapillai as Chairman of Robi in place of Dato' Izzaddin Idris
- Appointment of Kamal Dua, Nasir Uddin Ahmed and Dr M Sadiqul Islam as Directors and resignation of Badal Bagri and Kamran Bakr as Directors and Mahtab Uddin Ahmed as Managing Director and CEO of Robi
- Resignation of Tan Sri Jamaluddin Ibrahim as Commissioner of XL
- Appointment of Raja Noorma Othman and Amali Nanayakkara as Directors and resignation of Mahtab Uddin Ahmed as Director of Ncell
- Appointment of Dr Indrajit Coomaraswamy as Director and resignation of James Maclaurin as Director of Dialog
- Appointment of Norlida Abdul Azmi, Abraham Verghese TV Abraham and Asuka Nomura as Directors and Saiful Bahri Hassan as Alternate Director of edotco
- Resignation of Darke Mohamed Sani, Charles Campbell Green III, Thayaparan S Sangarapillai and Rossana Annizah Ahmad Rashid as Directors of edotco
- Resignation of Thayaparan S Sangarapillai as Director and Mohd Khairil Abdullah as CEO and Director of Axiata Digital Services Sdn Bhd (ADS)
- Appointment of Dato' Izzaddin Idris as Director and Chairman of Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd) and Boost Holdings Sdn Bhd in place of Mohd Khairil Abdullah

## Priorities for 2022

- To constantly evaluate and assess the composition of the Board in meeting the necessary skill, experience and competency as determined by the Board skill set matrix and to undertake efforts to fill any gaps that may arise
- To review top Management succession planning
- To monitor follow-up actions based on the 2021 BEE findings and decide on the approach for the 2022 BEE
- Routine matters such as performance bonus, increment for employees and KPIs for GCEO
- To formulate, implement and monitor the proposed Fit & Proper Policy planned to be undertaken by the first half of 2022
- Other new matters proposed by Management/Board

## Board Committees

AEIB

Axiata Enterprise  
Investment Board  
Committee

## Members

- Dr David Robert Dean (Chairman) (INED)
- Dato' Izzaddin Idris
- Thayaparan S Sangarapillai (INED)
- Syed Ali Syed Salem Alsagoff (NINED)

- Approve investments in enterprise business up to USD15.0 million
- Approve divestment of enterprise business up to USD15.0 million provided it is an investment previously approved by AEIB
- Approve all M&A related expenses to be incurred by Axiata or by related OpCo pursuant to the foregoing matters, provided that such expenses have been budgeted and approved by Axiata Enterprise division, Axiata or the respective OpCo as the case may be

## Activities in 2021

- The AEIB considered and evaluated a number of opportunities arising in the enterprise segment and provided due recommendations of the same to the Board

BARC

Board Annual Report  
Committee\*

## Members

- Thayaparan S Sangarapillai (Chairman) (INED)
- Dato' Izzaddin Idris
- Khoo Gaik Bee (INED)

- Review and approve the content design, concept and structure of the annual report and other related reports
- Review and approve the overall content of the annual report and ensure compliance with the Main LR of Bursa Securities
- Review and recommend for the Board's approval related statements in the annual report as required by the Main LR of Bursa Securities, some of which may require prior review by the Board Audit Committee or other Board Committee of Axiata
- Review and recommend for the Board's approval additional disclosures to be made in the annual report taking into account the Company and Group's position at any particular time and set the best disclosure framework to reflect the performance and image of the Company which is vital to the shareholders and stakeholders who are the primary recipients of the annual report

On 8 April 2022, the Axiata Board resolved to rename the BARC as the Board Sustainability Committee with expanded roles and responsibilities which includes the oversight of the Sustainability Practices of the Group and preparation of the Integrated Annual Report Suite.

## Activities in 2021

- Provided a holistic view of the Group's businesses and how value is created, with the continuing adoption and application of the globally recognised and best practice reporting framework of the International Integrated Reporting Council's (IIRC) Integrated Report
- Initiated discussion on applying the IIRC's Integrated Reporting framework as the framework in Axiata's annual report to shareholders and stakeholders
- Engaged with consultants, professional bodies and stakeholders to develop a roadmap towards applying the IIRC framework for its annual report
- Conducted reviews of Axiata's Integrated Annual Report Suite

## Board Accountability

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### BAC Board Audit Committee

##### Members

- Thayaparan S Sangarapillai (Chairman) (INED)
- Dr David Robert Dean (INED)
- Syed Ali Syed Salem Alsagoff (NINED)

BAC currently comprises three members of which two are INEDs and one is NINED whereby all BAC Members are financially literate, well above the level needed for an Audit Committee. Their appointments are made by the Board on the recommendation of the BNRC and in consultation with the BAC Chairman.

Group Chief Internal Auditor (GCIA) acts as the Secretary of the BAC and meeting dates are synchronised to coincide with the key dates within the financial reporting and audit cycle with ample time for a report to be prepared for the Board, particularly on irregularities and significant finding on matters of concern.

Axiata's internal audit function reports directly to the BAC and the Internal Audit (IA) Charter is also approved by the BAC.

#### Activities in 2021

##### Nomination

- Continued to work with Management in enhancing the whistleblowing 2.0 channel establishment across all OpCos in line with Section 17A of MACC Act 2009 (Revised 2018) Adequate Procedures aimed at transparency and integrity in the business
- Reviewed and approved the enhanced Axiata Group Internal Audit Charter and the Internal Auditing Procedures and Guideline Manual
- Reviewed the Board Audit Committee membership composition across the Group for continuity in leadership and roles and recommended to Management the areas for improvements
- Continued to review the progress of the Group on alignment with the Securities Commission's (SC) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (issued on 30 July 2020) including the corporate governance (CG) disclosure practices across all OpCos
- Reviewed the effectiveness of IA function in all OpCos via the OpCos IA Supervision Dashboard mechanism
- Reviewed the governance, risks and internal controls of Business Control Incidents (BCIs) across the Group
- Reviewed and recommended for approval the Policy on Accounting and Tax Records Retention & Retrieval
- Reviewed and recommended for approval the Branding, Advertising, Marketing and Sponsorship Policy
- Reviewed the Accounting treatment for the proposed settlement of Axiata Digital Services Sdn Bhd (ADS) Long Term Incentive Plan (LTIP)
- Encouraged the pilot of Continuous Auditing using analytics amongst the internal audit teams across the Group to modernise the internal audit works with the use of technologies
- Reviewed the Group foreign currency exposure, the impact of currency translation on Axiata Group's financial statements, and debt level including restructuring on financial risks of the Group considering ongoing COVID-19, oil price and currency volatility

##### Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2022
- Reviewed the execution of all 2021 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 158 internal audit reviews were completed across the Group
- Supported extensive internal audit assignments Groupwide in the area of Procurement, IT User Access Management, Cyber Security, Data Privacy, and Related Party Transactions which have contributed to improvements in controls across the Group
- Supported relevant competency development of auditors across the Group
- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for inclusion in the Annual Report to the Board for approval
- Reviewed the quarterly financial results and the financial statements for the year ended 31 December 2021, prior to recommending to the Board for approval
- Discussed and resolved all Key Accounting Matters which arose during the year
- Reviewed the accounting impact and accounting entries arising from M&A deals and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments made by the Group
- Reviewed compliance by Axiata Group and its OpCos with the accounting standards issued by International Financial Reporting Standards (IFRS) and incorporated in Malaysian Financial Reporting Standards (MFRS)
- Reviewed on a quarterly basis the related party transaction entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 29<sup>th</sup> AGM of the Company held on 15 June 2021 and the reporting of these transactions in the 2021 Financial Statements
- During the financial year ended 31 December 2021, Axiata has granted a total of 3,123,700 shares under the Performance Based Long Term Incentive Plan (details provided under Note 14 of the Audited Financial Statements) at the Share Reference Price of RM3.45 for 28 February 2021 and RM3.79 for 15 August 2021 for Restricted Share Plan (RSP) grant respectively. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance Based Long Term Incentive Plan) and noted its compliance with the conditions for the allocation of share options/shares as approved

## Board Accountability

## Board Audit Committee

## Activities in 2021

- Held two (2) private meetings with the external auditors on 23 February 2021 and 24 November 2021 without the presence of Management. The topics that were discussed were key matters noted from audits, the sufficiency and adequacy of information provided to external auditors to perform the audit and cooperation provided by the Management
- Reviewed and approved appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence
- Reviewed and recommended to the Board the fees payable to the external auditors
- Reviewed and approved the non-audit services to the external auditors after due consideration that the transparency and independence of the external auditors remain intact
- Reviewed business control incidents including fraud
- Reviewed the Whistleblow Dashboard, investigations outcome and consequence management
- Reviewed Data Privacy governance, risks management and internal controls implementation
- Continued to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate

## Priorities for 2022

- Continue to review the effectiveness of Anti-Bribery and Anti-Corruption (ABAC) operationalisation
- Review of Groupwide 3G Network Decommissioned & Fixed Assets Management
- Continuous enhancements of CG as well as Group oversight in relation to the MCCG 2021 and SC's Corporate Governance Strategic Priorities 2021-2023 (dated 24 November 2021) (CG Strategic Priorities)
- Continuous review of BAC membership composition to support Board on changing governance and regulatory landscape in relation to the MCCG 2021 and CG Strategic Priorities
- Review of BAC Terms of Reference across the Group to align with the changing landscape of MCCG 2021 and CG Strategic Priorities
- Reviews Group Financial Statements to reflect the true and fair view of the business results and the financial position of the Group, and that they are in line with IFRS and MFRS
- Review external auditors audit plan, auditors independence/objectivity, and external audit findings
- Continuous review of the Group Treasury Operations in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants, and interest expenses optimisation
- Review of Groupwide Network Capex Efficiency & Capex Procurement under Collective Brain initiative
- Continuous review of the carrying value of assets and its useful life, and goodwill for impairment in particular those assets which are still on the old technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Continuous review of the Group foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements consequent to volatile economic environment, geo-political situations, oil price movement, interest rate movement and currency volatility
- Review of Groupwide Business Controls Incidences (BCIs) Report
- Review of the execution of all 2022 Audit Plan, audit findings and closure of major audit issues
- Continuous enhancement of Internal Audit Function effectiveness, independence, objectivity, resources adequacy, and competencies
- Continues to ensure that internal auditors are given the right training on relevant and new competencies such as continuous auditing
- Continue to support Internal Audit to explore artificial intelligence in audits as a pilot initiatives to keep Internal Audit relevant with technologies evolution
- Support the expansion of "Continuous Auditing" footprint in keeping up with the business digitalisation and IR 4.0 technologies
- Continuous enhancement on Quality Assurance review on Internal Audit activities
- Review of Whistleblow Policy, standard operating procedures (WB SOP) throughout the Group
- Continuous monitoring of security, independence, and awareness of whistle blowing channel established by Management for employees and other stakeholders
- Continuous review of Whistleblowing awareness and communications in the organisation and with business partners/suppliers
- Continue to review the effectiveness of Related Party Transactions (RPT)
- Continue to review the effectiveness of cyber security, IT systems access, and procurement, Data Privacy, and risks management systems
- Review the governance, risks, and internal controls on Environmental, Social and Governance (ESG) initiatives

## Internal Control And Risk Management

## BRCC

Board Risk and  
Compliance  
Committee

## Members

- Dr David Robert Dean (Chairman) (INED)
- Dato Dr Nik Ramlah Nik Mahmood (SINED)
- Tan Sri Dr Halim Shafie (INED)
- Dato' Izzaddin Idris

The primary function of the BRCC is to assist Axiata Group Berhad (Axiata or the Group) Board of Directors (Board) to fulfil its responsibilities on risk management and compliance. The BRCC is responsible for ensuring robust processes are in place for identifying, assessing, and monitoring;

- key business risks to safeguard shareholders' investment and the Company's assets;
- cyber security risks and risks relating to data privacy; and
- risks arising from non-compliant practices and behaviours, particularly relating to Anti-Bribery and Anti-Corruption (ABAC) and regulatory compliance matters

## Roles and Responsibilities

- The BRCC's duties and responsibilities include areas of Enterprise Risk Management (ERM) (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity which include but not limited to requirements imposed by capital market authority, the central bank (e.g. e-money, forex controls, AMLA, etc), Local Authorities (e.g. site permits, health and safety), and domestic trade (e.g. anti-profiteering and commercial dealings of our dealers/distributors)
- To review and recommend the risk management and compliance methodologies, and risk tolerance levels for the approval by the appropriate authority in accordance with Axiata Limits of Authority
- To review and assess the adequacy and efficiency of the governing policies, framework, and structure in place for managing risks and compliance
- To ensure adequate infrastructure, resources, and systems are implemented for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently
- To review the management's periodic reports on risk and compliance management activities, exposure, and mitigating/remedial actions
- To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- To ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- To provide advice to the Board on risk and compliance strategies and coordinate the activities of various standing Board committees for risk oversight
- To promote a healthy risk and compliance culture and behaviour that ensures the effectiveness of the risk and compliance management processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned KPIs and remuneration schemes)
- To consider other matters relating to risk and compliance management, including relevant legislature applicable in all operating areas of Axiata Group as referred to by the Board or by BRCC on its own accord

## Activities in 2021

- Continued to monitor and enhance the stature of Data Privacy, Cyber Security, Enterprise Risk, Compliance & Ethics Governance with firm maturity targets
- Strengthened GRC culture via various awareness and training initiatives namely the first virtual annual Group Risk & Compliance (GRC) conference participated by more than 200 participants both at Senior management and Board level across the Group, roll out of ERM training module, refresher of Data Privacy and Cyber security training module, cross collaboration of ESG risk workshop, Integrity and Data Privacy days and launch of our quarterly GRC newsletter
- Rolled out the Axiata Anti-Bribery and Anti-Corruption Plan: 2020-2023 and ongoing implementation of Digital Trust & Resilience2023 (DT&R2023) strategy
- Embedded and aligned GRC principles in the day-to-day business operation with focus in the areas of M&A activities, third-party risk management and ESG risk. Additionally, continuously aim to ensure alignment of GRC processes with its distinct verticals namely Cyber security, Data Privacy, ABAC Compliance and Enterprise Risk Management
- Ensured a Robust Cyber Defence framework with continuous monitoring through the Group Security Operations Centre (GSOC)
- Reviewed related GRC policies and framework to align with the latest ISO and other related standards
- Strengthened the governance process with the establishment of SORMIC Methodology for SORMIC Assessment Review 2020, GRC Policies and LOA reviews and implementation of various governance instruments across the business
- Fostered cross-collaboration with the OpCos GRC teams to build synergy and teamwork within the GRC fraternity

Axiata maintains a risk register and the same is reviewed and updated every quarter. This comprises risks specific to the divisional activities of the business as well as more Group-wide risks affecting its long-term strategy and vision.

The Group has established the ERM framework as a standardised approach to rigorously identify, access, report and monitor risks facing the Group. The framework benchmarked against ISO 31000:2018, is adopted across the Group. A risk reporting structure has been established based on the ERM framework to ensure prompt communication with the BRCC and the Board.

## Priorities for 2022

- Oversee the development, implementation and review of the Group Risk and Compliance framework, policy and plans for a system and process of risk and compliance management
- Ensure that adequate systems of internal controls are developed, implemented, monitored, maintained and assessed by management in line with the BRCC governance instruments
- Ensure that management considers and implements appropriate risk responses to all the significant risks
- Express the committee's formal opinion to the Board on the effectiveness of the system and process of risk and compliance management
- To closely monitor the implementation progress of the Corporate Compliance Programme and the adequate procedures to remain compliant with the requirements of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Oversee and monitor the adequacy of internal controls specifically related to fraud risks (and any incidents of fraud)
- To monitor and oversee the effective execution of the Cyber Security Strategy DT&R2023, Axiata Anti-Bribery and Anti-Corruption Plan: 2020 - 2023 and establish the functional ERM Strategic Plan for 2021 - 2023
- Review the effective execution of the Cyber Defence capability and the establishment of the new Cyber Fusion Centre in Kuala Lumpur
- Review insurance cover to ensure adequate coverage is applied
- Focus on building technical capabilities within the GRC fraternity via formal training and professional certification
- Focus on automation and digitisation initiatives with planned roll out of integrated Cyber security and ERM risk management systems, roll out of VITAL systems to track Gifts, Donations and Sponsorships (GDS) management system
- To enhance the SORMIC Assessment Review 2022 to have an integrated approach within GRC and other assurance functions

## Internal Control And Risk Management

RCMC

### Risk and Compliance Management Committee

#### Members

- |                        |                   |                       |
|------------------------|-------------------|-----------------------|
| • Dato' Izzaddin Idris | • Thomas Hundt    | • Lila Azmin Abdullah |
| • Vivek Sood           | • Anthony Rodrigo | • Tan Gim Boon        |
| • Asri Hassan Sabri    | • Norlida Azmi    | • Abid Abdul Adam     |

#### Roles

- The RCMC's responsibilities include areas of Enterprise Risk Management (i.e. Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity and Telecommunication Regulatory Compliance, which includes but is not limited to requirements imposed by capital markets authority, Central Bank (e.g. e-money, forex controls, AMLA, etc.), Local Authorities (e.g. site permits, health and safety), and domestic trade ministry (e.g. anti-profiteering and commercial dealings of our dealers/distributors)
- Ensure the Group (which includes all its subsidiaries/OpCos) adopts sound and effective policies, procedures, and practices for all its Risk and Compliance functions and ensure adequate testing to improve its resilience and preparedness for any eventualities
- Review and recommend the risk management and compliance methodologies, policies (including framework) and risk tolerance levels for the approval of the appropriate authority in accordance with Axiata's Limits of Authority
- Review and assess the adequacy of the governing policies, framework, and structure in place for managing risk and compliance as well as the extent to which these are operating effectively
- Review the management's periodic reports on risk and compliance management activities, exposure, and mitigating/remedial actions
- Ensure adequate infrastructure, resources, and systems for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently of the risk-taking activities
- Ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- Review the risk and compliance matters highlighted by the Group Chief Risk and Compliance Officer on all strategic or investment transactions such as a merger, acquisition, partnership, joint venture, etc., independently to identify any bribery and corruption risks, and compliance matters in relation to the transaction. Such risk and compliance matters should also be reported to the BRCC periodically or as required
- Monitor and provide regular updates to the BRCC on ABAC compliance & integrity related matters

#### Responsibilities

- Ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- Provide advice to the BRCC on risk and compliance strategies and coordinate the activities of various management committees for risk oversight
- Promote a healthy risk and compliance culture and behaviour that ensures the effectiveness of the risk and compliance management processes (e.g., discourage excessive risk-taking, bribery and corruption due to misaligned KPIs and remuneration schemes)
- Consider other matters relating to risk and compliance management, including relevant legislation applicable in all operating areas of the Group as referred to by the Board or by the BRCC
- Assess the results of the ABAC monitoring activities conducted regularly based on the risk-based compliance plan

#### Activities in 2021

- Quarterly RCMC meetings were held in 2021 to discuss the Group's risk agenda
- Key deliberations and risk and compliance activities in the year include:
  - Group and OpCos key risks and the relevant mitigation strategy
  - Monitoring of the pandemic response Group-wide with the establishment of BCM COVID-19 Committee taskforce.
  - Assess Cyber threat and risks faced by the Group on protecting and safeguarding the data privacy of our customers, employees and other stakeholders
  - Business Continuity Programme and its maturity level across Axiata OpCos
  - Enhanced Data Privacy and Cyber Security Governance
  - Ensured a Robust Cyber Security Framework
  - Strengthened Cyber Risk Management
  - Maintained Threat Detection programmes
  - Leveraged on Advanced Technology to drive our Cyber defence capabilities
  - Assessed the adequacy of our Employees' and Vendors' Cyber Capabilities
  - Strengthened our Cyber Partner Ecosystem
- Defined standing agenda items to be monitored and reviewed regularly as part of the RCMC and BRCC meeting agendas that encompasses the relevant subjects across all verticals covered under the oversight of RCMC and BRCC
- Established the Compliance function at Group and OpCos level as part of the Corporate Compliance Project in meeting the requirement under MACC Section 17A
- Enhanced the overall Compliance maturity level (evolving state)

#### Priorities for 2022

- Establishing an Integrated Risk & Compliance governance function for the Group and OpCos
- Ensuring all risks of the Group are appropriately managed through effective monitoring at the BRCC encompassing all relevant domains
- Expansion of the Group Cyber Defence capability by establishing a future fit Cyber Fusion Centre
- Ensuring execution of the Risk and Compliance programmes on time and on budget aligned to the DT&R2023 strategy
- Ensuring the Group risk and compliance programmes are effective and progressively improving to reach its planned maturity levels
- Strengthening of Anti-Bribery and Anti-Corruption compliance and practice across the Group
- Progressively improving Group-wide Privacy Programme to uplift Axiata's data privacy capabilities, and reinforcing our position as a trusted regional telecommunications and digital services provider
- Promoting progressive risk and compliance culture and behaviours across the organisation through Group risk and compliance programmes and forums, purpose made e-learning training modules, and active staff engagement
- Aligning the Risk and Compliance functions of the Group to ensure a regulatory compliant, measured, consistent, and business focused application of practices
- Uplifting the skillset of risk and compliance practitioners across the Group

## Communication With Stakeholders

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the importance of effective communication channels between the Board, stakeholders, institutional investors and the investing public at large to provide a clear and complete picture of the Group's performance and position as much as possible.

The Board is therefore fully committed to maintaining high standards in the dissemination of relevant and material information on the developments of the Group in view of its commitment to effective,

comprehensive, timely and continuous disclosures. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main LR of Bursa Securities but additionally include items through media releases, sent on a voluntary basis.

Axiata uses a number of formal channels to account to shareholders and stakeholders particularly:

#### Direct Shareholder Communication and Engagement

- The Integrated Annual Report, Sustainability and National Contribution Report, Governance and Audited Financial Statements and Notice of AGM - Website/Print at Request/Press Advertisement
- Website updates on all corporate communication
- Announcements to Bursa Securities

#### Communication via Mass Media

- Press Conference on Financial Results and Corporate Developments
- Media Release on Financial Results and Corporate Developments
- Media Interviews on Corporate Developments
- Media Engagements and Networking
- Social Media Reach and Engagement on all key channels
- Media Outreach and Education

#### Communication to Analysts and Investors

- Analyst & Investor Day
- Analyst/Investor Meetings
- Conference Calls on Financial Results and Corporate Development
- Investor Relations Website
- Conferences/Non-Deal Roadshows
- 26 Equity Research Coverage

### INVESTOR RELATIONS

Conferences, non-deal roadshows (NDR), large group meetings and one-on-one meetings

<b>6 January</b> CGS - CIMB 13 <sup>th</sup> Annual Malaysia Virtual Corporate Day	<b>1 March</b> Morgan Stanley Virtual ASEAN STAR Corporate Day	<b>22 March</b> 24 <sup>th</sup> Credit Suisse Asian Investment Conference (Virtual)	<b>23 March</b> JP Morgan ASEAN TMT 1x1 Forum (Virtual)	<b>14 April</b> UOB Kay Hian Malaysia Corporate Day E-Conference	<b>30 June</b> Morgan Stanley Virtual Flagship ASEAN Conference	<b>9 July</b> Maybank Kim Eng Invest ASEAN 2021 Malaysia Week (Virtual)
<b>29 July</b> UOB Kay Hian New Economy Virtual Conference	<b>27 August</b> JP Morgan ASEAN TMT & Fintech 1x1 Forum (Virtual)	<b>13 September</b> CLSA Investors' Forum 2021 (Virtual)	<b>5 October</b> Credit Suisse ASEAN New Economy Conference (Virtual)	<b>20 October</b> Nomura Virtual Malaysia Corporate Day 2021	<b>8 December</b> Axiata Analyst & Investor Day (Virtual)	

### Annual General Meeting

- In view of the COVID-19 pandemic situation and as per the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, Axiata had successfully convened its 29<sup>th</sup> AGM as a fully virtual meeting conducted via live streaming
- Members had joined the AGM online and remotely and also voted electronically using the Remote Participation and Voting (RPV) facilities provided by TRICOR Investor & Issuing House Services Sdn Bhd via its TIIH Online website
- Shareholders and proxies of Axiata were able to submit their questions electronically via the TIIH Online website before and during the AGM
- In 2020, Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by Minority Shareholders Watch Group (MSWG) to do so. Axiata had maintained the practice of appointing an Independent Moderator for its 29<sup>th</sup> AGM
- All questions from shareholders received by Axiata were addressed at the 29<sup>th</sup> AGM and the list of questions and answers had been made available with the Minutes of the 29<sup>th</sup> AGM on Axiata's website within 30 business days from the meeting date
- The AGM had also served as the primary engagement platform between the Board and the Shareholders of the Company
- 28 days' notice was given for the AGM held on 15 June 2021
- Business presentation by the Managing Director/President & Group Chief Executive Officer was undertaken at the AGM
- An enhanced and electronic fully virtual e-voting process via RPV
- Poll voting on all resolutions and immediate announcement of results were also undertaken at the AGM
- The full recording of the AGM Webcast had been made available on Axiata's website

## Communication With Stakeholders

## FINANCIAL CALENDAR

## Financial Results

25 May 2021	27 August 2021	26 November 2021	22 February 2022	23 March 2022
Unaudited consolidated results for the first quarter ended 31 March 2021	Unaudited consolidated results for the second quarter and half-year ended 30 June 2021	Unaudited consolidated results for the third quarter ended 30 September 2021	Unaudited consolidated results for the fourth quarter and financial year ended 31 December 2021	Issuance of audited financial statements for the financial year ended 31 December 2021

## Dividends

10 March 2021	25 March 2021	8 April 2021	30 August 2021	15 September 2021	24 September 2021
Notice of Book Closure for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Date of Entitlement for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Payment for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Notice of Book Closure for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share	Date of Entitlement for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share	Payment for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share

## Promoting Digital Healthcare

Sri Lanka's premier digital health platform Doc990 offers a host of medical and lab services in a convenient and efficient manner to suit today's busy lifestyles

**DIALOG DOC990**



**Dr Dharmapriya Atapattu**

MBBS (Colombo), CCA (Colombo)  
SLMC 7738



Audio



Video



Tele Doctor  
Service



Medicine  
to Doorstep



Healthcare  
to Doorstep



My Health  
Records



Lab Reports  
at Fingertips

**Additional  
Information**

## Corporate Information

## BOARD OF DIRECTORS

**Tan Sri Shahril Ridza Ridzuan**

Chairman  
Independent Non-Executive Director

**Dr David Robert Dean**

Independent Non-Executive Director

**Tan Sri Dr Halim Shafie**

Independent Non-Executive Director

**Nurhisham Hussein**

Non-Independent Non-Executive Director

**Dato' Izzaddin Idris**

Managing Director/  
President & Group Chief Executive Officer

**Khoo Gaik Bee**

Independent Non-Executive Director

**Ong King How**

Non-Independent Non-Executive Director

**Dato Dr Nik Ramlah Nik Mahmood**

Senior Independent Non-Executive Director

**Thayaparan S Sangarapillai**

Independent Non-Executive Director

**Syed Ali Syed Saleem Alsagoff**

Non-Independent Non-Executive Director

## Group Company Secretary

Suryani Hussein  
LS0009277

## Investor Relations

Tel : +603 2263 8706  
Fax : +603 2278 3337  
Email : [ir@axiata.com](mailto:ir@axiata.com)

## Share Registrar

Tricor Investor & Issuing House  
Services Sdn Bhd  
Registration No.: [197101000970 (11324-H)]

## Auditors

PricewaterhouseCoopers PLT  
(LLP0014401-LCA & AF 1146)

## Registered Office

Level 5, Corporate Headquarters  
Axiata Tower, 9 Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : +603 2263 8888  
Fax : +603 2263 8903

## Stock Exchange Listing

Listed on Main Market of  
Bursa Malaysia Securities Berhad  
Listing Date : 28 April 2008  
Stock Code : 6888  
Stock Name : Axiata  
Stock Sector : Telecommunications & Media

Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Tel : +603 2783 9299  
Fax : +603 2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
50706 Kuala Lumpur, Malaysia  
Tel : +603 2173 1188  
Fax : +603 2173 1288  
Email : [my\\_info@pwc.com](mailto:my_info@pwc.com)

## Website

[www.axiata.com](http://www.axiata.com)

## Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF AXIATA GROUP BERHAD ("AXIATA" OR "COMPANY") WILL BE HELD AS A VIRTUAL MEETING CONDUCTED ENTIRELY THROUGH LIVE STREAMING AND REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING FACILITIES FROM THE BROADCAST VENUE AT AUDITORIUM, LEVEL 32, AXIATA TOWER, 9 JALAN STESSEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON THURSDAY, 26 MAY 2022 AT 9.30 A.M. FOR THE FOLLOWING PURPOSES:**

### AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Report of the Directors and the Auditors thereon.
- To re-elect the following Directors, each of whom retires by rotation pursuant to Clause 104 of the Constitution of the Company ("Constitution") and being eligible, offers himself/herself for re-election:

- |                                    |                                |
|------------------------------------|--------------------------------|
| i) Dato' Mohd Izzaddin Idris       | <b>(Ordinary Resolution 1)</b> |
| ii) Dato Dr Nik Ramlah Nik Mahmood | <b>(Ordinary Resolution 2)</b> |
| iii) Dr David Robert Dean          | <b>(Ordinary Resolution 3)</b> |

- To re-elect the following Directors, each of whom retires pursuant to Clause 110(ii) of the Constitution and being eligible, offers himself for re-election:

- |                                  |                                |
|----------------------------------|--------------------------------|
| i) Tan Sri Shahril Ridza Ridzuan | <b>(Ordinary Resolution 4)</b> |
| ii) Nurhisham Hussein            | <b>(Ordinary Resolution 5)</b> |

- To approve the following payment by the Company:

- Directors' fees with effect from the 30<sup>th</sup> Annual General Meeting until the next Annual General Meeting:

	Non-Executive Chairman ("NEC")/ per month (RM)	Non-Executive Director ("NED")/ per month (RM)
As approved at the 29 <sup>th</sup> AGM		
i) Directors' fees	30,000.00	20,000.00
ii) Directors' fees of the Board Audit Committee	4,000.00	2,000.00
iii) Directors' fees of the Board Nomination & Remuneration Committee	1,200.00	800.00
iv) Directors' fees of the Board Risk & Compliance Committee	3,000.00	1,500.00

	Non-Executive Chairman ("NEC")/ per month (RM)	Change (RM)	Non-Executive Director ("NED")/ per month (RM)	Change (RM)
Approval sought at the 30 <sup>th</sup> AGM				
i) Directors' fees	30,000.00	No change	20,000.00	No change
ii) Directors' fees of the Board Audit Committee	9,000.00	Increase of 5,000.00	4,000.00	Increase of 2,000.00
iii) Directors' fees of the Board Nomination & Remuneration Committee	5,000.00	Increase of 3,800.00	3,000.00	Increase of 2,200.00
iv) Directors' fees of the Board Risk & Compliance Committee	9,000.00	Increase of 6,000.00	4,000.00	Increase of 2,500.00
v) Directors' fees of the Board Sustainability Committee	2,500.00	New	1,500.00	New

(each of the foregoing payments being exclusive of the others).

- Benefits payable to NEC and NEDs from the 30<sup>th</sup> Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 6)**
- To approve the payment of fees and benefits payable by the subsidiaries to the NEDs of the Company from the 30<sup>th</sup> Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 7)**
  - To re-appoint PricewaterhouseCoopers PLT having consented to act as the Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

### AS SPECIAL BUSINESS:

- PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"**THAT**, in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Main LR), approval be and is hereby given for Axiata and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in Appendix I of the Circular to Shareholders dated 27 April 2022 ("Circular") which is made available together with the Company's Integrated Annual Report 2021 at <https://www.axiata.com/investors/agm/>, which are necessary for the day-to-day operations in the ordinary course of the business of Axiata and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of Axiata;

## Notice Of Annual General Meeting

**THAT** such approval will continue to be in force and effect until:

- i) The conclusion of the next Annual General Meeting at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- ii) The expiration of the period within which the next Annual General Meeting is required to be held under Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- iii) Revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

**AND THAT** the Directors be and are hereby authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents under the common seal in accordance with the provisions of the Constitution, as may be required) to give effect to the aforesaid shareholders' mandate and transactions contemplated under this resolution." **(Ordinary Resolution 9)**

8. To transact any other ordinary business for which due notice has been given in accordance with the Constitution and the Companies Act 2016.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 30<sup>th</sup> Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 75 of the Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 17 May 2022. Only a depositor whose name appears in the General Meeting Record of Depositors as at 17 May 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

### By Order of the Board

**Suryani Hussein** (LS0009277)  
Group Company Secretary  
Kuala Lumpur, Malaysia

27 April 2022

### NOTES:

#### Virtual Meeting

1. The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and Clause 72(i) of the Company's Constitution which stipulate that the Chairman of the meeting shall be present at the main venue of the 30<sup>th</sup> Annual General Meeting ("AGM") and in accordance with Clause 72(ii) of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members to attend and exercise their right to speak and vote at the general meeting.
2. No shareholders from the public are permitted to be physically present nor to be admitted at the Broadcast Venue on the day of the 30<sup>th</sup> AGM.
3. Shareholders and proxies will have to register to attend the 30<sup>th</sup> AGM remotely by using the Remote Participation and Voting Facilities ("RPV") according to the procedures as set out in the Administrative Notes.
4. Shareholders and proxies may raise questions before the 30<sup>th</sup> AGM to the Chairman or Board of Directors via our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor")'s TIH Online website at <https://tiah.online>, by selecting 'e-Services' to login and submit the questions electronically no later than Wednesday, 25 May 2022 at 9.30 a.m. The Chairman or Board of Directors will endeavour to address the questions received at the 30<sup>th</sup> AGM.
5. Shareholders and proxies may also pose questions via real time submission of typed text at the 30<sup>th</sup> AGM via Tricor's TIH Online website at <https://tiah.online>, by selecting 'e-Services' to login and submit the questions electronically.

#### Proxy and/or Authorised Representative

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.
2. The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution in relation to the Record of Depositors made available to the Company.
3. A Member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a Member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

## Notice Of Annual General Meeting

### 6. The instrument appointing a proxy shall:

- a) in the case of an individual, be signed by the appointer or by his/her attorney; or
- b) in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".

Any alteration to the instrument appointing a proxy must be initialled.

### 7. In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote at this 30<sup>th</sup> AGM via the RPV to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

- a) Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the 30<sup>th</sup> AGM.
- b) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely at the 30<sup>th</sup> AGM via the RPV on his/her/their behalf.
- c) Authorised nominees, Exempt Authorised Nominee and corporate members are to refer to the Administrative Notes for the 30<sup>th</sup> AGM for further details.

### 8. A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333(3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.

### 9. The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 25 May 2022 at 9.30 a.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at: <https://tiih.online> no later than Wednesday, 25 May 2022 at 9.30 a.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes.

### 10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR"), all resolutions set out in the Notice of AGM will be put to vote on poll.

## Audited Financial Statements

11. The Audited Financial Statements for financial year ended 31 December 2021 (FY21) under Agenda 1 are laid before the shareholders pursuant to the provisions of Section 340(1) of the Companies Act 2016 for discussion only and will not be put forward for voting.

## Re-election of Directors who retire pursuant to Clauses 104 and 110(ii) of the Constitution

12. Clause 104 provides that one-third of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. All the Directors shall retire from office at least once in three years but shall be eligible for re-election. Dato' Mohd Izzaddin Idris, Dato Dr Nik Ramlah Nik Mahmood and Dr David Robert Dean are standing for re-election as Directors and being eligible, have offered themselves for re-election.

Clause 110(ii) provides that any Director appointed during the year shall hold office only until the next following AGM and shall then be eligible for re-election. Tan Sri Shahril Ridza Ridzuan and Nurhisham Hussein, who were appointed on 29 November 2021 and 25 January 2022 respectively, are standing for re-election as Directors of the Company.

The Board has recommended the re-election of the abovementioned Directors. The assessment of the Directors seeking re-election, save for Tan Sri Shahril Ridza Ridzuan and Nurhisham Hussein, are provided in the Corporate Governance Overview Statement on page 92 of the Integrated Annual Report 2021. Their profiles are set out in the Profile of Directors section of the Governance & Audited Financial statement 2021 ("GAFS") from pages 4 to 7.

Any Director referred to in Ordinary Resolutions 1 to 5 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 30<sup>th</sup> AGM.

## Directors' Fees and Benefits Payable by the Company

13. a) Clause 117(i) of the Constitution provides that the fees of Director and the benefits payable to the Directors shall be subject to annual shareholder approval at a meeting of members. Shareholders' approval on the Directors' fees for the Board and Board Committees and benefits payable was obtained at the 29<sup>th</sup> AGM held on 15 June 2021.

A comprehensive review of Non-Executive Directors ("NEDs") remuneration was last undertaken by the Company and tabled to the shareholders for approval at the AGM in 2014. Despite the earlier recommendation to undertake a review every 5 years, this exercise has been deferred for several years due to various considerations. Eventually, in 2021 Aon Malaysia Sdn Bhd ("Aon") was appointed to conduct an analysis of the competitiveness of its NED remuneration framework, benchmarking against comparable peers. The objective is to ensure that remuneration and benefits of board members is competitive, appropriate and in line with the prevalent market practices. The review also encompass the remuneration framework of the subsidiary Boards.

## Notice Of Annual General Meeting

The remuneration structure proposed for approval at this AGM takes into account the findings and insights presented by Aon. Despite a recommendation to increase the Chairman's fees to align with the practice of the P50 amongst similarly sized local peers and considering the Chairman's non-membership of other board committees, this proposal is not pursued at this 30<sup>th</sup> AGM. The base retainer fee for NEDs is also proposed to be maintained.

The Board has recommended revisions only in respect of the fee ratios for the Board Audit Committee ("BAC"), Board Nomination and Remuneration Committee and Board Risk and Compliance Committee ("BRCC") which are proposed to be increased to align with prevailing P50 market practice amongst similarly sized firms in Malaysia. Synchronising the payout for BAC and BRCC also follows prevailing market practice. The board committees which operate with members with the appropriate skillsets facilitate the Board's efficiencies by having specific oversight over matters assigned to them within their specific Terms of References. Revisions to board committee fees and allowances serve to recognise the accountability and responsibility of the members of the respective board committees.

Further, in support of Axiata's long-term sustainability agenda, the Board had decided that stronger oversight through a board committee is required. Accordingly, the Board resolved to remodel, rescope and rename the Board Annual Report Committee to the Board Sustainability Committee ("BSC") with expanded roles and responsibilities including the oversight of the Sustainability Practices of the Group in addition to the preparation of Integrated Annual Report of Axiata. In line with this, the Board has recommended the introduction of a new monthly fixed fee for BSC as incorporated under Ordinary Resolution 6. The details of the NEDs Remuneration Review is available on page 94 of the Integrated Annual Report 2021.

- b) Approval of the shareholders is sought pursuant to Section 230(1) of the Companies Act 2016, stipulating amongst others, that the fees and benefits payable to the directors of a listed company shall be approved at a general meeting. The benefits payable to the NEDs shall comprise the following:

i) Meeting Allowance

Board/Board Committees	Meeting Allowance (RM)	
	NEC	NED
As approved at the 29 <sup>th</sup> AGM		
Board of Directors	3,000.00	2,000.00
Board Audit Committee	3,000.00	2,000.00
Board Nomination & Remuneration Committee	1,500.00	1,000.00
Board Risk & Compliance Committee	2,250.00	1,500.00
Other Board Committees	1,500.00	1,000.00

Board/Board Committees	Meeting Allowance (RM)			
	NEC	Change	NED	Change
Approval sought at the 30 <sup>th</sup> AGM				
Board of Directors	3,000.00	No change	2,000.00	No change
Board Audit Committee	3,000.00	No change	2,000.00	No change
Board Nomination & Remuneration Committee	1,500.00	No change	1,000.00	No change
Board Risk & Compliance Committee	3,000.00	Increase of 750.00	2,000.00	Increase of 500.00
Board Sustainability Committee	1,500.00	New	1,000.00	New
Other Board Committees	1,500.00	No change	1,000.00	No change

For reference, the amount of Meeting Allowances paid to NEDs of Axiata for Board and Board Committee meetings based on number of meetings held in FY21 are disclosed on page 8 of the GAFS.

- ii) At the 29<sup>th</sup> AGM of the Company, the Shareholders approved the extension of Travel Allowance for Non-Resident NEDs for their attendance at Board and Board Committee meetings virtually. The total extended Travel Allowance paid in 2021 including accrued extended Travel Allowance for 2020 is RM183,400.00. The extended Travel Allowance is expected to continue to be paid to the Non-Resident NEDs after the 30<sup>th</sup> AGM until the restrictions imposed on global travel are fully uplifted and travel may be safely undertaken thereafter.

Place of Residence	Travel Allowance (USD)
South Asia/Asia Pacific/Central Asia	1,000.00 per trip
Europe/Africa/Middle East	2,000.00 per trip
North/Central/South America	3,000.00 per trip

- iii) Benefits such as annual overseas business development trips, leave passage, equipment, telecommunication facilities, insurance and medical.
- c) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 6 regarding the Directors' Fees and Benefits Payable by the Company.

## Notice Of Annual General Meeting

### Directors' Fees and Benefits Payable by the Subsidiaries

14. Approval of the shareholders is sought to comply with the provisions of Section 230(1) of the Companies Act 2016, stipulating amongst others, that the fees and benefits payable to the directors of a listed company by the subsidiaries shall be approved at a general meeting.

Aon's analysis and findings had resulted in the formulation of a new Axiata Group NED Remuneration and Benefits policy. Subsidiaries will adopt the Group Framework and each will undertake its own review to determine if any revision is necessary and the appropriate timing to effect such revision. Ultimately, any decision in respect of the Directors' remuneration of the subsidiaries will be made by the shareholders of these companies in accordance with the laws applicable in their respective jurisdiction.

#### i) Monthly Fees and Meeting Allowance

Company	Designation	Monthly Fees (RM unless indicated otherwise)				Meeting Allowance per Meeting (RM unless indicated otherwise)				
		Board of Directors	BAC	BRCC	BNRC/BNC/BRC	Board of Directors	BAC	BRCC	BNC/BRC	Other Committees
Celcom Axiata Berhad ("Celcom")	NEC*	20,000.00 (Increased from 12,000.00)	4,500.00 (New)	4,500.00 (New)	2,500.00 (New)	2,000.00 (No change)	2,000.00 (No change)	2,000.00 (Increase of RM500.00)	1,000.00 (No change)	500.00 (No change)
	NED*	10,000.00 (Increased from RM8,000.00)	2,000.00 (New)	2,000.00 (New)	1,500.00 (New)	1,500.00 (No change)	1,500.00 (No change)	1,500.00 (Increase of RM300.00)	750.00 (No change)	350.00 (No change)
PT XL Axiata Tbk.	President/Chairman	IDR135M	IDR30M	IDR25M	-	IDR6M	-	-	-	-
	BOC/Member	IDR92M	IDR10M – IDR72M	IDR10M	IDR66M (External)	IDR6M	-	-	-	-
Dialog Axiata PLC	NEC	USD1,463.00	-	-	-	USD975.00 (AGM: USD650.00)	USD975.00	USD490.00	USD490.00 (BNC & BRC)	USD490.00
	NED	USD1,125.00	-	-	-	USD750.00 (AGM: USD500.00)	USD750.00	USD375.00	USD375.00 (BNC & BRC)	USD375.00
Robi Axiata Limited	NEC	USD2,500.00	-	-	-	USD300.00	USD300.00	USD225.00	USD150.00 (BNC & BRC)	-
	NED	USD2,000.00	-	-	-	USD200.00	USD200.00	USD150.00	USD100.00 (BNC & BRC)	-
	Independent NEC	-	-	-	-	-	BDT10,000.00	BDT10,000.00	BDT10,000.00	-
	Independent NED	BDT125,000.00	-	-	-	-	BDT8,000.00	BDT8,000.00	BDT8,000.00	-
Ncell Axiata Limited	NEC	USD2,500.00	-	-	-	USD300.00	USD300.00	USD225.00	-	-
	NED	USD2,000.00	-	-	-	USD200.00	USD200.00	USD150.00	-	-
edotco Group Sdn Bhd	NEC	8,000.00	-	-	-	1,000.00	1,000.00	350.00	750.00	350.00
	NED	6,000.00	-	-	-	700.00	700.00	250.00	500.00	250.00
Smart Axiata Co., Ltd	NEC	USD1,200.00	-	-	-	USD300.00	USD300.00	USD150.00	USD150.00 (BNC & BRC)	-
	NED	USD1,200.00	-	-	-	USD300.00	USD300.00	USD150.00	USD150.00 (BNC & BRC)	-

\* Revision as approved and recommended by the Board of Directors of Celcom in April 2022 in accordance with Axiata Group framework. There has been no revision from approval at the 29<sup>th</sup> AGM for the other subsidiaries

## Notice Of Annual General Meeting

- ii) Other customary benefits not available and/or provided by Axiata prevalent in these respective jurisdictions. Additionally, any benefit in the form of travel allowance payable by subsidiaries to Non-Resident NEDs if any for attending meetings shall have the application of the same similarly extended to attendance virtually as indicated in Note 13(b)(ii) above.

### Notes:

For reference on the directorship of Axiata NEDs on the Board of subsidiaries and amount paid for the FY21, please refer to page 8 of the GAFS. Factors affecting the total amount include the number of meetings held for the Board and Board Committees and the number of NEDs involved in these meetings. Any new appointments of Axiata NED on the Board of subsidiaries post the 30<sup>th</sup> AGM will apply the same rates as set out above.

Payment of fees and benefits in Notes 13 and 14 will be made by the Company and the respective subsidiary on a monthly basis and/or as and when incurred.

- iii) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 7 regarding the Directors' Fees and Benefits Payable by the Subsidiaries.

### Re-appointment of Auditors

15. The Company and the BAC have undertaken an External Auditors Evaluation and Rotation Assessment to assess the performance of external auditors. This assessment is undertaken when deciding on the re-appointment of external auditors and takes into account the following criteria:
1. Independence
  2. Scope of audit
  3. Audit fee
  4. Expertise and experience
  5. Methodologies, techniques and audit facilities
  6. Performance based on the annual audit scope and planning

The BAC and the Board had, at its meeting held on 17 and 21 February 2022 respectively, evaluated the re-appointment of PricewaterhouseCoopers PLT ("PwC") as Auditors of the Company, in the course of which the criteria of assessment were duly considered. The BAC and the Board were satisfied with the performance of PwC based on the criteria of assessment and that the requirements for consideration as prescribed under Paragraph 15.21 of the Main LR are duly met. A recommendation is made for the re-appointment of PwC as external auditors of the Company for the financial year ending 31 December 2022, in accordance with Sections 273(b), 340(1)(c) and Section 274(1)(a) of the Companies Act 2016.

### EXPLANATORY NOTES - SPECIAL BUSINESS

#### I) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if approved, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at such general meeting. Detailed information on the Proposed Shareholders' Mandate is set out in the Circular.

## Statement Accompanying Notice Of Annual General Meeting

Pursuant To Paragraph 8.27[2] Main Market Listing Requirements of Bursa Malaysia Securities Berhad

### DIRECTORS STANDING FOR RE-ELECTION AT THE 30<sup>TH</sup> ANNUAL GENERAL MEETING

The following are Directors retiring pursuant to Clause 104 and Clause 110(ii) of the Company's Constitution and standing for re-election.

Clause 104: Retirement by rotation

1. Dato' Mohd Izzaddin Idris
2. Dato Dr Nik Ramlah Nik Mahmood
3. Dr David Robert Dean

Clause 110(ii): Retirement after appointment to fill casual vacancy

1. Tan Sri Shahril Ridza Ridzuan
2. Nurhisham Hussein

The profiles of the above Directors are set out in the Profile of Directors' section of the Governance & Audited Financial Statements 2021 ("GAFS") from pages 4 to 7.

Save for Dato' Mohd Izzaddin Idris, none of the above Directors have any interest in the securities of the Company and its related corporation. The interest of Dato' Mohd Izzaddin Idris in the Performance-Based Long-Term Incentive Plan of Axiata is disclosed on page 192 of the GAFS.

This page has been intentionally left blank.

# PROXY FORM

(Before completing the form, please refer to the notes overleaf)

**“A”** I/We, \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_  
of \_\_\_\_\_  
(FULL ADDRESS)  
\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_  
being a Member/Members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_  
of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **first** proxy to vote for me/us on my/our behalf at the 30<sup>th</sup> Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 26 May 2022 at 9.30 a.m. or at any adjournment thereof.

**“B”** If you wish to appoint a second proxy, please complete this section.

I/We, \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_  
of \_\_\_\_\_  
(FULL ADDRESS)  
\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_  
being a Member/Members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_  
of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **second** proxy to vote for me/us on my/our behalf at the 30<sup>th</sup> Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 26 May 2022 at 9.30 a.m. or at any adjournment thereof.

Note:

\*Strike out if inapplicable

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:	
	Percentage (%)
Proxy* "A"	
Proxy* "B"	
<b>TOTAL</b>	100%

\* Please fill in the proportion of the holding to be presented by each proxy

My/Our proxy/proxies is/are to vote as indicated below:

Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote or abstain at his/her discretion.

	Resolutions	Proxy "A"		Proxy "B"	
		For	Against	For	Against
1.	<b>Ordinary Business</b> Ordinary Resolution 1 – Re-election of Dato’ Mohd Izzaddin Idris				
2.	Ordinary Resolution 2 – Re-election of Dato Dr Nik Ramlah Nik Mahmood				
3.	Ordinary Resolution 3 – Re-election of Dr David Robert Dean				
4.	Ordinary Resolution 4 – Re-election of Tan Sri Shahril Ridza Ridzuan				
5.	Ordinary Resolution 5 – Re-election of Nurhisham Hussein				
6.	Ordinary Resolution 6 – Directors’ Fees and Benefits Payable by the Company				
7.	Ordinary Resolution 7 – Directors’ Fees and Benefits Payable by the Subsidiaries				
8.	Ordinary Resolution 8 – Re-appointment of PricewaterhouseCoopers PLT as Auditors				
9.	<b>Special Business</b> Ordinary Resolution 9 – Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

No. of ordinary shares held	CDS Account No. of Authorised Nominee*									
						-				

\* Applicable to shares held through a nominee account

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

## NOTES:

### Proxy and/or Authorised Representative

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.
2. The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution of the Company in relation to the Record of Depositors made available to the Company.
3. A Member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a Member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall:
  - a) in the case of an individual, be signed by the appointer or by his/her attorney; or
  - b) in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".

Any alteration to the instrument appointing a proxy must be initialled.

7. In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote at this 30<sup>th</sup> AGM via the RPV to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.
  - a) Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the 30<sup>th</sup> AGM.
  - b) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely at the 30<sup>th</sup> AGM via the RPV on his/her/their behalf.
  - c) Authorised nominees, Exempt Authorised Nominee and corporate members are to refer to the Administrative Notes for the 30<sup>th</sup> AGM for further details.
8. A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333(3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.
9. The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 25 May 2022 at 9.30 a.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online Website at <https://tiih.online> no later than Wednesday, 25 May 2022 at 9.30 a.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 30<sup>th</sup> AGM will be put to vote on poll.

### Members Entitled to Attend, Speak and Vote

11. For purposes of determining a member who shall be entitled to attend, speak and vote at the 30<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 75 of the Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 17 May 2022. Only a depositor whose name appears in the General Meeting Record of Depositors as at 17 May 2022 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.

2. Fold this flap to seal

AFFIX STAMP  
HERE

The Share Registrar  
**Tricor Investor & Issuing House Services Sdn Bhd**  
[197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

1. Fold here

