



**axiata**  
advancing asia

TOWARDS  
SUSTAINABILITY







# Towards Sustainability

# ► CONTENTS

## 04 A LOOK BEYOND PROFITS

## 06 SUSTAINABILITY AT AXIATA

### 08 REFINED SUSTAINABILITY FRAMEWORK

09 Aligned to Bursa Malaysia Securities Berhad Requirements

### 09 BENCHMARKING AGAINST GLOBAL STANDARDS

## 10 TALENT DEVELOPMENT

### 13 DEVELOPING OUR PEOPLE

13 Axiata Group Accelerated Development Programme

13 Axiata, Building a Talent Factory

### 14 DEVELOPING YOUNG TALENT

14 Axiata Young Talent Programme

15 Young Talent Pipeline - Leadership Development in 2012

15 XL Future Leaders Programme

## 16 ENVIRONMENTAL MANAGEMENT

### 19 AXIATA GREEN TECHNOLOGY INITIATIVES

### 20 MAKING NETWORK OPTIMISATION AND ENVIRONMENTAL MANAGEMENT SYNONYMOUS

20 Infrastructure Sharing for Energy and Cost Saving

20 Green Technologies at XL to Achieving Balance between Network Reach against Environmental Impact

20 M-Waste Recycling Programme at Dialog

### 21 CLIMATE CHANGE AWARENESS

21 The Emergence of Green Committees across Axiata

## 22 SUSTAINABLE SUPPLY CHAIN

25 Socially Responsible Business Practices and Supplier Management at Robi

26 Celcom's World Class and Award Winning Procurement Practice

26 League of Extraordinary Developers Challenge (LEDC) at Celcom

27 Developing Local Distributors the Smart Way



**28 COMMUNITY DEVELOPMENT**

**31** Voices of Asia

**32** Education for All, Dialog's Nenaso Programme

**32** EMPOWERING COMMUNITIES THROUGH  
MOBILE CONNECTIVITY AND INNOVATION

**32** Axiata Partners with Wikimedia  
Foundation for One of the Largest Free  
Mobile Access to Wikipedia

**33** Banking for the Unbanked with Dialog's  
eZ Cash

**34 NATIONAL DEVELOPMENT**

**35** CONTRIBUTION FROM THE AXIATA GROUP

**40 SUSTAINABILITY BOUND BY GOOD  
GOVERNANCE AND STRONG BUSINESS  
ETHICS**



# A LOOK BEYOND PROFITS

2012 saw another strong year for Axiata Group Berhad (Axiata or the Group) with all our Operating Companies (OpCos) registering improvements in terms of revenue and profit, exceeding all key targets set for the year. Whilst our 2012 Annual Report details the Group's financial performance, governance and transparency practices as well as outlines our strategy for growth and sustainable profits, this book provides a deeper look at how Axiata operates as a responsible organisation.

Beyond profits, Axiata looks at the sustainability of its business holistically, taking into account the social and environmental aspects of our business. Operating responsibly at Axiata is about obtaining a balanced "triple bottom line" of "People, Planet and Profit".

This book focuses on how the Group operates in terms of the "People" and "Planet" aspect of the equation. It also highlights the Group's efforts towards caring for the Community, Environment, Marketplace and Workplace.







**robi**  
Bangladesh



**Smart**  
Cambodia



**Dialog**  
Sri Lanka



**celcom**  
Malaysia



**XL**  
Indonesia



▶ SUSTAINABILITY AT AXIATA  
A Key Corporate Agenda





# SUSTAINABILITY AT AXIATA

With over 215 million customers within the emerging Asian economies, Axiata has a very real opportunity to transform lives and societies. While our mobile technologies and services continue to address the communication needs of our customers, Axiata, as a leading Asian corporation, has always been mindful of operating responsibly and upholding a high level of governance.

One thing that has remained constant since the time of our incorporation is that Axiata is committed to its sustainability efforts. This has been a central practice throughout the Group, where each of our OpCos is championing sustainability in their respective countries and markets.

Axiata fully embraces the belief that operating responsibly is critical to achieving our vision of becoming a regional champion. In doing so, we hope to earn the trust of our stakeholders, improve the wider society we serve and continue to deliver sustainable long term growth and success.

In line with our promise of advancing Asia, Axiata aims to further strengthen its commitment to its sustainability efforts.

Building on efforts and foundations that we have put in place over the years, we are now moving sustainability higher on our corporate agenda. We aim to make sustainability the key component to everything that we do.

## REFINED SUSTAINABILITY FRAMEWORK

Focusing on an integrated approach towards sustainability, one where financial, social and environmental concerns are equally looked after, we now have a refined Axiata sustainability framework.



Our sustainability doctrine is built on Axiata's promise of advancing Asia. As a Group, we aim to do this through two focused and strategic pillars; operating a responsible business and developing the communities that we serve.

We see talent development, environmental management, sustainable supply chain and community assistance as the four focus areas for us to achieve our sustainability goals and vision. This is all held together with Axiata's strong corporate ethics and governance.

**Aligned to Bursa Malaysia Securities Berhad Requirements**

In understanding our role as a leading corporate organisation in Malaysia with a wide regional footprint, we have further aligned our framework to the four distinct dimensions of Workplace, Marketplace, Environment and Community as required by Bursa Malaysia Securities Berhad (Bursa Securities), the national stock exchange of Malaysia.

<b>Bursa Securities Requirements</b>	Workplace	Community	Marketplace	Environment
<b>Axiata's Sustainability Focus Areas</b>	Talent Development		Sustainable Supply Chain	Environmental Management
		Community Assistance		

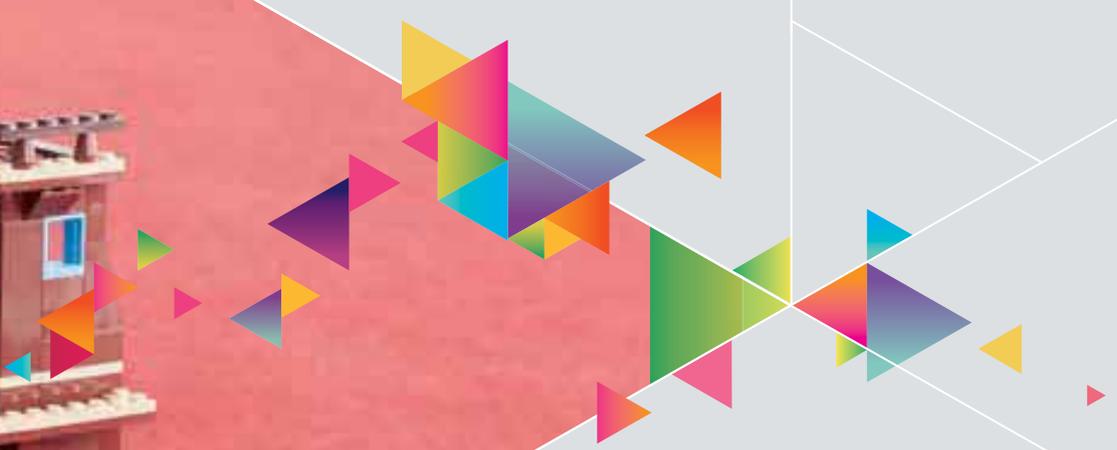
In doing so, Axiata aims to adopt a holistic approach in which we are able to add value to all our stakeholders from our employees to our customers and local communities as well as the environment in which we operate in.

**BENCHMARKING AGAINST GLOBAL STANDARDS**

As an industry leader, Axiata intends to benchmark its sustainability progress against global reporting standards. By reporting transparently and with accountability, we hope to increase the trust our stakeholders have in us and our business.



▶ **TALENT DEVELOPMENT**  
**The potential of  
the young will  
power our future**





## TALENT DEVELOPMENT

Talent development cuts across both our sustainability strategic pillars of being a responsible business and developing communities. Axiata's talent development efforts are spread wide, within the organisation as well as reaching out to the communities in our markets.

## DEVELOPING OUR PEOPLE

The very success of Axiata lies in the contribution of each of our employees. They are our greatest assets and are critical to achieving our sustainability aims and corporate vision. In constructing the 'Axiata Talent Factory', we have various initiatives covering career development, performance management and leadership growth programmes to ensure our employees have every opportunity to develop their potential. These programmes are continuously being improved and benchmarked against global best practices and standards. Our Corporate Centre programmes are also cascaded down to all OpCos across the region.

### Axiata Group Accelerated Development Programme

The Axiata Group Accelerated Development Programme (GADP) is a comprehensive and unique talent management programme. The GADP framework, assessment methodology and processes are tailored to ensure we develop world class talent not only within Malaysia but also within our operating countries. Our OpCos have embraced the programme and localised it for their in-country human development agenda.

### Axiata Group Talent Pipeline-Number of talent undergoing leadership development in 2012

Programme	Talent pipeline	Talent pipeline target by 2015
Axiata Group Accelerated Development Programme	100	100 <i>Target has been achieved. Axiata's talent division will continue to work with this group to ensure they undergo the necessary training to prepare them for leadership roles when they become available.</i>
Axiata OpCo Accelerated Development Programme	540	800

## Axiata, Building a Talent Factory

### Talent Diversity

We continue to recruit highly skilled, talented professionals and specialists to drive high business growth. Axiata has also embarked on a campaign to attract returning Malaysians, with specialist expertise and global experience, to add to the diverse mix of talent within the Group.

### Mobility Policy for Talent Development

Given Axiata's far-reaching regional footprint, cross-company and cross-market exposure has been integrated into its talent development and leadership building programmes. We have developed a Group Mobility Policy which provides standard guidelines to institutionalise the movement of talent across the Group as a key people development mechanism.

As of end 2012, there was a 14% increase in the number of employees on cross-company long term assignments making a total of 24 to date. In addition to this, there were eight new short term assignments and another seven completed assignments for the year.

### Employee Satisfaction

In 2012, the Group's Employee Engagement Index, which measures how employees think, feel and act towards the organisation, improved to reach 84%. This is significantly better than global telecommunications companies' ratings and is on par when benchmarked against global high performing companies.

## TALENT DEVELOPMENT



### DEVELOPING YOUNG TALENT

#### Axiata Young Talent Programme

In early 2012, Axiata launched its Axiata Young Talent Programme (AYTP), a developmental scholarship for young Malaysians, going beyond academics.

We have pledged approximately RM100 million towards the programme via the Axiata Foundation. The AYTP programme aims to develop Malaysian youth towards becoming future leaders and captains of industry, by sponsoring academically excellent and well-rounded students at leading academic institutions in Malaysia and around the world. The programme goes beyond academics, and is a holistic approach providing scholars with the best in education and, more importantly, supplementing it with extensive and relevant extra-curricular activities.

In 2013, our focus will be to continue offering the three tract development programme to students. Axiata aims to reach 85 students per year in the first tract, 140 per year in the second tract and 100 per year in the third tract, or a total of about 900 students, in a steady state every year. This will see 100 fresh graduates who have gone through the programme in totality or in part every year.

The success, long term benefit and sustainability of the AYTP programme has seen XL adopt the blueprint for the Indonesian market.

Axiata, working with our OpCos, intends to gradually align all our educational and talent development programmes towards the long term sustainability objective of enhancing the regional talent pool in all the countries where we are present. We hope our efforts in this field will transform the lives of individuals and communities.

### Young Talent Pipeline – Leadership Development in 2012

Programme	Talent pipeline	Talent pipeline target by 2015
Fresh Graduate Development Programme (Axiata Experiential Programme)	86	150
Pre-University and University (AYTP)	9	360
Secondary School (AYTP)	60	270

### XL Future Leaders Programme

Based on the blueprint of AYTP, XL launched its XL Future Leaders programme in June 2012 in five cities across Indonesia. Investing IDR1.1 billion, the programme hopes to create high-calibre, well-balanced future leaders in Indonesia.

Offered to qualifying second and third year University students, the programme supplements their academic syllabus with competency development training which will help them form the skills required for leadership positions.

The programme was developed by XL and Cognition, a global leading training and education institution, which has delivered similar curriculums throughout the world.

The five cities in which the programme has been launched include Jakarta, Bandung, Yogyakarta, Surabaya and Makasar. 130 students were selected out of more than 5500 applicants through a robust selection process. Classes have been set up in these cities and students are also able to access the online workshop through the XL Future Leaders website.

XL will select a further 130 students for the programme in 2013. It hopes to have 600 students in the programme in 5 years.

Programme	Talent pipeline	Talent pipeline target by 2017
XL Future Leads Programme	130	600



▶ ENVIRONMENTAL MANAGEMENT  
Reducing the impact  
of technology on  
the environment





## ENVIRONMENTAL MANAGEMENT

At Axiata we are aware of the impact the telecommunications industry at large has on the environment, particularly in energy consumption. Keeping to our focus of operating responsibly, being environmentally cognisant and establishing a long term sustainable business, we strive to strike a balance between our carbon footprint and our services reach.

Since 2009, we have undertaken significant measures to narrow the gap of our operational impact on the environment. Axiata's green technology programmes are aimed at exploring technologies, products and solutions that brings greater efficiencies and, at the same time, help reduce the environmental impact of our business.

## AXIATA GREEN TECHNOLOGY INITIATIVES

The Group embarked on a large scale cross-OpCo exercise to manage energy efficiency for the Group. The initiative targets to reduce 30% of total CO<sub>2</sub> emission across all OpCos by 2015.

### AXIATA GREEN TECHNOLOGY INITIATIVES INCLUDE:

- Deployment of Green and hybrid sites using solar, wind and biodiesel across OpCos networks
- Phasing out of old generation power guzzling BTSs, and implementation of capacity shut down functions
- Reducing diesel consumption by cutting down the number of diesel generators (DGs) used at sites
- Adopting fuel efficient DGs and use of batteries as prime back up
- Use of power efficient air conditioners and reducing air conditioner usage, migrating to outdoor BTSs with no air conditioning
- Using new generation batteries and new technology with higher temperature settings for battery cooling, and discharge of batteries
- Long-term infrastructure sharing strategies

In 2012, based on the above green technology initiatives, a technical assessment was done using Total Cost of Ownership (TCO) analysis. TCO reduction of up to USD22 million was attained along with energy and diesel savings of up to 215 MWh. Carbon footprint was also down by 142 ktCO<sub>2</sub>e.



## ENVIRONMENTAL MANAGEMENT

### **MAKING NETWORK OPTIMISATION AND ENVIRONMENTAL MANAGEMENT SYNONYMOUS**

Collectively, Celcom and XL serve over 58 million customers. With population coverage of over 95% and 90% respectively, these two OpCos have the largest networks within the Group. Their work in network optimisation and environmental management carries significant impact not only on Axiata's operations but also on its total environmental footprint. Both OpCos have made great strides in modernising their networks to help the Group reduce its carbon footprint and improve energy efficiency.

### **Infrastructure Sharing for Energy and Cost Saving**

In 2010, Celcom entered into a long-term network and infrastructure collaboration with DiGi Telecommunications Sdn Bhd, a Telenor company, in Malaysia. The collaboration focuses on three areas, namely operations and maintenance, transmission and site sharing, and radio access network. The infrastructure sharing model is geared towards generating significant operational efficiencies for both operators. As of end 2012, the two companies jointly shared 150 sites. 250 more sites are planned for 2013.

By removing duplication of base station sites, optimising deployment of base stations per area, and redeploying equipment between redundant and new sites, Axiata is reducing its energy consumption and with that, reducing our carbon footprint.

Within the Group, a similar agreement has also been entered into in Bangladesh between Axiata and Telenor Asia, through their respective operating companies, Robi and Grameenphone. The move signals Axiata's commitment to explore initiatives regarding network resources collaboration in Asia that could bring long-term significance in cost savings and environmental benefits.

### **Green Technologies at XL to Achieve Balance between Network Reach against Environmental Impact**

Since 2010, XL has spent significant capex in modernising and expanding its network to cater to the rapidly increasing demand for data which grew by 50% in 2012 alone. In balancing its network reach and capacity with its environmental impact, XL has opted to rollout power saving green base stations and explore the use of renewable resources as part of its network enhancement strategy.

At the end of 2012, more than 2000 new green base stations were added to XL's network. The deployment has helped XL save up to 50% in electricity consumption.

By using renewable energy through Charge Discharge Battery (CDC), XL reduced the use of generators to only 11 hours a day. In 2012, XL added 33 CDC sites and 4717 sites using power grid (PLN) instead of battery.

By adopting these technologies, XL has effectively lowered its use of fossil fuels and reduced its carbon footprint while streamlining its operations to be more energy efficient.

### **M-Waste Recycling Programme at Dialog**

The M-Waste Recycling Programme implemented in Sri Lanka by Dialog, is an innovative and responsible initiative that illustrates how our OpCos are refining their sustainability practices. Unused mobile phones batteries and battery chargers, as well as industrial base station batteries, are brought to the company's 125 collection points. The collection is then sent to China for recycling. Over 3000 units of M-Waste were collected in 2012. Approximately 2.1 tonnes of M-Waste has already been exported to China for recycling by Dialog.



The Central Environmental Authority (CEA) recognised this initiative with an E-waste Award in 2010. Dialog has also partnered with 13 other companies operating in Sri Lanka and the CEA to launch a National E-Waste Management Programme that will monitor the disposal of hazardous E-Waste in Sri Lanka.

Dialog plans to take this initiative one step further by increasing public awareness on effective waste management practices. Through this awareness campaign, Dialog hopes to encourage more people to dispose of their mobile phones and batteries in an environmentally-friendly manner. Dialog targets to have 350 collection points by 2014.

## CLIMATE CHANGE AWARENESS

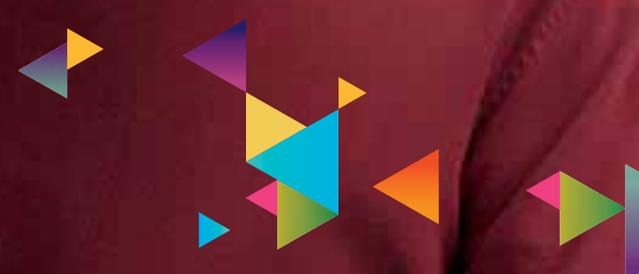
### The Emergence of Green Committees across Axiata

Beyond the mainframe of our network energy efficiencies and adoption of renewable technologies, Axiata and its OpCos are doing their part in creating awareness of climate change within their organisations and communities.

Green Committees have been established at Axiata and its OpCos. These committees are tasked with raising awareness among the employees on better utilisation of energy, water and paper resources.

On a global scale, climate change poses the biggest challenge to societies and businesses. The telecommunications industry we operate in is not spared of these challenges. We hope that in doing our part in running an environmentally responsible operation at every level, we will be doing our part in limiting environmental damage.





The background features a light gray color with white geometric lines forming triangles and a grid pattern. A series of colorful triangles in shades of purple, orange, green, and blue are scattered across the lower half of the page. A vertical line is present on the left side, and a faint image of a person's shoulder is visible on the far left edge.

► SUSTAINABLE SUPPLY CHAIN

Taking care of  
business is taking care  
of our partners



## SUSTAINABLE SUPPLY CHAIN

As part of building a long term sustainable business focused on growth, it is important for Axiata to develop a sustainable supply chain network that embodies the Group's values and practices. We also see it as a moral obligation to our customers to ensure all our products and services are secured through a responsible supply chain process. At the same time, we have also made it a priority to ensure we develop local suppliers and entrepreneurs within the markets we serve.

## Socially Responsible Business Practices and Supplier Management at Robi

Robi has implemented best procurement practices within its business to improve supplier quality, productivity and uphold strong corporate ethics throughout its supplier and vendor engagement. In dealing with its suppliers, Robi ensures the standards listed below are maintained:

### • Respect for the Basic Human Rights of Employees:

Robi maintains that its suppliers respect the basic human rights of employees as defined in the international conventions of the United Nations (UN), the International Labour Organisation (ILO), the Organisation for Economic Cooperation and Development (OECD) and the UN Global Compact Initiative. Robi fully supports the ILO's declaration of elimination of forced labour, ban on discrimination, freedom of association and the right to collective negotiation. Robi expects its suppliers to abide by the same.

### • Prohibition of Child Labour

Robi strictly follows the ILO's Declaration on Fundamental Principles and Rights at work (1998) and has a zero tolerance policy on any kind of child labour in any form of employment and has made its partners comply with all the recommendations. Robi suppliers are not allowed to employ workers under the age of 15 years.

### • Health and Safety of Employees

Protecting the health and safety of employees at the workplace is of high priority for Robi. In line with this, Robi has ensured that all its suppliers maintain health and safety policies and practice the same in their operations. Suppliers are to provide a safe and healthy work environment in accordance with international and national standards, laws, rules and regulations.

### • Environmental Protection

Robi strives to conduct its operations in a manner that is safe for the environment and conserves natural resources. Robi always requests for information from its suppliers about specific environmental and energy efficiency features of products/services with detailed specifications. Robi also checks to ensure that its suppliers' policies and procedures are compliant with international environmental standards.

### • Laws, Rules and Regulations and other Legal Requirements

Robi expects all its suppliers to comply with all applicable laws and regulations in all locations where they conduct their business.

Similar to Robi's practices, all Axiata companies have in place high standards of procurement and supplier management codes of conduct.



## SUSTAINABLE SUPPLY CHAIN

### **Celcom's World Class and Award Winning Procurement Practice**

Axiata upholds strong governance, transparency and ethics on all processes and third party practices across its Group. Celcom, as part of its business transformation strategy has embarked on a comprehensive overhaul of its supply chain management and procurement processes.

Celcom aims to implement the most advanced collaborative solutions with first-tier suppliers and the extended supply chain, demonstrating how the use of new technologies, redesign of processes or other actions can increase the value of improved supply chain collaborations.

Celcom has been transforming the organisation from ground up through a four-pronged approach for Celcom's supply chain transformation over the last two and half years. This involved supplier segmentation, relationship-building efforts, rationalisation initiatives, and supplier development efforts.

Celcom was recognised with the International Institute and Supply for Advanced Purchasing (IIAPS) Asian Supply Chain Excellence Awards 2012 under the Collaborative Supply Chain Special Award. The award makes Celcom the first Malaysian company to receive an internationally acclaimed accolade from IIAPS. This was also Celcom's first ever industry award accorded by an international body and was the sole Malaysian contender amongst six other global companies, all of which were selected based on operational execution, results, and innovative thinking.

For 2013 and 2014, Celcom's Procurement roadmap includes:

- Standardisation of procurement practices across the company with increased efficiency and consistency towards strategic orientation through speed and efficiency
- Stronger supplier relationship efforts through annual Celcom Partners' Forums on collaboration models and ethical businesses
- Enhancing its supplier development programmes through Khazanah's Red Book Circle and collaboration with Multimedia Development Corporation (MDeC)

### **League of Extraordinary Developers Challenge (LEDC) at Celcom**

Celcom's League of Extraordinary Developers Challenge (LEDC) was first launched in August 2008, as a joint competition with Microsoft and Cradle Fund Sdn Bhd to provide a platform for local developers, both individuals and small independent companies.

LEDC plays the role of a catalyst in incubating and nurturing Malaysian mobile application developers, while providing them with compelling business opportunities. The winning developers will have their applications developed under the guidance and mentoring of industry experts. This is followed by an opportunity for a contract with Celcom to commercialise their applications on a lucrative revenue sharing basis of up to a 80:20 ratio, with 80% going to the developers.

Under the LEDC umbrella, Celcom has organised various content application challenges and conducted workshops for application development on various platforms including Android, Blackberry, and Symbian for budding developers.

LEDC also offers support and opportunities for local developers to be a part of the developing mobile applications industry, as well as giving innovative individuals the chance to bring their ideas forward to the next stage.

LEDC also works with local tertiary institutions for the LEDC Ambassador Programme to cultivate a new generation of application developers. Similarly, LEDC also runs internal workshops and training for Celcom employees, enabling them to explore this area.

As more applications and services are connected and developed through the LEDC channel, Celcom customers will have access to more choices, resulting in a richer mobile experience for Celcom customers.

In 2013, LEDC will work with Axiata's Digital Services team to bring forth the application challenge across all OpCos. This will create new opportunities for local and regional developers to develop applications for a regional mobile subscriber base of over 215 million customers.

### **Developing Local Distributors the Smart Way**

In Cambodia, Smart (operating as Hello in 2012), competes in a crowded and highly competitive telecommunications environment. The dealership and distribution eco-system in Cambodia has been largely unstructured and are run predominately as ad-hoc or family businesses.

Over the last two years, Smart has worked closely with local dealers to establish a standardised dealership and distribution channel that is mutually beneficial, helping these dealers grow and sustain their business in the long run.

Initiatives such as helping dealers establish standard operating processes, business development guidance and entrepreneurship development programmes as well as dealer training, will help Smart's chain of dealers establish and build their business.



▶ **COMMUNITY DEVELOPMENT**  
Helping millions  
live better  
throughout Asia





## COMMUNITY DEVELOPMENT

Our humanitarian assistance and community development programmes enable us to transform the lives of millions of people within our communities. It is practiced across the Axiata group and will continue to be a focus area in our sustainability efforts, particularly with our business focus in emerging markets.

## Voices of Asia

Sponsored by Axiata and XL, two new learning centres - the Xperiential Lounge and the Xpressive Lounge were designed and built based on the dreams and imaginations of two boys from the SOS Children's Village in Jakarta. Since November 2012, these centres have allowed the village's 138 children to explore, express and embark on an exciting, new educational journey that has never been accessible to them before.

At the *Xperiential Lounge*, the children are able to discover subjects of interest on the Internet with 12 brand new computers and free broadband access, books from a well-stocked reading library as well as the latest interactive learning and educational models. The *Xpressive Lounge* is a room fitted out with ample art supplies, musical instruments, DVDs teaching traditional dances and other exciting learning tools, where the children are now able to express their artistic talents.

The project was the result of a collaboration between Axiata and the AXN Asia channel (AXN) on a programme called Voices of Asia. The programme allowed the voices of children from across Asia to be heard, sharing their hopes for the communities they are in. Voices of Asia was an opportunity for Axiata to give back to the communities we serve, beyond our anchor corporate responsibility programmes.

With this in mind, Axiata and AXN spoke to over 300 children across 7 countries. After several rounds of difficult judging, 2 boys from the SOS Children's Village in Jakarta were chosen, 12 year old Adit and his 10 year old friend Benny. Adit's dream was to build a health clinic for everyone to get the medical care they required. Benny, a keen artist, hoped for a painting room to share with all his friends in the village.

With its interactive facilities, it is Axiata's hope that the lounges would allow the children in the village to learn new things that will help them realise their dreams.



## COMMUNITY DEVELOPMENT

### Education for All, Dialog's Nenasa Programme

Dialog's Nenasa Programme is a television channel that broadcasts educational content to school children around the country, enabling access to quality education for all. Nenasa provides an opportunity for students to engage in interactive learning with experienced and skilled teachers. The channel's current focus is to provide educational content dedicated towards students in Ordinary Level and Advance Level classes.

The programme was launched in 2009, in collaboration with the Government of Sri Lanka. It is managed and operated by the Sri Lankan Ministry of Education along with the Sri Lankan National Institute of Education. In return, Nenasa is broadcast over a dedicated channel on Dialog Television for free. Dialog also provides the necessary infrastructure and the interactive online learning management system free of charge to schools around the country to access the programme. Nenasa now reaches 672 schools and 17 teacher training colleges. Dialog's goal is for the programme to reach out to 1000 more schools over the next two years.

Over in Bangladesh, Robi has been working with the Bangladesh Ministry of Education to promote English language at secondary schools. Robi's 'englishinschools' programme has been implemented in 1000 schools in Bangladesh.

### EMPOWERING COMMUNITIES THROUGH MOBILE CONNECTIVITY AND INNOVATION

As part of Axiata's broad vision of advancing Asia we are deeply committed to providing affordable connectivity and innovative technology through its products and services.

### Axiata Partners with Wikimedia Foundation for One of the Largest Free Mobile Access to Wikipedia

Axiata and the Wikimedia Foundation recently announced a partnership to offer Wikipedia on mobile devices free of data charges to Axiata customers throughout Asia. By making Wikipedia available at no data charge to its customers, Axiata is removing barriers to information. By joining the Wikimedia Foundation Axiata also increases access to free and open knowledge available on Wikipedia.

This partnership is part of the Wikimedia Foundation's Wikipedia Zero programme, which focuses on reaching out to billions of people around the world whose primary access to the Internet is via a mobile device. The partnership currently includes customers of Axiata's subsidiaries in Celcom, XL, Dialog, Robi and Smart.

Customers of the Group in each country will be able to access local language versions of Wikipedia along with the English version. The programme will be rolled out across Axiata's operations throughout 2013.

**Banking for the Unbanked with Dialog's eZ Cash**

Dialog's eZ Cash is the first mobile payment service in Sri Lanka that enables customers to conduct banking on their mobile phones. A product approved and endorsed by the Central Bank of Sri Lanka, eZ Cash allows its customers to conduct financial transactions such as money transfers and making payments for goods and services on their mobile phones.

Through eZ Cash, Dialog is extending banking facilities to those with no bank accounts. The system is a cheaper alternative to traditional banking services, such as transfer and service fees.

Since the launch of the service in June 2012, seven million Sri Lankans have adopted the service and have performed a wide range of transactions. Similar mobile payment services have been launched by Celcom in Malaysia and XL in Indonesia.





## NATIONAL DEVELOPMENT

As Axiata grows its business and regional footprint, its advancing Asia promise goes above and beyond its sustainability focus areas. Advancing Asia is also our contribution to the national development of the countries we serve.

## CONTRIBUTION FROM THE AXIATA GROUP

Axiata touches the lives of more than 215 million people via our OpCos and affiliates. We further employ 20,000 people within our Group. Indirectly, taking into account reinvestments of profits, foreign direct investments in our regional subsidiaries, capital invested in infrastructure and through an economic multiplier effect of job creation from our businesses, the Axiata reach is far wider.

Over the last five years, Axiata has become a significant contributor to the economies of Malaysia, Indonesia, Sri Lanka, and Bangladesh. In Malaysia, Celcom contributes over RM2 billion annually to the economy in the form of corporate taxes, annual license fees as well as capital investment.

In Indonesia, significant contribution has been made in investment to provide affordable and reliable telecommunication services, supporting the country's data growth as well as in the development of future leaders. Axiata is the highest direct investor in Sri Lanka through Dialog. It is also among the highest in Bangladesh through its interests in Robi.

In turn, thousands of ancillary jobs have been created in these countries through our businesses. Each of our OpCos has a built-up network that provides telecommunications coverage to more than 90% of its population.

Axiata and its OpCos will continue to actively support key Government development programmes and contribute to the national development of the countries it operates in.





**MALAYSIA**  
**CELCOM AXIATA BERHAD**

Subscribers:  
12.7 Million

Network coverage by population:  
2G-95% 3G-83.7%

**Contribution to Nation (2008-2012)**

(taxes, fees, levies and others)

**RM3.8 Billion**

**Employment Creation**

Direct Employment

**3,728 People**

**Direct contribution to GDP (2012)\***

**0.83% of National GDP**

**Investment in Capital Expenditure (2008-2012)**

**RM4.3 Billion**

**Other National Development**

- Direct USP Contribution (2008-2012)

**RM1.8 Billion**

ICT Reach from USP investment

**40,000 People**



**INDONESIA**  
**PT XL AXIATA TBK**

Subscribers:  
45.8 Million

Network coverage by population:  
>90%

**Contribution to Nation (2008-2012)**

(taxes, fees, levies and others)

**IDR11.0 Trillion**

**Employment Creation**

- Direct Employment

**3,450 People**

- Indirect Employment  
(Dealerships/retailers/vendors)

**1.5 Million People**

**Direct contribution to GDP (2012)\***

**0.26% of National GDP**

**Investment in Capital Expenditure (2008-2012)**

**IDR40 Trillion**

**Other National Development Efforts**

- Contribution to Education & Community Development (2010-2012)

**IDR60.7 Billion**



**SRI LANKA  
DIALOG AXIATA PLC**

Subscribers:  
7.8 Million

Network coverage by population:  
2G 96%: 3G 72%

**Contribution to Nation (2008-2012)**

(taxes, fees, levies and others)

**SLR62.3 Billion**

**Employment Creation**

- Direct Employment

**2,988 People**

- Indirect Employment  
(Dealerships/retailers/vendors)

**~60,600 People**

**Direct contribution to GDP (2012)\***

**0.74% of National GDP**

**Investment in Capital Expenditure (2008-2012)**

**SLR68.9 Billion**

**Other National Development Efforts**

- Foreign Direct Invest (2010-2012)

**SLR17.3 Billion**

Largest Foreign Direct Investor in Sri Lanka, contributing 8.6% of total FDI. Dialog makes up 65% of all jobs in the mobile sector in Sri Lanka.



**BANGLADESH**  
**ROBI AXIATA LIMITED**

Subscribers:  
**31.2 Million**

Network coverage by population:  
**98.7%**

**Contribution to Nation (2008-2012)**

(taxes, fees, levies and others)

**BDT69.5 Million**

**Employment Creation**

- Direct Employment

**2,025 People**

- Indirect Employment

(Dealerships/retailers/vendors)

**201,406 People**

**Direct contribution to GDP (2012)\***

**0.43% of National GDP**

**Investment in Capital Expenditure (2008-2012)**

**BDT31.0 Billion**

**Other National Development Efforts**

- Foreign Direct Invest (2010-2012)

**BDT89.2 Million**

**Note:**

\* Direct contribution to GDP (2012) is calculated based on revenue reported by each OpCo over its country's GDP based on current rate as published by the statistics department of each country.



# SUSTAINABILITY BOUND BY GOOD GOVERNANCE AND STRONG BUSINESS ETHICS



Whilst we enhance our focus on the two strategic pillars of our sustainability doctrine, the Group is also strongly focused on transparent business ethics to help us maintain high standards across our operations. Good governance, with a strong focus on corporate ethics, is essential to doing business responsibly and enhancing investor confidence, as well as to ensure value creation for the Group, our employees, our shareholders and society as a whole. This includes the policies, directives, guidelines and business processes that frame how we do business every day.

Throughout 2012, Axiata continued to enhance its processes and operations in its efforts to ensure a sustainable and responsible approach. Our commitment to Corporate Governance is detailed in the Statement on Corporate Governance available within Axiata's 2012 Annual Report on pages 72 to 95.

As Axiata moves towards its regional aspirations, we are placing greater importance to sustainability practices. Through our efforts as a group, we are committed to build a strong sustainable business and enhance the regional talent pool in all the countries we operate in.

