

SRI LANKA

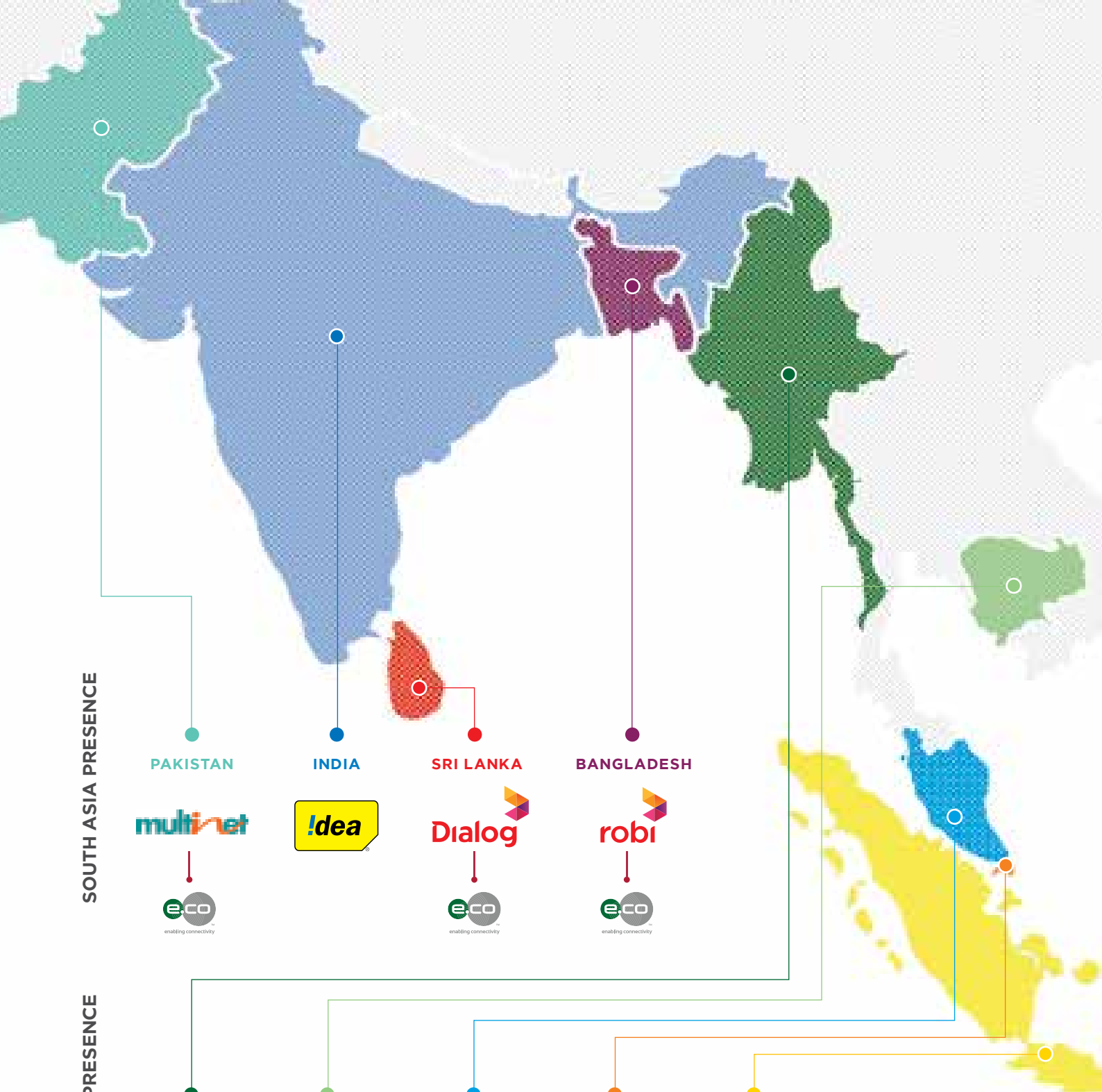
MALAYSIA

INDONESIA

**COMMITMENT
TO DEVELOPMENT**

**TOWARDS A
DIGITAL FUTURE**

SUSTAINABILITY &
NATIONAL
CONTRIBUTION
REPORT 2015



SOUTH ASIA PRESENCE

PAKISTAN

multi^{net}



INDIA



SRI LANKA



BANGLADESH



SOUTHEAST ASIA PRESENCE

MYANMAR



CAMBODIA



MALAYSIA



SINGAPORE



INDONESIA



ADVANCING ASIA



2015 |

REVENUE • **RM19.9 billion**
USD5.1 billion

PAT • **RM2.6 billion**
USD0.7 billion

MARKET
CAP • **RM56.5 billion**
USD13.2 billion

SUBSCRIBERS • **~275 million**

EMPLOYEES • **25,000**

COUNTRIES • **9**

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OUR JOURNEY

Access our Digital Annual Report 2015

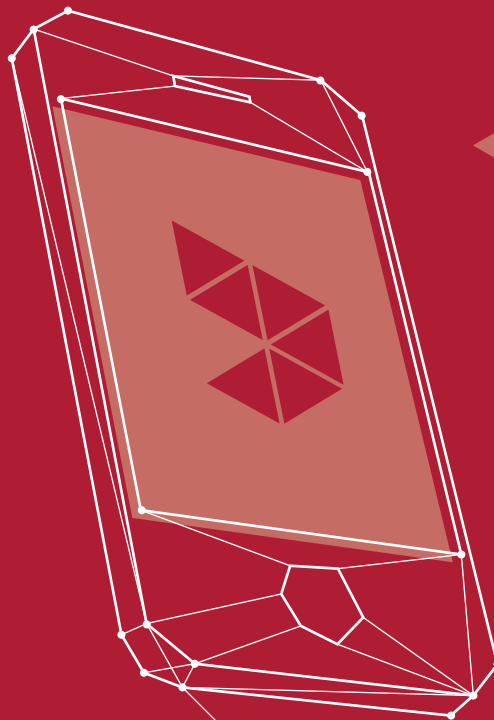
on

www.axiata.com

or

Download the App

on



GROUP PROFILE

Axiata Group Berhad (Axiata) is one of the leading telecommunications groups in Asia with approximately 275 million subscribers in nine countries.

In pursuit of our vision to be a New Generation Telecommunications provider by 2020, Axiata pieces together the best in the region in terms of connectivity, technology and talent. With a diverse portfolio in mobile network, communications infrastructure and digital services, Axiata through our operating companies, offers a range of innovative telecommunication products and services.

Axiata has controlling interests in five mobile operators under the brand names of 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh and 'Smart' in Cambodia, with strategic interests in 'Idea' in India and 'M1' in Singapore.

'edotco', our Group's infrastructure company, operates in six countries to deliver telecommunications infrastructure services, amassing a portfolio of over 16,000 towers and 12,000 km of fibre. It aims to be one of the top regional tower companies and is committed to responsible and sustainable business operations.

In 2012, Axiata established 'Axiata Digital' to capture the rapid growth in Internet-based businesses. Within three years, Axiata Digital has built a portfolio of 24 digital brands, servicing growing demands in mobile money, mobile advertising, e-commerce, entertainment and education.

Group revenue for 2015 was RM19.9 billion (USD5.1 billion) while market capitalisation stood at over RM56.5 billion (USD13.2 billion) at the end of 2015. We provide employment to over 25,000 people across Asia.

Axiata's Journey

Axiata was incorporated in Malaysia on 12 June 1992 as a private limited company under the name of Telekom Malaysia International (TMI), which then operated as a division within Telekom Malaysia Berhad (TM). TMI was subsequently demerged from TM and listed on Bursa Securities on 28 April 2008. In March 2009, TMI changed its name to Axiata Group Berhad and launched a new identity, enhancing our position as a leading mobile operator in Asia.

The move was a reinforcement of our new business philosophy and commitment to Advancing Asia by addressing the unfulfilled communication needs of local populations in the region with affordable and innovative digital products and services.

Since then, we have gone from 40 million customers, pre-demergers, to approximately 275 million across nine countries, making Axiata one of the leading mobile players in Asia. Our mobile telecommunications footprint now spans across the Asian continent, covering the countries of Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia, Myanmar, India, Singapore and Pakistan.

Shaping The Future

Axiata has always been ahead of the curve, quickly adapting to change and positioning its business model to capitalise on developments of an increasingly digitalised world. Parallel to its investments in network and technology modernisation over the years, Axiata has also evolved its business to embrace the digital age and fast growing demand for data. 2016 will be a critical year for Axiata as it progresses in its transformation beyond a traditional telecommunications company.

In Advancing Asia, Axiata remains committed to its role as a responsible corporate citizen, to make a difference in people's lives and help transform the countries in which it operates.



▶ **ONE OF THE LEADING**
TELECOMMUNICATIONS GROUPS IN ASIA

▶ **APPROXIMATELY 275 MILLION**
CUSTOMERS IN ASIA



INTRODUCTION

Beyond Short-Term Profits

Nurturing People

Process Excellence & Governance

Planet & Society

Our Associates

National Contribution

ENTITIES ACROSS ASIA

MOBILE SUBSIDIARIES

MALAYSIA



**CELCOM AXIATA
BERHAD**

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

Nature of Business:
Mobile

Subscribers:
12.2 Million

Technology Deployed:
GSM, GPRS, EDGE, 3G,
HSDPA+, WiFi, 4G LTE

No. of BTS (2G/3G/4G):
20,255

**Network Coverage (By
population coverage):**
2G-95.2% 3G-88.1%
4G-52.5%

INDONESIA



PT XL AXIATA TBK

**Year of Investment/
Shareholding:**
2005/66.4%

Nature of Business:
Mobile

Subscribers:
42 Million

Technology Deployed:
GSM, GPRS, EDGE, 3G,
HSPA+, DC-HSPA+,
4G LTE

No. of BTS (2G/3G):
58,879

**Network Coverage (By
population coverage):**
2G->90% 3G->50%
4G->5%

SRI LANKA



DIALOG AXIATA PLC

**Year of Investment/
Shareholding:**
1995/83.32%

Nature of Business:
Communication Services,
Telecommunications
Infrastructure Services,
Media and Digital
Services

Subscribers:
10.9 Million

Technology Deployed:
GSM, GPRS, EDGE, 3G,
HSPA, WIFI, CDMA,
WiMAX, 4G LTE, MPEG-
2, MPEG-4, HD

No. of BTS (2G/3G/4G):
6,635

**Network Coverage (By
population coverage):**
2G-96% 3G-74%

BANGLADESH



ROBI AXIATA LIMITED

**Year of Investment/
Shareholding:**
1995/91.59%

Nature of Business:
Mobile

Subscribers:
28.3 Million

Technology Deployed:
GSM, GPRS, EDGE,
HSPA+, 3G

No. of BTS:
13,389

**Network Coverage (By
population coverage):**
3G Indoor-7%,
3G Outdoor-28%
2G Indoor-84%
2G Outdoor-99%

CAMBODIA*



SMART AXIATA CO., LTD

**Year of Investment/
Shareholding:**
2013/95.3%

Nature of Business:
Mobile

Subscribers:
7.6 Million

Technology Deployed:
GSM, GPRS, EDGE, 3G,
HSPA+, 4G LTE

No. of BTS (2G/3G):
4,230

**Network Coverage (By
population coverage):**
>98%

MOBILE ASSOCIATES / AFFILIATES

INDIA#



IDEA CELLULAR LIMITED

Year of Investment/Shareholding:
2008/19.8%

Nature of Business:
Mobile Services

Subscribers:
172 Million (as of 31 December 2015)

SINGAPORE



M1 LIMITED

Year of Investment/Shareholding:
2005/28.32%

Nature of Business:
Mobile and fixed services

Subscribers:
2.06 Million (as of 31 December 2015)

NON-MOBILE SUBSIDIARIES & ASSOCIATES / AFFILIATES

MALAYSIA



EDOTCO GROUP SDN BHD

Year of Incorporation/Shareholding:
2012/100%

Nature of Business:
Telecommunications Infrastructure and
Services

PAKISTAN



MULTINET PAKISTAN (PRIVATE) LIMITED

Year of Investment/Shareholding:
2005/89%

Nature of Business:
Broadband, Long Distance and International
Services

Notes:

* Investment started in 1998 via Hello Axiata Company Limited (Hello). Hello subsequently merged with Smart Axiata Co., Ltd in 2013.

Investment started in 2006 via Spice Communications Limited (Spice). Spice subsequently merged with Idea Cellular Limited in 2008.

VISION, CODE OF CONDUCT AND CORE VALUES

VISION

Advancing Asia, bringing together connectivity, technology and people

CODE OF CONDUCT

Axiata is committed to conduct its business fairly, impartially and in full compliance with all applicable laws and regulations in Malaysia and in countries where the Group has operations.

The Group's professionalism, honesty and integrity must at all times be upheld in all of the Company's business dealings by all employees.

Axiata has in place a Code of Conduct that serves as documentation of our commitment in ensuring our business dealings are conducted in a manner that is efficient, effective and fair. Axiata ensures that it is the responsibility of every employee to act in accordance with the policies detailed in the Group's Code of Conduct.

CORE VALUES

At Axiata, there are two core values that we embrace across the Group: Uncompromising Integrity and Exceptional Performance. These two values define who we are and how we operate.



Uncompromising Integrity

Always doing the right thing and fulfilling promises made to earn the trust of our stakeholders.

We are committed to upholding the highest standards of lawful and ethical conduct, and in demonstrating honesty, fairness and accountability in all of our dealings.

Exceptional Performance

Always pushing ourselves to deliver benchmarked outstanding performance.

We are determined to be the winner, leader and best-in-class in what we do. Whilst we are tough with performance standards, we are compassionate with people - we call it "Performance with a Heart"

Uncompromising Integrity and Exceptional Performance are our distinct values and key to our success as a regional champion.

We place great emphasis in building a culture based on these two values across the Axiata Group.

These two core values are incorporated into the existing values of the individual Operating Companies (OpCos) which includes, amongst others, service excellence, teamwork, creativity and customer centricity.

ENHANCED PRIVACY AND DATA PROTECTION

As Axiata embarks on its journey towards becoming a New Generation Telco, we remain committed to respecting and protecting the data and privacy of our 275 million customers throughout our regional footprint of nine countries across Asia.

Our commitment on privacy and data protection is available on page 88 of Axiata Annual Report 2015.

ABOUT THE REPORT

Our 2015 standalone Sustainability Report 'Commitment to Development towards a Digital Future' is the third volume in our Commitment to Development series.

The first volume was published in 2013, marking our inaugural effort at producing a standalone sustainability report benchmarked against the Global Reporting Initiative's G4 (GRI-G4) guidelines.

This year's report should be read as the continuation of Axiata's sustainability narrative that we started more than two years ago, and as the platform for our future undertakings to promote sustainability.

The central theme of the three editions of our reports including this one is our continued commitment to sustainable development and the way that this commitment has been framed by our vision of a digital future in all our operating countries. Our initiatives have therefore been focused on the development of dynamic digital platforms in our markets to empower and enrich the lives of these communities whilst securing the long-term sustainability of our presence.

Our sustainability framework comprises four Sustainability Pillars (4Ps):



Beyond Short-Term Profits



Nurturing People



Process Excellence & Governance



Planet & Society

4i

In 2014, we introduced the '4i' aspects of each of our Sustainability Pillars. We continue to describe our sustainability initiatives in 2015 based on these four aspects, which are:

- (i) **Improvement:** The improvements we introduced into our projects
- (ii) **Innovation:** New projects and initiatives introduced in the year under review
- (iii) **Investment:** Our investments into significant projects
- (iv) **Impact:** The socioeconomic impact of our projects and initiatives



HOW TO READ THIS REPORT

This report has been divided into five chapters for ease of reference:

Chapter Heading	Page	Description
Introduction	8-24	Provides an overview and rationale for our approach to sustainability covering some technical aspects of Sustainability Reporting.
4 Pillars	25-59	Provides detailed information about our sustainability initiatives within each of our four Sustainability Pillars.
Our Associates	60-63	Discloses the sustainability activities of our two associate companies: Idea in India and MI in Singapore.
National Contribution	64-78	Provides a detailed analysis of Axiata's economic and social contributions to the markets in which we operate in terms of GDP contributions and employment.
Appendix & Assurance	79-93	Provides the relevant references and indices to the report, as well as the assurance statement by the independent third-party assessor.

SCOPE & REPORT BOUNDARY

SCOPE

Axiata's 2015 Sustainability Report discloses the Group's management of Economic, Environmental and Social (EES) risks and opportunities for the financial year ended 31 December 2015 as specified by the GRI-G4 guidelines¹. The report addresses 24 material aspects covering 32 indicators of the guidelines. The materiality mapping process for Axiata and its operating companies (OpCos) is specified on page 22 of this report. This report should be read together with the Axiata Group Berhad Annual Report 2015 to obtain comprehensive disclosure of the Group's financial and non-financial performance for the year under review. We welcome feedback regarding our sustainability framework and our reporting methods. All correspondence is to be directed to sustainability@axiata.com.

REPORT BOUNDARY

G4-17

This report discusses the sustainability of the Group as a whole. But as the operating environments of our OpCos differ significantly, the sustainability and materiality context may differ between each respective OpCo. The logos of our OpCos will be used to denote areas of special relevance and leadership of an individual OpCo whereas the general narrative of the report will discuss

Notes:

¹ www.globalreporting.org/reporting/g4/

² www.isae3000.com

measures conducted Group-wide, i.e. at the Group level and at the level of each OpCo.

As we are working towards creating a common sustainability framework across our OpCos, we recognise that they face unique operating contexts that warrant specific treatment. Hence, our OpCos will continue to report on sustainability issues specific to them in their individual standalone sustainability reports.

For more detailed information on our OpCos' sustainability initiatives, please consult their individual standalone sustainability reports available on their official websites given below. However, Celcom, as our OpCo in Malaysia, discloses its initiatives together with the Group in this report.

XL Axiata: www.xl.co.id

Smart Axiata: www.smart.com.kh

Dialog Axiata: www.dialog.lk

Robi Axiata: www.robi.com.bd

Independent Limited Assurance

Selected subject matter within this Sustainability Report has been independently assured by Ernst & Young (EY) to a limited level as defined by ISAE3000². For additional details on the subject matter and scope of the assurance please refer to EY's assurance statement on page 90.

The 2015 Axiata Sustainability Report covers the sustainability performance of Axiata including OpCos where Axiata held a majority share for the 12-month period ending 31 December 2015.

These entities include:



- INTRODUCTION
- Beyond Short-Term Profits
- Nurturing People
- Process Excellence & Governance
- Planet & Society
- Our Associates
- National Contribution



NOTES

FORWARD LOOKING STATEMENTS

This report contains forward looking statements characterised by the use of words and phrases such as 'might', 'forecast', 'anticipate', 'project', 'may', 'believe', 'predict', 'expect', 'continue', 'will', 'estimate', 'target', and other similar expressions. As our business operates in a changing environment, our business is subject to uncertainties that could cause actual results to differ from those reflected in the forward-looking statements.

CHANGES FROM THE PREVIOUS REPORT

G4-17, G4-23

The 2015 report provides greater detail about edotco's initiatives as they relate to our 4Ps sustainability framework and their impact on our EES bottom line. The report also provides a breakdown of our OpCos' energy-related information, for example in terms of their energy used and saved.

PRESIDENT & GROUP CEO'S STATEMENT



Dear Stakeholders,

I am pleased to present to you Axiata's Sustainability and National Contribution Report 2015, which sets out our contributions towards Advancing Asia. In 2015, Axiata realised its vision of being a regional champion with presence in nine countries, a subscriber base of approximately 275 million* and revenue close to the RM20 billion mark.

Axiata's sustainability programme is built into our role as a long-term investor in our footprint in Southeast Asia and South Asia. Our programme is designed to develop sustainable business activities as part of our broader vision of Advancing Asia by providing affordable connectivity, developing innovative technology and nurturing talent.

Our Sustainability Report is focused on Axiata's four sustainability pillars (4Ps): 'Beyond Short-Term Profits'; 'Nurturing Our People'; 'Process Excellence & Governance'; and 'Planet & Society'. The report examines each of these four pillars and discloses the Group's progress and value-adding initiatives in each of these areas.



Commitment to Beyond Short-Term Profits

We are proud of our track record as long-term investors and are committed to continue building value in the countries where we operate. We have proven that we are in it for the long haul having

invested and maintained a presence in Bangladesh for 21 years, in Sri Lanka for 20 years and in Cambodia for 18 years. We are ranked amongst the highest foreign direct investors in these countries, contributing USD12.1 billion in combined GDP across seven countries in 2015.

Note:

* Includes Idea & M1.

PRESIDENT & GROUP CEO'S STATEMENT

USD12.1
BILLION
in combined GDP
contributions in 2015

**AMONG THE
LARGEST FDI's**
in most of our operating
countries

We have extended connectivity to over 275 million* customers and pioneered the delivery of new technology such as 4G LTE and 3.5G in emerging markets to connect the unconnected and help our subscribers bridge the digital divide.

In 2015, leveraging on synergies throughout the Group, we brought our award-winning eZ Cash M-Money product pioneered in Sri Lanka to Bangladesh and Cambodia. With this, we brought our total number of mobile banking customers to 10.7 million across our countries. Our Axiata Digital Innovation Fund (ADIF), Mobile Internet fulfilment Exchange (MIFE) and IDEAmart enablement platforms grew extensively, supporting the growth of innovation in our OpCos' local communities.

In our bid to reduce the gender gap in mobile Internet access and unlock commercial and socioeconomic opportunities in low- and middle-income countries, Axiata is now part of the GSMA's Connected Women

Initiative. Two of our own OpCos, Dialog in Sri Lanka and Robi in Bangladesh, have made great strides in terms of increasing the proportion of their female customers, contributing towards closing the gender gap in mobile phone ownership and usage in the developing world.



Commitment to Nurturing Our People

Axiata continues to build and nurture talent, and to develop skilled employees for the Group as a whole. Our leadership programmes are aimed at creating the next generation of leaders, who will play instrumental roles in our companies and their communities.

Towards this end, we strengthened our internal leadership programmes, such as our Group Accelerated Development Programme, which saw us filling a significant number of vacancies internally with candidates who have received enhanced levels of training and development. Today, internal candidates fill more than 60% of our top-level management positions.

Axiata is also committed to a culture of inclusivity, ensuring equal, fair and compassionate treatment of all staff, regardless of their background or gender.

We have therefore strengthened our diversity agenda, by appointing more women into top management positions in our OpCos. By the end of 2015, 24% of all senior leadership positions across the Group were staffed by women. The Group also engaged its first female CEO in 2015 after appointing Dian Siswarini as the President Director of XL Axiata in Indonesia. Further to this, the Group will appoint more females to the Boards of Directors at our OpCos.



Commitment to Process Excellence & Governance

Axiata is committed to process excellence in every aspect of our business as we believe that it is a key determinant of business success. Our commitment to process excellence covers our entire operational value chain, from our dealings with our suppliers to our relationships with our customers.

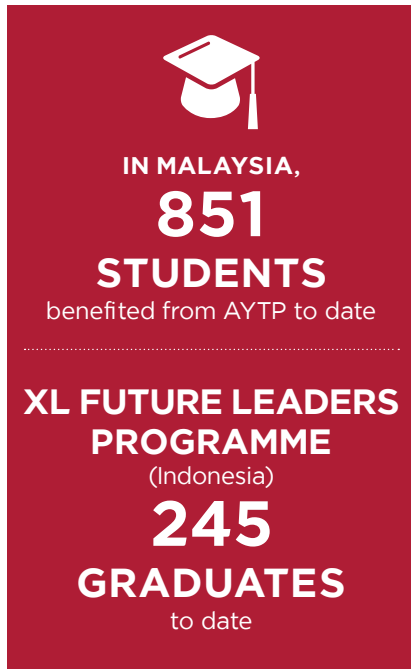
Axiata extends its commitment to process excellence beyond the confines of our own business. We expect our vendors and suppliers to adopt best practices in their dealings with us, and hence work together with them to ensure that they meet our expectations.


We also strive to improve our customers' experience levels by innovating and enhancing our digital infrastructure to boost their reach and capabilities. Dialog's Self Care App, which was recognised globally as the best mobile network solution for serving customers, is a good example of the way that Axiata is leading the way in terms of serving our customers.

In line with our commitment towards protecting our customers' data and security, Axiata will be formulating Group-wide data privacy and security policies and frameworks to govern implementation across the Group. We intend to inspire digital trust and confidence in our customers through robust data privacy and security policies, frameworks and management.

Our commitment to process excellence also encompasses the governance of our Group. Good corporate governance and the highest levels of integrity are key traits that we embody throughout our business operations and processes. As we grow larger and continue to diversify

PRESIDENT & GROUP CEO'S STATEMENT





IN MALAYSIA,
851
STUDENTS
benefited from AYTP to date

XL FUTURE LEADERS PROGRAMME
(Indonesia)
245
GRADUATES
to date

as a Group, we remain committed to continue upholding the highest standards in compliance, ethical practices and transparency that we have set over the years.

Axiata recognises the importance of regulatory requirements in maintaining the sustainability of the industry as a whole, and as a Group we are committed to complying with the regulatory requirements of our OpCos. We have established the Axiata Regulatory Compliance Framework, stipulating the principles and tone with which we will approach and implement regulatory compliance within the Group.

The framework establishes baseline expectations in relation to regulatory compliance, which will help us comply with regulatory obligations and facilitates greater oversight by our Board of Directors.



Commitment to Planet & Society

We take pride in being an active contributor in our various communities where we operate. Our corporate responsibility (CR) activities over the last three years, implemented at both the Group and OpCo levels, have made positive impacts in our communities and we remain committed to dispensing our CR to the best of our abilities.

In 2015, we identified three core CR areas that will be shared by all our OpCos as part of our efforts to harmonise our sustainability practice throughout the group. The three areas are (i) Young Talent Development, (ii) Green Initiatives, and (iii) Disaster Management & Response.

Young Talent Programme

Our flagship CR programme is the Axiata Young Talent Programme (AYTP), which identifies and supports the growth of talented youth by helping them achieve their potential as future corporate leaders. To date, 851 Malaysian students have benefited from AYTP, while 245 students have so far graduated from the XL Future Leaders Programme in Indonesia. Beginning in 2016, AYTP will be run as a Group-wide initiative supported by the efforts of all our OpCos in addition to their existing CR initiatives.

Green Initiatives

Our commitment to reducing the environmental impact of our operations are led by our tower and infrastructure company, edotco, which is focused on creating greener digital networks with a smaller carbon footprints. Our goal, which is being spearheaded by edotco, is to reduce the Group's carbon emissions by 40% of 2013 levels by 2018. In 2015,

we reduced our greenhouse gas (GHG) emissions by an average of 19% per site against 2014 levels.

Disaster Management & Response

In 2015, we engaged with key stakeholder groups in our OpCos to identify areas where we could play a greater role in helping communities affected by natural and man-made disasters. Further to these efforts, we will adopt proactive measures to improve network resilience and responsiveness in order to facilitate connectivity before, during and after disaster events. For example, following the Nepal earthquake in 2015, all our OpCos responded by providing zero-rated calls to Nepal from their respective countries to help our subscribers reach their loved ones.

We believe that we have a key role to play in helping coordinate national efforts as well as by participating in relief efforts in countries where we have a presence. Meanwhile, we are also working towards developing a more holistic disaster management and response plan involving all our OpCos at the Group level.

MOVING INTO PHASE 2 OF OUR SUSTAINABILITY FRAMEWORK

We have made significant progress in developing these focus areas as part of Phase 1 of our Sustainability Framework over the last three years. We are now moving into Phase 2 of our journey, which sees us standardising our CR programmes throughout our Group. A more coordinated and standardised sustainability framework will allow us to better coordinate our OpCos and draw on their respective strengths to make a bigger impact on our communities and markets.

PRESIDENT & GROUP CEO'S STATEMENT

In doing so, our OpCos will share in the sustainability identity that we have set for the Group as a whole while retaining the autonomy to conduct projects that address issues unique to their respective countries.

journey, namely by raising the level of our commitment and disclosure. Through these efforts, we are ensuring that sustainability will remain a core component in our transformation drive towards becoming a 'New Generation Telco' by 2020.

These awards serve to further encourage us and validate our efforts to develop our sustainability practice. I would like to take this opportunity to thank our partners and stakeholders, and reiterate the Group's commitment to sustainable practice in all our markets.

AWARDS & RECOGNITIONS
BEST SUSTAINABILITY REPORT IN MALAYSIA (ACCA MasRA)

DIALOG RANKED NO. 1 IN CORPORATE ACCOUNTABILITY

THE BEST CSR CAMBODIA AWARD: SMART AXIATA (GLOBAL BANKING & FINANCE REVIEW)

COMMITMENT TO STRENGTHEN OUR SUSTAINABILITY DISCLOSURE

Axiata has been implementing its sustainability activities anchored on the 4Ps, which collectively represent the Economic, Environmental and Social (EES) areas in which Axiata has an impact. This report is the third volume of our 'Commitment to Development' series, which is our inaugural series of reports referring to the Guidelines of the Global Reporting Initiative G4 (GRI-G4) framework.

DATO' SRI JAMALUDIN IBRAHIM
 PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

We have worked continually on ensuring that our sustainability disclosure structure and vision are embedded throughout our entire organisation, and I am proud to report most of our OpCos have started producing their own standalone sustainability reports.

I am also pleased to note that our efforts to strengthen our sustainability disclosure was recognised as the best sustainability report in Malaysia in ACCA's Malaysian Sustainability Reporting Awards (MasRA) 2015. Our sustainability practices also received accolades from the Minority Shareholder Watchdog Group (MSWG), which recognised Axiata with its Excellence Award for ESG Practices.

COMMITTING TO SUSTAINABILITY IN BECOMING A 'NEW GENERATION TELCO'

In light of the rapid expansion and transformation of Axiata's core business, we remain focused on the overall goal of embedding sustainability into all our business activities. We have already taken the preliminary steps to build a platform for Phase 2 of our sustainability

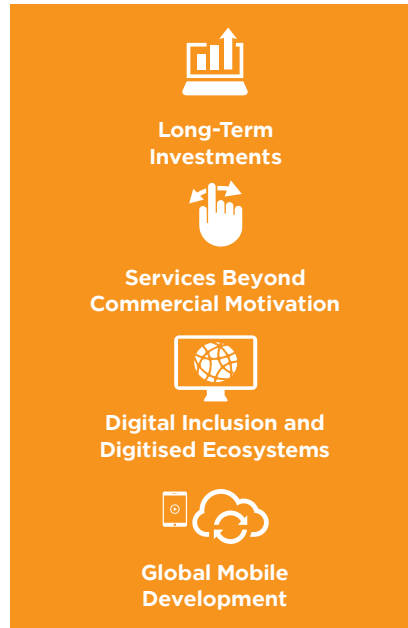
THE MANAGEMENT APPROACH

Axiata is a leading regional telecommunications company with a substantial geographic reach. We believe that our commercial interests as well as the interests of the countries in which we operate are best served by taking a long-term view of our presence and role in these countries.

Our sustainability management approach focuses on four key areas: long-term value creation, talent development, operational excellence and community outreach. These four areas have been mapped to our four sustainability pillars (4Ps) from the outset of our sustainability journey. The pillars are:

- Beyond Short-Term Profits
- Nurturing People
- Process Excellence & Governance
- Planet & Society

The 4Ps identified are specific and unique to Axiata's goals, vision, and role as a regional telecommunications company. Our aim is to secure the long-term commercial prospects of our business through our initiatives in these areas while empowering and enriching the lives of our stakeholders in the communities where we operate.



As a long-term operator in each of our operating countries, we are focused on making investments that create value over the long-term and not necessarily in the immediate- or short-term. These investments have in turn made significant contributions to the local economies of our operating countries. Our investments are providing connectivity in terms of voice and messaging services, as well as digital services that create value beyond commercial considerations. Where possible, we have taken steps to support the development of digital ecosystems in our markets as well as play a lead role in growing and influencing global mobile trends. As a member of the GSMA, we are helping pioneer mobile innovations that empower and enrich communities.



We help our employees reach their full potential in terms of personal growth and professional development through comprehensive development programmes and career opportunities. We also nurture future leaders who have the potential to provide leadership in our operating countries and throughout the region. We endeavour to provide state-of-the-art facilities to our employees in a safe working environment, while continuous attempts are made to benchmark our employee benefits in line with and above industry standards where possible. We hold open lines of engagement with our employees and conduct annual engagement surveys to obtain feedback to help refine our management strategy.

THE MANAGEMENT APPROACH

Best Practices Across the Value Chain

Customer Centricity

Digitising Processes

Strong Governance

Environment Management

Disaster Management & Response

Corporate Responsibility

PROCESS EXCELLENCE & GOVERNANCE

We establish common standards to ensure that sustainability practices are adopted throughout our supply chain. We take all possible measures to influence and engage our vendors and business partners on a regular basis to ensure they conform to our practices on sustainability. We also work together with our retailers to help them develop their business practices. To ensure that we have the best customer engagement practices, we track customer experience levels via individual KPIs. We are currently in the process of transforming both our internal and external processes; digitising them where and when relevant.

In the area of regulatory compliance, we established the Axiata Regulatory Compliance Framework to guide the Group's efforts to comply with the regulatory requirements in each of our markets.

PLANET & SOCIETY

We are committed to minimising the environmental impact of our activities. edotco, our infrastructure company, is spearheading the Group's efforts to reduce our carbon footprint. edotco has set itself a target of reducing total greenhouse gas (GHG) emissions by 40% from our baseline year of 2013.

In the area of corporate responsibility (CR), our OpCos continue to implement initiatives designed to empower and enrich their respective societies. We are standardising our CR efforts as part of our transition into Phase 2 of our sustainability plan and will see all OpCos participating in three core CR initiatives:

- (i) Young Talent Development
- (ii) Green Initiatives
- (iii) Disaster Management & Response

Towards Becoming a New Generation Telco

The next four years (2016–2020) will see Axiata work towards its ambition of becoming a New Generation Telco. We expect to see significant changes in both the industry as well as in our own operations over that period of time, and we will ensure that our sustainability management approach will remain relevant in light of these changes.

The development of our sustainability framework is guided by Axiata's Sustainability Blueprint, which is divided into three distinct phases:

Phase 1 (2013–2015): During this preliminary phase, emphasis was placed on creating a narration of the Group's sustainability performance in the region.










Phase 2 (2016–2018): In Phase 2, we plan to harmonise and standardise our sustainability practices across the Group to create a more cohesive and integrated approach to sustainability by all our OpCos.



Phase 3 (2019–2020): Phase 3 focuses on innovating on our existing sustainability initiatives and establishing ourselves as a regional leader in the areas of sustainability practice and disclosure.

We are presently in Phase 2 of our Sustainability Blueprint having completed our Phase 1 initiatives in 2015.

TARGETS & ACHIEVEMENTS

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Sustainability Targets of the Group and Progress Made				
Pillar	Material Issue	Targets in 2015	Status	
Beyond Short-Term Profits	Network Quality & Coverage	Study SROI aspects from our network investment in each market		
	Digital Inclusion	Launch of new Axiata Digital projects across our markets		
	Product Innovation & Research			
Nurturing People	Employee Development & Welfare	Strengthening the UI.EP programme with programmes for educating, empowering and engaging employees. Establishing a Group-wide Health & Safety practice		
Process Excellence & Governance	Governance & Responsible Business Conduct	Completion of BCM programmes for each OpCo and reporting on progress made		
	Privacy & Data Protection	Review of privacy and data standards and preparedness in each market		
	Supply Chain Management	Set up improved mechanism for calculating local procurement		
	Customer Service	To improve the processes in each market to become the best customer service provider		
	Tax & Licensing Fees			
Planet & Society	Energy & Climate Change	Report on the progress made over the edotco target		
	Community Impact/ Development	Tracking of the Group's Corporate Responsibility initiatives and their impact		
	Disaster Management & Response	Report on progress made in each country in disaster preparedness & response		

 New Material Issue  Initiated  In Progress  Done

TARGETS & ACHIEVEMENTS

	Progress Made in 2015	Sustainability Targets for 2016	Improvement	Innovation	Investment	Impact
	Our National Contribution study was further strengthened to capture the investment made in the country and the contribution to the digital economy to a certain extent (page 65)	Along with Sustainability Phase 2, further improved impact study to be conducted and reported on our investments, products and returns. They will be captured in the reports from 2016-2018	✓	✓	✓	
	OpCo-wide culture programme conducted based on the OpCo values and Group's core values (page 38)	Create support system and policies to strengthen the UI.EP values across the Group	✓			✓
	Progress made in the BCM programmes of the Group reported (page 55)	Review the Sustainability Governance structure including new developments in this aspect of our operations		✓		
	As a Group, steps have been taken to create internal Group-wide initiatives to ensure best practices (page 46)	Set up an internal task force on institutionalising strong governance structure for Group on privacy and data security	✓		✓	
	New matrix used for identifying the local suppliers and reported for this year	Sustainability and Ethics to be included as key supplier evaluation criteria by 2016	✓			✓
	We have conducted regular Group-wide studies on our customer feedback. The results are showing good progress (page 46)	Continue on with customer satisfaction studies and include a customer study on Group's sustainability performance	✓		✓	✓
		Proactively engage with our key stakeholders to manage the risks and opportunities of issues		✓		✓
	Progress made in reducing direct and indirect emissions via edotco	Further introducing new green technology and operational efficiency initiatives in 2016	✓	✓	✓	✓
	An improved National Contribution study conducted in 2015, the methodology used for this report and beyond (page 78)	Group-wide reporting and tracking impact on Core Corporate Responsibility Projects under Sustainability Phase 2		✓	✓	✓
	We have made an overall statement on Group-wide Disaster Management & Response (page 54)	Implementing a Group-wide Disaster Response guideline in 2016		✓		✓

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RISK MANAGEMENT

The Axiata Board is responsible and accountable for maintaining and ensuring a sound system of risk management and internal control practices to safeguard shareholders' investments, stakeholders' interest as well as the Group's assets. Such systems cover not only financial controls but also operational and compliance controls.

The Board has an ongoing process in place for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of the Group's business objectives. The Board is assisted by the Group Risk Management Committee (GRMC), consisting of all members of Axiata's Group Senior Leadership Team (SLT), in ensuring that the implementation of the approved policies, manuals and procedures on risks and controls are in place to mitigate key risk areas which have been identified and assessed by the risk owners.

The Axiata Enterprise Risk Management (ERM) Framework, benchmarked against ISO31000:2009³, is used as a standardised approach in identifying, assessing, reporting and monitoring risks. To ensure consistency, the framework is adopted by all risk management teams across all OpCos. Risk assessment involves the identification and analysis of the key risks based on certain criteria which take into account their effect and likelihood. Appropriate mitigation strategies are then developed, taking into consideration the effectiveness of existing controls.

The following are the key risk areas for the Axiata:

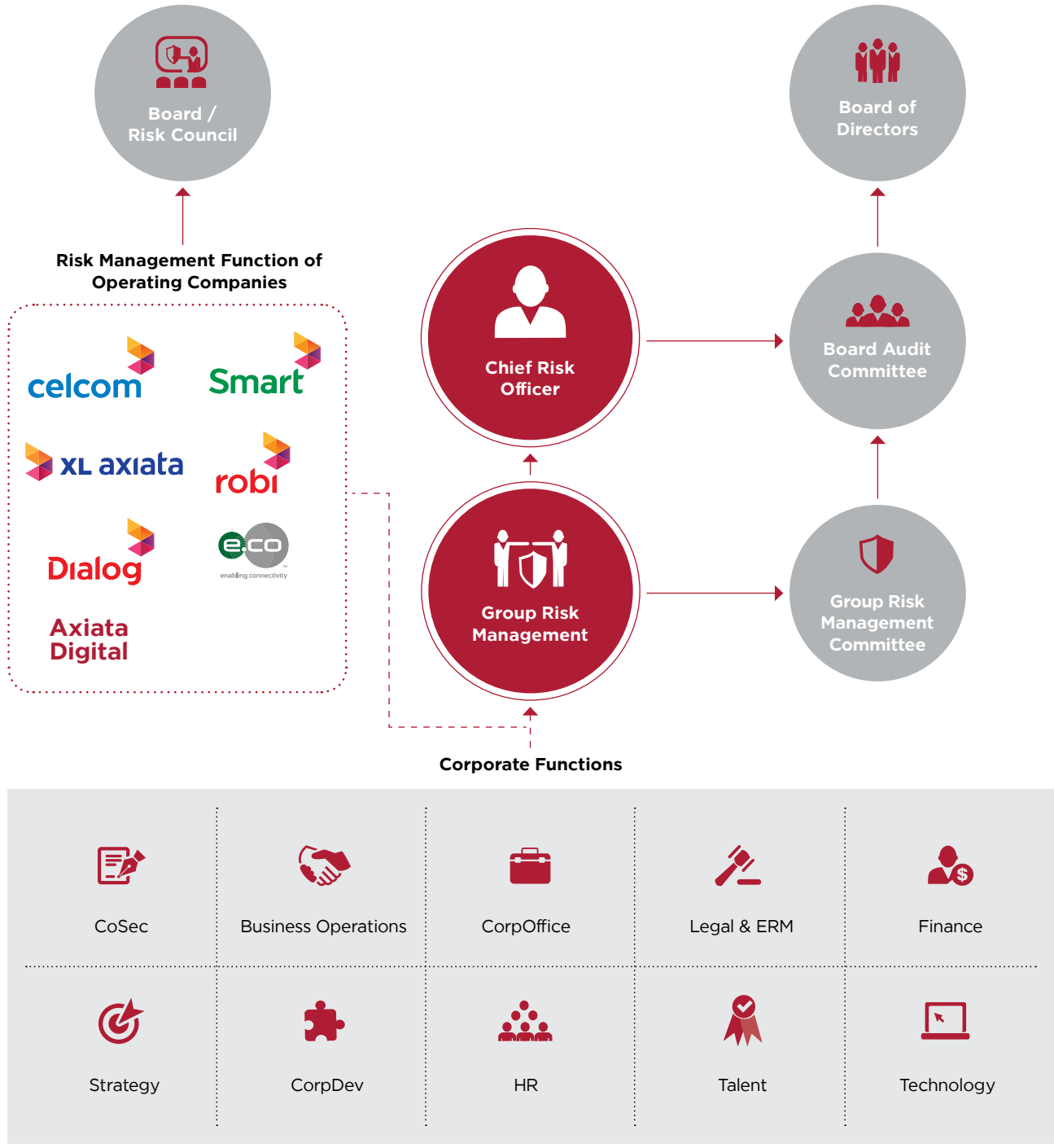


The Axiata's Enterprise Risk Management structure is depicted on the next page.

Note:

³ <http://www.iso.org/iso/home/standards/iso31000.html>

RISK MANAGEMENT



— Reporting Line - - - Information Flow

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STAKEHOLDER ENGAGEMENT

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Stakeholder assessment and feedback are key elements in identifying sustainability issues pertaining to Axiata. As a provider of communication services in various markets throughout Southeast Asia and South Asia, we recognise that we have a diverse stakeholder base with varying concerns.

Stakeholders have a direct influence on our business in that they are our employees, our customers, our regulators and our vendors. Their concerns over Axiata's impact on the environment, the economy and society are our concerns, thereby linking our business sustainability with sustainability in general.

To ensure the comprehensive identification of our stakeholder groups, Axiata adopts an engagement methodology based on the principles of inclusivity, materiality and responsiveness as defined by the AA1000 Principle Standard. Engagement sessions are held regularly with stakeholder groups to discuss issues and solutions.

Our OpCos play a primary role in conducting these sessions as they have direct and regular engagement with stakeholder parties. Feedback is subsequently collated and indexed at the Group level and reported here. Our stakeholders are as follows.



Customers

○ ONGOING ● ANNUALLY

Customers are a direct gauge of the efficiency and effectiveness of our operations, and a key determinant of our commercial success. Customer satisfaction has always been an important consideration for Axiata, now even more so with growing competition in the industry. To ensure customer satisfaction, we benchmark our performance through the Net Promoter Score system that is conducted annually.



Types of Engagement

Customer Satisfaction via Net Promoter Score (NPS)



Focus Areas

Customer experience, product affordability and network availability



Employees

● ANNUALLY ○ QUARTERLY

We depend on a retinue of highly trained and skilled talent to execute our business plan to the Group's exacting standards. It is therefore critical for us to be apprised of their concerns and feedback. Staff satisfaction levels are gauged through our annual Employee Engagement Survey managed by an independent research agency and through regular Town Hall meetings. These are conducted annually and quarterly, respectively.



Types of Engagement

- Employee Engagement Survey (EES) by Towers Watson (an independent research agency)
- Town Hall meetings



Focus Areas

Career development, employee feedback, employee communication



Shareholders

○ ONGOING

Our shareholders are the owners of the Company and are entitled to annual returns on their investments. We are aware of our fiduciary duty to protect the interests of our shareholders and strive to apprise them of our business performance and strategy on a regular basis. We regularly engage our shareholders through our Annual General Meeting, Investor Roadshows and through analyst meetings.



Types of Engagement

- Annual General Meeting (AGM)
- Investor Roadshows
- Meetings with the Top 100 Investors
- Analyst Meetings



Focus Areas

Business performance and strategy, social responsibility initiatives

G4-27

STAKEHOLDER ENGAGEMENT



Regulators and Government Authorities ○ ONGOING

We regularly engage with regulators and government authorities in our operating countries as we place a strong emphasis on regulatory compliance. We are committed to working proactively with regulators and authorities to ensure that we meet local requirements which differ from one country to the other.



Types of Engagement

- Compliance with the Malaysian Communications and Multimedia Commission (MCMC)
- Compliance with Bursa Malaysia



Focus Areas

Information security, PDPA, pricing, tax issues



Suppliers ○ ONGOING

Our suppliers comprise a diverse range of stakeholders ranging from vendors of infrastructure components to corporate professionals providing support services. It is important for us to be aware of their concerns with regards to their professional relationship with us, as well as of their own business conduct. We engage with our suppliers regularly to apprise them of our expectations, and conduct regular surveys to seek feedback.



Types of Engagement

- Request for Proposals (RFP)
- Supplier Code of Conduct
- Vendor Satisfaction Survey



Focus Areas

Payment practices, delivery and definition of vendor performance



Media ○ ONGOING ● QUARTERLY

The media is the primary channel through which we publicise information regarding our Group to the wider public. We share information such as our Company's financial performance, strategy and business aspirations, as well as information on our social programmes. We conduct stakeholder engagement sessions with media practitioners to brief them on developments and to seek feedback on our media engagement policies.



Types of Engagement

- Media Survey ○
- Media Releases/Conferences ●



Focus Areas

Company performance, strategy, future business aspirations



Community ○ ONGOING

The communities of our OpCo countries are key beneficiaries that directly gauge the effectiveness of our CR projects. We have started implementing three core CR projects at the Group level, namely the AYTP, disaster management and response, and green initiatives. Stakeholder feedback is crucial in optimising these programmes, and we have sought the community's input in these three areas.



Types of Engagement

- AYTP
- Axiata's Corporate Responsibility Programmes



Focus Areas

Social requirements and specific feedback on programmes

Moving Towards Directed Stakeholder Engagement

Our stakeholder engagements have yielded important lessons to both our organisation and our stakeholders, and substantially changed the way we conduct our operations and sustainability programmes. We believe we can further improve on our stakeholder engagement going forward by holding direct stakeholder engagement on specific topics that will further build trust and credibility in the outcomes of our stakeholder engagement. We aim to start holding such targeted engagement sessions with our stakeholders in 2016. The results of these sessions will be reported in the 2016 edition of our Sustainability Report.

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MATERIALITY

Axiata's Sustainability Report addresses key material indicators identified by our stakeholders. We use a comprehensive and detailed methodology to identify these issues which are subsequently addressed by our sustainability initiatives and reported in our annual disclosures. This section details our materiality mapping process and elaborates on our most pressing material issues.

In identifying our material issues, Axiata consulted various sources including stakeholders, industry groups and existing peer literature. We have grouped these as either internal sources or external sources. The process of identifying the key issues most material to our organisation is illustrated in the diagram below.

External Sources



Industry Perception

We conducted a benchmarking study comparing the sustainability performance of the top 20 global telecommunications companies⁴ in 2015. We also conducted a detailed review of publicly available peer information to create a benchmark for our performance.



Regulatory Perception

We reviewed the feedback received from our regulators in our operating markets. We work on specific areas based on our regulators' requests. We take into consideration the emphasis of regulatory bodies not directly related to the industry as well.



Our Stakeholder Perception

We held intensive discussions with our internal divisions who directly engage with our key stakeholders. Perceptions of each stakeholder group on sustainability were taken into account. The stakeholder groups we engaged were our employees, customers, the Board of Directors, shareholders, investors and suppliers.

Internal Sources



Group KPI

We reviewed the Group's key performance indicators and their relevance to sustainability issues.



Group Policy

We reviewed the coverage of the Group's policies in relation to sustainability.



Top Management Perception

We considered the frequency of each sustainability issue or relevant topic taken up in Senior Management Group meetings and their correlation to the Company's long-term/short-term strategy.



Risk Management Matrix

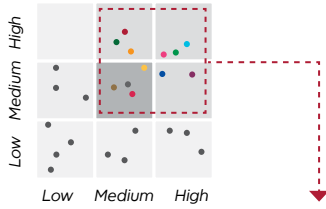
We assessed the Group's Risk Management Matrix and the relationship of key risks across the Group to sustainability issues.

Note:

⁴ www.gsmaintelligence.com

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MATERIALITY



Group Materiality Matrix

The following materiality matrix provides a summary of the outcome of our materiality assessment process at the Axiata level. A brief description of our material issues follows below.

Network Quality & Coverage

The availability and reliability of our mobile service within the markets in which we operate.

[page 26](#)

Digital Inclusion

Our product offerings and special initiatives undertaken to ensure people at all socioeconomic levels can afford digital connectivity.

[page 26](#)

Employee Development & Welfare

Our initiatives to promote employee development and welfare such as training and remuneration policies.

[page 34](#)

Privacy & Data Protection

The level of protection we offer our stakeholders in terms of their private data and other confidential information.

[page 42](#)

Customer Service

The level of service we provide our customers.

[page 42](#)

Tax & Licensing Fees

Ensuring that we effectively navigate all taxation and licensing requirements in our various operating countries.

[page 42](#)

Supply Chain Management

The way in which we manage and interact with our suppliers to ensure they observe best practice.

[page 42](#)

Governance & Transparency

The way that Axiata governs the overall organisation and the transparency of our reporting to our stakeholders.

[page 42](#)

Energy & Climate Change

Our initiatives to mitigate our impact and the impact of our business on the environment.

[page 50](#)

Community Impact/ Development

The way our social programmes impact and create value in the communities that we serve.

[page 50](#)

Disaster Management & Response

Our preparation for disaster management in our operating markets.

[page 50](#)

Business Performance

Our level of profitability and returns on investments to our shareholders.

[Annual Report 2015](#)



- Beyond Short-term Profits
- Nurturing People
- Process Excellence & Governance
- Planet & Society
- Axiata Annual Report 2015

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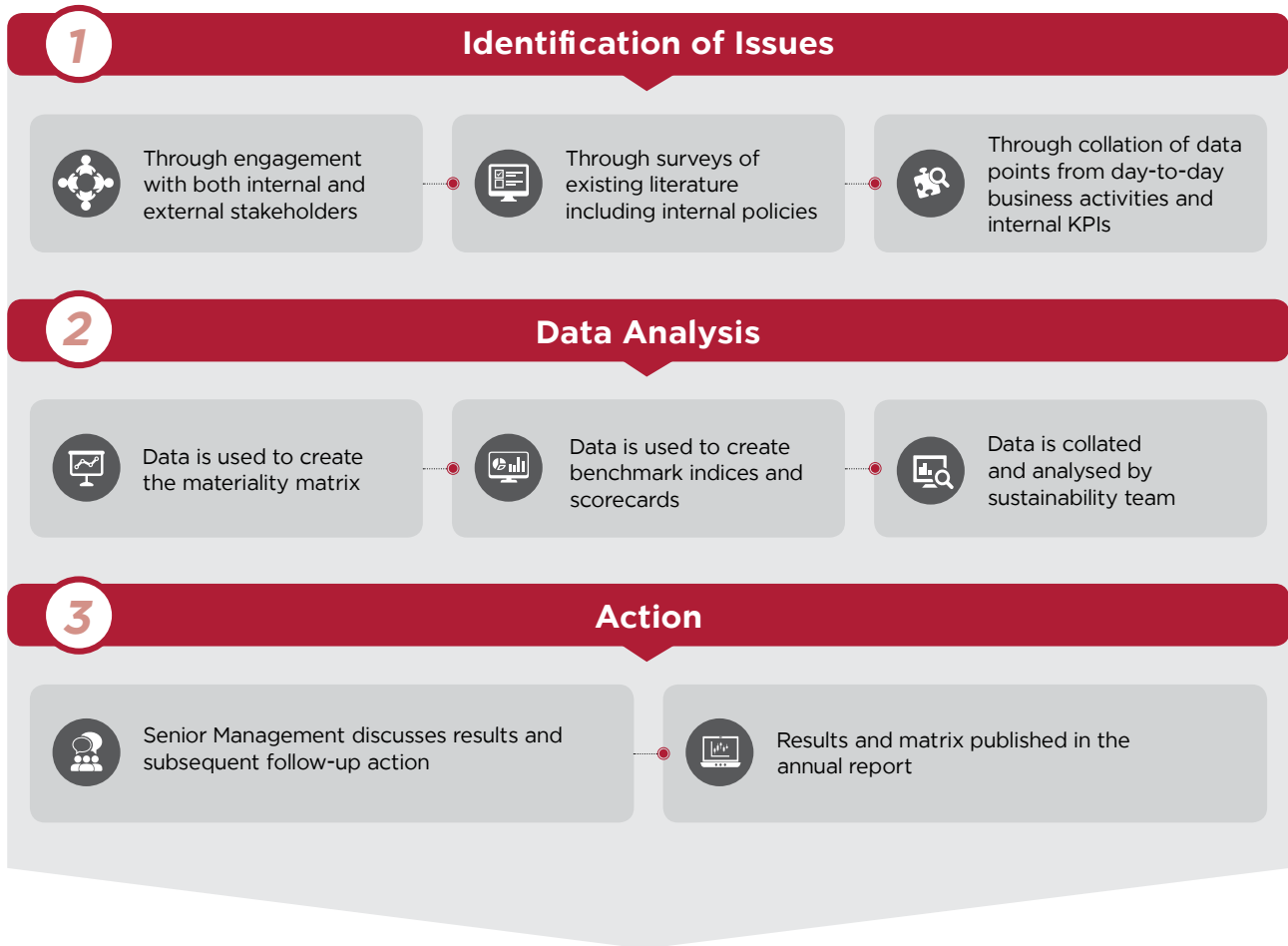
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MATERIALITY

G4-18

The following diagram provides a general illustration of our materiality identification process:



Material issues identified from each source are discussed by the appropriate committees who decide on the next course of action. Solutions are identified for issues deemed to have a significant impact on our operations, and implementation plans drawn up. Quantifiable targets are assigned to the initiative and subsequently used to measure the effectiveness of the initiative. The results are communicated to our stakeholders via our Sustainability Report and other channels of communication.

As Axiata operates across several countries in the region, our OpCos may face different materiality contexts that require they conduct their own assessments to identify their specific material issues. The results of their materiality assessment processes are published in their own sustainability reports.

COMMITMENT TO ► BEYOND SHORT-TERM PROFITS



What do we want to be?

- A Group that builds long-term value in the markets where we operate
- A Group that empowers and enables communities through our products and services
- A Group that bridges the digital divide in our markets
- A Group that contributes positively to the mobile industry's overall development



How do we get there?

- Commit ourselves to making long-term investments in our markets
- Create value in our markets that go beyond commercial value
- Build digital ecosystems to improve lives in our communities
- Play a proactive leadership and facilitative role within the global industry



Outcomes

- Securing the long-term viability of our business in our markets
- Digital Inclusion via affordability, availability, applicability and accessibility
- Creating the necessary digital infrastructure which improves and enriches lives
- Contributing to the development of the mobile industry



Introduction

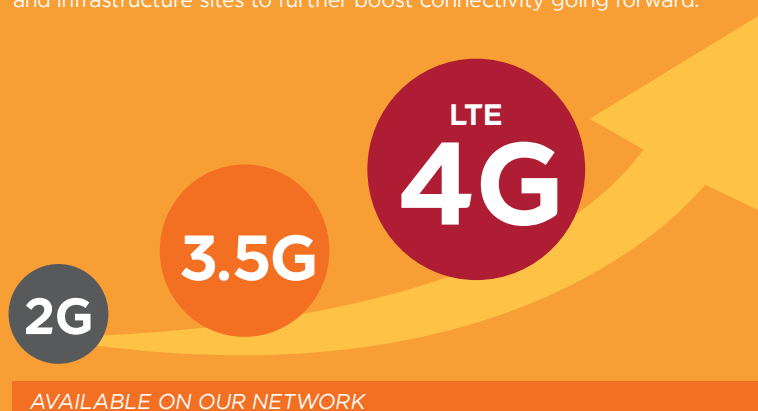
The Beyond Short-Term Profits Pillar underpins our overall business philosophy to create long-term value in all our OpCos' markets. We view our long-term value creation from several perspectives including the value we create through our direct investments into infrastructure, the social value we create through our products and services and the value we create in the global mobile industry by guiding mobile development.

Through these activities, we transform the markets in which we operate by increasing connectivity, connecting the unconnected and making the mobile industry a more relevant component of nation building.

BEYOND SHORT-TERM PROFITS

Network Quality & Coverage

Network coverage and quality is a top priority for our stakeholders and a key performance benchmark for our business and industry. We are constantly focused on strengthening our basic coverage in all our countries while expanding our 3.5G and 4G networks to make us the coverage leader. We are committed to expand our network through the deployment of new technology and infrastructure sites to further boost connectivity going forward.



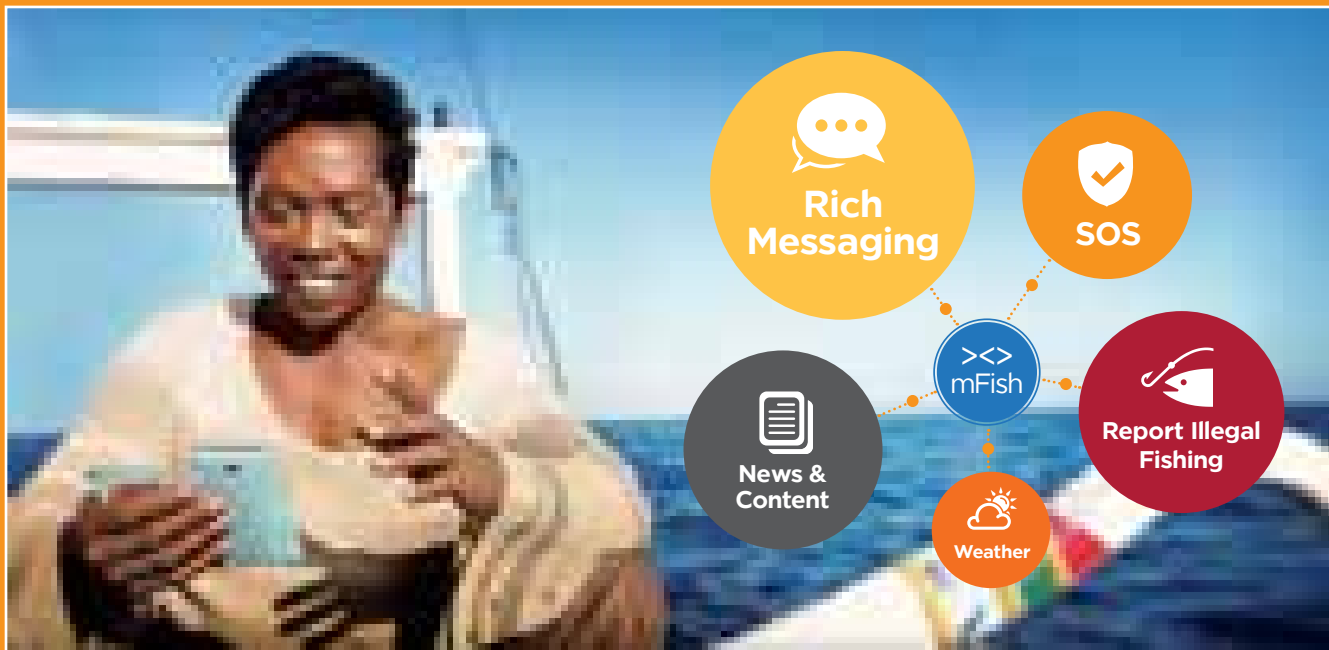
Digital Inclusion

We recognise that segments of our communities have been excluded from digital and mobile services due primarily to socioeconomic variations within our markets. In the interests of inclusivity, we are making a concerted effort to diversify our product line-up to create affordable, accessible and available digital products for these segments through innovations from Axiata Digital, the Group's digital services arm.



We are committed to
PROMOTING DIGITAL INCLUSIVITY
in remote and rural areas

M-FISH REDEFINES COMMERCIAL FISHING IN INDONESIA



Jamil, a fisherman from Pondok Perasi Village, Lombok, Indonesia, rises long before the sun does. After a light breakfast, he makes his way down to the jetty. He secures his nets and says a quick prayer before hopping onto his boat. He pulls out his mobile smartphone and calls up an app which occupies his full attention for the next few minutes. After consulting his phone, he sets off with a look of determination on his face.

Jamil has just used M-Fish, the latest app jointly developed by XL and Tone, a US-based communications company. M-Fish is an Android-based application running on 4G-ready networks providing important information related to fishing activities, such as weather forecasts, tidal information, seabed maps, the market values of catches, and real-time updates from the National Oceanic and Atmospheric Administration (NOAA) providing information on fish and plankton locations. M-Fish also comes with other features, including an e-wallet, sustainable fishing tips and social media.

Using M-Fish, Jamil has a good idea of where the fish will be this morning and the sailing routes that will take him there. It also helps him avoid a squall forming on the horizon, which turns into a storm later in the day.

“I would like to say thank you to XL for the help in providing the mobile application,” Jamil says. “M-Fish helps me to understand wind direction and weather conditions so that I can sail at ease. We have really benefited from the M-Fish application as it prioritises the safety of the fishermen as well as of the harvest.”

In the first phase following its official launch, M-Fish was implemented in a number of pilot project locations in Lombok, Karimun Jawa, Demak, Tegal and Kendari. XL provides a starter pack for local fishermen comprising a smartphone with the M-Fish application installed, an XL starter SIM card with a data quota of 1GB per month, a solar charger and an activation guidebook in these pilot areas.

Moving forward, XL and Tone plan to expand the use of M-Fish in other areas in Indonesia. XL plans to continue collaborating with non-profit organisations to improve and manage Indonesia’s vast maritime and fisheries industry potential, namely RARE, LINI, and Masyarakat Dan Perikanan Indonesia (MDPI).

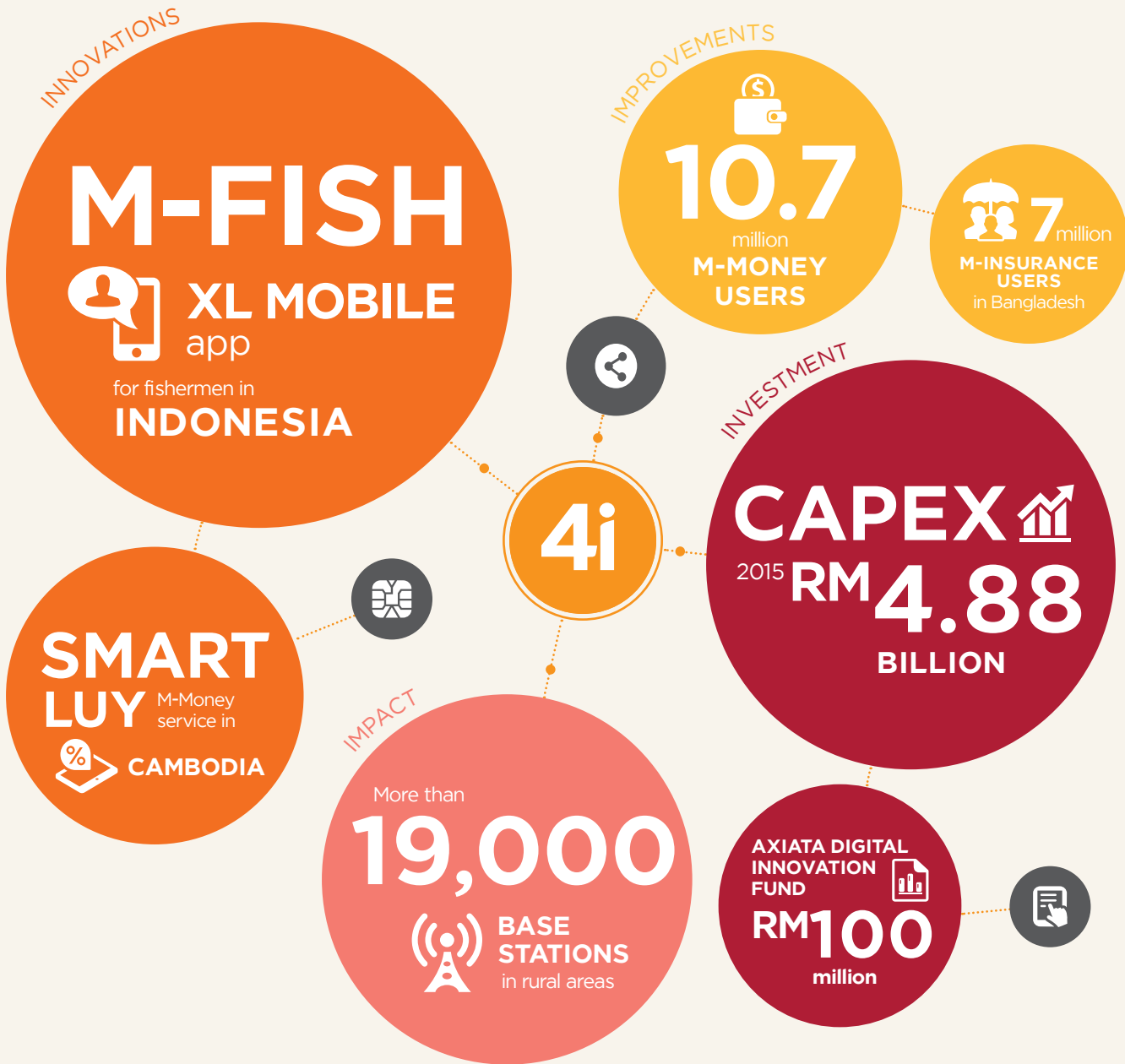


I would like to say thank you to XL for the help in providing the mobile application. M-Fish helps me to understand wind direction and weather conditions so that I can sail at ease. With the M-Fish application, we, the fishermen, have really benefited as it prioritises the safety of the fishermen as well as of the harvest.



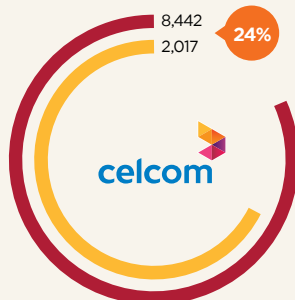
JAMIL
Fisherman
Lombok

BEYOND SHORT-TERM PROFITS



Inclusivity in Terms of Coverage

Our investments in technology and coverage extend to both urban and rural communities.



OUR NETWORK & PRODUCTS

Our OpCos champion various inclusive products and services which provide digital access to many who are otherwise excluded from their benefits. These products and services have been designed in accordance with the 4A model of Accessibility, Affinity, Affordability and Applicability pioneered by Dialog in Sri Lanka. Some examples of our inclusive services are provided below.

Inclusion by Our Products



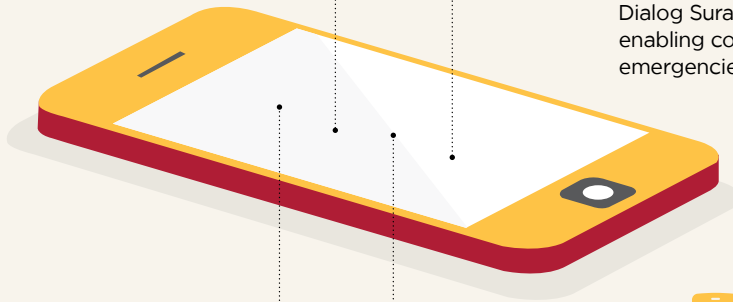
Affordability

- ▶ **Celcom**
Magic Sim - provides affordable data and call rates
- ▶ **Smart**
WhatsApp unlimited - unlimited WhatsApp messaging at low rates



Accessibility

- ▶ **Dialog**
My Doctor - allows users to make a doctor's appointment through their mobile phones
- ▶ **Celcom & Robi**
Circle and Kolony Integration - providing social media access from feature phones
- ▶ **Dialog**
Dialog Suraksha - a child safety device enabling connectivity with parents during emergencies



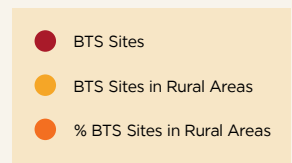
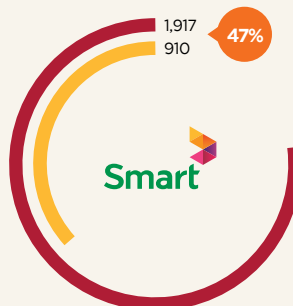
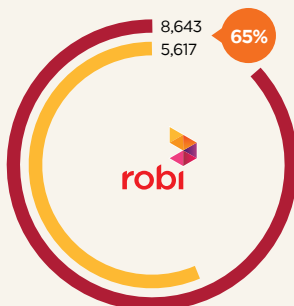
Availability

- ▶ **Robi**
Bill Pay Service - allows users to pay their bills via mobile phones
- ▶ **Smart**
Famous Workers - helping factory workers learn their rights



Applicability

- ▶ **XL & Dialog**
My XL App and Dialog Self Care App - allows users to manage their services digitally from their homes



BEYOND SHORT-TERM PROFITS



Our presence as a long-term investor stretches beyond 20 years in Bangladesh and Sri Lanka, 18 years in Cambodia, and over 10 years in Indonesia.



LONG-TERM INVESTMENTS

Our long-term commitment to the markets in which we operate requires us to make substantial investments in our operating countries. Our capital expenditure (Capex) investments are part and parcel of our commitment to broaden digital connectivity in the country and to provide access to digital services.

Our presence as a long-term investor stretches beyond 20 years in Bangladesh and Sri Lanka, 18 years in Cambodia, and over 10 years in Indonesia.

The investments we make generate economic activity which contributes to national economic development over the long-term. In total, we contributed approximately USD12.1 billion to the GDP of our operating countries in 2015. Additional details about our GDP contribution can be found in our National Contribution Report on page 65.

SERVICES BEYOND COMMERCIAL MOTIVATION

Investing in Coverage

We create long-term social value for our operating countries by extending our network coverage to all areas, including areas that are typically less commercially viable. We are committed to the expansion of our services to these areas because of the social benefits that connectivity and digital access can bring to rural lives.

Investing in Technology

Axiata is the market leader in terms of bringing new technology to our OpCo countries by being the widest 4G/LTE service provider in many of our markets, including in remote and rural areas. These technological advances are raising the quality of life of rural residents by providing them with amenities such as a reliable mode of communication and digital facilities to support commerce and educational opportunities.

Inclusivity in Products and Services

In addition to providing the infrastructure for connectivity, we also structure our products to be as inclusive as possible. We design our products in line with the 4A model⁵, which is anchored on the concepts of Affordability, Availability, Applicability and Affinity (page 27). The 4A model ensures that our products are suitable for their target groups and are beneficial to them.



KEEPING OUR CHILDREN SAFE

Dialog's Suraksha is a mobile device with security features developed for parents and their children in response to the rise in crimes against children in Sri Lanka. It allows parents to control outgoing and incoming calls made on the device, prevents children from sending or receiving SMS or going online, and comes with a built-in SOS Emergency button. Suraksha is an example of the way that we are investing in technology to help our customers live safer and better quality lives in our various operating countries.

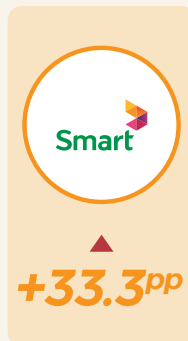
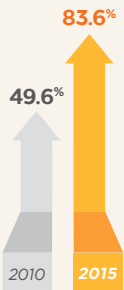
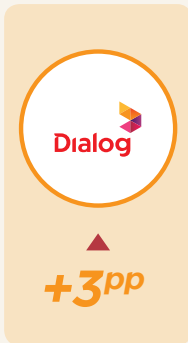
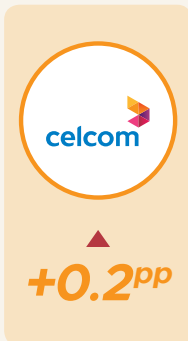
Note:

⁵ www.dialog.lk

BEYOND SHORT-TERM PROFITS

POPULATION COVERAGE HAS INCREASED IN ALL OUR MARKETS

2015 VS 2010



DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS

We are constantly innovating on our digital offerings to meet the needs and requirements of rural communities, which may differ significantly from the needs and requirements of those living in urban areas. We prioritise the provision of basic services such as facilitating access to capital (mobile money) and facilitating trade transactions (mobile commerce), as well as creating value through audience-specific platforms.

Creating Value through Digitisation

Digital technology has fundamentally changed the way we live and the way we conduct business. While digitisation is typically associated with mature markets and an urban way of life, we believe that rural communities can benefit from digitisation just as much, if not more.

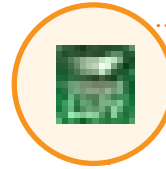
Axiata continues to strengthen its digital services offerings such as M-Money, M-Commerce and M-Insurance to ensure greater digital inclusion in our operating countries to further narrow the digital divide between rural and urban communities.

Our digital services subsidiary, Axiata Digital (AD), spearheads Axiata's efforts in developing products for the digital space and leads our Group-wide drive to create new digital avenues including education, entertainment, commerce, money and advertising. AD operates across all our OpCos and works together with external partners to create added value in the markets in which we serve.

DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS

M-MONEY

Axiata pioneered M-Money platforms as part of its goal to create digitised ecosystems. M-Money platforms across our OpCos enable customers to send and receive money, pay utility bills, top up their accounts and purchase goods from a variety of merchants through their mobile phones.



recognised as

BEST NFC

and mobile money service at
GSM GLOBAL MOBILE AWARD 2015



MULTI-OPERATOR PLATFORM

with more than
2 MILLION

users

Launched in

OCTOBER
2015



More than

1,000

subscribers



181

Partner
merchants
in 2015



22,000

transaction points



1.7

MILLION
subscribers

M-COMMERCE

Axiata's M-Commerce platforms enable customers across Asia to use their mobile devices for a variety of commercial and business transactions. These services have created new opportunities for diverse groups of stakeholders by simplifying and reducing the cost of commercial transactions.



28,000

merchants



USD

127 MILLION
GMV 2015



Launched

APRIL
2015



RM18 MILLION

monthly transaction value



4.5 MILLION

monthly unique visitors

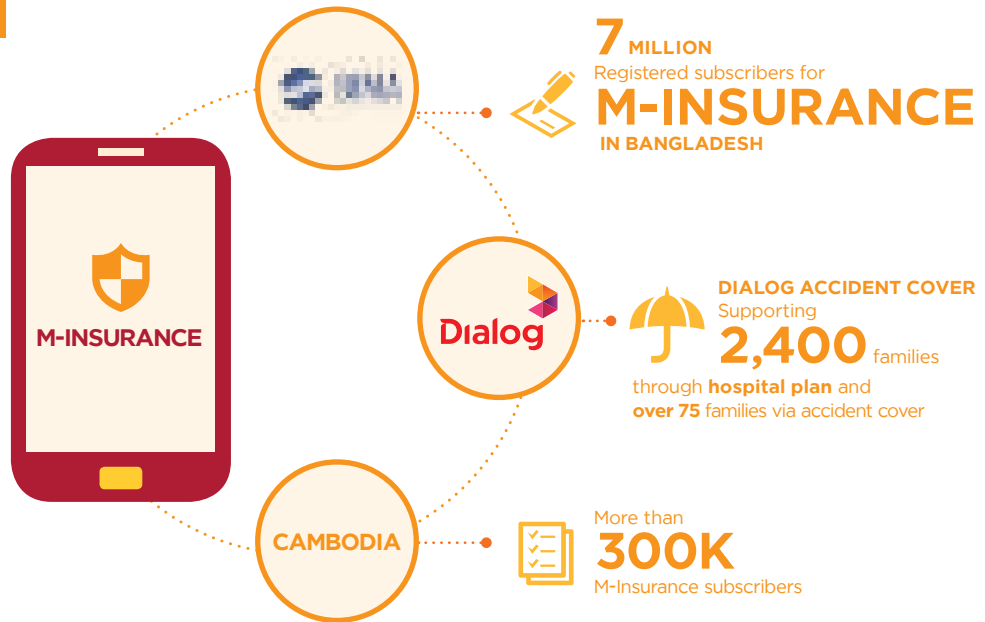
More than

200K

monthly unique visitors
end 2015

M-INSURANCE

M-Insurance is available in several of our markets providing life insurance coverage to our subscribers, many of whom have never had access to insurance previously.



OTHERS

In addition to M-Money, M-Commerce and M-Insurance, AD develops other audience-specific digital applications designed to empower and enrich the communities of our operating markets.



BEYOND SHORT-TERM PROFITS



AXIATA DIGITAL INNOVATION FUND

The Axiata Digital Innovation Fund (ADIF) is our way of helping catalyse the development of a sustainable technology ecosystem in Malaysia.

In 2015, ADIF, the largest digital services corporate venture capital fund in Malaysia, made its first investments totalling RM12.5 million in six Malaysian-owned technology companies. The investments were made as part of ADIF's RM100 million commitment to enhance the capabilities of local technology companies with proven track records. ADIF aims to help these companies in the digital services space enhance their innovative products and grow their businesses through funding, know-how and market access.

ADIF will help these six companies extend their business and product reach into the regional digital services marketplace.

First launched in 2014, ADIF helps Malaysian companies grow by providing them funding and regional partnership opportunities with Axiata.

GLOBAL MOBILE DEVELOPMENT

Axiata is a leading member of the GSMA's Humanitarian Connectivity Charter, which commits its signatories to a common set of principles that aim to create a more coordinated and predictable response to disasters. Launched on 2 March 2015, Axiata has played an active role in the Charter including hosting the Charter's first workshop in Sri Lanka as well as leading the conversation in terms of disaster management, planning and response.

We also continued to be an active partner in the GSMA's efforts to innovate and shape the priorities of the global industry. Our focus on innovations that enrich and empower communities, particularly those underserved by the existing digital community, has seen positive developments being made in the global digital industry.

At the local level, our OpCos continued to participate in industry initiatives that are focused on key issues such as increasing connectivity for women and children, green power and agriculture.

Our OpCos are also working together with GSMA in targeted economic areas. Two examples are Dialog's and Robi's collaboration with GSMA to launch the Govi Mithuru (Farmer's Friend) and Robi's M-Farmer services respectively to support farmers by providing them information on crop security and healthy living.

In 2016, we also started focusing our efforts on helping bridge the digital divide in the mobile industry under the GSMA's Connected Women Commitment Initiative. As one of the initial signatories to the initiative, we will seek to increase the proportion of female customers towards the goals of gender equality and women empowerment. Mobile operators can do more to increase women's ownership and use of mobile phones, which subsequently opens up possibilities for them in education, healthcare, enterprise and business.

MOVING FORWARD TOWARDS BECOMING A NEW GENERATION TELCO

Our initiatives under this pillar are designed to create long-term value in our markets. The last few years have seen us make a significant push in terms of expanding our network coverage and establishing the delivery of our digital ecosystems. Digital ecosystems will become a defining element for Axiata as we move towards becoming a New Generation Telco by 2020. Our challenge moving forward will be to ensure that our products and services remain inclusive and relevant to all our users in both our rural and urban areas. We will also strive to ensure that we do not squander the opportunities provided by our leadership role in the GSMA to influence the development of the global mobile industry towards greater sustainability ends.

COMMITMENT TO NURTURING PEOPLE



What do we want to be?

- A Group with a deep and diverse pool of skilled talent
- A Group with employees that live up to the highest ethical standards and possess uncompromising integrity
- A Group with inclusive hiring practices that do not discriminate
- A Group that is exciting and rewarding to work for



How do we get there?

- Train, develop and nurture our talent
- Steep our employees in the Axiata Culture, which holds Uncompromising Integrity and Exceptional Performance as key values
- Put in place robust recruitment and retention policies
- Remunerate our employees well and create an attractive workplace



Outcomes

- World-class talent to complement our achievements in connectivity and technology
- Employees who adhere strictly to our expected code of conduct
- A diverse talent base consisting of people from all walks of life
- Higher retention rates from satisfied and happy employees



Introduction

The Nurturing People Pillar details our approach towards building a sustainable pool of world-class talent for our Group. We have put in place inclusive talent development initiatives covering the entire chain of our human capital development programme from recruitment all the way up to career advancement and retention policies.

Our approach to building world-class talent is also focused on developing Axiata's core culture comprising UI.EP values in our people, which ensures that our employees meet our high expectations in their day-to-day activities. We take special care to ensure our people are well cared for in a safe workplace conducive to productivity.

NURTURING PEOPLE

Employee Development & Welfare

We have established a robust and effective employee development regime that is supported by an attractive employee welfare scheme. We recognise we operate in a dynamic industry where talent requirements change quickly alongside developments in technology. To ensure we maintain our world-class talent pool, we conduct Group-wide development programmes benchmarked against global standards. Examples include our Accelerated Development Programmes that are held at both the Group and OpCo level as well as our focus on UI.EP values.



Offering
**COMPREHENSIVE
LEARNING**
and development opportunities across Axiata

RM20 MILLION
for Training & Development
in 2015

50 AXIATA CHAMPIONS

AXIATA CHAMPIONS PROGRAMME



SOTH SOPHEAKTREA, 24
Business Intelligent
Administrator,
Smart in Cambodia

Soth Sopheaktrea is a Business Intelligent Administrator for Smart in Cambodia. At 24, he is one of the youngest members of his team, but enjoys a substantial amount of respect from his peers and colleagues. A member of Smart's Data Warehousing Project, Sopheaktrea's contributions reflect a capable and driven individual who is passionate about his work, and loyal to his teammates.

Although the position of a Business Intelligent Administrator is relatively junior compared to other postings in the organisation, when the time came for Smart's management team to submit their selections for the Axiata Champions Programme, the decision to select Sopheaktrea was an easy one to make.

"The most remarkable thing about Sopheaktrea in addition to his exceptional performance is that he gets the people around him to step up their game just by talking to them and being a positive presence in the team.

"I am amazed by the level of maturity Sopheaktrea demonstrates, his dedication and his commitment towards the team. He stands as a shining example of what we expect from our staff and we hope that others will follow his lead."

Soth Sopheaktrea is one of 50 Axiata Champions – and in fact the youngest – selected in 2015. The Axiata Champions Programme is an annual award showcasing the brightest talents within the Group that rewards them for their outstanding contribution to the Company. An exclusive programme that admits only the top performing 0.5% of the Group's total population, Axiata Champions are selected based exclusively on their performance.

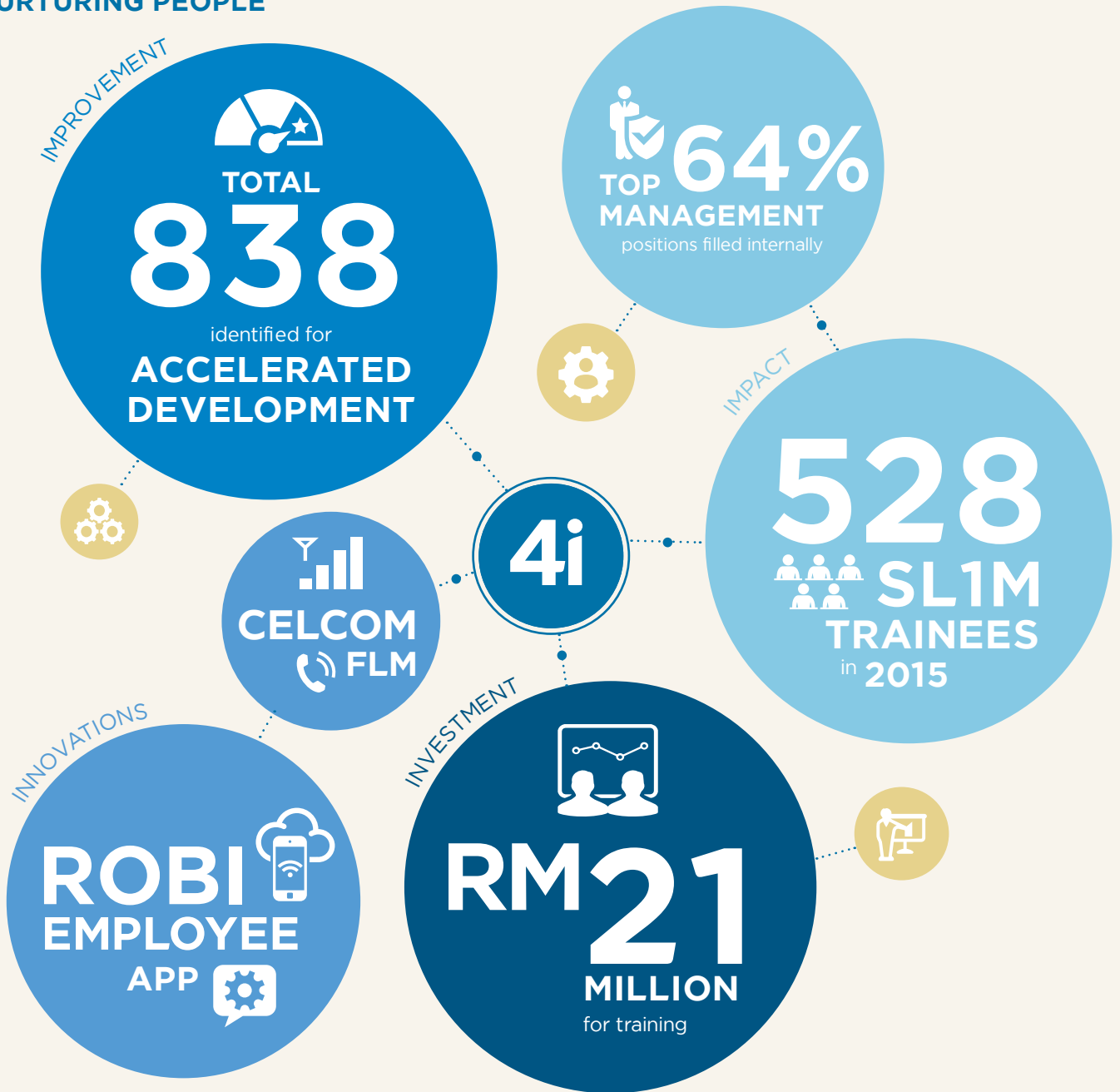
For the Axiata Champions Programme, OpCos are required to select and justify their choice of award recipients from top performers. These include contributions in areas of:

- (i) Revenue contribution/cost savings
- (ii) Process improvement
- (iii) Product/service innovation
- (iv) Employee morale/engagement uplift.

In addition, award recipients are required to demonstrate the core UIEP behaviours in their day-to-day performance. Axiata places strong emphasis on its core values and has developed strong performances to ensure they are hard coded to our organisational DNA. The programme is one way in which we express our appreciation to staff for their efforts in demonstrating these values and rewarding them for their commitment.

The Axiata Champions Programme is an annual award showcasing the brightest talents within the Axiata Group that rewards them for their outstanding contribution to the Company. An exclusive programme that admits only the top performing 0.5% of the Group's total population, Axiata Champions are selected based exclusively on their performance.

NURTURING PEOPLE



Gender Ratios of Employees Joining and Leaving the Group in 2015



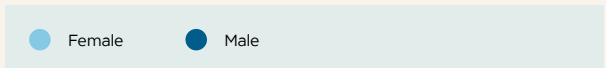
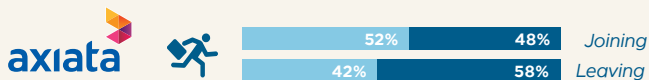
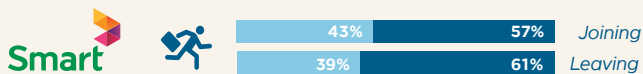
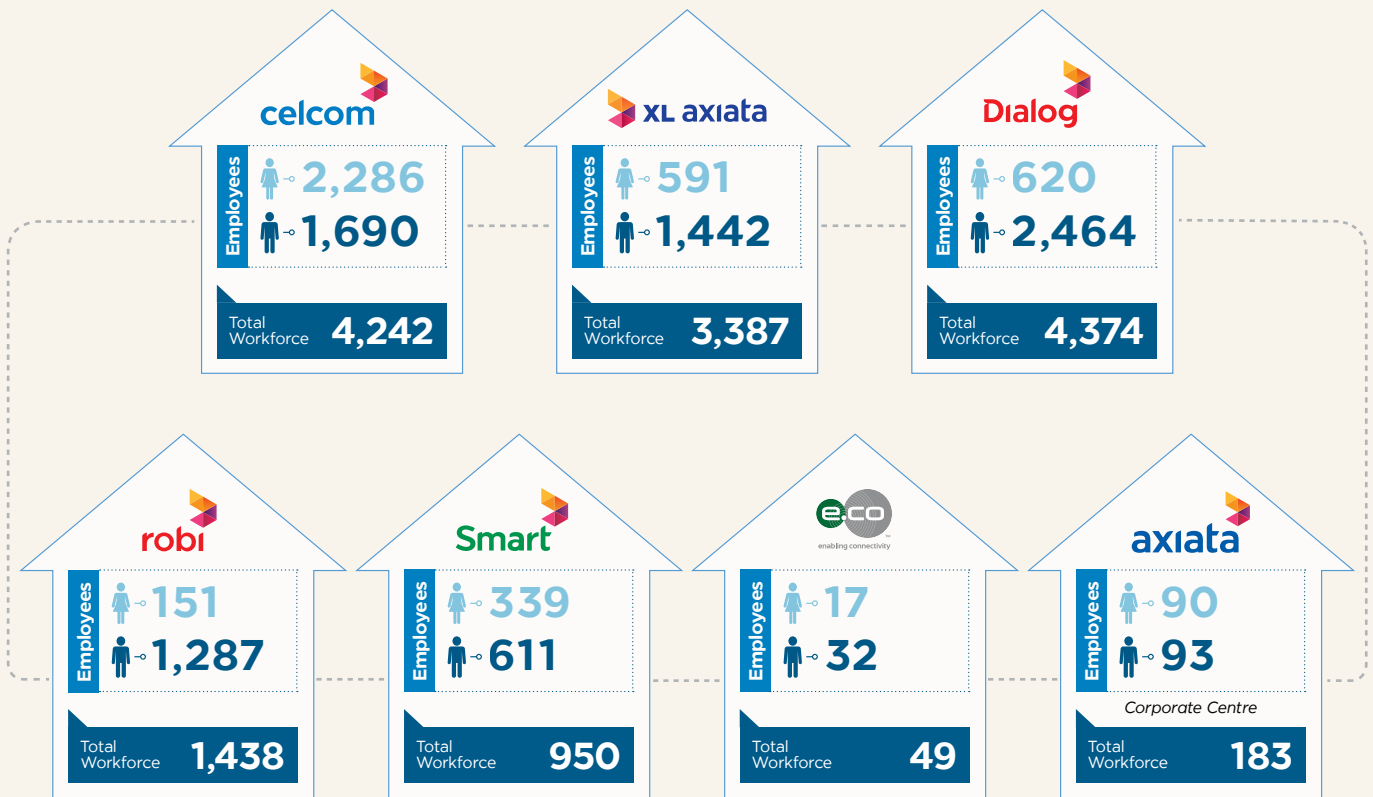
OUR TEAM

Axiata has a team of 11,713 employees guided by the UI·EP core values. In 2015, 35% of our employees were female.

Gender Breakdown of Our Employees by OpCo



Uncompromising Integrity
Exceptional Performance



NURTURING PEOPLE



Under the Axiata Talent Development Programme, we run world-class training programmes designed to give our employees the right skills and expertise required to perform their respective roles.

DIALOG VOLUNTEER NETWORK



7,193

Volunteer hours in 2015

Social initiatives are proposed, planned and executed by

Dialog

EMPLOYEES

NURTURING FUTURE LEADERS

Axiata is committed to providing each and every one of our employees with the training and coaching they need to reach their full potential. Under the Axiata Talent Development Programme, we run world-class training programmes designed to give our employees the right skills and expertise to perform their respective roles.

The Axiata Talent Development Programme also includes a joint programme run together with INSEAD at its campus in Singapore, which utilises non-traditional methods of teaching including war games and simulations of real industry situations.

We have also put in place a leadership training initiative, namely the Axiata Group and OpCo Accelerated Development Programmes (GADP and OADP). These programmes are designed to help high performers and high-potential employees develop at an accelerated rate by providing them with additional grooming and training. In 2015, each employee (excluding Senior Management) received an average 18.46 hours of training.

We set aside special training programmes for our leaders as they set the tone and direction for our organisation, and act as role models and examples for the rest of our staff. It is imperative that our leaders not only have the right skills and expertise in place but that they embody the values and culture that identify us as Axiata. To ensure that our leadership appointments embody the right attitudes, we staffed 64% of our senior level vacancies with internal candidates in 2015.

At the local level, our OpCos conduct their own leadership and development programmes to ensure the sustainability of our business through continuous employee development. Celcom's First Line Manager (FLM) Programme and Skim Latihan 1Malaysia (SL1M) are examples of such programmes.

In Sri Lanka, Dialog provides its employees the opportunity to build leadership skills in a different environment through the Dialog Volunteer Network, which is a volunteer programme where social initiatives are proposed, planned and executed by Dialog employees. In 2015, 228 employee volunteers dedicated a total of 7,193 volunteer hours.



edotco provides targeted development opportunities to prepare its best people for future senior leadership roles that may evolve as the needs of the business grow.

52

PEOPLE IN TALENT POOL

NURTURING PEOPLE

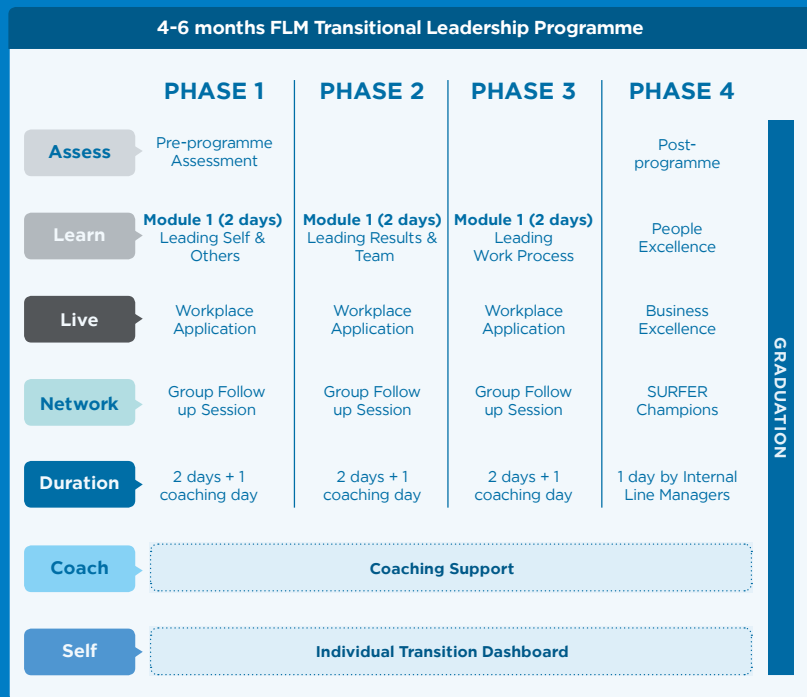


Nurturing Leadership in Our Organisation

Celcom's First Line Manager (FLM) Programme is a structured transitional leadership programme designed to prepare employees to become a First Line Manager. The aim of the programme is to mentally prepare participants to lead, manage and overcome transitional challenges that may arise in their new role.

The FLM Programme comprises four Development Phases and Modules, which are delivered over a four- to six-month period. Participants undergo profile assessments, and attend learning modules and group coaching sessions with their superiors on their personal action plans and with members of the Senior Management Team for leadership insight.

Since 2013, we have enrolled 109 participants in the FLM Programme with the most recent cohort enrolled in December 2015. The plan is to further refine the FLM Programme in 2016 by standardising the curriculum Group-wide. The pilot cohort for this enhanced curriculum will be enrolled in the second quarter of 2016.



SL1M enrolled
528
trainees in 2015

Skim Latihan 1Malaysia (SL1M)

Celcom continued to provide its 12-month Skim Latihan 1Malaysia (SL1M) for the second consecutive year in 2015. The goal of SL1M is to raise the employability of fresh Malaysian graduates by providing them with on-the-job exposure as well as training to hone their soft skills and functional development.

The programme was implemented in response to the Malaysian Government's request for corporates to play a more proactive role in looking into the active development of fresh graduates by instilling the essential skills required for employment. Celcom, as an established telco operator in the country, believes that it is well-qualified to provide trainees with a proper foundation in this area.

528 trainees were recruited in 2015 (from 160 in 2014). Trainees have to attend compulsory soft skill training sessions as well as extensive functional training workshops correlating with their field of study. These include training in the areas of Business Analysis, Cloud Computing and Certified IP Associate.

Introduction

Beyond Short-Term Profits

NURTURING PEOPLE

Process Excellence & Governance

Planet & Society

Our Associates

National Contribution

NURTURING PEOPLE

CULTURE OF INTEGRITY & PERFORMANCE

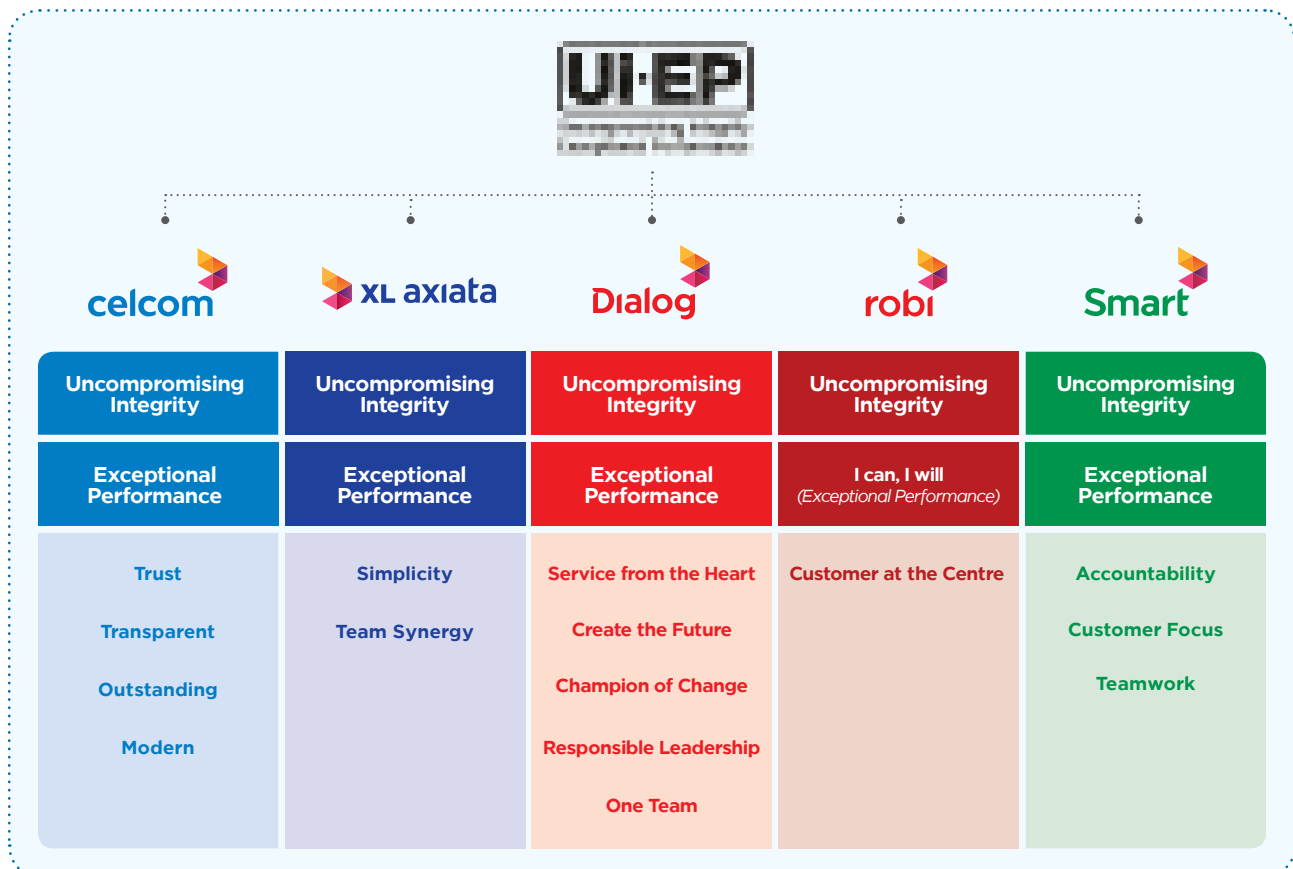
We expect our employees to uphold an exacting standard of uncompromising integrity and exceptional performance at all times. Employees are also required to comply with all applicable laws and regulations in the countries in which they operate, as well as with our internal Code of Conduct.

Axiata takes a rigorous top-down approach to integrity, which starts at the Board level and extends all the way down to our vendors and suppliers. We have stipulated policies on issues such as receiving gifts, bribery, conflicts of interest, insider trading and data integrity to ensure that our employees maintain the highest levels of professionalism at all times.

UI·EP Culture

Axiata staff are guided by the values of Uncompromising Integrity and Exceptional Performance (UI·EP), which upholds the highest standards of ethical conduct. Our staff are expected to demonstrate honesty, fairness and accountability in relationships with our stakeholders, customers, employees and suppliers. In 2015, we completed the first round of workshops highlighting our UI·EP values across the Group, covering most employees.

All employees have a duty to act with integrity and respect towards their colleagues and customers in all our operations. We have zero-tolerance of any unfair treatment or discrimination, and this applies to anyone working for Axiata including our suppliers and contractors. We have injected the UI·EP values into the code of values of all our OpCos. Our employee engagement survey 2015 results showed high levels of awareness and commitment to the UI·EP values across the Group.



NURTURING PEOPLE

INCLUSIVITY

We are committed to promoting and attracting a diverse talent base that is representative of who we are as a multinational company working in diverse socioeconomic settings. We presently have more than 50 different nationalities working across our Group, and we continue to work towards creating a dynamic workplace for all.

We are committed to the principle of inclusivity in our recruitment policy, which stipulates that we hire people based exclusively on talent and qualification. The 'equal pay for equal work' principle is firmly entrenched in our remuneration policy with no distinctions made on the basis of gender or ethnicity in any of our OpCos. Our workplace composition can be found on page 82 of this report.



Dedicated Parking for Pregnant Employees



Our OpCos understand that expecting mothers have special needs to ensure their safety and the safety of the child. Celcom has put in place parking lots for expectant mothers in their third trimester located near the lobby to reduce the amount of time spent in the parking basement. As pregnant women are more susceptible to the effects of carbon monoxide, the shorter distance between the parking bay and the lobby will reduce their potential exposure to the gas.



People with Disabilities

Employment Opportunities

Our OpCos provide similar employment opportunities for people with disabilities where possible.



Breast Feeding Dedicated lactation room for mothers

The Axiata Corporate Centre has a dedicated lactation room for mothers to help new mothers better care for their children.



Robi's Day Care Centre

In Bangladesh, Robi's Day Care Centre provides a secure environment for employees to provide care for their young children during the working day. The Centre takes in children from the ages of six months to six years.



Robi's Holistic Integration and Virtualisation for Employees (r-hive)

r-hive is a proprietary mobile application for employees that provides a comprehensive suite of services helping our employees to better maintain a work-life balance. The app leverages on digital technology to create a virtual office space for our employees wherever they are.



Introduction

Beyond Short-Term Profits

NURTURING PEOPLE

Process Excellence & Governance

Planet & Society

Our Associates

National Contribution

NURTURING PEOPLE

Listening to Our Employees



The Group's Employee Engagement Index (EEI) score of

84%

for **2015**
falls within the range of
**GLOBAL HIGH
PERFORMANCE**
companies

Our employees are the best gauge of our policies on productivity and morale. Moreover, as they are directly involved in the day-to-day activities of our Group, they are best-positioned to identify and report issues such as ethical breaches and other operational grievances.

Axiata practises an open culture and encourages employees to report misbehaviour or air their concerns openly with Management.

We also commission an independent third party to conduct our employee engagement survey to better determine employee satisfaction levels. Over the years, our survey has changed to incorporate sustainability factors such as the effectiveness of Axiata as an enabler of employees and as a creator of energy.

The employee engagement survey is the primary method Axiata uses to engage with its employees to seek detailed

information on a number of workplace-related topics. The findings are subsequently shared with Management and employees of each OpCo. We also conduct follow-ups on the findings of the employee engagement survey by holding focus group studies on specific issues. In 2015, we focused on the topics of 'Strategy, Direction and Objectives' as key drivers of the Group's success. The Group's EEI score of 84% for 2015 falls within the range of Global High Performance companies.

We have also started making better use of the data collected from the employee engagement survey to improve on specific, localised areas. We implemented an online management tool in 2015 which gives managers the ability to identify employee issues based on aggregated data from the survey applicable to their department or team and help them come up with solutions.



IN MALAYSIA,
Celcom continues to
strengthen its

OCCUPATIONAL HEALTH AND SAFETY (OHS) STANDARDS

CONDUCTIVE WORKPLACE

Axiata is committed to establishing safe workplaces conducive to productivity in all our OpCos, each of which has occupational health and safety (OHS) management systems in place. We also place great importance on ensuring the safety of the workplace, either at our base station sites, tower infrastructures or office premises. Dedicated health and safety committees oversee the management of OHS measures and appropriately trained Fire Wardens are appointed at each floor of our buildings to direct staff during an emergency.

MOVING FORWARD TOWARDS A NEW GENERATION TELCO

Talent development is a top priority at Axiata as our employees are at the root of all that we do. Technical expertise will become increasingly important as technology advances, and we will need to ensure that our policies are suited to identifying, recruiting and retaining the best talents in the industry. Talent alone, however, will be insufficient as we will also need our employees to observe strict codes of conduct in line with our overall Axiata culture. We believe that we have put the right platform in place to ensure that we have the right people to meet these requirements.

COMMITMENT TO PROCESS EXCELLENCE & GOVERNANCE



What do we want to be?

- A Group that influences suppliers and business partners to observe best practices
- A Group that puts the customer at the centre of our operations
- An efficient Group that makes maximum use of digitisation to optimise processes
- A Group with uncompromising level of integrity



How do we get there?

- Work with our vendors and suppliers to arrive at mutually beneficial solutions
- Track customer satisfaction levels and benchmark them against KPIs
- Identify and execute a plan to digitise our services
- Establish robust governance frameworks at all management levels of the Group



Outcomes

- Vendors who work collaboratively with us towards sustainability goals
- A higher level of customer satisfaction with our services
- More efficient internal operations that translate into cost savings and better returns
- A Group that is well-governed at all levels



Introduction

The Process Excellence & Governance Pillar details our efforts to optimise our entire chain of processes from our relationships with our vendors and customers to our internal governance frameworks. Our emphasis on process optimisation stems from our recognition that the standard and level of our performance is directly related to the quality of our processes. Towards this end, we continue to work proactively with vendors to ensure that all our stakeholders including our processes are fully geared towards excellence.

Our commitment to process excellence and governance also extends to our relationship with our customers in terms of customer satisfaction levels as well as data security. To ensure that we operate at peak efficiency, we are committed to the use of innovative solutions to bring all our processes together in a digital platform. Axiata's strong governance framework oversees all our policies.

PROCESS EXCELLENCE & GOVERNANCE



Supply Chain Management

Supply chain control has proven to be a very important and crucial element of developing sustainability in organisations. As we depend on a significant number of suppliers and vendors, the actions of our suppliers can be viewed as related to us. Axiata introduced the vendor code of conduct to regulate the practices of our suppliers and is actively working with them to ensure that they meet our expectations and that they comply with our code. We conduct regular supplier evaluations, satisfaction surveys and vendor forums as part of our supply chain management process.



Customer Service

Our customers' expectations of us evolve quickly in tandem with changes and new developments in the telco industry. With the introduction of new technology, customers expect greater connectivity and flexibility from us as an intermediate service provider. Our efforts here are directed at studying customer feedback on our service levels to ensure that we meet those expectations.



Privacy & Data Protection

The greater prevalence of connectivity and digitisation have raised customer concerns that their private information has become more at risk. We have a robust data protection and information confidentiality policy in place to ensure that customer data is used appropriately and protected from unauthorised use.



Governance & Responsible Business Conduct

A strong governance structure ensures that the different challenges we encounter in our diverse markets are properly met and overcome. A strong governance structure also establishes our identity in the region as a reliable partner. Axiata implements best governance practices based on the principles of transparency, accountability and integrity to ensure that we observe proper and responsible business conduct at all times. We have established a regulatory compliance framework and a clear governance process for all our OpCos for this purpose.



Tax & Licensing Fees

We operate in a heavily regulated industry which is subject to heavy taxation, many of which are sector-specific taxes and levies. Axiata is committed to working proactively with Regulators and Government authorities to arrive at outcomes in which the levels of taxation and regulatory fees and charges are balanced with long-term sustainability of the industry, allowing all licensed operators including Axiata's OpCos to continuously grow, invest and deliver innovation which will ultimately benefit all consumers.

DIALOG BOOSTS REPUTATION AS AN INNOVATION CHAMPION WITH SELF CARE APP



HIRUNI
Housewife
Sri Lanka

Hiruni is a busy housewife in Colombo. With children constantly underfoot and the logistics of a household of eight to manage, Hiruni is constantly on the go. She hardly has time for herself, much less to make the trip downtown to manage her household's phone and television services.

So when she heard from her neighbour that her provider, Dialog, now gave her the flexibility to manage all her services through its Self Care App, she was initially sceptical. But after downloading the app and using it for the first time, she became an instant fan.

Dialog's award-winning Self Care App is a perfect illustration of our commitment at Axiata to digitise our processes to improve the quality of life of our users. Through these innovations, we are giving control of services back to customers who are best able to determine how technology can help improve their lives and to do so in a simple and convenient way.

Dialog is a global pioneer in this area, innovating new solutions that have been recognised by the global industry time and again. In 2015, Dialog's Self Care App was recognised at the prestigious Mobile World Congress (MWC) held in Barcelona, Spain. Designed to simplify the interface between Dialog's end-users and its service options, the Self Care App was awarded the 'Best Mobile Network Solution' for Serving Customers in recognition of its ability to simplify a potentially complicated task for its customers.

Through the App, customers are now free to make almost any transaction from the comfort of their homes. The Self Care App further integrates the value added options of Dialog's key offerings including Mobile and Fixed Telecommunications, High Speed Broadband and Digital Pay Television.

Dialog's award-winning Self Care App is a perfect illustration of our commitment at Axiata to digitise our processes to improve the quality of life of our users.

PROCESS EXCELLENCE & GOVERNANCE

IMPROVEMENTS

DATA AND PRIVACY
Policies

IT SYSTEMS AND DATA SECURITY

IMPACT

50 VENDORS
selected for Development in Malaysia

IMPLEMENTED SUPPLIER
Evaluation Process

4i

INVESTMENT

RM722 MILLION
spent on **BUMIPUTERA** (local ethnic) **VENDORS IN MALAYSIA**

INNOVATIONS

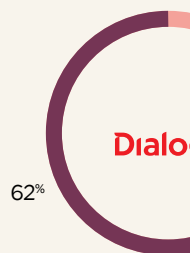
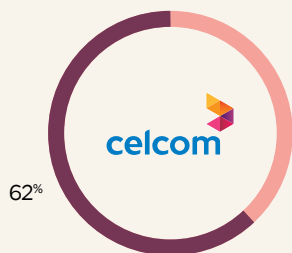
DIGITAL DOCUMENTS
in Board and Management Meetings

edotco
CLOUD OVER SERVER priority

REGULATORY COMPLIANCE FRAMEWORK

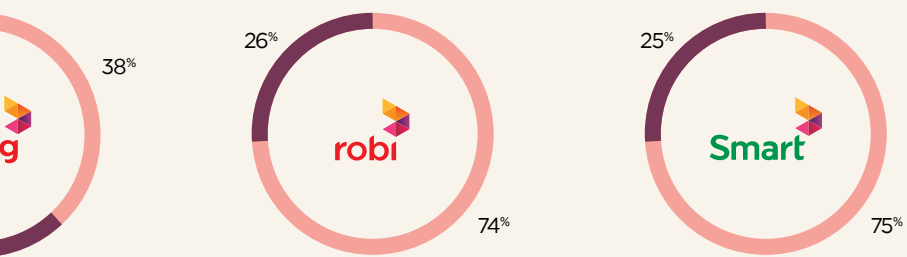
Procurement Practices

We work closely with local suppliers to strengthen local business wherever it makes a sustainable business case.



DATA PRIVACY AND SECURITY

In 2015, we stepped up our commitment to privacy and data security initiatives beyond the baseline level of compliance and governance. We have embarked on a journey to tighten our IT and cybersecurity systems and have revised our internal processes to ensure compliance with personal data protection legislation and regulatory obligations.



Procurement Spend in 2015

- Percentage local
- Percentage foreign

PROCESS EXCELLENCE & GOVERNANCE



We established the Axiata Supplier Code of Conduct in 2014, which stipulates the expectations we have of all our suppliers in terms of their behaviour and practices.



CONDUCTED SUPPLIER INNOVATION WORKSHOP

IN JUNE 2015



EXPLORING

POSSIBILITY OF SUPPLIER-
ENABLED INNOVATIONS



AXIATA PROCUREMENT CENTRE

awarded the

TRANSFORMATION AWARD

at the Procurement Leaders
Asia Pacific Awards 2015

BEST PRACTICES ACROSS THE VALUE CHAIN

We recognise that the sustainability impact of our organisation is not limited to our internal operations, but also extends to the way we interact with our suppliers and business partners.

We established the Axiata Supplier Code of Conduct⁶ in 2014, which stipulates the expectations we have of all our suppliers in terms of their behaviour and practices.

In 2015, we introduced our supplier self-certification process, which ensures that our vendors comply with the Supplier Code of Conduct. The pilot programme held in 2015 was directed at our top 30 Group suppliers. Areas covered under the certification process were:

- Business Integrity and Ethics
- Management Responsibility
- Quality Management System
- Labour and Human Rights
- Health and Safety
- Reliable Supply Chain
- Environment Management
- Disaster Recovery Management

In following up on the Group Supplier Forum held in 2014 where Group leadership discussed possible business collaborations with our suppliers, we conducted an innovation workshop in June 2015. Several key suppliers participated in the workshop, exploring the possibility of supplier-enabled innovations that could contribute to the Group's strategy.

Recognising the importance of sourcing from the local market, we developed a new matrix to identify local vendors in each of our markets. Our definition of a 'local vendor' is based on ownership, direct employment creation and the products and services that are sold locally. The percentage of our procurements from local vendors are available on page 43.

Note:

⁶ www.axiata.com/corporate/supplier-code

PROCESS EXCELLENCE & GOVERNANCE

Our OpCos run their own vendor development programmes (VDP) which see them working together with suppliers to strengthen their businesses while meeting our OpCos' procurement needs. The Celcom Local Vendor Development Programme which is targeted at the development of Bumiputera companies

involved in the telco industry is one such example of our VDPs.

Our efforts to improve the processes of our value chain also extend to our retailers who are responsible for helping us connect to our 275 million* customers across eight operating countries. We

continue to improve our distribution networks in each country and to expand our retail operations to develop stronger relationships with our retail base.

In Sri Lanka, the Dialog 5 Star Partners initiative empowers selected intermediaries to support and service Dialog customers in rural areas.



Helping Malaysian Vendors Become More Sustainable



Celcom established the

PARTNER CAPACITY BUILDING CENTRE (PCBC)

to be the central hub of the LPDP and has appointed

15

Anchor Partners to support its efforts

Celcom is committed to the sustainable growth of the Malaysian telco industry, and has continued to refine and develop its programmes tailored to help Malaysian vendors develop and grow. Celcom recognises that its procurement demands will change as business evolves. It is therefore in the best interest of Celcom and its vendors and business partners to develop a mutually supportive relationship that will grow together.

Celcom presently runs several programmes for its vendors:

- (i) the Local Partner Development Programme (LPDP), launched in 2014 and aimed at Bumiputera vendors, and
- (ii) the Vendor Development Programme (VDP), which is designed to help our vendors become more competitive in the telco industry.

The two programmes are also supported by Celcom's Business Development Programme (BDP), which is focused on strengthening the capacities of business and strategic partners.

In 2015, Celcom strengthened the delivery of its development programmes by establishing relationships with strategic partners. Celcom established the Partner Capacity Building Centre (PCBC) to be the central hub of the LPDP, and has appointed 15 Anchor Partners to

support its efforts. Celcom has signed a memorandum of understanding (MoU) with four of these partners: MARA, SME Bank, the Centre For Entrepreneur Development and Research (CEDAR) and Johor Corporation Berhad (JCORP). The four agencies have committed to contribute in the areas of training, skills upgrading, funding and business networking.

As for the VDP, Celcom rolled out Phase 1 of the selection process to identify potential candidates for the programme. Subsequent to a rigorous selection process, 50 companies were selected for the programme. The number of companies in the programme will be further refined going forward based on their performance.

Celcom further supported the enhancements to LPDP and VDP with a series of capacity building programmes and workshops open to all our vendors. These included the Celcom Local Partner Capacity Building Seminar, which was run together with the Ministry of International Trade and Industry (MITI) and eight other government agencies; CEDAR, MARA, MIDF, MDeC, MPC, PUNB, SME Bank and SIRIM. A total of 83 vendors and business partners attended the seminar.

Note:

* Includes Idea & M1.

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CUSTOMER CENTRICITY

The Group takes customer feedback very seriously as it is the primary gauge of our performance against customer expectations. We have an established process in place to gauge customer satisfaction levels through a Group-wide Net Promoter Score (NPS) tracking survey, which collates data on customer loyalty and satisfaction across all our markets. We have used the survey for the purposes of KPI-setting beginning 2014. Each OpCo's NPS performance is tracked against the market and mitigating actions taken when required.

We, as a Group, are also committed to ensuring that we meet the quickly evolving needs of our over 275 million* customers across all our markets. Our OpCos have developed their own specific measures to ensure that customer needs are met as efficiently and effectively as possible. For example, Celcom further developed its SURFER platform in 2015 to enable its employees to proactively respond to its customers thereby delivering a superior customer experience.

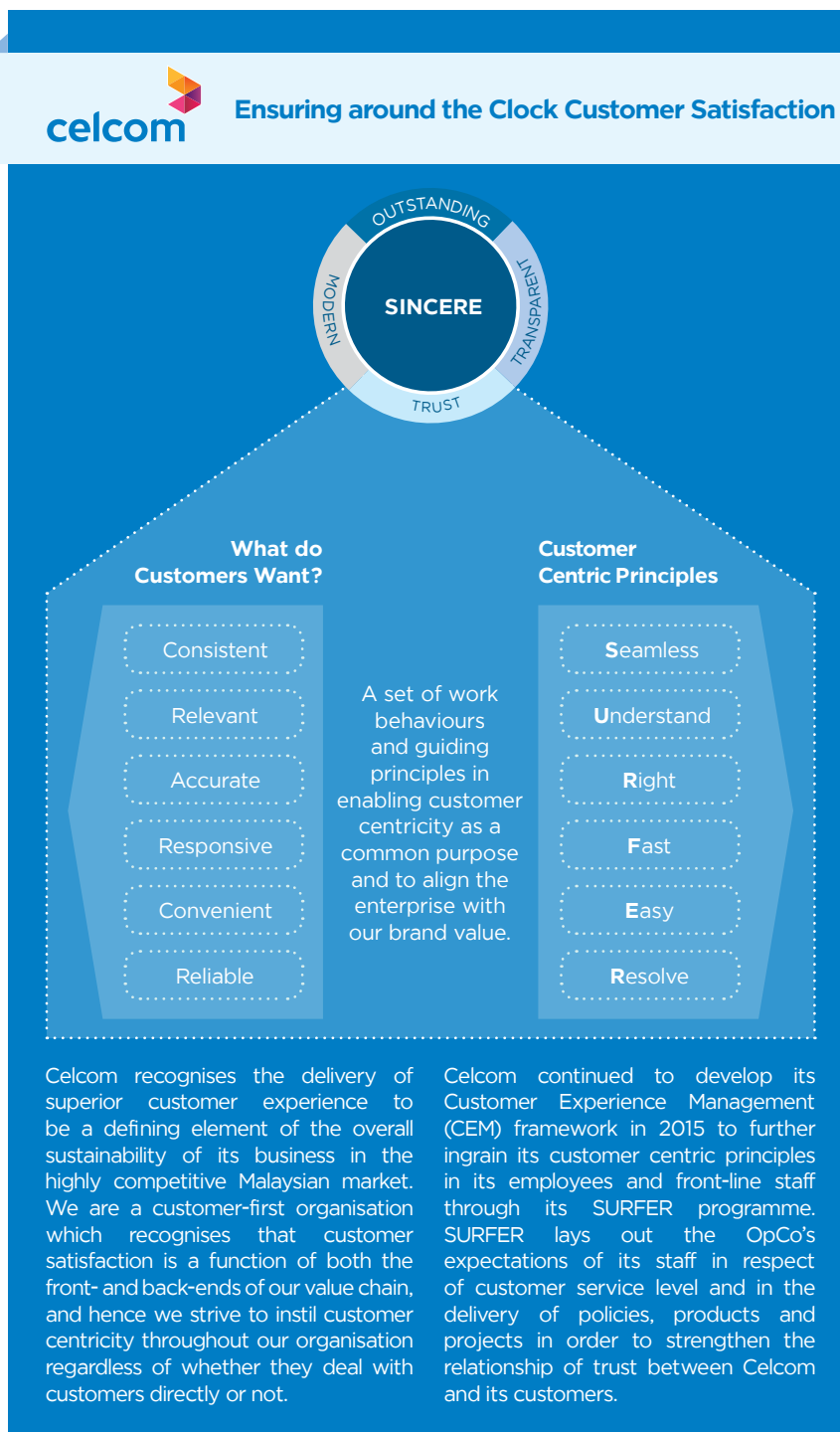
Our customers share a vast amount of sensitive information with us, and we are bound by both legal and ethical requirements to keep this information confidential at all times. Our Group has strict policies in place to ensure that customer data is not shared with or accessed by third parties without the customer's explicit consent.

Customer Privacy and Data Protection

We have already set our commitment to customer data privacy and security at the highest level, based on the Personal Data Protection Act (PDPA) 2010 in Malaysia and the ISO27000 information security standard, as well as compliance to local data privacy requirements in the countries where we operate. As a socially responsible operator, Axiata has also stepped up its commitment to privacy and data security initiatives beyond the baseline levels of compliance and governance.

Note:

* Includes Idea & M1.



PROCESS EXCELLENCE & GOVERNANCE

We have embarked on a journey to tighten our IT and cybersecurity systems and have revised our internal processes to ensure compliance to personal data protection legislation and regulatory obligations. In 2015, we established the Axiata Regulatory Compliance Framework which will increase the Board of Directors' oversight of our regulatory compliance performance.

A new Group Privacy Framework will encapsulate Axiata's policy on Data Privacy & Cybersecurity and will have the key overarching objective of encouraging business practices and standards that enable innovation while respecting and protecting privacy by providing meaningful transparency, notice, choice and control for customers over the use of their personal information.

Personal Data Privacy

The Group's approach to protecting the personal data of our customers comprises three steps. Our efforts are focused on tightening security to ensure data safety, proactively engaging with customers about protecting their information and seeking explicit consent in the use of their personal details. Please turn to page 43 for additional details of our activities in this area.

We recognise that customer information is a vital part of developing new products and services that will be of value to our customer base. To ensure that we protect the privacy of our customers, we will either use data extraction techniques that process customer data without identifying specific customers, or seek explicit consent from the customer prior to doing so. In this way,

we will be able to tailor products for our customers without violating their right to data privacy.

DIGITISING PROCESSES

Our processes can be generally divided into the two broad categories of internal and external processes. Internal processes can be generally defined as processes that affect the internal workings of the Company and external processes as processes that affect our dealings with other parties including our customers, suppliers and regulators.

While the digitisation of our external processes and services is ongoing to improve customer satisfaction and service levels, Axiata has also embarked on the digitisation of our internal processes to make our organisation more effective and efficient.

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Digitising the Management of Our Assets' Lifecycles



Axiata's Infrastructure Company

edotco

is leading the way in the area of

digitising its processes



Axiata's infrastructure company, edotco, is leading the way in the area of digitising its processes through its echo and easi platforms, which have contributed to cost savings and improved management of our mobile towers.

MANAGING OUR ASSETS' LIFECYCLES

edotco launched its easi asset lifecycle management platform in 2015. The aim of easi is to provide an integrated platform facilitating automated access to all stages of the asset management process from making tower requests to determining the status of orders.

With easi, which has been designed for use by both edotco customers and internal staff, users now have

access to all relevant details and information related to their assets including technical specifications and requirements.

At present, edotco is developing the easi platform to incorporate processes that are still being manually managed. Automation of processes means that all data will be collected at a central cloud server and be retrievable by all users with online access, thereby contributing to operational efficiency and cost savings. The platform will integrate with the rest of edotco's platforms, such as echo, to provide data and help users come up with business strategies and plans to manage their assets.

edotco launched its easi asset lifecycle management platform in 2015.



PROCESS EXCELLENCE & GOVERNANCE

Examples of the digitisation of our external processes include our award-winning self care apps for our customers in Sri Lanka and Indonesia which help them manage their services digitally.

Axiata decided as a Group that internal changes could also be made to influence the way the Group thought and behaved with respect to digitisation.

We have started the process of digitising our internal processes in a number of ways. One of the key initiatives in this regard is the decision by edotco, our infrastructure company, to host its data entirely on Cloud servers. This eliminates the need for costly physical servers that require specific expertise to run and maintain. We have also transformed all our board meetings to paperless meetings as part of our overall drive to promote digitisation.

STRONG GOVERNANCE

Axiata is committed to the principles of transparency and accountability consistent with good corporate governance practices. The Group plays a pivotal role in ensuring the protection of all Axiata stakeholders including minority shareholders/partners.

Our governance framework also ensures that our operations comply with cybersecurity policies thereby safeguarding data protection at all levels.

Regulatory Compliance Framework

Axiata recognises that regulations play a key role in ensuring the sustainability of the telco industry in the markets where we operate. We are committed to upholding the regulatory requirements in each of our markets and have established the Axiata Regulatory Compliance Framework to guide the Group in doing so.

The Framework stipulates the principles and tone by which regulatory compliance is to be approached and implemented by our OpCos. This framework also establishes baseline expectations in relation to regulatory compliance and place Axiata and our OpCos in the best position to comply with regulatory obligations.

Tax & Licensing Fees

We operate in a heavily regulated industry which is subject to heavy taxation, many of which are sector-specific taxes and levies. Axiata is committed to working proactively with regulators and government authorities to arrive at outcomes in which the levels of taxation and regulatory fees and charges are balanced with long-term sustainability of the industry, allowing all licensed operators including Axiata's OpCos to continuously grow, invest and deliver innovation which will ultimately benefit all consumers.

REFINING OUR BUSINESS PROCESSES FOR THE FUTURE

Axiata's ambition to become a New Generation Telco by 2020 will require that we realign our operations and refine our value propositions via our digital ecosystems. We fully expect to experience challenges in the digitisation and automation of our processes across all our OpCos as we recognise that they are operating in different markets at varying levels of technological maturity.

The same is also true in terms of aligning the values of our vendors with our own at Axiata. While we have no doubt that the collaborations we are conducting with our local vendors are pushing them towards becoming more sustainable entities in their own right, the challenge for us would be to affect a culture change in the way they conduct business.

We understand that digitisation comes with its own risks and challenges, not the least of which is the threat of data theft and security breaches, but we endeavour to ensure that we have the best protections in place to prevent our customers from falling victim to these incidences.

COMMITMENT TO ► PLANET & SOCIETY



What do we want to be?

- A Group that actively mitigates its impact on the environment
- A Group that works proactively with local authorities to support disaster management and response
- A Group that creates value in its communities by empowering and enriching its people



How do we get there?

- Minimising our environmental impact through technological innovation
- Working together with local stakeholders to develop disaster management and response plans
- Enriching people through education through CR programmes



Outcomes

- A more sustainable approach to environmental conservation
- Comprehensive plans to protect the well-being of our stakeholders
- People who are empowered to improve their lives and the lives of those around them



Introduction

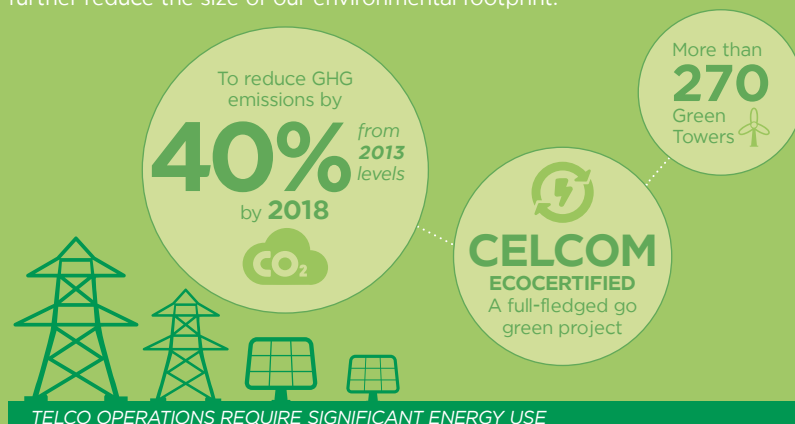
The Planet & Society Pillar describes our efforts to mitigate the environmental impact of our operations and to create value in the communities that we serve. Our environmental initiatives are primarily focused on reducing the size of our carbon footprint while our community outreach programmes comprise our Group and OpCos' corporate responsibility (CR) projects.

Our OpCos have long maintained their own unique sustainability CR projects based on their respective materiality and sustainability contexts. As part of Phase 2 of our sustainability journey, Axiata is making a concerted effort to create a strong and cohesive corporate responsibility identity across the Group. This exercise sees us aligning aspects of our OpCos' CR activities by incorporating a shared sustainability focus in three core CR areas: Green Initiatives, Disaster Management & Response and Young Talent Development.

PLANET & SOCIETY

Energy & Climate Change

Some of our business operations may have environmental impacts leading to an increase in greenhouse gas (GHG) emissions. Our tower operations, specifically, require substantial amounts of energy to operate, but we have taken active steps to reduce our footprint by making operational and functional changes to the design and management of our towers. In addition, edotco, the Group's tower and infrastructure company, has actively led the Group's initiative to further reduce the size of our environmental footprint.



Disaster Management & Response

Our operations are located in a region of the world where disasters, both natural and man-made, occur with regularity. As a provider of telecommunication services in these areas, we have a responsibility to support disaster management and response action together with local authorities. While our OpCos provide the on-the-ground support required, the Group plays an active role in guiding our overall disaster management and response policy. The Group is a signatory of the Humanitarian Connectivity Charter (HCC), which commits us to working formally with governments in designing response plans.



Community Impact/ Development

We have a significant role to play in supporting the social development of the countries where we operate. As telcos, Axiata and its OpCos have a significant reach into the community as mobile phones are ubiquitous devices in our societies. Our OpCos make use of this reach to deliver CR initiatives that are tailored to specific issues in their respective markets. Beginning 2016, we will start addressing three key CR initiatives at the Group level to ensure greater integration and cohesion in their deliveries.



BUILDING BRIGHTER FUTURES IN BANGLADESH



Monjur Ahmed found himself underemployed working in a workshop despite repeated attempts to find a full-time job after receiving his diploma. Prospects were limited for Monjur whose mother was the only income earner supporting a family of five with her salary.

“Around this time, I came to know that the UCEP technical school at Ambagan was offering free training on Electronics with the promise of job placement upon completion of the training,” Monjur says.

“At the end of the training, I was brought to an organisation named ‘Automation Engineering’ for a job interview. I was offered a job as a technician with a monthly salary of Taka (Tk) 15,000. Within 15 days of my joining the Company, my salary was revised to Tk18,000. I have managed to find the right career path thanks to UCEP and Robi.”

Monjur is one of 500 underprivileged youth selected to participate in the 15-month long ‘Gori Nijer Bhubishshot (Let’s Build our Own Future)’ project jointly organised by Robi Axiata in partnership with UCEP Bangladesh – a non-profit NGO aimed at raising the socioeconomic conditions of underprivileged communities.

Launched in October 2015 in Chittagong, the programme imparts technical skills to youth in the areas of ready-made garments, mobile phone servicing and electronics. The programme also places them in jobs following the completion of the training programme.

Salma Akter, another programme participant, was in the same boat as Monjur. Struggling to manage her household of three that included her husband and ill mother-in-law, she found relief through the ‘Gori Nijer Bhubishshot’ programme, which helped brighten her family’s future.

“I was admitted into the Electronics training programme at Ambagan,” Salma says. “At the end of the training, a job was arranged for me at a Japanese company as an Assistant Technician on a monthly salary of Tk4,460. Within three months my salary rose to Tk6,000. With the addition of my income, my family’s financial struggle has ended. I am grateful to Robi and UCEP for this.”

Robi as a long-term development partner in Bangladesh recognises that it has an obligation to empower the less privileged in its communities. Through programmes such as ‘Gori Nijer Bhubishshot’, Robi is transforming Bangladesh into a more sustainable country for its communities and its people.



I was admitted into the Electronics training programme at Ambagan. At the end of the training, a job was arranged for me. With the addition of my income, my family’s financial struggle has ended. I am grateful to Robi and UCEP for this.

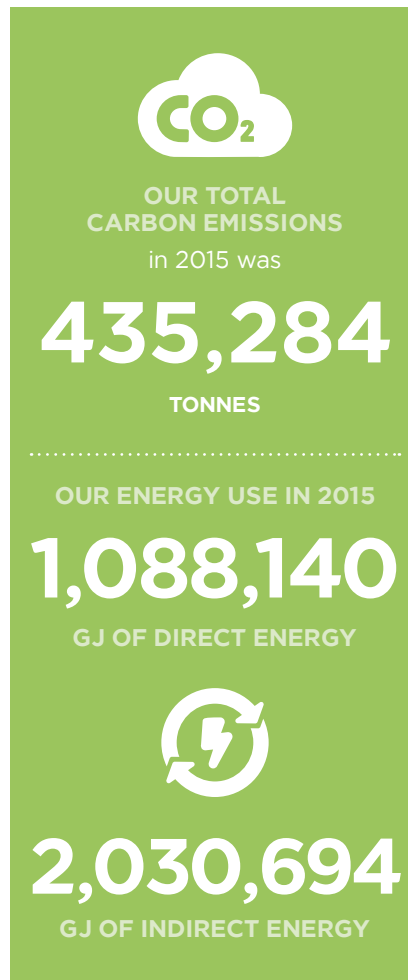


SALMA AKTER
Assistant Technician
Bangladesh

PLANET & SOCIETY



To reduce our impact on the environment, our infrastructure company edotco is implementing initiatives to reduce our GHG emissions by a targeted 40% by 2018.



ENVIRONMENT MANAGEMENT

Powering our passive infrastructure is the biggest contributor to our overall impact on the environment. As a telecoms service provider committed to providing comprehensive network coverage, we need to ensure that we have a sufficient number of towers providing cell signals in our markets.

To mitigate our impact on the environment, our infrastructure company edotco is leading the Group's conservation efforts through innovative means including new tower designs and using remote surveillance systems. Our target is to reduce the carbon footprint of our passive infrastructure by 40% from 2013 levels in 2018.

We measure the emissions of our direct and indirect energy consumption (Scope 1 + Scope 2)⁷ to establish our total carbon emissions. In 2015, our total energy consumption came up to 3,118,833 GJ of which 1,088,140 GJ consumed was direct energy and the remaining 2,030,694 GJ was indirect energy. Direct energy refers to energy generated from on-site sources, which comprises primarily of diesel generators used to power towers that are not connected to the power grid. Indirect energy refers to energy drawn from the national grid.

The measurement of our energy consumption and emission levels by each of our OpCo also takes into consideration the consumption and emission levels of edotco's passive infrastructure operations in their country. This is because edotco has started taking control of our passive infrastructure across our various markets. We have therefore added the energy consumption and emission levels of edotco's passive structure to each respective country for the purposes of this report. In determining our energy calculations we rely on the data coming directly from the OpCos and where the numbers are not available, we use estimates based on the per site energy consumption details known to us.

In Phase 2 of our sustainability programme, we plan to increase our focus on green initiatives and improve our energy consumption measures to provide better disclosure about our energy management regime.

Note:

⁷ Scope 1 - Direct emissions from operations that are owned or controlled by the organisation.

Scope 2 - Indirect energy emissions result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the organisation.

Source: GRI-G4 Reporting Principles and Standard Disclosures

Rethinking Network Towers



In 2015
edotco
 REDUCED ITS
 AVERAGE PER SITE
GHG
 emissions by
19%
 compared to 2014

edotco commenced operations in 2013 as a network infrastructure specialist focused on improving passive infrastructure to become more environmentally friendly, efficient and cost effective. In addition, edotco is responsible for establishing environmentally friendly standards and practices in the towers it manages.

edotco approaches implements efficiency initiatives in three key areas:

1. Demand Management
2. New and Greener Technology
3. Operational Efficiency

Demand side management includes changes made to the base station environment to reduce the energy required to manage it. These changes include installing new and more energy efficient network equipment, converting indoor sites into outdoor sites, and managing the operating temperature of the base station cabin. Currently edotco has 1,736 sites in which these modifications have been implemented. To further optimise the efficiency of its towers, edotco introduced a number of enhancements in 2015 including upgrading 1,239 sites to make them more environmentally efficient and hooking 5,147 centres with remote surveillance capabilities.

Green technology in our report refers to measures to use alternative renewable energy sources to power our passive infrastructure. This applies mainly to solar hybrid sites which edotco has implemented in most off-grid sites. Other technologies such as advanced batteries, high efficiency rectifiers and alternate cooling solutions fall under this category as well. We have fitted 954 sites with these innovations in 2015.

Tower efficiency is a key benchmark for edotco and directly affects their business success. edotco's focus on efficiency translates into energy savings for its towers, and, by extension, for Axiata as a Group thereby reducing the size of our carbon footprint.

Demand Management

New Network Equipment,
 Indoor to Outdoor,
 Change Temperature
1,736 Towers

New and Greener Technology

Solar + Wind, Base Station,
 Advanced Batteries,
 Efficiency Rectifiers,
 Alternate Cooling Solutions
954 Towers

Operational Efficiency

Configuring & Monitoring,
 Optimum Battery Use
1,239 Towers
 Remote Monitoring
5,147 Towers

Long-term projects

Get Out of Diesel (GOOD)

Converting Diesel Sites to Use Alternative Energy Sources



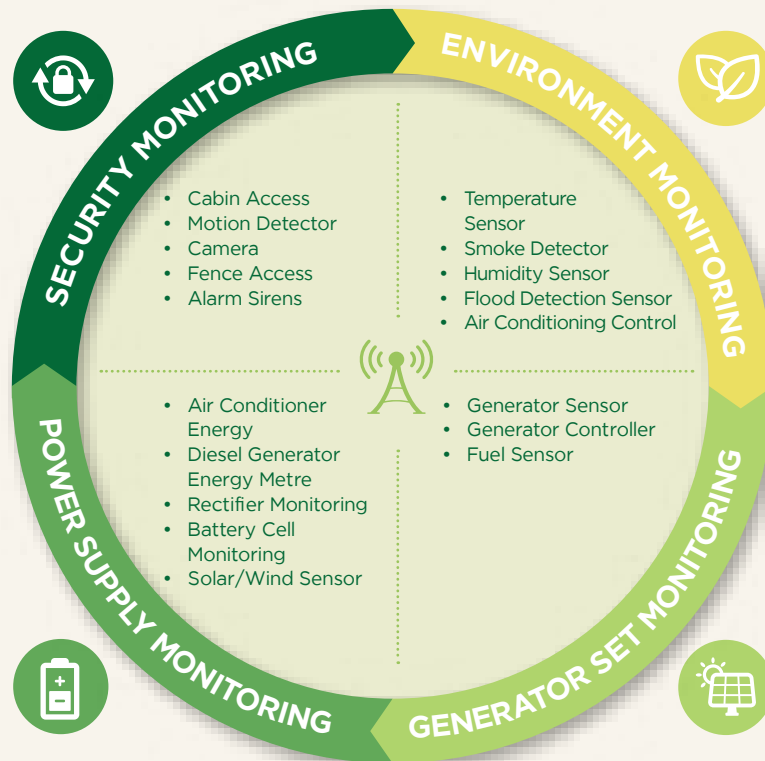
edotco is responsible for setting up more environment friendly standards and practices in the towers that it manages.



PLANET & SOCIETY

Reducing Our Carbon Footprint through Remote Infrastructure Surveillance

echo is a remote surveillance system designed to proactively monitor the variables of our passive infrastructure including fuel and battery levels, site security, energy usage, temperature and alarms that may impact performance and service levels. Data is collated and sent to edotco's Cloud server and monitored throughout the day at its echo Centre in Kuala Lumpur. echo has been deployed in 5,147 sites for various Axiata OpCos as at the end of 2015.



echo has been deployed in 5,147 sites for our various OpCos as at the end of 2015.



DISASTER MANAGEMENT & RESPONSE

As a communications service provider, we have an important role to play in the event of disasters because reliable communication is a key element of disaster management and response. Our OpCos work in regions where natural disasters occur with regularity, and hence we have identified disaster management and response as a key part of our CR efforts.

In 2015 we became a founding signatory to the HCC. The HCC is a platform that enhances coordination between mobile operators, standardises disaster preparedness and response efforts and strengthens partnerships between the mobile industry, government and humanitarian sector. We have identified three key objectives of our role in the HCC:

1. Enhance our internal systems and the resilience of our OpCos as part of our business continuity management process.
2. To use the experience, initiatives and knowledge across the Axiata Group to create a strong disaster response practice and guideline for the Group as a whole.
3. Establish partnerships between industry, the humanitarian community and disaster management authorities of our markets to create stronger and more coordinated disaster response.

In Sri Lanka, Dialog has taken the initiative to establish the Disaster & Emergency Warning Network (DEWN), which works closely with the National Disaster Management Centre of Sri Lanka. We aim to make disaster management and response as a key deliverable in Phase 2 of our sustainability framework.

PLANET & SOCIETY

Business Continuity

Axiata recognises the importance of maintaining a comprehensive Business Continuity Management (BCM) Programme to ensure the recovery of critical business processes and the continuity of its day-to-day business operations amid threats, disasters and calamities.

BCM Policy and Framework

The Company has established a BCM Policy that provides principles and guidelines for developing, implementing and exercising BCM in a coordinated and consistent manner across the Group. The following are key principles of the Axiata BCM Policy:

- Critical business functions shall be maintained or recovered in a timely manner in the event of a disruption to minimise operational, financial, legal, reputational and other material consequences.
- BCM shall encompass crisis management including emergency response, disaster recovery for IT and network systems and contingency planning.
- Each subsidiary is to develop and put in place a comprehensive BCM framework appropriate to the regulatory requirements, nature, size and complexity of its respective business activities based on key principles set out in the Axiata BCM Policy.

BCM Activities Across the Group

While Celcom and Dialog have implemented BCM in their respective organisations, the Group is in the midst of implementing BCM for Axiata Corporate Centre, Axiata Digital (AD), and Smart based on the Group's BCM framework. The BCM programme implemented across these entities involves evaluation of the potential impact of an interruption on critical processes and business functions as a result of a crisis or disaster, identification of recovery strategy and establishment of specific business continuity plans to ensure recovery and resumption of those critical processes and business functions. The BCM programme is expected to be completed by 2016.

Disaster and Emergency Warning Network (DEWN)



DEWN
SRI LANKA'S
 NATIONAL DISASTER
 EARLY WARNING
 SYSTEM
 based on
**COMMON ALERT
 PROTOCOL
 (CAP)**

The Disaster Emergency Warning Network (DEWN), South Asia's first mass alert early warning system, was established in Sri Lanka in January 2009 following the Indian Ocean Tsunami of 2004. Developed by Dialog together with Microimage Mobile Media and the Dialog-University of Moratuwa Mobile Communications Research Laboratory in partnership with the Disaster Management Centre (DMC), DEWN uses GSM communication technology and devices to transmit alerts through the GSM network.

The DEWN partners formally launched Version 2.0 of the early warning system at the commemoration of the 10th anniversary of the Indian Ocean Tsunami on 26 December 2014, which is now commemorated as National Safety Day.

DEWN Version 2.0 is built upon the world standard Common Alert Protocol (CAP) platform to connect all key stakeholders, including the government, hospitals, fisheries authorities and the media. It comes with an Android application to connect mobile phones and devices, and a geographical mobile cell-level alert facility. The new system also allows television stations and other authenticated services to disseminate alerts to the general public.

EDUCATION



Axiata Young Talent Programme (AYTP)

touched the lives of

851 students



XL Future Leaders

1,738

students participated



245
graduates
in 2015

1,188 **550**

online students

students

Myanmar

Computer and English Training

conducted in Mandalay and Pyay with local schools

USD

10,000

for education materials



Dialog Nenesa
available in

2,000

schools



English in Schools

USD

116,000

in investment

300

teachers participated

300,000+

students benefited



Internet Corner and
Internet4youth

for more than

500

users



FREE WIFI

across educational institutes with

7,000

users



600

Dialog
Scholars

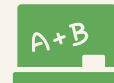
XL COMPUTER

in schools

helping the government reach its target of

one
computer for
every

20 pupils
in 2015



XL E-LEARNING

2,000

students benefited

CORPORATE RESPONSIBILITY

5,000 litres

free pure drinking water every hour at



7 Railway Stations across the country benefiting

30,000 people everyday



ROBI relief
blankets and winter clothes for

2,000 people

Flood relief

20,000 beneficiaries



Dabong Flood drive in Kelantan Malaysia

RM 20,000 donated

Orphans

Sponsor & Support Programme

RM 150,000

for orphans' educational needs



Smart National Literacy
campaign with MoEYS and UNESCO

92,000

people benefited

2015 Flood Myanmar

held **FUNDRAISING ACTIVITIES**
for flood victims

Disaster at Kampong Cham Cambodia

Donations and rebuilding of homes for affected storm victims

Community programme

with KL Traffic Police



sponsored safety helmets for Kuala Lumpur taskforce

Zero-rated calls



Robi

Free calls during Hajj Incident

Celcom

Free calls during Sabah earthquake

Flood Relief

provided relief of

RM 1.3 million



DEWN

Disaster early warning network



Blood SMS

programme

10,000

people participated



Robi Alo

4,500

villagers benefited from solar electricity



Robi Gori Nijer Bhoishshot

(Let's Build Our Own Future)

providing vocational training and creating job opportunities for



500 youth



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CORPORATE RESPONSIBILITY

We as a Group have implemented a significant number of CR initiatives in our operating countries that add value by changing the lives within our communities*. Most of our CR initiatives are focused on supporting the education system, environmental protection, health and sports. We also conduct shorter-term initiatives that are largely needs-based, one-off projects. Details of these projects can be found in the individual sustainability reports of our OpCos.

In preparation for Phase 2 of our sustainability framework, we launched plans in 2015 to make the Axiata Young Talent Programme (AYTP) a Group-wide project. We plan to infuse elements of the AYTP curriculum into our education programmes in other countries, similar to the way that we included AYTP elements in Indonesia through the XL Future Leaders programme.

Developing Future CEOs

The Axiata Young Talent Programme (AYTP) is a unique leadership development programme under Axiata Foundation focused solely on developing future CEOs in Malaysia. AYTP is designed to equip local talent with the necessary skills and training to become future CEOs capable of leading competitive Malaysian corporations.

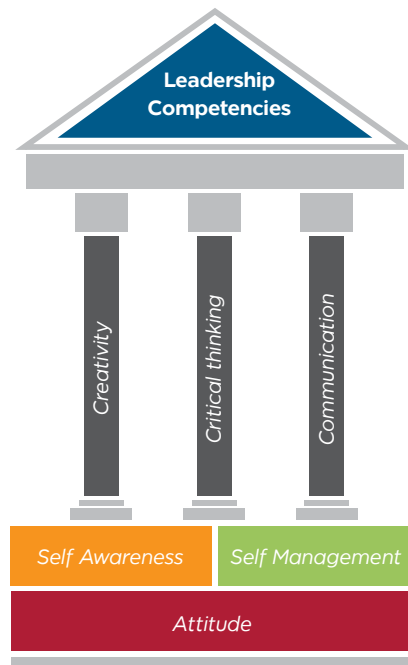
There are three tracks to the Axiata Young Talent Programme:


- Axiata National Secondary School Programme
- Axiata University Leadership Development Programme
- Axiata Young CEO Development Programme

The programmes are based on the internally developed Ax-Factor curriculum, which complements participants' academics through learning from practising professionals and immersions in real-life business situations. The lessons from the programme therefore fill the important gaps in their skillsets to develop well-rounded professionals with the potential to become future corporate leaders.

In 2015, AYTP introduced the Axiata Young CEO Development Programme targeting exceptional Malaysian youths aged 20 to 25. The latest addition to AYTP incorporates Ax-Factor competencies in the form of four residential 'boot-camps' annually to give participants the necessary critical and leadership skills to become future world-class CEOs.

The Ax-Factor Competencies



851 


Individuals benefited from

AYTP

to-date

Young CEO Development Programme

introduced in

2015 

Note:

* Please refer to the infographic on the previous page for a list of some of our OpCos' CR initiatives.

PLANET & SOCIETY



Connecting the Unconnected in Rural Malaysia



Celcom established an additional **285 KTW** hotspots in 2015

Celcom continued to be a main provider of internet connectivity in rural Malaysia in 2015 through two core programmes: Kampung Tanpa Wayar (KTW) and Pusat Internet 1Malaysia (Pi1M). These facilities provide internet connectivity to rural populations who have limited access to data services owing to cost or the lack of infrastructure, and also provide basic technology training to the community to help them make better use the digital ecosystem available.

Celcom established an additional 285 KTW hotspots in 2015, bringing the total to 1,159 KTW hotspots throughout the country. KTWs are free internet wifi hotspots that can be accessed by anyone with a smart device. Unregistered users are given a daily data allowance of 30 minutes. Registered users, meanwhile, have unlimited access. Approximately 19,000 users connected to a KTW hotspot monthly in 2015, with the total number of users coming up to 226,944 for the year.

Celcom also supports internet access by establishing Pi1M centres throughout the country that offer internet access and training for users. The Pi1M centres are staffed with personnel to provide training in various areas including using Microsoft Office, multimedia development, e-Learning and e-Commerce. A change was introduced in 2015 to provide annual training to the 290 Pi1M managers and assistant managers to help them better manage operations and to conduct community training.

Celcom established an additional 60 Pi1M in 2015, bringing the total to 145. Approximately 9,000 users received training at Pi1M in 2015, which registered a monthly user base of about 8,000 users. The total number of Pi1M users in 2015 was 80,762.

KTW and Pi1M are core Celcom initiatives designed to introduce digital connectivity and technology to an audience that has been underserved by existing measures. These initiatives are funded through the Universal Service Provision (USP) scheme under the Malaysian Communications and Multimedia Commission (MCMC). Through these initiatives, we aim to enrich the lives of beneficiaries by exposing them to new possibilities through digital connectivity.

SUSTAINABLE PLANET AND PEOPLE THE WAY FORWARD

Axiata's community outreach programmes has been a cornerstone of the Group, and is built into our DNA as a long-term partner in our operating countries. We believe that everyone's interests are best served by our active participation in CR projects that are designed to improve the overall quality of life for all concerned. Part of our CR activities involve disaster response and management, which is an issue that we believe should be the concern of all. Moving forward, we will make this area a key part of our CR activities in Phase 2.

This is similarly true of our approach to environmental conservation as well. While it is unavoidable for our industry to have absolutely no impact on the environment, we are taking proactive steps to mitigate our impact as much as possible. The development of new technology will certainly help us achieve our emissions reduction goal, and we are committed to exploring all possible alternatives in reviewing our environmental footprint.

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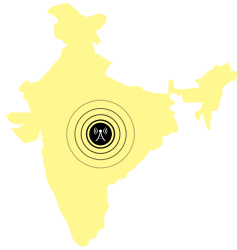
Our Associates

National Contribution

OUR ASSOCIATES



Idea Cellular is India's third largest national mobile operator, with over 175 million subscribers. With traffic in excess of 2 billion minutes a day, Idea ranks among the top six country operators in the world.



INDIA

Idea endeavours to become the leading Indian conglomerate for sustainable business practices across all its operations by 2017. It aims to establish a sustainability programme in Idea's current operations, under the heading 'Responsible Stewardship', which will see the company voluntarily aligning itself with international standards set by the global bodies.

Idea recognises the importance of stakeholder engagement and has a business process mapped out for both internal as well as external stakeholders. The Company is presently engaging employees across all levels to raise awareness, and obtain their commitment towards sustainability through a formal programme.

Idea's push towards sustainability also extends to its internal staffing and management systems. Towards these ends, Idea is working towards ensuring that its management systems and performance conform to the Aditya Birla Group's Sustainability Framework of Policies, Technical Standards, and Guidance Notes, which gives employees the chance to train, learn and apply improvement techniques to reach higher standards of performance.

At the same time, Idea is leading the way in terms of developing environmentally friendly innovations for their mobile operations to reduce the Company's carbon emissions. The following section provides more detailed information about Idea's activities in this area.

ENERGY CONSUMPTION:

The primary focus of Idea's energy conservation drive is to reduce energy use and minimising the environmental impact of the Company's operations.

A Better Idea - 'Sustainability through Emission Reduction and Abatement'

On the network front, the following initiatives are being implemented to reduce energy consumption:

- Presently, over 19% of Idea-owned towers are powered by hybrid solutions that resulted in carbon emissions reduction by 56,000 tons in FY15.
- Over 40% of Idea's base transceiver stations (BTS) are located outdoors, which consumes 25% less energy than indoor stations.
- In FY16, 5,007 indoor sites were converted to outdoor sites in addition to 5,482 sites in FY15, reducing cumulative carbon emissions by 62,000 tons.
- The tenancy ratio of Idea is about 2.72, which is highest in the country that further reduces the size of its carbon footprint.
- 100% of Idea's telecom hardware procurement in FY16 comprise low power consuming hardware.
- Energy optimisation based on the usage of deep discharge battery solutions such as lithium ion batteries and flow batteries are being evaluated and inducted for site operations.

OUR ASSOCIATES

Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points. Idea is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.

Idea has stayed committed to its network expansion drive and, as at 31 March 2016, has a total of 126,833 2G sites covering 68,545 towns and 48,968 3G sites covering 17,911 towns. With the launch of 4G services on 31 March 2016, Idea will have 14,643 sites covering 566 towns.

Idea has also implemented a number of initiatives exploring the use of alternate energy sources including:

- Exclusive Solar solutions at over 1,200 sites: Cumulative solar deployment is presently about 4.5 MW. Idea uses a unique vendor engagement model known as Energy Management Service (EMS) Provisioning where RET-based generation (Solar Energy) and site operation management is combined under one Master Services Agreement.
 - On-Site Solar implementation: This project was initiated last year and a 25 KW Solar Plant was constructed on the roof of Idea Delhi MSC. Similar plants will be deployed where roof space is available in MSC locations. This will reduce the power being drawn from the grid or the load on the DG reducing the Diesel consumption.
 - Off-Site Solar Deployment: This concept was also initiated last year based on the Carbon abatement principle. A 2 MW solar plant was commissioned in AP Circle to power a Switch facility. There are plans underway in five other Circles to deploy a similar model where power from will be generated from a solar at a remote place and fed to grid. The credit generated from the solar plant will be used to offset the cost of energy elsewhere.
- Trial of new energy solutions: Idea, in association with the United States Trade Development Agency (USTDA), is conducting trials of Solar Hybrid Methanol based Fuel Cell systems to power telecom towers. Five such sites are commissioned and operating, today. This is part of an effort to identify viable substitutes to fossil fuel for telecom site operations. The Company is also looking to increase the use of hydrogen fuel cells at its sites.

Idea's environmental management programme is also focused on its waste management system, which contracts the disposal of waste, including hazardous waste, to registered vendors. The Company has also set up an Enterprise Risk Management (ERM) system, which monitors a number of environmental risk items including EMF radiation and air pollution.

COMMUNICATING WITH OUR SUBSCRIBERS

Idea embarked on a paperless campaign to - 'Use Mobile, Save Paper' to encourage consumers to reduce paper use. Idea was also amongst the first mobile operators in India to make virtual top up recharges available to prepaid customers and among the first in the world to introduce the PICO card to replace traditional SIM cards to reduce plastic usage. Idea has also started communicating with all its shareholders and investors through e-mail, and introduced e-Billing for its postpaid customers to further reduce paper wastage.

IDEA'S EMPLOYEES: FLAG BEARERS OF SUSTAINABILITY

Idea is committed to attracting and retaining the best talent, encouraging innovation, and creating an engaging and motivating workplace environment to be the employer of choice. The Company's efforts in this area was recognised by the award of the 'HR Excellence Award' for best practices in Talent Acquisition at the Economic Times HR Excellence Summit 2014.

Idea's Human Resources operations and communications to its employee base of over 13,000 are done mainly through smart ICT solutions such as teleconferencing, video conferencing, web chats, and internal social networking platforms to minimise commute time and increase productivity.

The Company through an Aditya Birla Group initiative has engaged the services of an international agency for implementation of an IT system capable of providing management with all data required to be managed and published in a Sustainable Development Report. Idea is all set to develop its first dedicated Sustainability Report as per GRI Guidelines in FY17.

Going forward the Company is working hard to further improve/strengthen its systems and processes especially those linked to (a) supply chain and contractor management practices, (b) waste handling and disposal practices, (c) external stakeholder engagement practices, and (d) occupational health and safety.

OUR ASSOCIATES



M1 is Singapore's most vibrant and dynamic communications company, providing mobile and fixed services to over two million customers.



SINGAPORE

Singapore has a highly developed and competitive telecommunications market. Mobile penetration rate is approximately 150%, and is accompanied by significant demand for the latest in mobile technology. At present, 4G LTE penetration rate in Singapore has reached the 68% mark representing 3.7 million subscribers by the middle of 2015.

M1 is committed to responsible business practices and making a positive impact on our community and operating environment. M1 recognises the positive impact that communications technology can have on improving people's lives and livelihoods, especially for the underprivileged and underserved.

NETWORK ACCESS AND COVERAGE

Since its inception, M1 has invested more than SD1.8 billion into its fixed and mobile networks, which has enabled customers to consistently enjoy the latest technology developments and next-generation products and services ahead of competition. Due to these investments, M1 customers have been able to enjoy state-of-the-art services, such as 4G Voice or Voice over LTE (VoLTE) calls and Singapore's first 2Gbps to 10Gbps GPON corporate connectivity solutions in 2015.

M1 is also working on a number of other enhancements including Small Cell technology, 4G Indoor Enhancement with MIMO technology and trials of 4.5G connectivity at more than 1Gbps to further improve the customer experience. Other network initiatives include expanding its fibre network and enhancements to its data centre to incorporate software-defined networking technology. In 2015, M1's efforts were recognised by the Infocomm Development Authority of Singapore's network survey for delivering the best 4G experience.

ETHICS & INTEGRITY

M1 is committed to conducting its business in a responsible and ethical manner, in compliance with all applicable laws and regulations. M1 also supports voluntary codes and best practice guidelines that benefit its stakeholders and society at large. This includes protecting vulnerable customers, such as children and youth, from undesirable content, and working with other mobile operators to create the Voluntary Code of Self-Regulation of Mobile Content in Singapore that protects minors from accessing prohibited content via mobile phones.

Additionally, M1 abides with all applicable business, health, manpower, consumer protection, data protection and marketing-related laws and regulations. M1 was not fined by any authority in 2015 for non-compliance with such laws and regulations.

NURTURING PEOPLE

M1 is committed to fostering a work environment and organisation culture that embraces inclusiveness, diversity and teamwork. As at end-2015, M1 employed 1,563 people with the majority engaged in technology, marketing, customer service and retail functions. M1 conducts comprehensive training and mentoring programmes designed to help its employees realise their full potential.

OUR ASSOCIATES

Since the launch of commercial services in 1997, M1 has achieved many firsts, including being the first Singaporean operator to offer nationwide 4G service, as well as ultra high-speed fixed broadband, fixed voice and other services on the Next Generation Nationwide Broadband Network (NGNBN). With a continual focus on network quality, customer service, value and innovation, M1 is committed to linking anyone and anything; anytime, anywhere.

In recruitment, candidates are evaluated on qualifications, capabilities and experience, regardless of gender, age or ethnicity. Annual employee evaluations are conducted through a transparent appraisal process, and performance targets set with the employee's input. M1 is a signatory to Singapore's Tripartite Alliance for Fair Employment Practices' Employers' Pledge of Fair Employment Practices, which promotes fair, responsible and merit-based employment practices.

REDUCING ITS ENVIRONMENTAL FOOTPRINT

M1 continually reviews its business operations to identify ways to help increase productivity and reduce its impact on the environment, and at the same time, deliver consistent quality service to its customers.

In 2015, M1 began deploying small cells in selected high traffic sites including malls, libraries and MRT stations. In such areas, small cells enhance the mobile data experience in a more targeted and energy efficient manner, compared to using a base station.

M1 also reviews its base station operations to identify ways to minimise energy consumption. Some of these efforts include the modernisation of its 2G base stations in 2011 where M1 replaced 1,200 base stations with multiradio stations that do not require air conditioning. The upgrade yielded power savings of 6,876,600kWh annually.

M1 also installed three solar photovoltaic systems at Pulau Satumu and St. John's Island to supplement the use of diesel fuel for its offshore base station sites on these islands. Although the terrain on Pulau Tekong does not permit the installation of solar PV power systems, the overhaul of the base station's generators, which was completed in January 2015, has enhanced their efficiency and reduced annual diesel usage by 17%.

SOME KEY INITIATIVES

Providing High Speed Broadband Connectivity to Low-Income Households

M1 was appointed by the Infocomm Development Authority of Singapore to be their Home Access Programme partner to deliver high-speed broadband to Singapore's low-income households.

SUPPORTING SINGAPORE'S ARTS SCENE

M1 has been a keen supporter of the arts since its inception launch in 1997. Through its support of events such as the M1 Singapore Fringe Festival and performance groups such as T.H.E Dance Company and Frontier Danceland, M1 has established a strong reputation as a champion for Singapore arts and culture.

In recognition of its long-standing support for Singapore's arts scene, M1 was presented with the special SG50 Patron of the Arts award by the National Arts Council in 2015.

RAISING FUNDS FOR OUR CHARITIES

Through the annual M1 Charity Golf and Charity Carnival events, M1 raised more than SD350,000 for its adopted charities Beyond Social Services, Brahm Centre, the Children-At-Risk Empowerment Association, and the M1 Students Support Fund. The Fund, launched in February 2015, provides supplementary support to schoolgoing children from low income families.

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OUR ASSOCIATES

National Contribution



NATIONAL CONTRIBUTION

NATIONAL CONTRIBUTION

Axiata is a leading telecommunications group operating primarily in Southeast Asia and South Asia with approximately 275 million subscribers across nine countries. We are a provider of connectivity and technology services, and a leading employer of talent in our countries. As a Group, we actively contribute to the economies and societies of our operating countries both directly and indirectly, and these have been compiled and quantified in this National Contribution Report.

Since 2013, Axiata's National Contribution Report has been developed by an independent third party who has continued to assess our contributions and provided updated data for 2015. This report is based on the data generated by the independent third party in respect of the contributions Axiata has made in 2015 in some of our key markets. Axiata's contributions are generally reported in terms of quantifiable metrics such as our dollar contribution to GDP or the number of jobs supported during the course of the year.

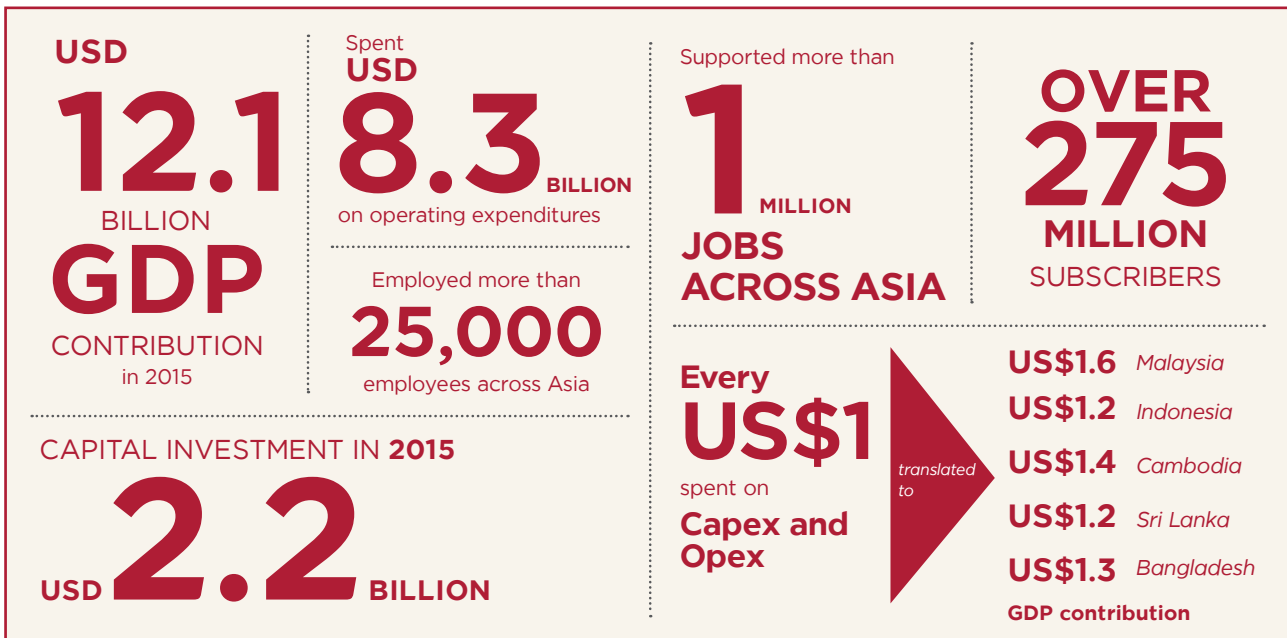
Specifically, our contributions are represented by the value that we create through our investments in the local telecommunications industry, network infrastructure, talent development, environmental conservation and our CR projects. We invite you to read this National Contribution Report together with our Sustainability Report obtain a more complete picture of our sustainability approach.

SUMMARY OF FINDINGS

Our business activities in our operating markets contribute to their respective economies in a number of ways — by stimulating economic activity through our operating expenditure (opex) and capital investments, and by supporting jobs through the direct employment of staff and the creation of indirect work opportunities.

In 2015, Axiata as a group spent USD8.3 billion in opex and made an additional USD2.2 billion in capital investments across our markets. In terms of jobs, we employed more than 25,000 workers across Asia and supported more than one million jobs indirectly. Our total contribution to GDP in 2015 totalled USD12.1 billion.

The following pages provide a detailed breakdown of our national contributions by country in 2015.



NATIONAL CONTRIBUTION



Celcom is a pioneer in the Malaysian telecommunications industry with the widest network in Malaysia covering 95% and 88% of the population with its 2G and 3G networks respectively. With approximately 3,500 4G LTE sites and growing, Celcom strives to maintain its market leadership position in the country.



MALAYSIA

Malaysia is one of Southeast Asia's most vibrant economies and is steadily climbing the value chain to become a high-income nation. The country's economy expanded by 5% in 2015 driven by strong domestic demand and government-led infrastructure projects as part of the national effort to transform Malaysia into a high-income country.

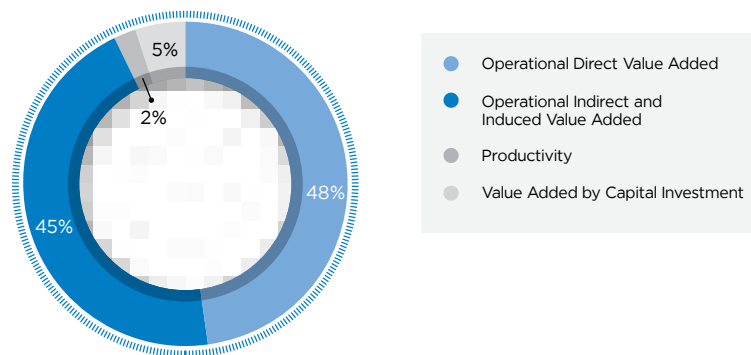
The growing affluence of Malaysian consumers has driven technology consumption in the country resulting in a highly competitive telecommunications market. Mobile penetration rate in Malaysia is now at 145% comprising almost 50 million subscribers. The Malaysian market is dominated by three providers including Celcom Axiata, all of which provide 4G LTE connectivity.

ECONOMIC CONTRIBUTION

Celcom has a subscriber base of approximately 12.2 million and a network coverage of 95% populated areas. Total operating expenditure for 2015 totalled USD1.1 billion, while Celcom's capex spend came up to USD228 million. Approximately 38% of Celcom's procurement activities in 2015 was done through local suppliers.

In 2015, Celcom's operations contributed USD2.0 billion to the country's economy, representing 0.7% of GDP.

Figure 1: GDP Contribution in Malaysia 2015



NATIONAL CONTRIBUTION

INVESTMENTS IN 2015

Capex + Opex
USD1.3 billion

Every **US\$1** spent on **Capex and Opex**

translated to

US\$1.6
GDP Contribution

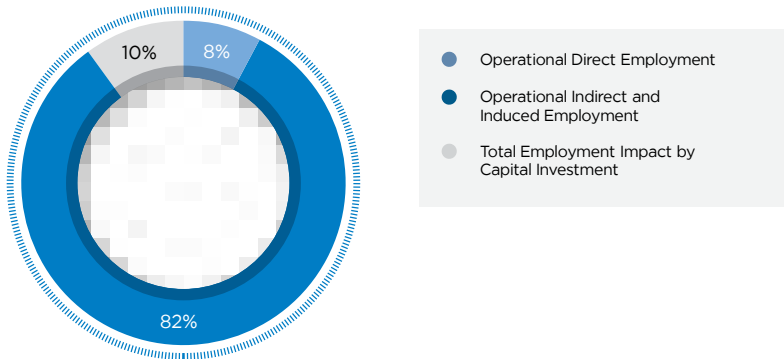
Contribution to GDP
0.7%
(USD2.0 billion)

SOCIAL CONTRIBUTION

In 2015, Celcom's operations in Malaysia supported the employment of close to 53,000 people through direct and indirect means. Out of this, 3,950 employees were directly employed by Celcom.

Celcom is a staunch supporter of the government's efforts to create free wireless data access throughout the country as well as the government's 1Malaysia Internet Centres. The Internet Centres not only provide digital access but also serve as a training area for Celcom to help rural Malaysians better use technology to enrich their lives.

Figure 2: Employment Impact in Malaysia 2015



Procurement from Local Vendors

38%



IN 2015

52,899
Jobs Supported

NATIONAL CONTRIBUTION

FORWARDING THE NATIONAL AGENDA

Supporting Our Local Business Partners

Axiata is a proud supporter of the national agenda to develop Malaysian vendors and suppliers of technology. One of our key contributions to the local technology industry is the RM100 million Axiata Digital Innovation Fund (ADIF), which catalyses the growth and development of select technology companies in Malaysia. In 2015, six companies received funding from ADIF to expand their businesses and capacity in the region.

Celcom also supports local industry development through two programmes:

- (i) the Local Partner Development Programme (LPDP), which is aimed at Bumiputera vendors; and
- (ii) the Vendor Development Programme (VDP), which is aimed at Celcom's pool of vendors.

Both the LPDP and VDP are designed to help Celcom's vendors become more competitive in the telco industry by providing programme participants guidance so that they meet industry requirements for relevant products and services.

Celcom also runs development programmes for its business and strategic partners through its Business Development Programme (BDP) and Strategic Partners Development

Programme (SDP). Both programmes are focused on strengthening the capacities of Celcom's business and strategic partners, respectively.

Celcom's delivery programmes were further strengthened in 2015 through the establishment of the company's Partner Capacity Building Centre (PCBC) where Celcom, together with its anchor partners, provides support in the areas of training, skills upgrading, funding and business networking.

In 2015, 38% of Celcom's procurement was sourced from local vendors, of which 80% were Bumiputera companies.

Expanding Accessibility to Underserved Areas

Increasing technology use among rural and underserved populations in the country is a key component of the national agenda to drive greater productivity. As a leading telco player, Celcom has played a part in facilitating digital access in these areas through its Kampung Tanpa Wayar (KTW) and Pusat Internet 1Malaysia (Pi1M) programmes (please see page 59 for additional information about these programmes). Through KTW and Pi1M, Celcom aims to create greater digital use and awareness in communities that have been underserved by existing measures thereby enriching the lives of the beneficiaries.

Talent Development

Axiata supports the development of talent in Malaysia through the Axiata Young Talent Programme (AYTP), which has allocated RM100 million in funding. AYTP is focused on developing leaders among youth, and has been identified as a core CR project for all OpCos in Phase 2 of our sustainability journey.

Celcom also supports the national agenda to enhance the employability of fresh Malaysian graduates through its 12-month BLUi (Celcom's 1Malaysia Training Scheme Programme - SL1M) programme. Participants are given actual work exposure and provided training to hone their soft skills to make them more employable. Participants attend compulsory training sessions as well as functional training workshops that are related to their field of study. These include training in the areas of Business Analysis, Cloud Computing and Certified IP Associate.

In 2015, Celcom invested RM4.3 million for employee training and professional development.

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NATIONAL CONTRIBUTION



XL Axiata commenced operations as Indonesia's first private mobile services operator in 1996, operating as PT Excelcomindo Pratama TBK. XL's value proposition presently is focused on providing competitively priced mobile products and services to the emerging Indonesian middle class.



INDONESIA

Indonesia remains an exciting growth market in the Southeast Asian region given its population of almost 250 million people comprising a budding middle class. Despite slower economic growth in 2015 stemming from softer commodity prices and weaker global investment appetite, government efforts to stimulate growth through structural reforms and public investment is expected to revive the country's prospects in 2016.

Indonesia's telecommunications sector is ranked fourth largest in the world with over 300 million subscribers, translating to a penetration rate of about 120%. Most Indonesians access the internet through their mobile devices, contributing to both the internet and mobile penetration rates. The rise of disposable income in the market has seen subscribers switch over to more expensive data plans such as 4G LTE, which are presently provided by four key operators including XL Axiata.

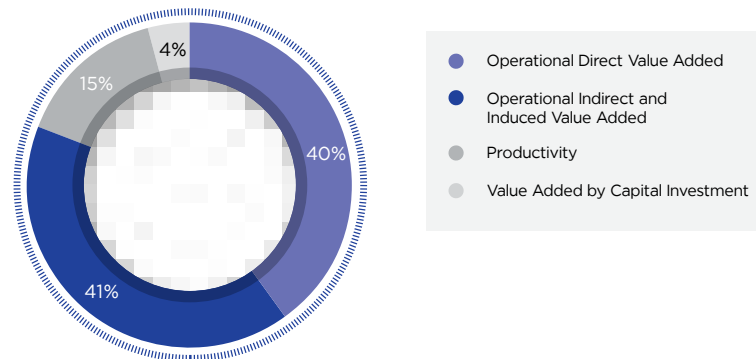
XL is also committed to providing the latest mobile technologies such as 4G LTE at an inclusive price to provide state-of-the-art connectivity to its Indonesian consumers.

ECONOMIC CONTRIBUTION

XL has a subscriber base of approximately 41.9 million and network coverage in 93% of Indonesia's populated areas. Total operating expenditure for 2015 totalled USD1,080 million, while XL's capex spend came up to USD362 million. Approximately 39% of XL's procurement activities in 2015 was done through local suppliers.

In 2015, XL's operations contributed USD1,778 million to the country's economy, representing 0.2% of GDP.

Figure 3: GDP Contribution in Indonesia 2015



NATIONAL CONTRIBUTION

INVESTMENTS IN 2015

Capex + Opex
USD1.4 billion

Every **US\$1** spent on **Capex and Opex**

translated to

US\$1.2 GDP Contribution

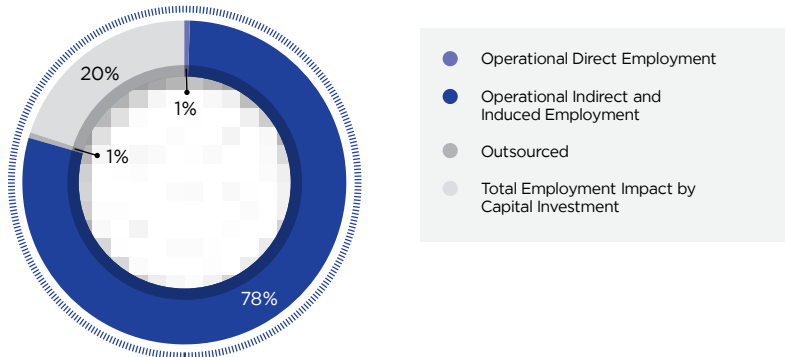
Contribution to GDP
0.2%
(USD178 million)

SOCIAL CONTRIBUTION

In 2015, XL's operations in Indonesia supported the employment of close to 250,000 people through direct and indirect means. Out of this, 2,033 employees were directly employed by XL.

A leading mobile player in Indonesia, XL's corporate responsibility activities are focused on advancing the nation by improving access to education as well as on social and economic enablers.

Figure 4: Employment Impact in Indonesia 2015



OUR SUSTAINABILITY EFFORTS IN INDONESIA

XL continues to demonstrate its commitment and dedication to the development of Indonesia, and has aligned its sustainability structure along the same lines as the Group. XL's Sustainability Report can be accessed on its website at www.xl.co.id



Procurement from Local Vendors

39%



IN 2015

250,000
Jobs Supported

NATIONAL CONTRIBUTION



Smart has grown in strength and competitiveness to become a leading mobile telecommunications company in Cambodia, following the successful merger of Hello Axiata and Latelz in 2013.



CAMBODIA

Cambodia has one of the fastest growing economies in the world bolstered by a massive construction boom. Cambodia continues to represent significant potential and appeal for foreign investors, with GDP expanding by 7.0% in 2015.

Smart is the first and only mobile operator in Cambodia to provide true 4G services. 4G LTE powered by Smart, launched in January 2014, is now available in all 25 provinces. In 2015, the country's mobile penetration rate reached 167% with over 25 million mobile subscribers in total. Formerly a competitive space featuring a number of telco providers, the mobile industry in Cambodia has since consolidated into three major companies including Smart Axiata, which together account for the lion's share of subscribers.

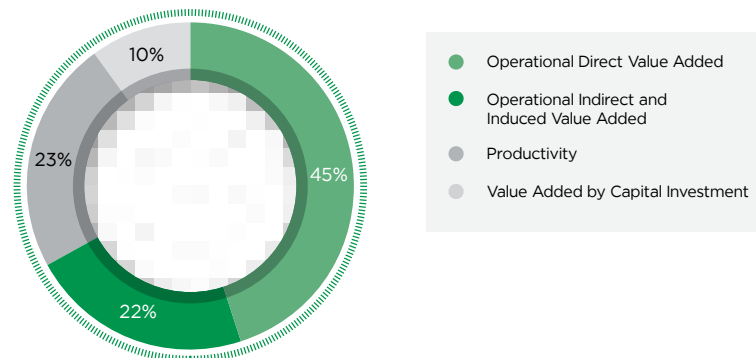
Smart continues to make significant advancements with the launch of many first-of-its-kind services in Cambodia such as Smart Loan, Smart Life Insurance and Smart Music, making Smart the mobile telecom provider of choice among Cambodia's youth population.

ECONOMIC CONTRIBUTION

Smart has a subscriber base of approximately 7.6 million and network coverage in 98% of Cambodia's populated areas. Total operating expenditure for 2015 totalled USD117 million, while Smart's capex spend came up to USD60 million. Approximately 35% of Smart's procurement activities in 2015 was done through local suppliers.

In 2015, Smart's operations contributed USD275 million to the country's economy, representing 1.5% of GDP.

Figure 5: GDP Contribution in Cambodia 2015



NATIONAL CONTRIBUTION

INVESTMENTS IN 2015

Capex + Opex
USD177 billion

Every **US\$1** spent on **Capex and Opex**

translated to

US\$1.4 GDP Contribution

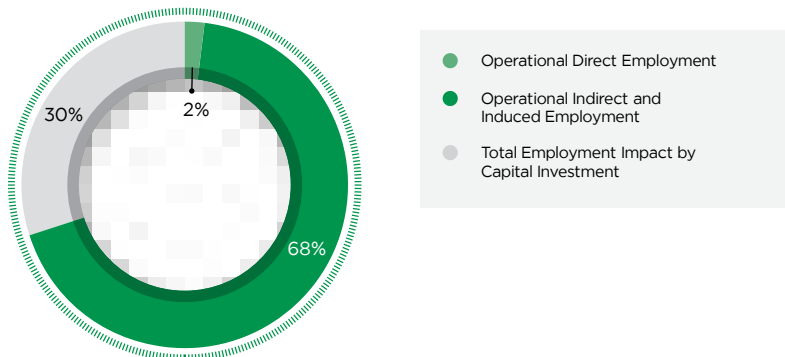
Contribution to GDP
1.5%
(USD275 million)

SOCIAL CONTRIBUTION

In 2015, Smart's operations in Cambodia supported the employment of more than 40,000 people through direct and indirect means. Out of this, 931 employees were directly employed by Smart.

Smart also supports the activities of key market segments including banks, micro finance and insurance institutions, manufacturing and hospitality.

Figure 6: Employment Impact in Cambodia 2015



OUR SUSTAINABILITY EFFORTS IN CAMBODIA

Smart produced its first Sustainability Report in 2015 which was the country's first ever sustainability report published. The report discusses Smart's efforts based on the 4P model that has been adopted throughout the Group. Smart's Sustainability Report can be accessed on its website at www.smart.com.kh



Procurement from Local Vendors

35%



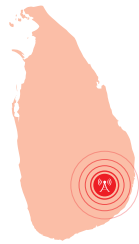
IN 2015

40,912
Jobs Supported

NATIONAL CONTRIBUTION



Dialog has the largest market share in Sri Lanka and is recognised internationally as an innovation champion.



SRI LANKA

In 2015, Sri Lanka's GDP expanded 4.8%. Following political developments and new economic reforms, the country's GDP is expected to continue expanding in the years to come.

Sri Lanka's mobile penetration rate has accelerated significantly in recent years, reaching 105% by some estimates, driven by the growth in economic and industrial activity. While there remains substantial room for growth, much will depend on the stewardship of the new government. Sri Lanka is managing a number of macroeconomic issues, not the least of which is its growing fiscal deficit. It continues to feel the impacts of its 20-year civil war, which ended only in 2009.

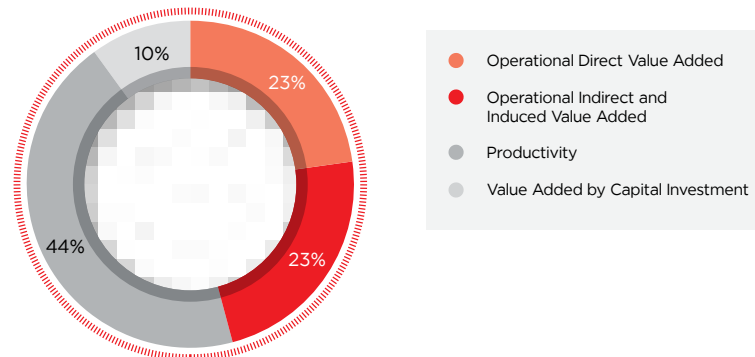
Dialog has been driving the mobile industry in the country since the late 1990s, and is presently one of the largest listed companies on the Colombo Stock Exchange. Its services include advanced mobile telephony and high speed mobile broadband services to Sri Lankans via 2.5G, 3G/3.5G and 4G networks. It was the first service provider in South Asia to launch 3G, HSDPA and mobile and fixed 4G LTE services.

ECONOMIC CONTRIBUTION

Dialog has a subscriber base of approximately 10.9 million and a network coverage of 97% populated areas. Total operating expenditure for 2015 totalled USD355 million, while Dialog's capex spend came up to USD167 million making Axiata one of the leading foreign investors in the country. Approximately 38% of Dialog's procurement activities in 2015 was done through local suppliers.

In 2015, Dialog's operations contributed USD973 million to the country's economy, representing 1.3% of GDP.

Figure 7: GDP Contribution in Sri Lanka 2015



NATIONAL CONTRIBUTION

INVESTMENTS IN 2015

Capex + Opex
USD523
million

Every
US\$1
spent on
Capex and
Opex

translated to

US\$1.2
GDP Contribution

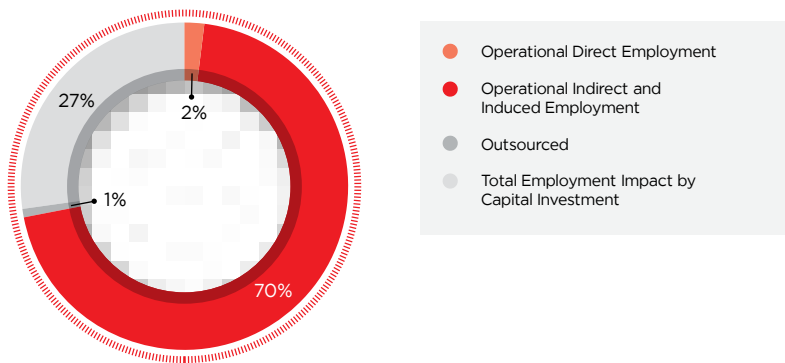
Contribution to GDP
1.3%
(USD973 million)

SOCIAL CONTRIBUTION

In 2015, Dialog's operations in Sri Lanka supported the employment of 133,757 people through direct and indirect means. Out of this, 3,084 employees were directly employed by Dialog.

Dialog has consistently focused on using state-of-the-art technology to make its products and services affordable and accessible based on its philosophy of inclusion. It delivers on this philosophy by introducing low-cost communications solutions and minimising entry barriers faced by the traditionally marginalised segments of the market.

Figure 8: Employment Impact in Sri Lanka 2015



OUR SUSTAINABILITY EFFORTS IN SRI LANKA

Dialog is among Sri Lanka's top sustainability reporters and was ranked first in Sri Lanka's Corporate Accountability Ranking in 2015, since the inception of the rankings in 2009.

Dialog's Sustainability Report can be accessed on its website at www.dialog.lk



Procurement from Local Vendors

38%



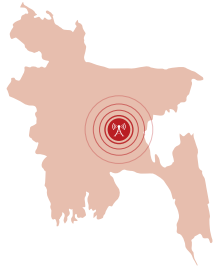
IN 2015

133,757
Jobs Supported

NATIONAL CONTRIBUTION



Robi continues to be the fastest-growing telecommunications operator in Bangladesh offering services ranging from voice and high-speed internet services to tailor-made telecommunications solutions.



BANGLADESH

Over the last few years, Bangladesh has shown strong signs of growth with GDP expanding by 6.5% in 2015. Its growth momentum coupled with a national commitment to reach middle-income status by 2021 has accelerated pro-growth policies, which have resulted in a substantial decline in poverty leading to increased life expectancy, literacy and disposable income.

Robi boasts the widest international roaming service in the market, connecting its subscribers to over 500 operators across 207 countries. Telecommunications is growing at a rapid pace, with the recent launch of 3G networks in 2013 boosting the mobile and internet segment. Strong growth is expected to continue through 2017 after the scheduled launch of the country's first 4G LTE service. With mobile penetration rate comparatively low – approximately 131 million subscribers in a country of 156.6 million (84%) – there is ample room for growth, particularly alongside the growing affluence of Bangladeshis.

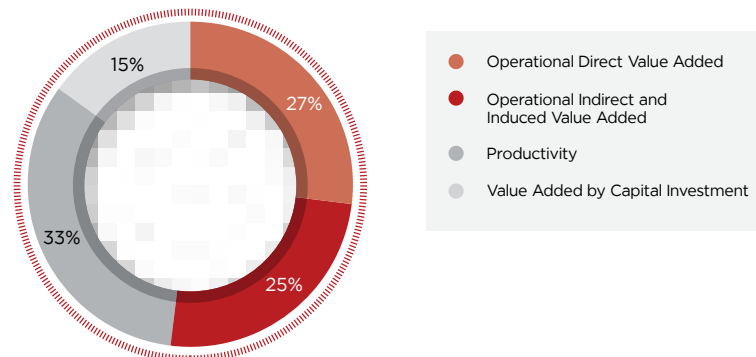
Robi is the first operator in Bangladesh to introduce GPRS, drawing from the international expertise of Axiata and NTT DoCoMo to support its voice and internet offerings such as 2G, 3.5G, EDGE, GPRS and others. In January 2016, Robi and Bharti Airtel Ltd agreed to merge their operations in Bangladesh to create the second-largest telco in the country.

ECONOMIC CONTRIBUTION

Robi has a subscriber base of approximately 28.3 million and network coverage in 84% of Bangladesh's populated areas. Total operating expenditure for 2015 totalled USD422 million, while Robi's capex spend came up to USD256 million making Axiata one of the leading foreign investors in the country. Approximately 74% of Robi's procurement activities in 2015 was done through local suppliers.

In 2015, Robi's operations contributed USD1,071 million to the country's economy, representing 0.5% of GDP.

Figure 9: GDP Contribution in Bangladesh 2015



NATIONAL CONTRIBUTION

INVESTMENTS IN 2015

Capex + Opex
USD678 million

Every **US\$1** spent on **Capex and Opex**

translated to

US\$1.3 GDP Contribution

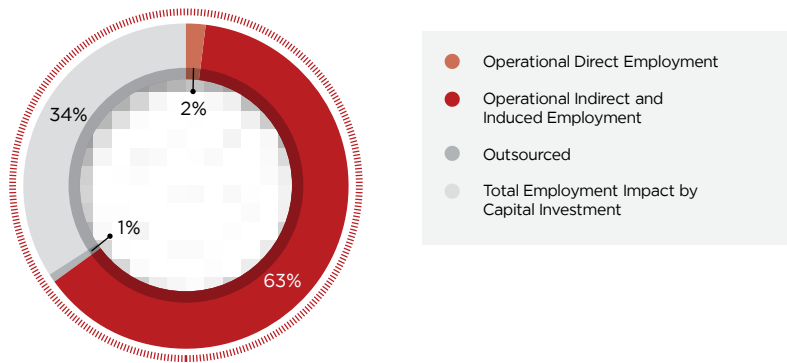
Contribution to GDP
0.5%
(USD1.1 billion)

SOCIAL CONTRIBUTION

In 2015, Robi's operations in Bangladesh supported the employment of more than 120,000 people through direct and indirect means. Out of this, 1,824 employees were directly employed by Robi.

Robi is also committed to a robust corporate social responsibility framework which puts social upliftment through community empowerment and environmental upkeep at the forefront. Its main focus areas include health, environment and ICT education.

Figure 10: Employment Impact in Bangladesh 2015



OUR SUSTAINABILITY EFFORTS IN BANGLADESH

Robi published its first standalone sustainability report in 2015 based on the GRI-G4 guidelines. Robi's Sustainability Report can be accessed on its website at www.robi.com.bd



Procurement from Local Vendors

74%



IN 2015

120,898
Jobs Supported

NATIONAL CONTRIBUTION

1.1 KPMG'S METHODOLOGIES AND COMPUTATIONAL FORMULA

Direct Value Added contributions were estimated based on operational data provided by Axiata regarding operating revenues, operating expenditures, compensation of employees and indirect taxes and levies.

Total Value Added Contributions were estimated using an economic multiplier. The total multipliers (Type II) for the Telecomm industry were derived from national Input-Output (I-O) tables published by OECD, ADB and national statistical agencies.

Employment is generated through a number of avenues including:

1. Directly through Axiata and related industries.
2. Outsourced support services including customer support and network operations and maintenance.
3. Indirectly through firms that provide services to Axiata's operations.
4. Induced as employees from the above spend their household income thereby generating further rounds of employment.

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

1.2 CAPITAL INVESTMENT

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

1.3 OPERATIONAL

1. Total Value Added = Direct Value Added x Total Value Added Multiplier

Where,

Direct Value Added = Operating Revenue - Operating Expenditure + Compensation of employees + Indirect taxes and levies

Note:

- (1) *Operating expenditure provided by Axiata excludes depreciation.*
2. (a) For countries employment multipliers are available,
Total Employment = Total Operational Expenditure x Average Employment Multiplier
- (b) For countries employment multipliers are not available,
Total Employment = Total Indirect Value added/ Average Value Added per worker + Direct Employment
Direct Employment = As per Axiata data

1.4 PRODUCTIVITY ANALYSIS

Axiata Contribution to GDP Growth = National Contribution to GDP Growth x Market Share of Axiata

Where,

National Contribution to GDP Growth = National Penetration Growth x Growth Factor
Penetration = Number of Subscribers/ Population

Note: *Growth Factor was assumed to be 1.2% per 10% change in market penetration for all countries except 0.6% market penetration for Singapore*

APPENDIX

DEFINITIONS

Customer Privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end-customers (consumer) as well as business-to-business customers.

Senior Management

Defined as the top management team of the entity, comprising of the CEO and his direct reports. This definition will be common across the Group, other than for Robi Axiata. Robi's identification of senior management would be the CEO, Executive Vice Presidents, and the Vice Presidents.

Direct Energy Consumption

Energy consumed for units/entities owned by the organisation, i.e, the diesel generators owned by us.

Indirect Energy Consumption

Energy purchased or acquired and consumed within the organisation.

Energy Reduction

The amount of energy no longer used or needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reducing production capacity or outsourcing organisational activities.

Indirect Economic Impact

An additional consequence of the direct impact of financial transactions and the flow of money between an organisation and its stakeholders.

Injury Rate

The frequency of injuries relative to the total no of work days for the total workforce in the reporting period (365).

Local Suppliers

For the purpose of this report, 'Local Suppliers' are vendors determined based on a matrix of ownership, local employment and products sold locally.

Significant Locations of Operations

Significant locations of operations would be each Operating Company, edotco and Axiata Corporate Centre, as defined in the report boundary

LIST OF ABBREVIATIONS

4G Voice or Voice over LTE (VoLTE)
 Annual General Meeting (AGM)
 Axiata Digital Innovation Fund (ADIF)
 Axiata Digital (AD)
 Axiata National Secondary School Programme (NSSP)
 Axiata University Leadership Development Programme (ULDP)
 Axiata Young CEO Development Programme (YCDP)
 Axiata Young Talent Programme (AYTP)
 Base Transceiver Station (BTS)
 Bombay Stock Exchange (BSE)
 Business Continuity Management (BCM)
 Business Development Programme (BDP)
 Capital Expenditure (Capex)
 Centre For Entrepreneur Development and Research (CEDAR)
 Common Alert Protocol (CAP)
 Company Secretary (CoSec)
 Corporate Development (CorpDev)
 Corporate Office (CorpOffice)
 Corporate Social Responsibility (CSR)
 Corporate Responsibility (CR)
 Customer Experience Management (CEM)
 Disaster and Emergency Warning Network (DEWN)
 Disaster Management Centre (DMC)
 edotco Group (e.co)
 Electromagnetic Field (EMF)
 Employee Engagement Index (EEI)
 Employee Engagement Survey (EES)
 Energy Management Service (EMS)
 Enterprise Risk Management (ERM)
 Environmental, Social, and Governance (ESG)
 Environmental and Social (EES)
 European Institute of Business Administration (INSEAD)
 Ernst & Young (EY)
 First Line Manager (FLM)
 Free Cooling Unit (FCU)
 Get Out of Diesel (GOOD)
 Gigajoule (GJ)
 Global Reporting Initiative (GRI)
 Global System for Mobile communications (GSM)
 Gross Merchandise Value (GMV)
 Government-Linked Company (GLC)

APPENDIX

Greenhouse Gas (GHG)
Group Accelerated Development Programme (GADP)
Group Risk Management Committee (GRMC)
GSM Association (GSMA) is an association of mobile operators and related companies devoted to supporting the standardising, deployment and promotion of the GSM mobile telephone system.
GSMA's Humanitarian Connectivity Charter (HCC)
High-Speed Downlink Packet Access (HSDPA)
Human Resources (HR)
Information and Communication Technology (ICT)
International Organisation for Standardisation (ISO)
International Standard on Assurance Engagement (ISAE)
Johor Corporation Berhad (JCORP)
Kampung Tanpa Wayar (KTW)
Kilowatt (KW)
Key Performance Indicators (KPI)
Local Partner Development Programme (LPDP)
Long Term Evolution (LTE)
Malaysian Communication and Multimedia Commission (MCMC)
Malaysian Sustainability Reporting Awards (MasRA)
Majlis Amanah Rakyat (MARA)
Malaysian Industrial Development Finance Berhad (MIDF)
Malaysia Productivity Corporation (MPC)
Megawatt (MW)
Memorandum of Understanding (MOU)
Ministry of International Trade & Industry (MITI)
Minority Shareholder Watchdog Group (MSWG)
Mobile Internet Fulfilment Exchange (MIFE)
Mobile Switching Centre (MSC)
Mobile World Congress (MWC)
Ministry of Education Youth and Sports (MoEYS)
Multimedia Development Corporation (MDEC)
National Stock Exchange (NSE)
Net Promoter Score (NPS)
Next Generation Nationwide Broadband Network (NGNBN)
Occupational Health and Safety (OHS)
OpCo Accelerated Development Programme (OADP)
Operating Companies (OpCos)
Optical Fibre Cable (OFC)
Personal Data Protection Act (PDPA)
Partner Capacity Building Centre (PCBC)
Pusat Internet 1Malaysia (Pi1M)
Perbadanan Usahawan Nasional Berhad (PUNB)
Request for Proposals (RFP)
Renewable Energy Technology (RET)
Senior Leadership Team (SLT)
Short Messaging System (SMS)
Skim Latihan 1Malaysia (SL1M)
Small and Medium Enterprises (SME)
Social Return on Investment (SROI)
Strategic Partners Development Programme (SDP)
Standards & Industrial Research Institute of Malaysia (SIRIM)
Telekom Malaysia International (TMI)
Uncompromising Integrity. Exceptional Performance (UI.EP)
Underprivileged Children's Educational Programs (UCEP)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
United States Trade Development Agency (USTDA)
Universal Service Provision (USP)
Vendor development programmes (VDP)

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G4-20

APPENDIX

ASPECT BOUNDARIES

For each identified material issue, we assessed the impacts related to it, and determined whether the impacts occur internally or externally. For some of the impacts, we are in the process of capturing impacts and developing the reporting mechanisms. The table below indicates the status of reporting as well.

Material Issues	Material Aspects	Support Activities				Primary Activity				
		Administration	Human Resources	Product R & D	Procurement	Network Infrastructure	Transport	Outbound Logistics	Sales & Marketing	Customer Services
Governance & Transparency	Corruption	√	√		√			√	√	√
Business Performance	Economic Performance*	√	√		√			√	√	
Employee Development & Welfare	Employment		√							
	Training & Education		√							
	Diversity & Equal Opportunity		√							
	Labour Grievance		√							
	Human Rights Grievance		√							
Customer Service	Product & Service Labelling		√							√
Privacy & Data Protection	Customer Privacy		√							√
	Marketing Communications								√	
Supply Chain Management	Procurement Practices			√						
	Supplier: Labour		√							
	Supplier: Human Rights		√							
	Supplier: Environment		•							
Community Impact Development	Indirect Economic Impacts	√								
	Local Communities	√								
Network Quality & Coverage	Coverage in low/ no income areas			√		√			•	√
Disaster & Response	Indirect Economic Impacts	√								
	Local Communities	√								
Digital Inclusion	Customer Satisfaction								•	√
	Inclusion			√						√
Energy & Climate Change	Energy Consumption	√	√			√	•	√		
	Emissions	√	√			√	•	√		
Tax & Licensing Fees	Economic Performance Society: Compliance					•			•	

Notes:

- √ This segment is within the boundary of the concerned aspect and we have reported on it.
- This segment is within the boundary of the concerned aspect, but we haven't reported on it due to unavailability of information for the reporting cycle.
- Reported in the Axiata Annual Report 2015

APPENDIX

DATA IN NUMBERS

Aspect	Indicator	Detail		
Market Presence	EC05	Ratios of standard entry level wage vs local minimum wage ^a	Male	
			Female	
	EC06	Proportion of senior management from local country ^a	%	
Procurement Practices	EC9	Percentage local ^a	%	
		Percentage Foreign	%	
Energy	EN3	Direct energy consumption ^g	GJ ^c	
		Indirect energy consumption ^h	GJ ^c	
	EN6	Energy saved	GJ	
Emissions	EN15	Scope 1 GHG - GHG from fuel	Tonnes ^e	
	EN16	Scope 2 GHG - GHG from grid	Tonnes ^f	
	EN19	Reduction of GHG	Tonnes	
Employment	LA1	Employees by gender	Male	
			Female	
			Total employee	
		Workforce	Male	
			Female	
		Joining the Group - By Gender	Male	
			Female	
		Joining the Group - By Age Group	<20	
			20-29	
			30-39	
			40-49	
			50-59	
			> 60	
		Leaving the Group - By Gender	Male	
			Female	
Leaving the Group - By Age	<20			
	20-29			
	30-39			
	40-49			
	50-59			
	> 60			

Notes:

^a Ref page 79 for definitions

^b Dialog is guided by the Shop and Office act, Sri Lanka

^c Used referenced conversion rates for Diesel: <http://www.convertunits.com/from/gallon/to/gigajoule> and petrol: [http://www.convertunits.com/from/gallon+\[U.S.\]+of+diesel+oil/to/gigajoule](http://www.convertunits.com/from/gallon+[U.S.]+of+diesel+oil/to/gigajoule)

^d Used GRI conversion rates for the National Grid energy

^e US EPA stats on greenhouse gas emissions from fuel www.epa.gov/otaq/greenhousegases.htm

^f Most recently concluded CDM project in each country was used to calculate grid GHG emission

^g http://cdm.greentechmalaysia.my/up_dir/Final%20Report_CDM_Baseline_2012v2.pdf

^h Employees and all the outsourced personnel engaged in office premises belonging to the Group

ⁱ Direct Energy consumption - Energy consumed for units/entities owned by the organisation

^j Energy purchased or acquired and consumed within the organisation

^k edotco Energy and Emissions numbers have been added to the respective Opco in each country

APPENDIX

	Celcom	XL	Dialog	Robi	Smart	edotco	CC	Overall
	1.73 : 1	1.79 : 1	N/A ^b	3.29 : 1	1.07 : 1	3.07 : 1	3.07 : 1	N/A
	1.73 : 1	1.79 : 1	N/A	3.29 : 1	1.07 : 1	3.07 : 1	3.07 : 1	N/A
	80%	60%	80%	71%	22%	67%	50%	N/A
	38%	91%	38%	74%	35%	N/A	34%	52%
	62%	9%	62%	26%	65%	N/A	66%	48%
	8,158	778,235	32,307	296,536	76,931	N/A ^k	0	1,192,167
	633,231	297,560	387,409	571,738	139,295	N/A ^k	1,462	2,030,694
	562	53,646	3,547	20,441	5,303	N/A ^k	0	83,500
	130,340	61,826	35,871	270,372	24,210	N/A ^k	301 ^e	522,921
	1,690	1,442	2,464	1,287	611	43	93	7,630
	2,286	591	620	151	339	30	90	4,107
	3,976	2,033	3,084	1,438	950	73	183	11,737
	2,448	1,969	3,546	1,287	611	43	93	9,997
	1,794	1,418	828	151	339	30	90	4,650
	144	169	252	264	251	43	30	1,153
	98	74	102	36	186	30	32	558
	0	0	23	0	46	0	0	69
	165	127	265	226	366	15	21	1,185
	59	104	53	65	24	26	26	357
	17	12	8	9	1	24	15	86
	1	0	5	0	0	7	0	13
	0	0	0	0	0	1	0	1
	350	138	191	258	137	2	21	1,097
	272	61	74	16	89	3	15	530
	3	0	4	0	0	0	0	7
	219	39	145	80	193	1	6	683
	210	131	93	153	32	1	14	634
	101	28	10	35	1	2	6	183
	89	1	13	4	0	1	7	115
	0	0	0	2	0	0	3	5

APPENDIX

Aspect	Indicator	Detail		
Employment	LA03	Employees who took maternity leave during the year		
		Employees returning to work after maternity leave		
		Retention rate of employees who took maternity leave the year before		
Health & Safety	LA05	H & S representation		
	LA6	Health & safety information ^l		
		Injuries (Workforce)	Number	
			Percentage	
		Fatalities	Number	
	Lost Days	Number		
Training	LA9	Average Training hours per employee ^m	Male	
			Female	
	LA11	Employees receiving Performance Review	Male	
			Female	
Diversity	LA12	Staff diversity : Age Male	<20	
			20-29	
			30-39	
			40-49	
			50-59	
			> 60	
		Staff Diversity : Age Female	<20	
			20-29	
			30-39	
			40-49	
			50-59	
			> 60	
Equal Remuneration for Women and Men	LA13	Ratio of basic salary and remuneration of women to men by employee category ^m		
		Middle Management	ratio	
		Executive	ratio	
		Non-Executive	ratio	

Notes:^l Does not include outsourced staff^m Does not include Senior Management

APPENDIX

	Celcom	XL	Dialog	Robi	Smart	edotco	CC	Overall
	72	N/A	52	4	15	1	1	145
	100%	N/A	76.92%	100%	100%	100%	100%	95%
	71%	N/A	93.33%	100%	N/A	N/A	100%	N/A
	100%	100%	2.20%	100%	100%	100%	100%	N/A
	2	1	2	0	0	0	0	5
	0.04%	2.45%	0.55%	N/A	N/A	N/A	N/A	1.37%
	N/A	0	0	0	0	0	0	0
	12	2	0.001%	0	0	0	0	14.00001
	21.90	32.02	18.69	10.34	29.95	26.60	19.08	22.65
	16.78	29.48	23.30	10.66	31.93	14.90	18.91	20.85
	100%	100%	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%	100%	100%
	0	0	9	0	23	0	0	32
	294	230	645	382	389	8	13	1,961
	820	759	1,343	699	182	15	41	3,859
	1,100	422	432	179	24	15	31	2,203
	187	30	32	27	0	4	8	288
	0	1	3	0	0	1	0	5
	0	1	4	0	39	0	0	44
	369	124	249	59	264	7	20	1,092
	702	295	302	82	48	11	39	1,479
	616	155	60	10	1	9	25	876
	58	15	5	0	0	3	6	87
	0	1	0	0	0	0	0	1
	0.91 : 1	1.01 : 1	0.97 : 1	0:88 : 1	1.09 : 1	0.8 : 1	0.37 : 1	N/A
	0.94 : 1	1.15 : 1	0.95 : 1	1.01 : 1	0.97 : 1	1.4 : 1	0.82 : 1	N/A
	1.02 : 1	0.91 : 1	1.11 : 1	3.31 : 1	0.90 : 1	N/A	2.14 : 1	N/A

GRI CONTENT INDEX



CUSTOM CONTENT INDEX - 'IN ACCORDANCE' CORE

This Content Index provides an overview of the G4 Standard Disclosures made in this report and the Axiata Annual Report 2015.

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number (or Link)	External Assurance
STRATEGY AND ANALYSIS		
G4-1	Page 10-13, 22-23 Annual Report 2015 President & GCEO's Business Review	Page 90-93
ORGANISATIONAL PROFILE		
G4-3	Page 04	Page 90-93
G4-4	Page 06, Annual Report 2015 Business Review	Page 90-93
G4-5	http://www.axiata.com/about-us/contact-us.htm	-
G4-6	Page 06	Page 90-93
G4-7	Annual Report 2015 Group Corporate Structure	-
G4-8	Page 06	-
G4-9	Page 06, 35, 96-97 Annual Report 2015 Financial Statements	-
G4-10	Page 82-83	Page 90-93
G4-11	% not available	-
G4-12	Page 44-45	-
G4-13	Page 12, Annual Report 2015 Financial Statements	-
G4-14	Page 18-19	-
G4-15	Page 32	-
G4-16	Page 10-13	-
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G4-19	Page 81	Page 90-93
G4-20	Page 23, 26, 34, 42, 50, 81	-
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G4-23	Page 09	-
STAKEHOLDER ENGAGEMENT		
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REPORT PROFILE		
G4-28	Page 11	-
G4-29	2014	-
G4-30	Annual	-
G4-31	sustainability@axiata.com	-
G4-32	Page 11, Appendix GRI Content Index, Page 86	-
G4-33	Page 11, 90	-
GOVERNANCE		
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ETHICS AND INTEGRITY		
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SPECIFIC STANDARD DISCLOSURES				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	External Assurance
DMA and Indicators				
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-DMA	Page 14-15, 25			-
G4-EC1	Annual Report 2015 Financial Statements			-
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA	Page 14-15, 24			-
G4-EC5	Page 82-83			-
G4-EC6	Page 82-83			-
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA	Page 14-15, 50			Page 90-93
G4-EC7	Page 52, 56-59			Page 90-93
MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA	Page 14-15, 40			Page 90-93
G4-EC9	Page 45, 82-83			Page 90-93
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: ENERGY				
G4-DMA	Page 14-15, 50			Page 90-93
G4-EN3	Page 52-54, 82-83	Cooling and heating sold	Not applicable	Page 90-93
G4-EN4	Page 52-54, 82-83			Page 90-93
G4-EN6	Page 52-54, 82-83	Heating, cooling, and steam	Not applicable	Page 90-93
MATERIAL ASPECT: EMISSIONS				
G4-DMA	Page 14-15, 50			Page 90-93
G4-EN15	Page 52-54, 82-83	Gases included in the calculation (CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all) consolidation approach	Not applicable	Page 90-93
G4-EN16	Page 52-54, 82-83	Consolidation approach	Not applicable	Page 90-93
G4-EN19	Page 52-54, 82-83	Gases included (whether CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all)	Not applicable	Page 90-93
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA	Page 14-15, 40	Quantitative data		-
G4-EN32	No new suppliers were screened		The information is currently unavailable	-

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SPECIFIC STANDARD DISCLOSURES				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	External Assurance
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA	Page 14-15, 34			Page 90-93
G4-LA1	Page 35, 82-85			Page 90-93
G4-LA3	Page 82-85			
MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS				
G4-DMA	Page 14-15, 34			-
G4-LA4	Sufficient time is given to employees	Quantitative data		-
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	Page 14-15, 34			Page 90-93
G4-LA5	Floor-wise representation in all our offices, page 82-85	The percentage of the total workforce represented	The information is currently unavailable	Page 90-93
G4-LA6	Page 82-85	Occupational diseases rate (ODR), absentee rate (AR), for the total workforce	Currently unavailable	Page 90-93
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	Page 14-15, 34			Page 90-93
G4-LA9	Page 36, 82-85			-
G4-LA11	Page 82-85	Figure by category		Page 90-93
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	Page 14-15, 34	Figure by category	Value 100% in majority	Page 90-93
G4-LA12	Page 82-85	Minority groups and other indicators of diversity	Sensitive information	-
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA	Page 14-15, 40			Page 90-93
G4-LA14	New suppliers screened using labour practices criteria	The percentage of new suppliers screened	The information is currently unavailable	Page 90-93

GRI CONTENT INDEX

SPECIFIC STANDARD DISCLOSURES				
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	External Assurance
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	Page 14-15, 34			-
G4-HR3	No cases were reported.			-
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA	Page 14-15, 34			-
G4-HR4	No cases were reported.			-
MATERIAL ASPECT: CHILD LABOUR				
G4-DMA	Page 14-15, 34			-
G4-HR5	No cases were reported.			-
MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR				
G4-DMA	Page 14-15, 34			-
G4-HR6	No cases were reported			-
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA	Page 14-15, 40	The percentage of new suppliers screened		-
G4-HR10	Page 42		The information is currently unavailable	-
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA	Page 14-15, 40			Page 90-93
G4-LA14	New suppliers screened using labour practices criteria	The percentage of new suppliers screened	The information is currently unavailable	Page 90-93
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	Page 14-15, 50	Quantitative information	Not Available	-
4-SO1	Page 56-59			-
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	Page 14-15, 34			Page 90-93
G4-SO3	Page 38	Quantitative information and significant risks	Currently not Available	Page 90-93
G4-SO4	Page 38	Quantitative information	The information is currently unavailable	Page 90-93
G4-SO5	No cases were reported			Page 90-93
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: PRODUCT AND SERVICE LABELLING				
G4-DMA	Page 14-15, 40			-
G4-PR5	Page 46	The key conclusion of customer satisfaction service	Confidential information	-
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	Page 14-15, 40			-
G4-PR8	Page 47	Quantitative details of customers' complaints	Currently not available	-

ASSURANCE STATEMENT



Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Limited Assurance Report in relation to Axiata Group Berhad's 2015 Sustainability Report

Limited Assurance Conclusion

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the subject matter as presented in Axiata's Sustainability Report is not presented, in all material respects, in accordance with the criteria described in Table 1.

Scope

We have performed a limited assurance engagement in order to state whether anything has come to our attention which causes us to believe the subject matter detailed below ("Subject Matter"), and as presented in the Axiata 2015 Sustainability Report ("the Report"), has not been reported and presented fairly, in all material respects, in accordance with the criteria ("Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement included the following for the year ended 31 December 2015:

- ▶ Subject Matter 1: Axiata's adherence to the AA1000 AccountAbility principles of inclusivity, materiality and responsiveness in the preparation of the 2015 Sustainability Report ("the Report")
- ▶ Subject Matter 2: Axiata's reported alignment to the self-declared Global Reporting Initiative's ("GRI") G4 "in accordance" option (Core)
- ▶ Subject Matter 3: Selected sustainability performance data for the Axiata Corporate Centre only ("Selected Performance Data") as listed in Table 1 and related disclosures included in the report - which were selected based on Axiata's materiality assessment process.

Criteria

The following criteria have been applied to the Subject Matter described above:

- ▶ Subject Matter 1: The Criteria listed in APS (2008) for each of the Principles¹
- ▶ Subject Matter 2: The GRI's G4 "In accordance" option Core Guidelines
- ▶ Subject Matter 3: GRI indicator protocols, and Axiata's reported criteria detailed throughout The Report, as identified in Table 1 below

Table 1 Selected Performance Data (Corporate Centre only)

Selected Performance data	Criteria	Report section
Greenhouse gas emissions for direct and indirect energy	GRI G4-EN15 and 16	Appendix, page 81
Proportion of spending on local suppliers at significant locations of operation	GRI G4-EC9	Appendix, page 81
Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI G4-LA1	Appendix, page 81
Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	GRI G4-LA6	Appendix, page 83
Average hours of training per year per employee by gender, and by employee category	GRI G4-LA9	Appendix, page 83
Management approach regarding customer privacy	GRI G4 PR DMA a, b, c	Data Privacy and Security, page 43

¹ Available online at <http://www.accountability.org/standards/aa1000aps.html>

ASSURANCE STATEMENT



Management's Responsibilities

The management of Axiata ("Management") is responsible for the collection, preparation and presentation of the Subject Matter in the Report in accordance with the above Criteria, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

Our Responsibilities

Our responsibility is to express a limited assurance conclusion as to whether the subject matter is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements 300 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000").

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a limited assurance engagement vary in nature, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our Approach

Our assurance procedures included, but were not limited to:

- ▶ Gaining an understanding of Axiata's business and approach to sustainability.
- ▶ Conducting interviews with key personnel and collating evidence to understand:
 - The process for stakeholder engagement across the organisation
 - The process for determining material issues and reporting against them
 - The activities relating to the sustainability priorities during the reporting period.
- ▶ Performing a gap analysis between Axiata's implementation of the principles of materiality, inclusivity and responsiveness based on the evidence gathered, and the guidance outlined in the AccountAbility AA1000 Principles standard 2008.
- ▶ Conducting limited assurance procedures for the five sustainability performance indicators:
 - Checking that methodologies have been correctly applied
 - Undertaking analytical review procedures to support the reasonableness of the data
 - Identifying and testing assumptions supporting calculations
 - Testing on a limited sample basis underlying source information to check accuracy of the data
 - Assessing the reliability of specific sustainability performance information.
- ▶ Checking the Report to determine whether material risks and opportunities and performance issues identified during our procedures on the ten material issues had been adequately disclosed.
- ▶ Checking the Report against the GRI G4 "In accordance with Core" Guidelines.

Use of this Report

Our responsibility in performing our assurance activities is to the directors of Axiata alone and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

ASSURANCE STATEMENT



Independence, Competence and Experience

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Limitations

There are inherent limitations in performing assurance. For example, assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over nonfinancial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to GRI principles is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the 2015 Sustainability Report and did not include statutory financial statements or forward looking statements. We provide no assurance over changes to the online content after the date of this assurance report.

Positive Observations and Opportunities for Improvement

Axiata has requested that we provide selected positive observations and opportunities for improvement, as identified through the assurance procedures and in alignment with the AA1000 principles. The observations and opportunities for improvement do not affect our conclusions expressed in the Limited Assurance Conclusion section above.

Inclusivity

Throughout 2015 Axiata has progressively engaged its subsidiaries ('operating companies') in the development of and alignment to its sustainability strategy and reporting process. To date, four out of six majority-owned entities have implemented sustainability reporting at their operations, using the guidance provided by Axiata. Axiata has also continued to engage with key stakeholder groups including customers, employees, shareholders, regulators and suppliers. The level and scope of engagement with stakeholders on specific sustainability issues over the past year has improved, but there is still scope to undertake formal targeted and specific engagement on sustainability with each of these groups. We expect that there will be a more formalised stakeholder engagement program as part of Axiata's transition to 'Phase 2' of its sustainability framework.

Materiality

Axiata has a process in place to help the business identify its material issues for reporting. In 2015, material issues were identified using a mix of stakeholder engagement, reference to literature and internal policies as well as business KPIs and risks. These identified issues have then been prioritised by the sustainability team and representatives from senior management. As recommended in prior year, we recommend that the prioritisation of material issues is also undertaken with input from external stakeholders. Axiata's material issues have changed significantly from the prior year which has been in response to short-term incidents and/or media attention. While it remains important for Axiata to respond to short-term trends, material issues should reflect Axiata's significant economic, environmental and social impacts; or those issues which substantively influence the decisions of stakeholders about the organisation.

We believe that Axiata has given sufficient coverage to each of the material aspects identified in the report. To continue to improve, we recommend that specific performance metrics are identified in relation to the material aspects.

Responsiveness

The responsibility for responding to key stakeholder issues is usually set at the individual operating company level. From a group perspective, individual business functions are responsible for managing stakeholders. In 2014 Axiata implemented a sustainability forum for its operating companies to share approaches, and we encourage the group to re-instate this forum to ensure that ongoing learnings are captured.

ASSURANCE STATEMENT




There is an opportunity to respond to particular stakeholders such as ESG investment analysts who are now requesting specific data such as customer privacy metrics. Axiata could also consider communicating to stakeholders on other emerging material issues such as cyber security.

Axiata is to be congratulated for its strong performance in reporting over the past two years and for winning the Best Sustainability Report (ACCA MasRA) and Best ESG Practices (MSWG) awards.

Increasingly, reporting organisations have adopted the trend of utilising alternative reporting formats to communicate their sustainability performance - such as webpages and interactive PDF reports. Additionally, different platforms such as social media are being used to present a snapshot of a key initiatives or piece of information, and may present information on a more frequent basis than annually. Axiata may wish consider alternative forms of reporting, and to tailor these to stakeholders depending on their needs.

As Axiata's reporting continues to evolve, there is scope for improvement to be made around the robustness of data collection systems, particularly around greenhouse gas emissions and safety. We have provided more detailed suggestions in an internal report to management.



Terence Jeyaretnam, FIEAust, Lead CSAP (AccountAbility UK)
Partner
Ernst & Young
Melbourne, Australia
12 April 2016



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AXIATA GROUP BERHAD (242188-H)
AXIATA CENTRE
9 JALAN STESEN SENTRAL 5
KUALA LUMPUR SENTRAL
50470 KUALA LUMPUR
MALAYSIA

SINGAPORE

BANGLADESH

CAMBODIA

INDIA

WWW.AXIATA.COM

