PROCESS EXCELLENCE
& GOVERNANCE

Commitment To Transparency And Accountability
Overview

Click to listen to our Chairman's view on our corporate governance practices ▶

We aspire to the highest standards of corporate governance as it supports long-term value creation. We have established a set of well-defined policies and processes to enhance corporate performance and accountability, as well as to protect the interests of stakeholders. Axiata's Board of Directors is responsible for the Group's corporate governance standards and policies and drives accountability from the management team.

Our commitment to governance has seen us go beyond compliance in many of our operating companies to safeguard the interests of all our stakeholders, including minority shareholders and

business partners. Our policy on governance requires that the Group and OpCos meet all national legal and regulatory requirements, including tax, licensing and cyber security requirements.
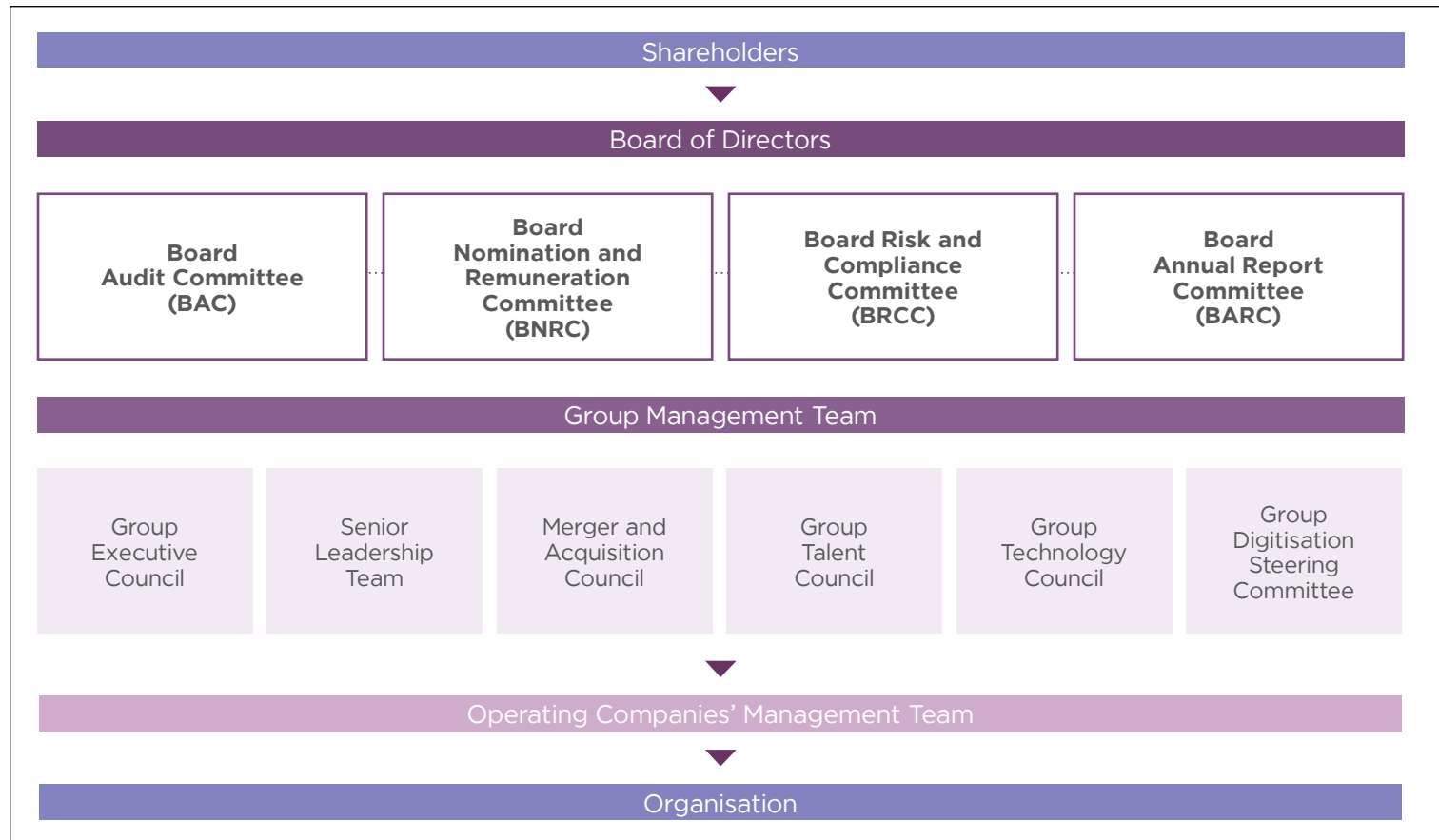
In 2019, the Board undertook a comprehensive third-party review of its performance. Engagement was held with each Board member through a self-assessment, interview and survey which addressed the performance of the Board and its Committees. The assessment reviewed skill sets of Board members and included a peer review of independent directors, as well as the President and GCEO. Findings from the review will guide the Board to enhance its performance to further build trust with stakeholders.

Compliance

Main LR of Bursa Securities and Companies Act 2016

MCCG 2017

Axiata's Corporate Governance Framework

Shareholders
▼
Board of Directors

| Board Audit Committee (BAC) | Board Nomination and Remuneration Committee (BNRC) | Board Risk and Compliance Committee (BRCC) | Board Annual Report Committee (BARC) |

Group Management Team

| Group Executive Council | Senior Leadership Team | Merger and Acquisition Council | Group Talent Council | Group Technology Council | Group Digitisation Steering Committee |

▼
Operating Companies' Management Team
▼
Organisation

Assurance

Audit of financial data *(internal and external)*

Facilitation and organisational audit *(internal)*

Quality audit and inspections *(internal and external)*

For more information on our commitment to transparency, please refer to pages 70 to 90 of our Integrated Annual Report 2019

Stronger Customer Intimacy
Customers' Trusted And Reliable Partner

Click to find out more about our commitments to Cyber Security ▶

We strive to deliver optimum customer satisfaction on a safe and secure network that is aligned to our brand promise. Our multichannel touchpoints ensure seamless customer convenience and greater customer intimacy. With our partners, we deliver best value innovative products.

Through data analytics, we can offer products and service targeted to a segment of one, to enrich the digital lifestyle of our customers. Embedded across all our digital platforms is a commitment to cyber security to ensure the privacy of customers is safeguarded.

Digitising Customer Experience

We have increasingly digitised our customer journey across the Group. Through process automation, data analytics and intelligence, we have been able to improve the customer on-boarding experience, shorten turnaround time, and offer relevant services to increase revenue.

IMPROVING RETAIL PROCESSES

▸ **100%** end-to-end digital customer on-boarding platform
▸ Customer registration process improved from **45 days** to **1 min** due to digitisation
▸ **12 million** pieces of paper saved
▸ **Sales Processes streamlined** across products and channels
▸ **User-friendly** on-boarding experience

PROCESS AUTOMATION CUSTOMER EXPERIENCE

▸ **Virtual agents** as first point of contact
▸ **100%** seamless handover to service agents

ANALYTICS

▸ Identifying Next Best Action
▸ **11x** increase customer uptake
▸ More than **3x** incremental revenue

DEALER OPITIMISATION

▸ Improved new dealer recommendations with **75%** accuracy
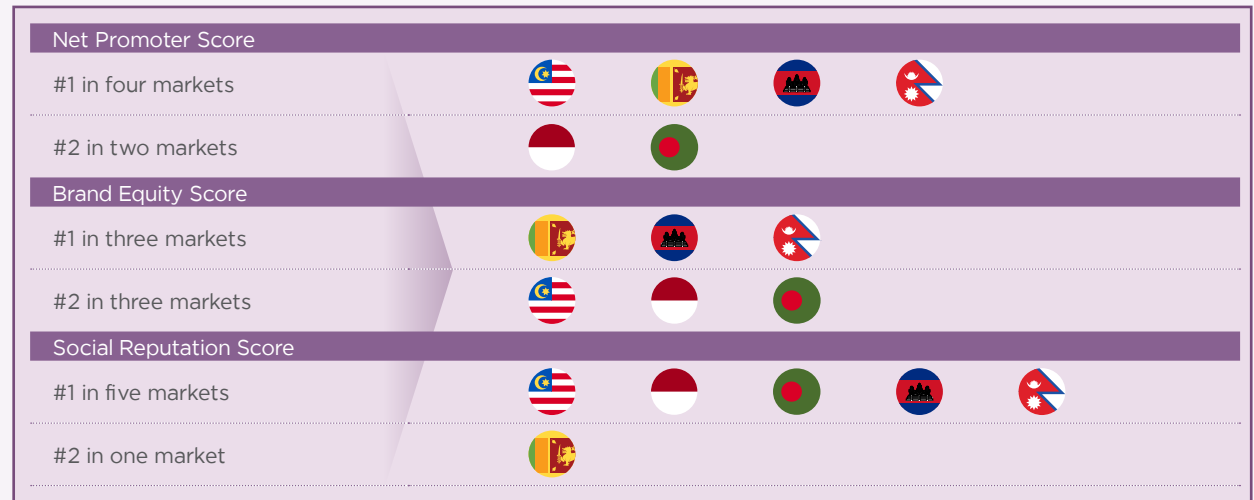
Strengthening Data Privacy and Cyber Security[1]

We uphold the highest standards of customer data privacy protection to inspire our customers' trust and confidence in our digital world. We continue to drive the Digital Trust 2020 Cyber Security Strategy and maintain a Group-wide Threat and Vulnerability Management Programme. We set a Group-wide minimum baseline security standard and conduct ongoing assessments. A Group Security Operations Centre (GSOC) is equipped with a world class Endpoint Detection and Response programme to monitor all OpCos on a single platform.

▸ Established a **Joint Cyber Security** and **Privacy Committee** to provide closer cooperation and coordination between cyber and privacy domains
▸ **GSOC** was certified by the Forum of Incident Response and Security Teams
▸ **"Red Teaming" exercise** - identified threat targets Groupwide and executed a prioritised and effective improvement programme
▸ **"Bug Bounty" initiative** - identified software vulnerabilities

Ensuring Customer Satisfaction

We set mutually-agreed annual customer experience KPIs with our OpCos, and monitor performance quarterly. Each OpCo is scored and benchmarked against their market peers.

Net Promoter Score
- #1 in four markets
- #2 in two markets

Brand Equity Score
- #1 in three markets
- #2 in three markets

Social Reputation Score
- #1 in five markets
- #2 in one market

Note: [1] More information can be found in the Strengthening Data Privacy and Cyber Security section in the Governance & Audited Financial Statements (GAFS) 2019

Developing A Digitised Telco Model
Achieving Operational Excellence Through Digitisation

Click to watch more from our Chief Executive Officer – Telecommunications Business/Group Executive Vice President ▶

In line with Axiata's Triple Core Strategy, our Digitisation and Analytics efforts are key to our functional and operational excellence as well as our competitive advantage. Our Digital Transformation Roadmap consists of implementing transformation through the adoption of IR 4.0 principles and technologies across five cores of digitisation across our intrinsic value chain.

We launched the Learn, Engage, Accelerate and Perform Programme (LEAP) to accelerate our digitisation transformation. The programme was to inculcate a "digital-first" mindset shift, accelerate digital maturity across OpCos as well as validate their progress, and drive intra and inter-OpCo collaboration. By end of 2019, LEAP drove a positive focus across our five layers, resulting in over 250 unique digitisation initiatives.

Moving forward, we are adopting an impact-oriented model to measure our progress, as well as developing a "Digitised Telco Model" to better focus our digitisation efforts to deliver quantifiable business and economic impact.

5 Cores of Digitalisation	Celcom	XL axiata	Dialog	robi	Smart	Ncell	eco
Product and Services: Offerings purchased, consumed and experienced digitally	▸ New prepaid self-registration via Celcom Life App	▸ OWSEM Experience – integrated campaign	▸ Dialog Mega Run	▸ Friendship Always Wins (Victory Day Campaign)	▸ Pleng by Smart	▸ Balance Plus	
External Interfaces: Touchpoints (customers, partners incl. sales and distribution) digitised to improve experience and responsiveness	▸ PULSE Mobile Application ▸ eSIM in Proton ▸ Social Media Experience Hub (smEX)	▸ XL Busol Sales Platform ▸ Biz Plan + 0365 bundle ▸ Omnichannel Commercial	▸ Tech UBER ▸ Axiata IoT Platform ▸ A2C Digital Omni Channel Project	▸ Robi dekhun phase 1 ▸ M.A.D. UI & UX of self-care apps ▸ Online CLM	▸ Smart Luy Advance ▸ Apple Direct Carrier Billing	▸ Customer Migration to 4G ▸ Leveraging API and Big data for Omnichannel Experience	
Internal Processes: Processes simplified, digitised and automated to unlock cost efficiencies and productivity	▸ Data Science and Advanced Analytics ▸ Project Neuron	▸ Non Telco Sales ▸ AIGO (Axis Internet on the Go)	▸ Dialog Retail Hub ▸ Project SIRA: Customer Service Complaint Resolution Automation	▸ Make My plan ▸ SingleApp	▸ Enterprise-wide Autonomous Anomaly Detection and Alert System	▸ Touch Point Rejuvenation Using RPA & AI ▸ CLI Manipulation Dashboard	▸ Automation of Procurement Approval Form/ Purchase Requisition ▸ edotco-Axiata Analytics: Site Collaboration Tool
Infrastructure and Platform transformation: Network virtualised and monetised through microservices and analytics	▸ Re-design and re-platform Celcom Digital Fronted ▸ NetZoom Smart Network	▸ Big Bang Agile ▸ Network planning at XL driven by NQI	▸ OneCRM Project Implementation ▸ Enhanced Huawei CBS with ADL-DLE	▸ Rollout Controller (ROC) Mobile App	▸ Cloudify IT DNS and swap to F5-based VM ▸ EPC Swap to CUPS	▸ OSS Cloudification	▸ edotco Energy Optimiser ▸ Infrastructure Audit using drones, ML & AI
Organisation and Culture: Mindset shifted to be "Modern-Agile-Digital"	▸ Data Science and Advanced Analytics	▸ Case Study for XL Axiata digitisation	▸ Project Arogya	▸ 360 Degree SRS Campaign – Synthesio		▸ Employee Engagement Portal – Ngage	▸ Spot Award Automation

Over 250 unique initiatives launched to accelerate digitisation across the five core areas

OUTCOMES FROM LEAP INITIATIVE

▸ **Top 3 number of tech enablement projects:**

- Process Automation — 186
- API Management Platforms — 100
- Business Analytics — 87

▸ **No. of projects delivering specified business benefits:**

▸ **185** Better Customer Experience

▸ **132** Reduced Cost

▸ **145** Stronger Competitive Advantage
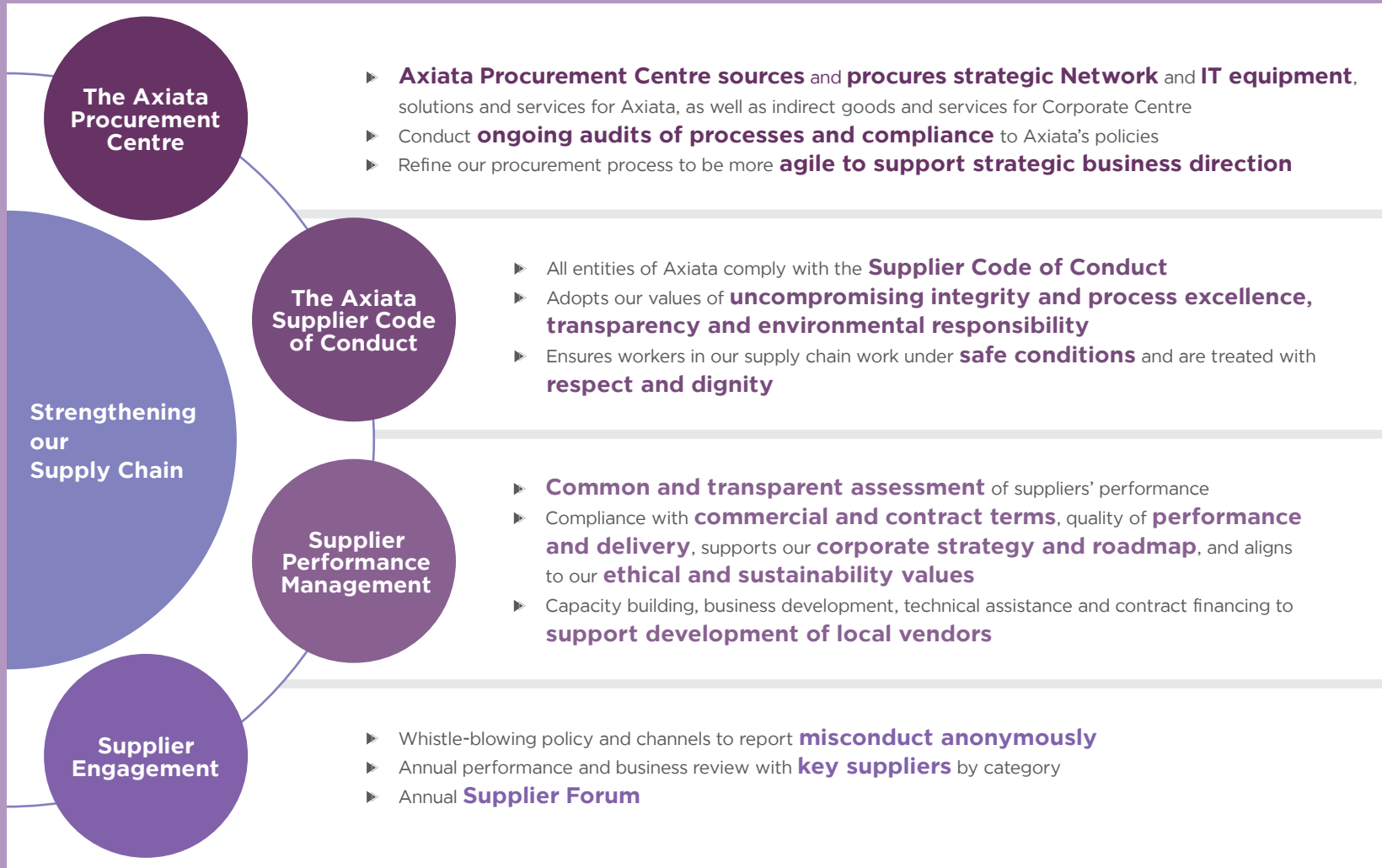
▸ **123** Improved Workplace Productivity

Sustainability & National Contribution Report 2019

Strong Governance | Customer Intimacy | Digitising Processes | **Best Practices Across The Value Chain** › | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 38

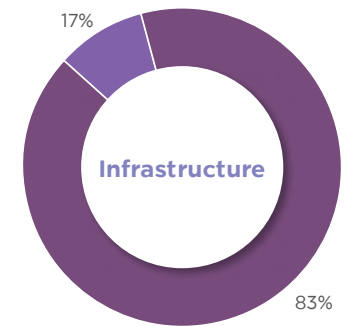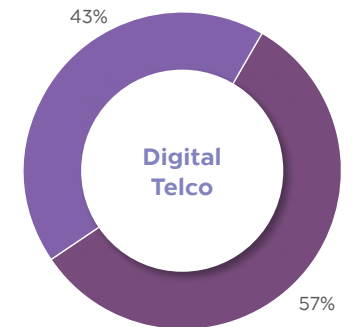# Strengthening Our Supply Chain
Delivering Operational Excellence

Across the Group, we depend on an extensive supply chain to deliver operational excellence, with over 5,600 suppliers, ranging from equipment and infrastructure suppliers to advertising agencies and content providers. Given the complex nature and the widespread geographical presence of our supply chain, we believe that by collaborating with socially and environmentally conscious suppliers, we can mitigate a significant proportion of our sustainability risks and impacts. All suppliers commit to the Axiata Supplier Code of Conduct. Our Code of Conduct promotes and upholds human and labour rights practices among our suppliers.

Strengthening our Supply Chain

The Axiata Procurement Centre
▷ **Axiata Procurement Centre sources** and **procures strategic Network** and **IT equipment**, solutions and services for Axiata, as well as indirect goods and services for Corporate Centre
▷ Conduct **ongoing audits of processes and compliance** to Axiata's policies
▷ Refine our procurement process to be more **agile to support strategic business direction**

The Axiata Supplier Code of Conduct
▷ All entities of Axiata comply with the **Supplier Code of Conduct**
▷ Adopts our values of **uncompromising integrity and process excellence, transparency and environmental responsibility**
▷ Ensures workers in our supply chain work under **safe conditions** and are treated with **respect and dignity**

Supplier Performance Management
▷ **Common and transparent assessment** of suppliers' performance
▷ Compliance with **commercial and contract terms**, quality of **performance and delivery**, supports our **corporate strategy and roadmap**, and aligns to our **ethical and sustainability values**
▷ Capacity building, business development, technical assistance and contract financing to **support development of local vendors**

Supplier Engagement
▷ Whistle-blowing policy and channels to report **misconduct anonymously**
▷ Annual performance and business review with **key suppliers** by category
▷ Annual **Supplier Forum**

% Spend on Local Suppliers

Across our digital telco and infrastructure Group, 58% of procurement was through local suppliers

Digital Telco
43%
57%

Infrastructure
17%
83%

■ Local Supplier
■ Foreign Supplier

Strengthening Our Supply Chain
Supporting Local Ecosystems

We support the long-term development of vendors and partners in our local markets. We aim to raise their internal capabilities and capacity, and in the long term impact the livelihood of over 10,000 individuals employed in our supply chain. Our vendor development programmes provide key partners with additional training, business insights and networking opportunities to grow their business.
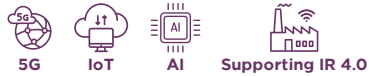
CELCOM VENDOR DEVELOPMENT PROGRAMME

To develop and support capable suppliers to be part of Celcom's ecosystem and be self-sustaining.

Launched VDP 2.0

Target **50 vendors**
focusing on Celcom's business and ecosystem

5G | **IoT** | **AI** | **Supporting IR 4.0**

Achievement to date

- ▶ **7** National Champions
- ▶ **> 20** training programmes
- ▶ **6** business matching events organised with other GLCs and companies
- ▶ **2** Government research grants received
- ▶ **Main** strategic partner of the Ministry of Entrepreneur Development's Vendor Innovation Partnership Programme 2019

Target by 2020

4 National Champions | **2** Regional Champions

1 International Champion

Vendor Development Programme (VDP)

EDOTCO GROUP VENDOR DEVELOPMENT PROGRAMME

In late 2018, edotco Group commenced its VDP in Malaysia aimed at strengthening the capabilities and competitiveness of local vendors to supply parts and components to local and regional markets.

- ▶ **3** vendors selected based on pre-defined criteria

- ▶ Introduced vendors to **commercial opportunities** in Philippines, Pakistan, Laos

- ▶ **Training & Development** provided
  - 5G Training **(External)**
  - PMP Training **(External)**
  - HSE Training **(Internal)**
  - IBWave **(External)**
  - Business Networking at GSMA Infra Summit with edotco VDP Booth

- ▶ **Extended** the programme to Bangladesh operations in end-2019