

COMMITMENT TO PLANET & SOCIETY

We are dedicated to empowering people and communities while reducing our impact on the environment through our Planet and Society pillar. Axiata is making a concerted effort to create a strong and cohesive corporate responsibility identity across the Group with initiatives that make the greatest impact in our diverse operating countries. In addition to individual OpCo initiatives dedicated to the betterment of our communities, the Group has also embarked on a region-wide disaster response programme to leverage on our unique capabilities as a telecommunications provider.



Environment
Management



Disaster Management
& Response



Corporate
Responsibility

COMMITMENT TO PLANET & SOCIETY

G4-20

G4-27

Responsible environmental stewardship and community empowerment are key factors enabling the long-term sustainability and viability of our business in all our markets.

Issues such as climate change, social unrest and an under-developed society can potentially disrupt our business and affect the long-term sustainability of our presence. In light of these challenges, we have made commitments to mitigate our impact on the environment and to give back to a society which has been supportive of our business presence and activities.

Our environmental efforts are focused on reducing the carbon emissions of our passive network infrastructure, which accounts for the highest amount of energy consumed within our operations. To reduce our impact on the environment, our infrastructure company, edotco, is leading the Group's environmental mitigation efforts and is aiming to reduce the Group's emissions by 40% from 2013 levels by 2018.

The Group is also working together as a unit to enhance the disaster preparedness and management of the countries in which we operate. We have implemented a Group-wide Disaster Response Plan as a key initiative to ensure the effective response from our OpCos in the event of a disaster.

Meanwhile, Axiata's OpCos also simultaneously deliver their own corporate responsibility programmes which have been tailored to the specific needs of their own communities. These range from educational programmes to initiatives targeted at specific groups depending on identified needs. While some of these initiatives have been disclosed in this report, we invite you to consult our OpCos' individual sustainability reports for more comprehensive disclosure.

Our sustainability initiatives under this pillar are divided into three focus areas:

- Environmental Management
- Disaster Management and Response
- Corporate Responsibility

Material topics covered under this pillar			
Issue	Context	Approach	Outcome
Energy and Climate Change	<ul style="list-style-type: none"> • As a telecommunications player, our environmental impact is relatively smaller than most other industries • However, a substantial portion of our environmental impact is due to the construction and operation of our passive network infrastructure 	<ul style="list-style-type: none"> • Axiata will continue introducing green solutions including improved tower designs, innovative technology and the use of renewable energy sources to reduce its environmental impact 	<ul style="list-style-type: none"> • To reduce the size of our carbon footprint • Be more environmentally responsible in our business activities
Disaster and Response	<ul style="list-style-type: none"> • Our operations are located in disaster-prone regions • Being a mobile network operator, we play a critical role in providing communications connectivity 	<ul style="list-style-type: none"> • A comprehensive and robust business continuity management (BCM) to ensure the recovery of our network and our critical business processes in the event of a disaster • Committed to disaster management and response through our role as a signatory of the GSMA's Humanitarian Connectivity Charter 	<ul style="list-style-type: none"> • Quick and effective deployment of disaster relief efforts by our OpCos in the event of a disaster in our operating markets • Ensure the minimum downtime of our networks in the event of a disaster
Community Impact	<ul style="list-style-type: none"> • We regard ourselves as a responsible member of the community to whom we owe a duty of care 	<ul style="list-style-type: none"> • We focus our CR activities on supporting local education systems, improving awareness on environmental protection, and promoting health and sports 	<ul style="list-style-type: none"> • Contribute to our countries' social development needs

Reporting Highlights

edotco targets to reduce the Group's carbon footprint from its passive infrastructure by 40% from 2013 levels by 2018



Results in 2016

29% reduction in **Malaysia** and
25% reduction in **Bangladesh**

edotco leads the Group's environmental conservation efforts through green initiatives such as:



1

Introducing new and optimised tower designs



2

Using remote surveillance technology: Over 7,000 sites are remotely monitored via edotco's echo system



3

Powering sites with alternative energy sources: Under edotco's Get Out of Diesel programme, an increasing number of our sites are being powered by alternative renewable energy sources. As at the end of 2016, approximately 480 sites were powered by solar hybrid energy



Sustainability Targets and Progress

2016 Targets	Achievement/Progress	2017 Target
<ul style="list-style-type: none"> Further introducing new green technology and operational efficiency initiatives in 2016 Group-wide reporting and tracking impact on Core Corporate Responsibility Projects under Sustainability Phase 2 Implementing a Group-wide Disaster Response guideline in 2016 	<ul style="list-style-type: none"> ✓ Introduced a Group-wide Disaster Response Plan as a key Group initiative to coordinate and streamline OpCo responses in the event of a disaster in any of our operating countries ✓ Introduced a Group Sustainability Forum to share best sustainability practices within the Group to enhance our sustainability performance 	<p>Specific disaster-related action items and roles to be identified and implemented across the Group to improve coordinated response in the event of disasters</p>

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Pillar Underpinnings

The Planet & Society Pillar contains our initiative to mitigate the environmental impact of our operations and to create value in the communities where we operate.

Our environmental initiatives are primarily focused on reducing the carbon footprint of our passive network infrastructure while our community outreach programmes comprise our Group and OpCos' corporate responsibility (CR) projects.

The '4i' Aspects of the Pillar

Our initiatives under this Pillar are described through the '4i' Aspects:

- Improvement**
 Our initiatives introduce improvements to the environmental impact of our operations and bring positive change to the communities that we serve
- Innovation**
 Our initiatives develop new innovations at the Group level such as our Group-wide Disaster Response Plan (DRP) and at the OpCo level through their targeted CR initiatives
- Investment**
 Our initiatives invest in our infrastructure as well as in targeted CR programmes
- Impact**
 Our initiatives have reduced the carbon emissions of our passive network infrastructure and supported the various national agendas of our operating countries

Making a Positive Impact on Planet and Society

Our green and CR initiatives in our footprint across Southeast Asia and South Asia have reduced the environmental impact of our organisation. The implementation of our Group-wide DRP has ensured that disaster-relief efforts in any of our operating countries will receive the full support of the Group while our CR initiatives are helping uplift the lives of the less privileged.

Our Impact

Sri Lanka

Nenesa
Education Channel for 2,000 schools

Dialog Merit
Scholarship

Disaster & Emergency Warning Network (**DEWN**)

Rathmalana Audiology Centre

Indonesia

Sisternet
1,000 Broadband Schools

Internet Literacy Education

Malaysia

Sponsored 5,000 copies of relief organisation **Mercy Malaysia's Annual Report**

Community Programmes with the Traffic Police and sponsoring orphans

Bangladesh

10-Minute Schools

Free Wifi in educational institutions for 16,000 users

Robi

Platinum Partner of **AIESEC** student youth organisation

Homeless Football Programme

Smart

480 solar-powered sites

7,000 Towers managed with echo remote surveillance system

Planet & Society

In 2014, we introduced the '4i' aspects of each of our Sustainability Pillars. We continue to describe our sustainability initiatives in 2016 based on these four aspects:

Improvement

edotco explores using **carbon fibre** as an alternative building material for its structures

Innovation

Smart's **National Literacy Programme** benefitting **92,000 adults**

Investment

Investing in national sports:

- Celcom**
The main sponsor for Badminton Association Malaysia
- Robi**
Sponsor Bangladesh's National Cricket Team and partner of the Bangladesh Cricket Board
- Dialog**
Sponsor of Sri Lanka cricket

Impact

Robi Axiata provided electricity access to more than **4,000** people by installing solar home systems in **950 households**

Group disaster preparedness and response/support through **free SMS, calls and fundraising initiatives**

Group Energy Consumption and GHG Emissions

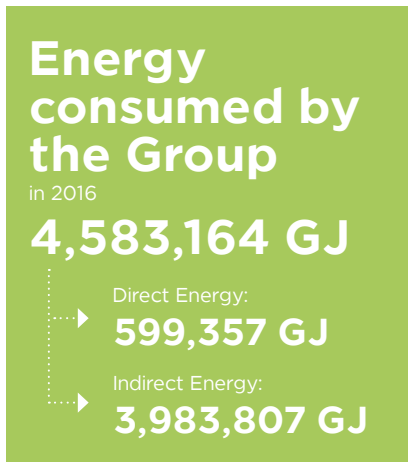
Axiata strives to reduce its carbon emissions to create a more sustainable and greener environment. edotco is leading the way.

Company	Direct Energy Consumption (GJ)	Indirect Energy Consumption (GJ)	GHG Emission Scope 1 + Scope 2 (Tonnes CO ₂)
celcom	3,653	303,538	122,161
Dialog	43,330	434,432	68,016
Smart	69,544	173,745	24,404
XL axiata	201,249	2,435,358	531,204
robi	161,166	706,910	229,019
Ncell	120,415	231,342	9,930

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PLANET & SOCIETY

Axiata is committed to reduce its environmental footprint by mitigating the impact of our business activities on the environment. The biggest contributor of our environmental impact is the emissions resulting from powering our passive infrastructure such as our base transceiver stations.



Environmental Management

Axiata is committed to reduce its environmental footprint by mitigating the impact of our business activities on the environment. The biggest contributor of our environmental impact is the emissions resulting from powering our passive infrastructure such as our base transceiver stations. The amount of energy required grows in tandem with the expansion of our network coverage, and results in increased carbon emissions if the power is drawn from the grid or generated on-site through diesel generators.

edotco, our infrastructure company, is actively working on reducing the Group’s environmental impact towards the goal of reducing carbon emissions of the Group’s network infrastructure by 40% from 2013 levels by 2018. Over the last few years, edotco has introduced a number of new innovations including new tower designs, remote surveillance systems and upgraded sites that are powered by solar energy to reduce the Group’s environmental impact.

In 2016, the Group consumed 4,583,164 GJ of energy of which 599,357 GJ comprised direct energy and the remaining 3,983,807 GJ drawn from the grid¹. In determining our total energy consumption, we rely on data coming directly from our OpCos.

Reducing our environmental impact through innovation

Since embarking on its journey to reduce the carbon emissions for the Group in 2015, edotco has implemented a number of initiatives to improve demand management, introduce new green technology and enhance operational efficiencies. This is

further supported by the implementation of its Get Out of Diesel (GOOD) project, which aims to convert existing sites that depend on diesel generators for power into using alternative sources of energy.

In addition to improved tower design, edotco has deployed its “echo” remote surveillance system to actively monitor variable factors affecting passive infrastructure including fuel and battery levels, site security, energy usage, site temperature and other factors that may affect performance and service levels. Data is analysed at edotco’s Cloud server and monitored throughout the day to ensure that our sites perform at optimal levels thereby maximising energy conservation. echo replaces the traditional manual inspection of sites by personnel, which can be a slow and resource-intensive process. By the end of 2016, approximately 7,000 of edotco’s sites were monitored under echo.

Optimising tower design and processes

In 2016, edotco continued working on initiatives to improve tower designs and improving process efficiencies to optimise carbon reductions throughout the Group. Specifically, these initiatives include:

1. Reducing steel consumption by redesigning and re-specifying towers
2. Reducing the size of the construction plot
3. Reducing the consumption of diesel
4. Reducing the truck roll to site, i.e. petrol consumption
5. Increasing the use of renewable energy
6. Using alternative materials to steel on site

¹ Where numbers are not available, we use estimates based on the per site energy consumption data known to us. The measurement of our OpCo’s individual energy consumption and emission levels also takes the consumption and emission levels of edotco’s passive infrastructure operations in their country into consideration as edotco has started taking control of our passive infrastructure in our markets. We therefore add the energy consumption and emission levels of edotco’s passive structure to each respective country for the purposes of this report.



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To quantify the carbon reduction achieved from its initiatives, edotco commissioned independent research arm SIRIM to conduct a study on the savings resulting from optimised design. Specifically, the report measured the reduction in carbon emission achieved in two countries, namely Malaysia and Bangladesh. Based on the findings of the report, the optimisation of tower design which includes building lighter structures and the use of optimised site layout designs has resulted in carbon savings of up to 29% and 25% for each respective country.

According to the two studies conducted by SIRIM, the use of optimised tower design in Bangladesh reduced carbon dioxide emissions per site by approximately 435 tonnes over a ten-year period to 1,300 tonnes from 1,735 tonnes using pre-optimised design. In Malaysia, the use of optimised tower design could result in CO₂ savings of approximately 11,720kg to 28,394kg per site from 40,120kg using pre-optimised towers.

Additionally, edotco also started a programme exploring the use of carbon fibre as alternative material for its structures. Carbon fibre possesses a number of properties making it a viable material as it is 70% lighter than steel, 40% lighter than aluminium, has a high strength-to-weight ratio and corrosion resistance, as well as a low mass. Carbon fibre is an adaptable material that will incur lower installation costs and result in a 50% reduction in the foundation requirements.

The reduction in materials usage will be carbon positive, and result in significant emissions reduction if carbon fibre is found to be a feasible alternative.

Disaster Management and Response

Our operations are located in countries that experience a number of natural disasters including earthquakes, floods and tsunamis which have significant impact on the lives of the local population. As a Group, we have decided to leverage on our collective strength and on our role

as a communications provider to make a bigger difference in the area of disaster relief, and have initiated a Group-wide Disaster Response Plan (DRP). The DRP is also in line with our commitments as a signatory to the GSMA's Human Connectivity Charter (HCC), which we helped found in 2015. The DRP enhances coordination between our OpCos, and strengthens partnerships between ourselves and the government and humanitarian sector.

Business Continuity Management

The Group has implemented a Business Continuity Management (BCM) plan, which dictates the processes of recovering critical business processes and the continuity of day-to-day services. Axiata's BCM policy contains principles and guidelines that ensure coordinated and consistent deployment of BCM throughout the Group. It contains three key principles:

- 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.

Corporate Responsibility

The Axiata Group discharges its corporate responsibilities (CR) both as a Group entity and as individual OpCos. All efforts are focused on empowering and enriching lives within our communities and mainly concentrated on the areas of education, environmental protection, health and sports.

Optimised site designs have resulted in

Carbon Savings

of up to

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respectively for Malaysia and Bangladesh

edotco started a programme exploring the use of

Carbon Fibre

as alternative material for its structures

As a Group, we have implemented a

Group-wide Disaster Response Plan (DRP)

Introduction

Beyond Short-Term Profits

Nurturing People

Process Excellence & Governance

PLANET & SOCIETY

Our Associates

National Contribution Report

PLANET & SOCIETY



Empowering Malaysians through CR initiatives

Celcom, as a leading provider of telecommunications services in Malaysia, focuses its initiatives on education, entrepreneurship and on empowering the underprivileged.

CR initiatives delivered in 2016 include:

#1 **Cybersafe Talk for secondary school children**

The increasingly interconnected online world has exposed youth to new risks and threats including cyber bullying and online predators. As a provider of online services, Celcom embarked on a nationwide campaign involving some 100,000 secondary school students across 964 schools to create awareness of these risks and issues. The campaign focused on helping students and teachers better understand what constitutes cyber bullying and the effects that these actions may have on other students. The programme also dispensed a number of do's and don'ts to discourage students from engaging in the activity as well as other undesirable online habits.

#2 **Strategic Entrepreneurial Collaboration with public and private universities**

Celcom worked together with the Ministry of Higher Education to develop entrepreneurship among participating university students. Varying programmes were held at several institutions of higher education nationwide including:

- o Universiti Malaysia Terengganu
- o Universiti Utara Malaysia
- o Universiti Malaysia Perlis
- o Universiti Tun Hussein Onn
- o Universiti Teknologi MARA
- o Universiti Malaysia Kelantan

The aim of Celcom's participation was to aid students in the development of their own enterprises and to market their products via Axiata's 11street e-commerce platform. Activities also included:

- o Internship placements for students at Celcom and Celcom's business partners
- o Development of a Students' Lifestyle portal
- o Enhancing Celcom Business Solutions and Services for the universities
- o CR initiatives
- o Opportunities for Celcom employees to further their education
- o Developing income-generating activities

Ultimately, Celcom's collaboration with the universities is to nurture students and to work together with the institutions to develop mutually beneficial collaborations.

#3 **Digital Communication Partner of MDEC's e-USahawan Programme**

Celcom became the official Digital Communication Partner for MDEC's e-USahawan Programme aimed at students through the country's Technical Vocational Education and Training (TVET) institutions nationwide. Under the terms of the MoU, Celcom will support the programme by providing 4G connectivity on campus as well as WiFi infrastructure in TVET campuses. The programme benefits over 400,000 TVET students across 462 institutions including universities and colleges. Presently, Celcom has 4G coverage and set up Celcom WiFi at 95 and 45 TVET campuses respectively. Through Celcom's participation, TVET students enjoy better and faster connectivity to further develop their entrepreneurial projects.

#4 **Unlimited calls for rubber smallholders through XPAX@KKLW**

In its efforts to bridge the digital divide within pockets of Malaysian communities, Celcom has agreed to provide unlimited calls within its network to registered members of the Rubber Industry Smallholders Development Authority (RISDA). Some 1.5 million members have registered with the service as at the end of 2016. The aim of the programme is to enhance connectivity among smallholders whose estates may be located in remote regions of the country. Through XPAX@KKLW, Celcom hopes to modernise the community and improve their respective economic livelihoods. The programme also sees the setting up of WiFi Hotspots in strategic locations.

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Expanding our disaster preparedness into Nepal

We have integrated Ncell in Nepal into the DRP to respond in the event of natural disasters. In 2016, Ncell signed a Memorandum of Understanding (MoU) with the Government of Nepal to develop a pro-active early warning system using mobile technology.

Under the new early warning system, relevant data from the Department of Hydrology and Meteorology (DHM) will be logged, analysed and transmitted to Ncell subscribers to provide advance warning of impending disasters. In

2016, this system was used to warn subscribers of potential floods through SMS messages. The system, which receives immediate rainfall and water information from the DHM in flood-prone areas of the country, issued more than 20 alerts covering 48 areas and eight river basins.

Additionally, Ncell received a Global Mobile Award in 2016 for Mobile in Emergency or Humanitarian Situations. The award, presented by the GSMA, recognised the aid and humanitarian relief Ncell provided to displaced Nepalese post the 2015 earthquake. The earthquake was the worst to strike the region in over 80 years and affected the lives of over eight million people in the country.

Moving Forward

Axiata will continue exploring ways to further mitigate its impact on the environment through the implementation of green initiatives. We believe that much more can be done in the area of renewable energy and tower design, and we aim to apply our innovations in all markets within our footprint.

At the same time, we will further enhance the Group's disaster response plan. We are exploring ideas including improving our pre-emptive warning systems and leveraging on mobile technology in providing disaster relief. The Group will also intensify the sharing of best practices between all our OpCos who have developed invaluable experience in providing disaster relief.

Finally, we will continue to deliver initiatives empowering and enriching the lives of all our community stakeholders. The sustainability of our communities is an essential precondition of our ability to continue doing business, and we hope to develop mutually beneficial solutions benefitting all stakeholders.



Senehe Siyapatha Initiative

The 'Senehe Siyapatha' disaster relief fund was launched by Dialog following the floods of May 2016. The fund enabled Dialog subscribers to donate funds through a special charity app, which was matched 1:2 by Dialog.

This initiative quickly collected Rs. 14.9 million from customers and staff, and was matched with a donation of Rs. 35 million from Dialog to reach its targeted donation of Rs. 50 million.

The collected funds were disbursed in three phases. Under the first phase, 50 water pumps were donated to the Disaster Management Centre to help with immediate flood relief. In the second phase, the fund distributed footwear worth over Rs. 11 million to 10,373 flood-affected students from 33 schools. In the third phase, 'Senehe Siyapatha' widened its scope to provide housing facilities to families displaced by the landslide in the Kegalle District.

The 'Senehe Siyapatha' fund is a model of the way Axiata approaches disaster response management. OpCos, in addition to supporting Group-wide efforts, provide immediate relief to disaster-afflicted communities.