



Advancing Asia



Pakistan



India



Sri Lanka



Bangladesh



Cambodia



Malaysia



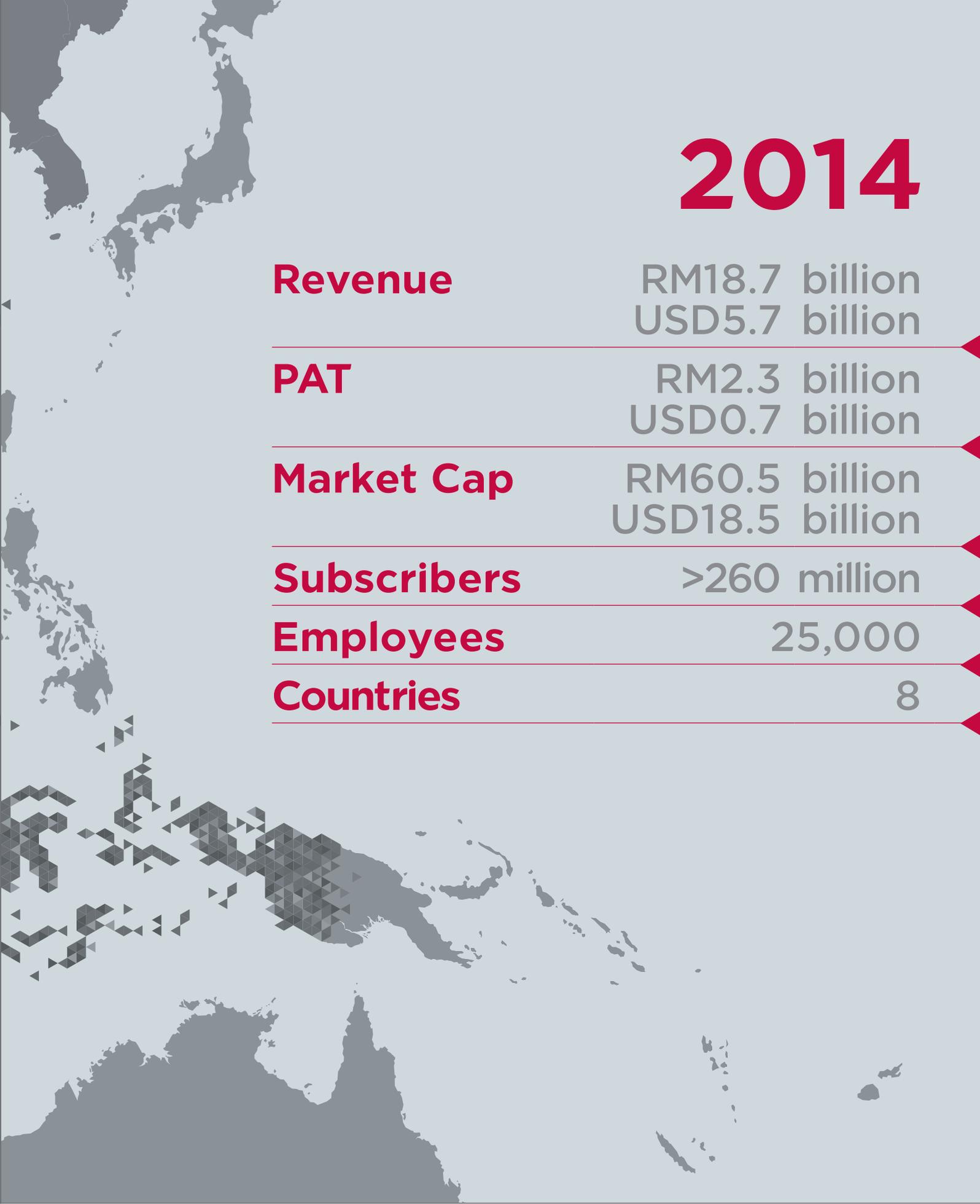
Singapore



Indonesia



enabling connectivity



2014

Revenue

RM18.7 billion
USD5.7 billion

PAT

RM2.3 billion
USD0.7 billion

Market Cap

RM60.5 billion
USD18.5 billion

Subscribers

>260 million

Employees

25,000

Countries

8

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FOR THE WHOLE STORY ON AXIATA LOG IN

Access Our Sustainability Report Online,
visit www.axiata.com

or

Download Our App:



Group Profile




axiata
'Prisms by Axiata'

A tall, modern skyscraper with a distinctive facade of horizontal slats and a colorful logo at the top. The building is set against a clear sky.

Axiata Group Berhad (Axiata) is one of the largest Asian telecommunications groups in Asia with over 260 million customers. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. In addition, the Malaysian-grown holding company has a stake in non-mobile telecommunications operations in Pakistan.

The Group's mobile subsidiaries and associates operate under the brand name "Celcom" in Malaysia, "XL" in Indonesia, "Dialog" in Sri Lanka, "Robi" in Bangladesh, "Smart" in Cambodia, "Idea" in India and "M1" in Singapore. Added to this, the Group has established a communications infrastructure solutions and services company called "edotco".

The Group revenue for 2014 was RM18.7 billion (USD5.7 billion). Its market capitalisation stood at over RM60.5 billion (USD18.5 billion) at the end of 2014.

The Group provides employment to over 25,000 people across Asia.

Axiata was awarded the Frost & Sullivan Asia Pacific ICT Award for Best Telecom Group for six consecutive years in 2009, 2010, 2011, 2012, 2013 and 2014 and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets. In 2011, Axiata was the only Malaysian company to make the Forbes Asia Fab 50 List.

Axiata's Journey

Axiata was incorporated in Malaysia on 12 June 1992 as a private limited company under the name of TMI, operating as a division within TM. In 2008, the TM Group completed a strategic demerger exercise which resulted in an enhanced TMI, which was merged with Celcom. TMI was subsequently listed on Bursa Securities on 28 April 2008 and in March 2009, TMI changed its name to Axiata Group Berhad and launched a new identity, enhancing its position as a leading regional mobile operator. The move was a requisite step to reinforce the Group's new business philosophy and its commitment to advancing Asia by addressing the unfulfilled communication needs of local populations with affordable and innovative products and services. Axiata has gone from 40 million customers, pre-demerger, to over 260 million across eight countries, in seven years, making Axiata one of the largest mobile players in Asia.

Shaping the Future

Axiata has always been ahead of the curve, quickly adapting to change and positioning its business model to capitalise on the developments in 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. 2015 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 to people's lives and help transform the countries in which it operates. Further details of Axiata's sustainability efforts are now available online.

Entities Across Asia

Mobile Subsidiaries

MALAYSIA



CELCOM AXIATA BERHAD

Year of Investment/Shareholding: 2008/100%
 Nature of Business: Mobile
 Subscribers: 13.0 Million
 Technology Deployed: GSM, GPRS, EDGE, 3G, HSDPA+, WiFi, 4G LTE
 No. of BTS (2G/3G): 15,483
 Network Coverage (By population coverage): 2G-95.2% 3G-85%

Note:
 Coverage based on national census of 2010.

INDONESIA



PT XL AXIATA TBK

Year of Investment/Shareholding: 2005/66.5%
 Nature of Business: Mobile
 Subscribers: 59.6 Million
 Technology Deployed: GSM, GPRS, EDGE, 3G, HSPA+, DC-HSPA+
 No. of BTS (2G/3G): 52,012
 Network Coverage (By population coverage): 2G->90% 3G->40%

SRI LANKA



DIALOG AXIATA PLC

Year of Investment/Shareholding: 1996/83.32%
 Nature of Business: Communication Services, Telecommunications Infrastructure Services, Media and Digital Services
 Subscribers: 9.5 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%

CAMBODIA



SMART AXIATA CO., LTD

Year of Investment/Shareholding: 2013/87.99%
 Nature of Business: Mobile
 Subscribers: 6.5 Million
 Technology Deployed: GSM, GPRS, EDGE, 3G, HSPA+, 4G LTE
 No. of BTS (2G/3G): 2,845
 Network Coverage (By population coverage): >97%

BANGLADESH



ROBI AXIATA LIMITED

Year of Investment/Shareholding: 1995/91.59%
 Nature of Business: Mobile
 Subscribers: 25.3 Million*
 Technology Deployed: GSM, GPRS, EDGE, HSPA+, 3G
 No. of BTS (2G): 11,200
 Network Coverage (By population coverage): 99%

Note:
 Robi's active sub-base as reported to BTRC (Bangladesh Telecommunications Regulatory Commission) is 25.3 Million (as of December 2014).

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 and long distance, and international services

Mobile Associates/Affiliates

INDIA



IDEA CELLULAR LIMITED

Year of Investment/Shareholding: 2008/19.8%
 Nature of Business: Mobile Services
 Subscribers: 150.5 Million (as of 31 December 2014)

SINGAPORE



M1 LIMITED

Year of Investment/Shareholding: 2005/28.4%
 Nature of Business: Mobile and fixed services
 Subscribers: 2.0 Million (as of 31 December 2014)

Vision

Regional Champion 2015

by Advancing Asia, bringing together
people, connectivity and technology

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 its commitment in ensuring its 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 towards becoming a regional champion.

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

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

About the Report

This year's Sustainability Report, 'Our Commitment to Development: Towards a Digital Future' is our second standalone report against the Global Reporting Initiative (GRI – G4) guidelines. This report continues the narrative from 2013 which introduced Axiata's approach to promoting sustainability within the Group.

The mobile telecommunications industry has moved from facilitating voice and short messaging services (SMS) to a dynamic new digital platform where the services we support empower communities where we operate. This report discusses the approach taken by the Group to create sustainable digital ecosystems within each of our four sustainability pillars.

In this year's report, we share our journey towards creating sustainable digital ecosystems by examining four key aspects: the improvements we have engineered; the innovations we have seen; the investments we have made; and the impact we have had.

This report discloses the developments in each of the pillars in four different aspects. They are:



- **Improvements** made to projects highlighted last year
- **Innovations** & new projects introduced this year
- **Investments** made for significant projects
- **Impact** of the key programmes and their developments from a socio economic perspective

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. Our business operates in an ever-changing macro environment. As such, our business is subject to uncertainties that could cause actual results to differ from those reflected in the forward-looking statements. Such statements reflect the expectations of the Group and may or may not turn out as predicted.

Changes from the Previous Report

Our 2013 report scope did not include the passive infrastructure of our operations currently managed by edotco, covering a network of over 13,000 sites in Malaysia, Bangladesh, Cambodia and Sri Lanka. This report however, includes and discusses the impact of these operations and discloses sustainable measures taken currently within edotco as well. This report examines Celcom's performance in sustainability with more detail as Celcom is located in Malaysia and wholly-owned by the Group.

G4-17
G4-23

Report Scope & Boundary

Scope

Axiata's 2014 Sustainability Report presents our Economic, Social and Environmental progress for the year ending 31 December 2014. It discloses the Group's management approach in relation to 24 material aspects, covering 34 indicators, of the Global Reporting Initiative's G4 guidelines¹. Page 019 details out the materiality mapping process for Axiata Group and its operating companies (OpCos). This Sustainability Report should be read in conjunction with the Axiata Group Berhad Annual Report 2014. We welcome any feedback on our approach to sustainability, and on our report. You may direct such feedback or other communication to sustainability@axiata.com

Report Boundary

G4-17

The 2014 Axiata Sustainability Report covers the sustainability performance of Axiata Group Berhad but is limited to operations where Axiata held a majority of the shares for the 12-month period ending 31st December 2014. These entities include:

- Axiata Group Berhad
- Celcom Axiata Berhad
- PT XL Axiata Tbk
- Dialog Axiata PLC
- Robi Axiata Limited
- Smart Axiata Company Limited
- edotco Group Sdn Bhd

Since the operating environments in the five companies and the infrastructure operations differ significantly, the sustainability context and materiality would differ between each Opco. Due to this, the disclosure will be indexed with the colour logos of each company to indicate the relevance of the account. While this report discusses the sustainability approach of the Group as a whole, individual Sustainability Reports are available for XL, Dialog, Robi and Smart providing more specific details of the OpCo operations in their own markets.



Independent Assurance

We engaged EY to conduct a limited assurance engagement over selected material indicators for the Group, to assess Axiata Group's adherence to the AA1000 principles², and assess whether Axiata is in accordance with the GRI G4 Core reporting level. Please refer to EY's statement on page 098.

¹ <https://www.globalreporting.org/reporting/g4/>

² <http://www.accountability.org/standards/aa1000aps.html>

TOWARDS A DIGITAL FUTURE

Dear Stakeholders,

Affordable connectivity with innovative technology and nurturing talent are the key drivers in our journey of advancing Asia. As a long-term investor, business sustainability is important to us, which is motivated by our long-term aspirations and supported by our short-term goals.

2014 saw Axiata taking further steps to enable sophisticated digital ecosystems for our 260 million customers*. Our footprint grew as we expanded our network coverage and made **connectivity** more affordable to diverse social segments. We have facilitated access to state-of-the-art digital **technology** through low cost as well as high-end devices whilst nurturing our **talent** pool of 25,000* people across the region.

This report focuses on Axiata's four sustainability pillars (4P's): 'Beyond Short-Term Profits'; 'Nurturing Our People'; 'Inculcating Process Excellence'; and 'Responsibility to Planet and Society'. This report examines each of these four pillars and reports on how the Group has been adding value in each of these areas.

BEYOND SHORT-TERM PROFITS

Our Commitment to Long-Term Investment

Our investments go back more than 20 years in Bangladesh, 19 years in Sri Lanka and 17 years in Cambodia. Our business focus has always been on long-term value creation rather than on short term gains. We have been the leading investor in long-term growth in all our different markets.

Our Commitment to services Beyond Commercial Motivation

Across the Group, we have invested RM4 billion in capital expenditure last year, increasing connectivity, enhancing reliability, and facilitating access across our network. We strive to be the leader in introducing new technology to our markets. Last year, we became the first operator to introduce LTE to Cambodia and the first 3G enabled operator in Bangladesh. We ensure that new technology and connectivity is not only limited to the urban areas in our footprint. More than 19,500 sites constituting almost 49% are currently positioned in rural areas of our OpCo countries.

* Includes Idea and M1

Digital Inclusion and Digitised Ecosystems

Our digital services portfolio has contributed significantly to enhance the creation of a digital ecosystem built around the idea of inclusion. In Bangladesh, Sri Lanka and Indonesia our M-money and M-insurance programmes provide banking and insurance services to many who did not have access to conventional banking and insurance services. In 2014, we have seen growth in our M-money, M-commerce, M-insurance and other Mobile innovations. The number of M-money users grew by 39% in Sri Lanka. In Indonesia, 20 million users access Elevenia, our M-commerce platform, monthly whilst 8.3 million of our subscribers are insured via our M-insurance. Ideamart, the platform for digital innovation in Sri Lanka was identified by GSMA as the Best Technology Enabler for 2014.

Connecting Over
260
million
people

“

Last year, we launched the RM100 million Axiata Digital Innovation Fund (ADIF). The objective of the fund is to spur innovation and growth of Malaysia's digital ecosystem

”

President & Group CEO Statement

Last year, we launched the RM100 million Axiata Digital Innovation Fund (ADIF). The objective of the fund is to spur innovation and growth of Malaysia's digital ecosystem over a period of ten years. ADIF will aid companies in the digital services sector with innovative products and market fit. These companies, although revenue generating, require support to grow in terms of funding, know-how and market access. Through Axiata's extensive reach of over 13 million customers in Malaysia and over 260 million* across Asia, Malaysian digital services entrepreneurs will have unprecedented access to funding and regional partnership opportunities. While Axiata has been growing significantly, we take pride in supporting other Malaysian companies to become successful as well. This is very much in line with our goal of 'Advancing Asia' through connectivity, technology and talent.

Our Commitment to Global Mobile Development

Axiata remains active in its role in GSMA's Mobile for Development efforts, this includes having a seat on the GSMA board. Through its initiatives, Axiata has the opportunity to work alongside global peers in the GSMA, enabling relevant, impactful services that connect people, transform daily lives and improve sources of income. Last year, Axiata supported GSMA's partnership with Child Helpline International with each of our OpCo's exploring options to support the helpline in their respective markets. At the 2015 Mobile World Congress, we joined GSMA and three other global peers for the launch of the Humanitarian Connectivity Charter as a founding signatory.

NURTURING PEOPLE

Our Commitment to Nurturing Future Leaders

Nurturing talent remains a leading focus for the Group. By the end of 2014, we had more than 25,000* employees across the Group. We will continue to encourage innovation, develop new talent and invest in developing future leaders, to drive the future of the Group as well as the industry. Last year, 915 employees were part of our accelerated development programmes.

The Axiata Young Talent Programme (AYTP) has evolved into a trailblazing initiative. We have committed to invest RM100 million over 10 years in this initiative which has attracted more than 14,000 applicants in 2014 alone. In Indonesia, the programme is known as the XL Future Leaders programme and has benefitted more than 400 young people so far.

PROCESS EXCELLENCE

Our Commitment to Strong Governance and Supply Chain Management Best Practice

We constantly strive to enhance our business processes. This includes having open, transparent internal processes and engaging with third parties to encourage them to adopt processes that are transparent and ethically fair. Axiata received recognition once again at the annual Malaysia - ASEAN Corporate Governance Index 2014 awards recognising our governance structure.

In 2014 we paid particular attention to improving our relationship with our suppliers. Suppliers are an integral part of every business operation and help shape innovative products and build customer satisfaction. Our engagement with our suppliers has focused on ensuring that their processes are in line with the Axiata values on sustainability. We will continue to engage with them and support them in the integration of best practices in their operations. In 2014 we launched the Axiata Supplier Forum. The forum will be our main conduit to engage our suppliers on best practices. We will regularly streamline the processes of this forum to ensure transparency, participation and efficient outputs. In Malaysia, more than 50% of our Capex is spent on procurement from local vendors.

Our Commitment to Digitisation

We will establish a new KPI across the Group in 2015, in order to digitise our processes in each of the operating companies where possible, subject to the respective regulatory systems. We target to be a fully digital company by 2020. This means that we will transform our core process of interactions with our customers and employees in a digital way.

As we embark on this journey, we have started to reflect this process in this year's Sustainability Report as well as our annual report which is now available on digital applications. Last year more than 6,000 readers accessed our Annual and Sustainability reports using the digital application and the web version, which is almost twice the number of hard copies printed. We are revamping all our key processes, especially those in servicing and sales to be fully digitised across all our OpCos. Initially this process will be introduced internally through the employee communication platform 'Prism' which will enable group-wide communication and networking on a digital platform.

* Includes Idea and M1

PLANET & SOCIETY

Our Commitment to Greener Operations

Our commitment to environmental sustainability remains a key priority. We are committed to reducing the environmental impact of our operations and to empowering society through our activities. Our infrastructure company edotco was launched in 2013 with a view to creating greener digital networks. One of 'edotco's' goals is to reduce edotco Group's carbon emissions by 40% by 2018. Whilst this is a very challenging and aspirational goal. We currently have several concurrent projects and field trials ongoing with a view to achieving this. We will continue further study, and identify, efforts and measures to achieve this target.

One of these initiatives has already enabled us to manage key operations of some of our towers remotely. We have established the 'Echo Centre' in Malaysia which looks into managing rural sites including tasks such as regulating power consumption, managing cabin temperature, and measuring fuel and battery capacity. We plan to establish this system across the Group in the coming years. As part of our green mandate, more than 200 towers of our network are currently run by renewable energy sources.

Our Commitment to Society

Each of our operating companies champion key corporate responsibility initiatives in the different countries in which they operate. Education has always been a key focus area of the Group. In Sri Lanka, more than 50,000 students benefited from having free access to the educational channel 'Nenesa' whilst rural schools in Bangladesh were able to access English learning programmes through the English in School programme. 'Nenesa' was able to make use of Dialog TV to provide high quality educational programmes to rural communities across Sri Lanka.

Our Commitment to Disaster Preparedness

Our operating companies happen to be located in areas that are prone to natural disasters. 'Disaster Management and Response' has been identified as a priority area for 2015 and beyond. Developing participatory processes that can respond to and mitigate the impact of disasters is very much a part of this initiative. As part of our commitment to the Humanitarian Connectivity Charter, we are working closely with the GSMA to look at industry-wide best practices that can be adopted before, during, and after a disaster.

In Malaysia, Celcom was the most resilient network during the recent floods on the East Coast of Malaysia. A sum of RM1.2 million was spent to ensure that customers had adequate support after the disaster. In Sri Lanka, Dialog's Disaster Early Warning Network (DEWN) has set a new benchmark for disaster preparedness.

Our 2013 Sustainability Report was our first attempt to benchmark our operations against world class reporting standards indicating our commitment to development. Over the past year, we have developed our reporting process while encouraging our OpCos to publish standalone reports for their respective markets.

This is our second report produced in accordance with the Global Reporting Initiative (GRI) guidelines, where we discuss our management approach to sustainability and document the achievements of our Group over the past year. Axiata remains committed to enhancing its sustainability processes, delivering high value to its customers and other stakeholders, and to Advancing Asia. We will pursue these goals with full commitment in 2015 and beyond.

DATO' SRI JAMALUDIN IBRAHIM

*Managing Director/President &
Group Chief Executive Officer*

The Management Approach

In our 2013 Report we introduced Axiata's commitment to triple bottom line management (economic, environmental and social) in line with our broader goal of Advancing Asia. Our approach is driven by our four sustainability pillars: 'Beyond Short-Term Profits', 'Nurturing People', 'Process Excellence' and 'Planet & Society'. In 2014, we continued to refine our approach to sustainability, fine-tuning the operations under each of these pillars. Each of our OpCos follow a similar perspective in line with the Group's overall approach to sustainability, making relevant modifications, to cater to their respective markets.

Over the last year, three key changes were made to our central sustainability pillars. The changes are depicted in the diagram below.

1. Beyond Short-Term Profits



Long-Term Investments



Services Beyond Commercial Motivation



Digital Inclusion and Digitised Ecosystems (NEW)



Global Mobile Development

Being a long term operator in each of our OpCo countries, our focus and attention has always been on long term investments. These investments have made significant contributions to the economies of the countries we operate in. Apart from providing connectivity voice and messaging services, our digital services have created value beyond commercial motivation. Where possible, steps have been taken to proactively partner with initiatives supporting digital ecosystems, and playing our role in growing the mobile world community.

2. Nurturing People



Nurturing Future Leaders



Culture of Integrity



Inclusivity



Conducive Workplace

Our training programmes help employees achieve personal growth and professional development creating a team which has the potential to provide leadership not just in our operating country, but throughout the region. We endeavour to provide state-of-the-art facilities to our employees and to make available new opportunities for personal and professional growth. Continuous attempts are made to benchmark our employee benefits in line and above the industry and our markets whenever possible. We conduct annual employee engagement surveys to obtain employee feedback and to help refine our management strategy and approach.

The Broad Management Approach to Sustainability

Page 084 provides a comprehensive mapping of our activities against different aspects of the GRI aspect list. It demonstrates our approach to sustainability and to all areas of the triple bottom line performance.

3. Process Excellence



Best Practices Down the Value Chain



Customer Centricity



Digitising Processes
(NEW)



Strong Governance

We establish common standards to ensure that sustainability practices are adopted throughout our supply chain. We will take all possible measures to influence and engage with our vendors on a regular basis and to ensure they conform to our practices on sustainability. We focus on improving our role in developing our retailers. Customer experience is a key aspect in each of our markets, with individual KPI's set to track the progress made. We are currently in the process of setting a Group-wide target to digitise our operations where possible.

4. Planet & Society



Environment Management



Disaster Management & Response
(NEW)



Corporate Responsibility

Over the last year, our infrastructure company, edotco spearheaded our approach to reduce our environmental impact without comprising the continuous growth and expansion of our networks. Steadily, we are establishing the baseline for edotco's key target: to reduce 40% of the Group's total carbon emissions by 2018. We continued to support our OpCo countries and contributed to economic development, education, health, and technology on a large scale. Given the materiality of the role natural disasters have played in our markets and region, we have identified disaster preparedness and response as a key area of operation in each of our markets.

Risk Management

The 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 on-going 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 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 takes into account its effect and likelihood. Appropriate mitigation strategies are then developed, taking into consideration the effectiveness of existing controls.

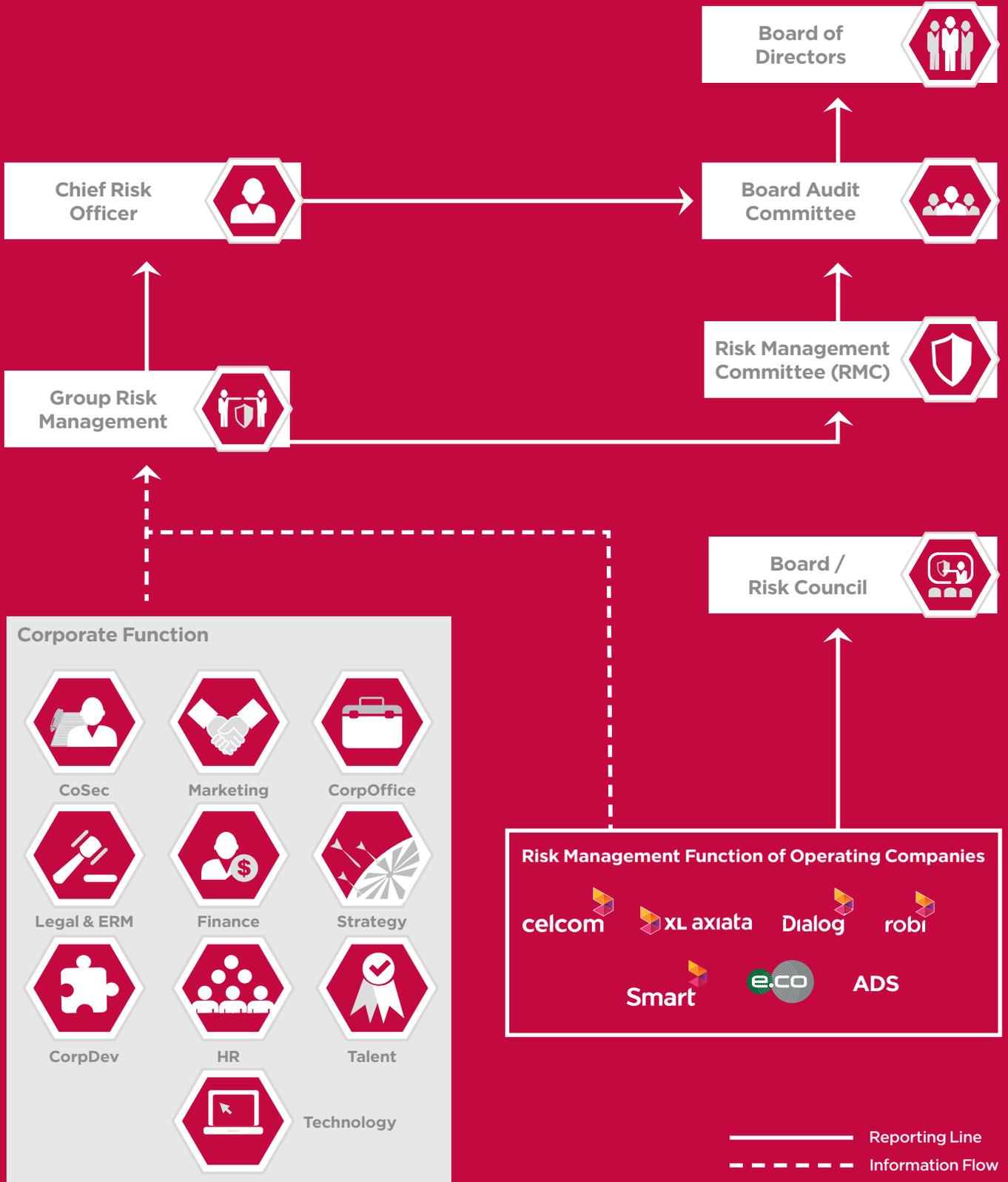
The following are the key risk areas for the Axiata Group:

- ▶ Sustainability of Long-Term Business Strategy
- ▶ Adverse Regulatory Developments
- ▶ Competitive Risk
- ▶ Changes in Customer Behaviour
- ▶ Obsolescence of Existing Technology Over Time
- ▶ Treasury and Funding Risks
- ▶ Systems and Network Failure
- ▶ Leadership Competency Gaps and Loss of Key Personnel
- ▶ Management of Large Scale Regional Projects
- ▶ Risks Related to Our Investments

The Axiata Group's enterprise risk management process is depicted in the next page.

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

Diagram of Risk Management Process



Stakeholder Engagement

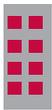
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G4-25
G4-26
G4-27

Our engagement with stakeholders is intrinsic to the way we do business. In line with our commitment as a telecommunications provider, we strive to understand the expectations of our stakeholders. In our attempt to determine the issues most material to the Group, we are guided by the inclusivity, materiality and responsiveness as defined by the AA1000 Principle Standard.

We constantly engage with our full range of stakeholders in multiple ways. Our goal is to see that their feedback helps us shape the ways we implement our sustainability processes within the Group. Each stakeholder has an important role to play in improving our sustainability operations in the different facets of our business. In looking at materiality, we engage with those divisions within the Group that in turn engage with each relevant stakeholder.

At Axiata, we fully adhere to the principles of economic, environmental and social sustainability as they complement our vision to deliver optimum value to our stakeholders. We know that quality engagement with our stakeholders helps us to address and respond to their changing expectations and needs. We engage with our stakeholders in many ways, through surveys, websites, social media, market research, briefings and meetings.

The Group's current stakeholder engagement practice is provided in the table below:

Stakeholder Group	Types of Engagement	Frequency	Focus areas
Customers 	<ul style="list-style-type: none"> Customer Satisfaction via Net Promoter Score (NPS) 	Annually	Customer experience, product affordability and network availability
Employees 	<ul style="list-style-type: none"> Employee Engagement Survey (EES) by Towers Watson (an independent research agency) Town hall meetings 	Annually Quarterly	Career development, employee feedback, employee communication
Shareholders 	<ul style="list-style-type: none"> Annual General Meeting (AGM) Investor Roadshows Meetings with the Top 100 investors Analyst Meetings 	On going	Business performance and strategy, social responsibility initiatives
Regulators and Government Authorities 	<ul style="list-style-type: none"> Compliance with the Malaysian Communications and Multimedia Commission (MCMC) Compliance with Bursa Malaysia 	On going	Information security, PDPA, pricing, tax issues
Suppliers 	<ul style="list-style-type: none"> Request for Proposals (RFP) Supplier Code of Conduct Vendor Survey 	On going	Payment practices, delivery and definition of vendor performance
Media 	<ul style="list-style-type: none"> Media Survey Media Releases/Conferences 	Annually Quarterly	Company performance, strategy, future business aspirations
Community 	<ul style="list-style-type: none"> AYTP Axiata's Sustainability Programmes 	On going	Social requirements and specific feedback on programmes

Stakeholder perceptions from each of the above engagements have been presented, discussed and acted upon internally within the OpCos and at the Axiata Corporate Centre. Since we are at a stage of defining the future of our industry and shaping it towards future developments, these stakeholder comments are invaluable to the Group.

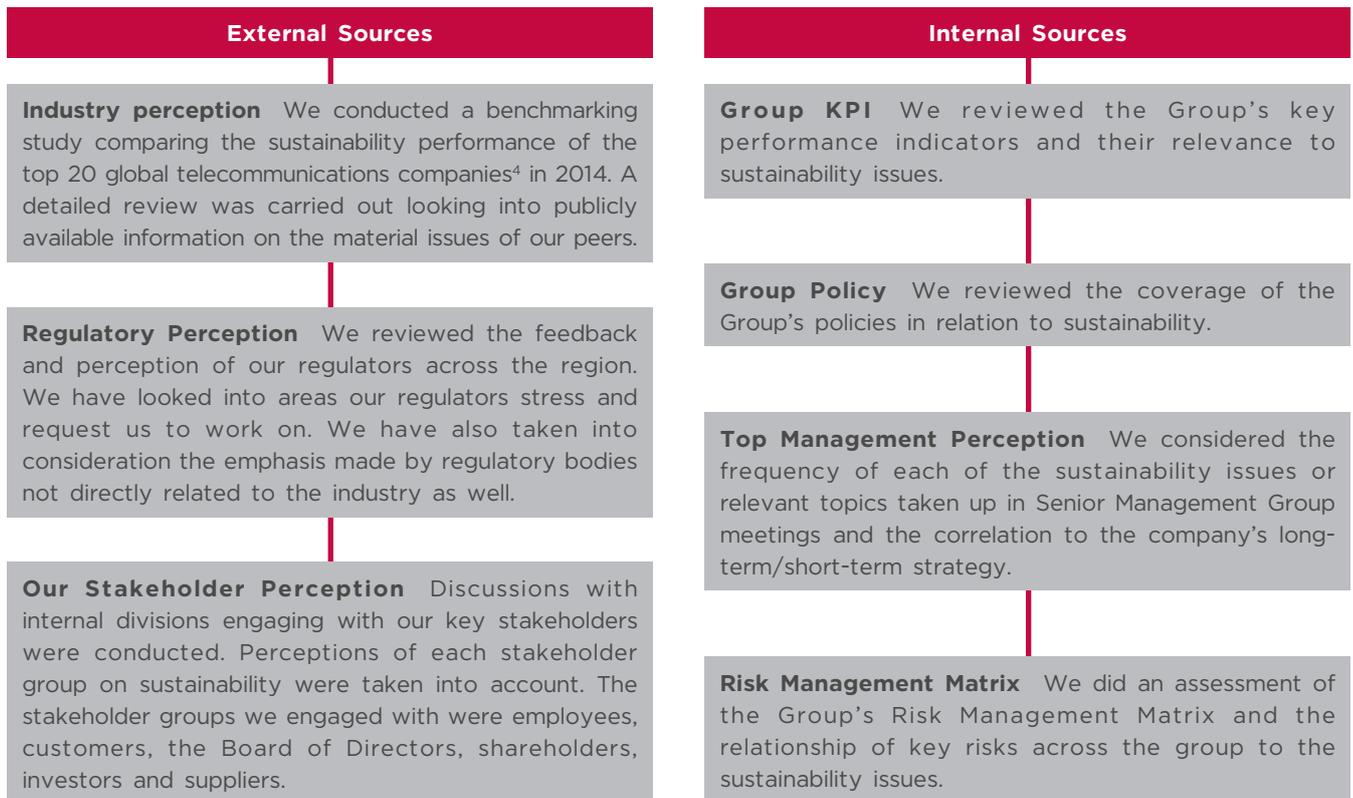
Materiality

We define material issues based on whether they have an impact to our business in either economic, social or environmental aspects and their relevance to our stakeholders across the Group.

Identifying Key Issues

Our process to identify key material issues is based on the Reporting Principle and Guidance for Defining Content in the GRI G4 Sustainability Reporting framework. The sources used to identify the key issues that are material to the Axiata Group and our stakeholders in the reporting period are depicted in the table below.

The key issues were then prioritised and plotted on a materiality matrix using the external and internal parameters as shown below.

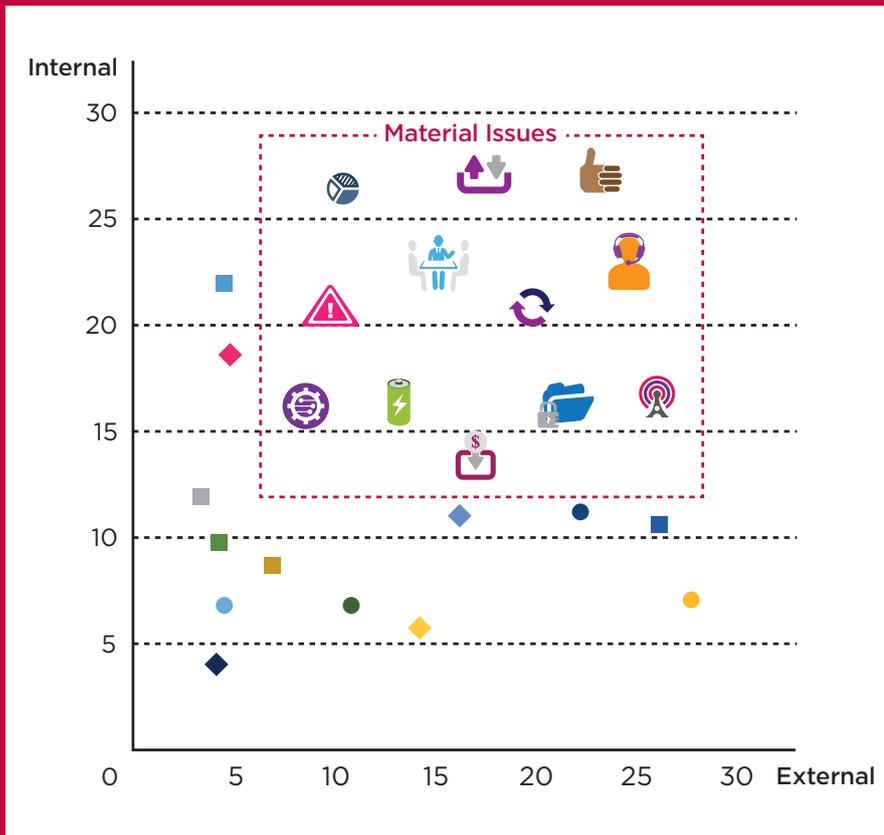


⁴ <https://gsmaintelligence.com/research/2014/09/operator-group-ranking-q2-2014/444/>

Stakeholder Engagement

G4-18
G4-19

The diagram below plots the most material issues of the Group according to the materiality mapping process. We have plotted the relevance of these key material aspects across the Group.



List of Material Issues

- Network Quality & Coverage
- Digital Inclusion
- Product Innovation & Research
- Employee Development & Welfare
- Supply Chain Management
- Governance & Responsible Business Conduct
- Privacy & Data Protection
- Customer Service
- Energy & Climate Change
- Disaster & Response
- Community Impact
- Business Performance

We have reported and discussed in detail on all our most material issues. Page 025, 035, 045, 053 discloses our approach to address these issues within Axiata's footprint. The issues that are not identified as most material, would be discussed as required.

- Product Quality & Responsibility
- Health & Safety
- EMF & Safety
- Waste Management
- Child & Youth Protection
- Human Rights
- Resource Optimisation
- Water Conservation
- Risk Management
- Responsible Marketing
- Local Hiring
- Product Related Measurement
- Transparency
- Public Policy

Material Issues by the 4 sustainability pillars of Axiata and relevance to our OpCos.

Material Issues	The Sustainability Pillar covering this issue	Relevant for OpCo materiality	Page
 Network Quality & Coverage	Beyond Short-term Profits	All	025
 Digital Inclusion		All	025
 Product Innovation & Research		All	025
 Employee Development & Welfare	Nurturing People	All	035
 Supply Chain Management	Process Excellence	All	045
 Governance & Responsible Business Conduct		All	045
 Privacy & Data Protection		Celcom, Dialog, Robi	045
 Customer Service		All	045
 Energy & Climate Change	Planet & Society	All	053
 Disaster & Response		All	053
 Community Impact		All	053
 Business Performance	Covered in Axiata Annual report	All	AR

Targets & Achievements

Sustainability Targets of the Group & Progress Made				
Pillar	Material Issue	Targets in 2014	Status	
Beyond Short Term Profits	Network Quality & Coverage	Study SROI aspects from our network investment in each market		
	Digital Inclusion	Report on Group's availability, affordability and applicability factors in rural populations and marginalised segments		
	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 H & S practice		
Process Excellence	Governance & Responsible Business Conduct			
	Data & Privacy	Establish adherence to PDPA across relevant countries		
	Supply Chain Management	Study SROI aspects from our network investment in each market		
	Customer Service			
Planet & Society	Energy & Climate Change	Report on the progress made over the edotco target		
	Community Impact	New products lined up in M-money, M-advertising, M-edu, M-health		
	Disaster & Response			

Assurance Providers Recommendations and Progress made in 2014				
Recommendation	Action	Progress		
Develop implementation and reporting guidelines for sustainability metrics	Created a Sustainability Navigator based on MS share point, which includes reporting guidelines			
Share knowledge and reporting systems across Operating Companies	Initiated the Annual Sustainability Forum. First one held in Kuala Lumpur Nov. 2014 with participation from whole Group			
Ensure targets are SMART and transparent to all stakeholders	Improved the Sustainability Targets for the year 2015			
Engage the supply chain	Conducted a Supplier Satisfaction Survey and Group's first Supplier Forum			

New Material Issue
 Initiated
 In Progress
 Done

	Progress made in 2014	Sustainability targets for 2015	Improvement	Innovation	Investment	Impact
	Details covered in Beyond Short Term profits section (page 025)	Study SROI aspects from our network investment in each market				✓
	This report initiates a disclosure on the 4A inclusive model (page 027)	Launching mapped out new ADS projects across our markets		✓	✓	✓
				✓		✓
	OpCo wise culture programme conducted based on the OpCo values and core values (page 039)	Strengthening the UI.EP programme with programmes for educating, empowering and engaging employees. Establishing a Group wide H & S practice	✓	✓		
	2014 EES conducted in November across group. Follow up studies conducted as required	Completion of BCM programmes for Each OpCo and reporting on progress made	✓			✓
	Report details out our continuous adherence to the PDPA (page 051)	Review of privacy and data standards and preparedness in each market	✓			✓
	Supplier code of conduct introduced. Supplier forum for 2014 conducted (page 047)	Set up improved mechanism for calculating local procurement		✓		✓
		To improve the processes in each market to become the best customer service provider				✓
	The tracking of live information established via the Echo centre (page 057)	Report on the progress made over the edotco target	✓	✓	✓	✓
	National contribution study conducted in 2014, the methodology used for this report and beyond (page 070)	Tracking of the Group's Corporate Reponsibility initiatives and their impact				✓
		Report on progress made in each country in Disaster preparedness & response	✓	✓	✓	✓

	Recommendation	Action	Progress
	Place future focus on emerging sustainability issues	Discussion initiated at the Group Sustainability Forum and continued with other Group activities	
	Improve focus and reporting of energy use, emissions, and energy efficiency opportunities	With the Navigator, we have improved the data collection process for these indicators	
	Use the Sustainability Report as a tool for employee engagement	We launched prism2.0 Group's online communication forum, which would be used for future engagement on Sustainability as well	



COMMITMENT TO BEYOND SHORT-TERM PROFITS



for the digital version, visit www.axiata.com or
download the report on Appstore and GooglePlay.

Introduction

G4-20
G4-27

Axiata believes that financial performance and business excellence go hand in hand in ensuring a sustainable business. We measure success beyond financial targets and place great emphasis on the impact our investments have on the communities in the countries in which we operate.

Being a long-term investor in all our OpCo countries, we have contributed to the socio-economic development of each market. The connectivity we have created has contributed in bridging the digital divide and in providing high-quality digital services to rural and under-served communities. Our digital services have helped communities connect and access banking and insurance products, medical services and the social media through innovative and more affordable digital platforms.

Every year, we continue to add value to the global digital community and shape the way global products and services evolve. Through these innovations we will empower people through digital services, networks and products and help them to reap the benefits of sophisticated digitised societies.

Context Industry and regional context	Approach Increase coverage and technology (2G,3G,4G) and applicable products and services	Goal Study SROI aspects from our network investment in each market	 Network Quality
Context Current evolution of the industry	Approach Emphasising on the possibility to introduce innovative and attractive data services via ADS	Goal Launching mapped out new ADS projects across our markets	 Digital Inclusion
Context Current evolution of the industry	Approach ADS focuses on creating platforms such as Ideamart and MIFE for innovations, while each OpCo continues to research new possibilities	Goal Launching mapped out new ADS projects across our markets	 Product Innovation & Research

Beyond Short-Term Profits

IMPROVEMENTS



49% Coverage in Rural Areas



8.3 million Total Subscribers Insured in Bangladesh and Indonesia

INNOVATIONS



New Digital Inclusion Projects.

M-Commerce for different niche markets



M-Advertising via applications and services



M-Money An alternate to banking and increases savings.

4i

INVESTMENTS



RM4 billion Investment in Capex



USD28.9 million funding for Digital Services Since 2013



RM100 million committed for ADIF

IMPACT



Providing access to a **Digital Ecosystems** for 450 million people

8.3 million Insured
2.9 million Access to Banking
312,000 Access to Specialists
2,000 Developers Supported in Sri Lanka

Our Network & Products

Our OpCo's champion various products and services that are inclusive for many who are otherwise unable to access the services of a digital ecosystem. Few examples are listed down following the 4A inclusion model⁵ followed by Dialog in Sri Lanka.

Inclusion by Products



Affordability

Smart : provides **cheapest call and data rates in Cambodia**

Dialog and Robi : affordable **smart phones** for **less than USD100**



Accessibility

All OpCos : **online** access to the **Customer centre** via chat, email forums

Celcom : some of customer centres are **accessible** to **disabled persons**



Availability

Smart : makes **4G available** in Cambodia as first operator, followed by **iPhone6 launch**

XL and Robi : provides a **local number** for **roaming customer where incoming calls become free**



Applicability

Robi and Celcom : provides **social media** access to **feature phones**

Dialog : has value added services such as **'Say it in English'**

Inclusion by Coverage

OpCo					
Population Coverage	95%	90%	96%	99%	97%
BTS Sites	6,880	21,500	2,850	7,100	1,700
BTS Sites in Rural Areas	3,500	8,700	1,750	4,600	910

⁵ <http://www.dialog.lk/dlg/browse/aboutPromo.jsp?id=onlinefid70041>

Beyond Short-term Profits

USD93 billion

GDP Contribution from 2008 to 2014

LONG-TERM INVESTMENT

Axiata is a long-term investor in all our countries with investments stretching beyond 20 years in Bangladesh, 19 years in Sri Lanka and 17 years in Cambodia. The long-term sustainability of all our business operations is key to our success as a regional telecommunications champion. We have made significant economic contributions in these countries, amounting to approximately USD93 billion GDP Contribution from 2008 to 2014. We have also expanded employment opportunities these countries, amounting to 1.5 million employment opportunities created.

In 2013, we commissioned an independent study of our contribution to the economy in each of our OpCo countries. The National Contribution Report on page 070 details the findings of our long-term economic and social contribution.

SERVICES BEYOND COMMERCIAL MOTIVATION

Investment for Coverage

In 2014, we continued to introduce innovative and attractive data services and applicable mobile-based services for our customers in rural communities.

Our products and services are catered to both the urban and rural communities equally, with focus on being inclusive irrespective of social or economic differences. Approximately more than 19,500 of our sites (49%) are located in rural areas of the OpCo countries. Approximately 450 million lives across Asia are connected through our multiple networks.

Investment on Technology

In each of our markets, we have made a special effort to serve and connect diverse groups of customers. Our approach to sustainability is not only about expanding into new markets; it is also about providing affordable products using high quality technology to meet the diverse needs of our socially diverse groups of customers.

Today, inclusion means more than having network coverage and a mobile phone to connect on that network. Technology has evolved to such an extent that one's productivity and output is linked to the type of digital device one owns: there is a difference in what a customer could achieve with a smart phone as against a feature phone.

DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS

For our operations the definition of 'inclusion' means making high-end products affordable and accessible to under-served communities and enabling them to exploit the potential of high-quality digital ecosystems. Our efforts at inclusion are explained using 4 key parameters of inclusion. This is the model first introduced by our Sri Lankan OpCo Dialog. This model introduces the concepts of affordability, accessibility, availability and applicability (Page 027) in to the product planning process.

At Axiata, we embrace a vision of responsibility that goes beyond profit-making. Our Digital services are to broaden business opportunities for creating new markets, operational efficiency, effective access to capital, and adding long-term value that benefits our people, our shareholders, the communities, and the economies in which we operate.

In 2014, Axiata continued to strengthen access to digital services such as m-money, m-health, m-advertising, m-insurance and social networking. More than 20 million people across the region already subscribe to these new initiatives. These pioneer initiatives have facilitated digital inclusion in their respective countries and helped reduce the digital divide. The initiatives have enabled groups of society, generally excluded from the benefits of digital development and new products, to be connected and to engage in activities such as banking, insurance, e-learning, social media and specialist health services.

GLOBAL MOBILE DEVELOPMENT

Axiata has played a very active role in GSMA's Mobile for Development efforts. The opportunity to work alongside our global peers in the GSMA allows us to play an important role in shaping the priorities of the industry at the global level. Axiata's focus on initiatives that provide relevant and transformative services to help improve sources of income and empower lives, is having an impact on global digitisation initiatives and in creating digitised societies in other parts of the world.

As a Group, we have supported GSMA on two key global programmes. In 2014, GSMA partnered with Child Helpline International commemorating the 25th anniversary of the United Nations Convention on the Rights of the Child (CRC) with the objective of promoting child helplines across the globe. This includes measures to strengthen relationships between national mobile operators and their in-country helplines further collaborating on issues such as a safer Internet for children.

Axiata also became the founding signatory of the Humanitarian Connectivity Charter which includes several best practices the industry would aspire to take up in providing better solutions for issues arising before, during and after a disaster. Page 063 contains more information on the charter.

Individual OpCos continue to work with GSMA for projects on specific topics such as m-women, green-power, m-agri etc. Dialog in Sri Lanka and Robi in Bangladesh have current programmes in partnership with GSMA. In Bangladesh, BRAC Bangladesh, in partnership with Robi, was awarded a GSMA mWomen Innovation Fund grant to create a mobile learning service aimed at improving employability for rural adolescent girls.



Axiata Digital Innovation Fund

The Axiata Digital Innovation Fund (ADIF), launched in 2014, seeks to assist Malaysian companies discover their full digital potential. As part of our efforts in growing digital ecosystems and in Advancing Asia, we believe we have a responsibility to help other digital service entities access new markets, new sources of funding and new technology.

Axiata's 13 million customers in Malaysia and 260 million* in across Asia provides unique opportunities for these companies to grow their networks and forge new partnerships. So far, Axiata has committed RM100 million for this fund.

- ADIF is in support of the Malaysian Government's objective to build up the capabilities of local technology companies. ADIF will aid companies in the digital services space with innovative products and revenue generating, but require support to grow in terms of funding, know-how and market access.
- These Malaysian digital services entrepreneurs will have unprecedented access to funding and regional partnership opportunities with Axiata.
- The programme also supports the Malaysian government's call for the transformation of the nation into a developed and high-income economy that is sustainable and inclusive by creating a pool of knowledge workers in high-value jobs.

Providing opportunities for
Malaysian digital entrepreneurs

to reach
260 million
customers
across 8 countries

* Includes Idea & M1

Beyond Short-Term Profits

DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS



eZ Cash

SLR8.5 million
in 333,000 transactions for 2014

2.5 million
transactions using XL
Tunai in 2014

M-Money

Axiata has 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 an application on their mobile phones. M-money programmes have proven to be value adding especially in rural markets where most our customers are excluded from conventional banking practices. In most instances, M-money payments would also contribute to a considerable saving for the subscribers as the regular over the counter payment systems would also include a travelling cost as well.

Digital Inclusion through eZ Cash

In June 2012 Dialog launched eZ Cash. This mobile money service enables those with limited access to banking facilities, and even those with regular access to banking services, to use a mobile platform for a broad range of financial transactions. eZ Cash connects close to two million Sri Lankan mobile users with 16,500 merchants and service providers through the country's largest mobile payment and transaction gateway. Within the first 12 months of launching eZ cash saw 330,000 transactions. By December 2014, eZ Cash had 1.6 million subscribers. For 2014 alone, the total transaction value conducted through the eZ Cash platform was SLR8.5 billion in 2014.



eZ Cash

In June 2012 Dialog launched eZ Cash. This mobile money service enables the unbanked and banking population access to a mobile platform for a broad range of financial transactions. eZ Cash currently expands its platform across three mobile networks and connects close to two million Sri Lankan mobile users with 19,700 merchants and service providers island wide making it the largest mobile payment and transaction gateway. Transaction costs have reduced as a result and efficiencies have increased.

After the launch of eZ Cash in Sri Lanka 2.9 million transactions had been conducted within the first 12 months. By December 2014, eZ Cash had 1.6 million subscribers. For 2014 alone, the total transaction value conducted through the eZ Cash platform was LKR8.5 billion.

In 2015, eZ Cash beat global competition and won the Global Award for the Best Mobile Money Service at the World Mobile Congress in Barcelona. eZ Cash was recognised as the first mobile money solution in the world to offer end-to-end interoperability across multiple service providers. Mobile subscribers of Dialog, Etisalat and Hutch have seamless access to the full portfolio of eZ Cash services, bringing together a combined subscriber base of over 14 million Sri Lankans who could potentially transact electronically via eZ Cash.

XL Tunai

XL Tunai is our mobile money service in Indonesia that allows customers to perform a range of financial transactions through their mobile phones. The service facilitates a variety of services including the purchase of credit towards their bills, payments to merchants, and cash transfers locally and globally. At the end of 2014 there were 1.3 million registered users and the total transaction volume for the year was 2.5 million. XL Tunai is guaranteed by Otoritas Jasa Keuangan the financial services authority Indonesia and this provides additional security to XL customers who wish to use this platform.



ELEVENIA



More than
19 million
monthly visits accessing
more than
2 million
Products

More than
40,000 people
benefit from Guru.lk services

M-Commerce

Axiata's M-Commerce platforms enable customers across Asia to use their mobile devices for a variety of commercial and business transactions. Reducing costs and facilitating commerce, these services have created new opportunities for diverse groups of stakeholders.

Elevenia

Elevenia is a joint venture between XL and SK Planet and is one of the fastest growing e-marketplaces in Indonesia. It has over 7,000 registered users and last year alone registered over 19 million monthly visits. The market place provides access to over two million products by over 18,000 merchants. Elevenia is the only e-market place in Indonesia to provide supporting physical facilities such as meeting rooms, PC zones, photo studios and training rooms. Elevenia was recognised as the 'Great Performing e-Commerce Website' at the Digital Marketing Awards in Indonesia in 2014.

E-Commerce in Malaysia

Our e-commerce initiatives in Malaysia has been adapted for a comparatively different niche from Indonesia or Sri Lanka. In our attempt to make specific digitally enabled products accessible to our customers in Malaysia, 3 key e-commerce platforms were launched:

Bachabooku: Bachabooku is an ebook store offering a comprehensive collection of ebooks and emagazines to our Malaysian customers. The site provides reading access to the latest entertainment, lifestyle, and contents from a range of local and international publishers. Prices are 30 - 50% cheaper than regular bookstores.

Buzzaar: Buzzaar is an online store which offers Malaysian specialty products from each state across the nation (Example: Kek Lapis (cake) from Sarawak, Handicraft from Sabah). Buzzaar provides a unique space for SME's in Sabah and Sarawak to find a market for their products.

The Crescent: The Crescent is an integrated Islamic lifestyle infotainment and shopping online marketplace in one destination. It attracts the Malay Muslim demographics age 20 - 40 at sub-urban areas. You will find Islamic products such as Muslim-compliant clothing; beauty & personal care; fashion & prayer accessories; tudung/Hijab as well as Islamic art.

Digital marketplace in Sri Lanka

wow.lk: In 2008 Anything.lk started as a daily deal company in Sri Lanka. Since the collaboration with Dialog, the functions of daily deals have expanded to creating a better service under the name wow.lk. Currently, wow.lk has expanded and includes a wow mall as well. The wow mall is the incorporation of Anything.lk Retail Store and Dialog's ibuy.lk. The online mega mall shelves over 3,000 products, from over 60 recognised businesses and delivers to all parts of Sri Lanka. The wow.lk platform ensures safe transactions and a warranty for goods where applicable.

Beyond a digital market place 'guru.lk': Online learning is an increasingly effective way to reach out to students in rural and remote areas with challenges in accessibility. In Sri Lanka, Dialog launched its first educational platform 'e-teacher' in 2012. This has since been revamped and launched as 'guru.lk'. Dialog users can pay for the courses they have registered through Dialog Mobile, eZ cash or by credit card. In 2014, guru.lk advanced beyond formal educational content and introduced lifestyle courses such as, cookery (anyone can cook), auto (auto advice) and speaking English making it more applicable to a wider audience. Last year over 42,000 customers benefited from guru.lk services.



Beyond Short-term Profits

DIGITAL INCLUSION AND DIGITISED LIFESTYLES



6 million
in Bangladesh and
1.5 million
in Indonesia insured
via M-insurance

M-Insurance

Customers in several of the OpCo countries now have access to life insurance free or for a nominal charge, as a result of being subscribers to one of Axiata's networks. Many of these subscribers have previously never had access to insurance and may never have even considered it. It adds a new dimension to the digital ecosystems we are putting in place across Asia.

M-insurance in our markets

In Bangladesh, Robi has launched an innovative service to offer free life insurance coverage for all of its prepaid subscribers. This is a joint effort between Bima and Robi to create value added services for mobile subscribers, who would otherwise have no access to life insurance. The life insurance policy is a cumulative life insurance package offered to all Robi prepaid customers. Each registered subscriber is entitled to his or her insurance coverage every calendar month depending on his or her airtime usage. For approximately 78% of the subscribers, this has been the first time that they have had access to insurance. As of December 2014, Robi has over 6 million registered subscribers under 'Robi Bima Mobile Insurance. Since 2012, there have been 504 claims under the Insurance coverage against which BDT20.6 million have been settled so far.

In Indonesia, XL has provided medical, holiday and other forms of insurance to its customers. It is an easy to use application where customers are required to use their mobile devices to register for the type of service they require. Benefits are dispensed speedily with the minimum of paperwork. Free life insurance is provided to post-paid customers with the benefit linked to the customer's monthly usage. Registration for all these services is a matter of minutes. 1.5 million customers are currently registered to this insurance service.

In Sri Lanka, Dialog provides accident cover to subscribers for under US10 cents a day. The Accident Cover will provide insurance benefits in the event of death or disability. It is a safety net in times of need and helps the family cover costs that occur if the insured suffers a serious accident or passes away.

SLR24 million
BDT20.6 million

insurance claims paid with minimum delay
in Sri Lanka and Bangladesh

More than **6 million**
access social media through feature
phones in Bangladesh and Malaysia

More than **2,000**
App developers supported by
Dialog Ideamart

Other

Access to Social Media

Research has shown that more than 1.7 billion people accessed social media in 2014. This number correlates closely with the increase in smartphone penetration. In our markets however, the average smartphone penetration is less than 50%. In light of this, Bangladesh and Malaysia launched Circle and Kolony, allowing users to access social media via feature phones.

Access to Social Media in Bangladesh and Malaysia

Robi's Circle, unlike web-centric social networks such as Facebook, was designed to be truly mobile-centric with SMS at its core. This liberates the experience from a web connection and makes it available to anyone with even the most basic mobile phone. By end of 2014, there were 226,189 active subscribers of 'Circle'.

In Malaysia, Celcom supports the largest SMS based social networking platform called 'Kolony'. Celcom's customers can now connect with their peeps or make new ones every day through their mobile phones. This new way of communicating with social networks has enhanced the overall customer experience. More than five million users are currently registered in the Kolony network.

XL - FB

XL Axiata partnered with Facebook and Ericsson (NASDAQ: ERIC) to find a new methodology to measure and improve end-to-end network performance using simulated Facebook application use cases last year. This is part of Internet.org's mission to bring affordable internet access to two-thirds of the world not yet connected. With the methodology set forth in this initiative, a model will be developed to improve network performance.

XL and these global giants work closely to bring the best mobile internet experience for customers in Indonesia.

Xmart Village

In Indonesia the Xmart Village was launched in January 2014. It was initiated in Dusun Ibun, and Garut Regency in partnership with the Bandung Institute of Technology. Xmart Village aims to identify the problems of those living in rural and remote locations and provide innovative solutions for these problems. It starts by identifying the needs and challenges faced by particular communities and then using technology to help respond to these challenges.

A number of innovative solutions have been provided by XL through this platform which includes:

- 'Mobile Advertising' enabling users to get information on recreation through SMS.
- 'Mobile Farmers' which enables users to obtain information on weather in an area through an SMS.
- 'Musikkamu' which enables users to download music.
- 'Mobile Banking' which provides access to financial services through a mobile device.
- AMR which enables subscribers to top up electric power through their mobiles.
- 'Mobile Xurveillance' which helps monitor surrounding areas with a surveillance camera.

Through Xmart Village, XL has empowered 43,000 villages across Indonesia and helped them enjoy the many benefits of a digital lifestyle. Xmart Village seeks to introduce innovative, creative and effective solutions for those in rural and under-served communities.



Ideamart

In Sri Lanka Ideamart was developed as a platform by Dialog to help App developers and SME's to use the Dialog network features through API's (Application Programme Interface) and monetise such applications. It enables those with great ideas but little 'know how' to translate those ideas into marketable Apps, by using the functionalities, sample codes and tutorials in the platform. Over the last 2 years, Ideamart has evolved beyond a platform to an ecosystem which comprises developer community, service providers, team, entrepreneurs, venture capitalists and other support services companies.

Currently the Ideamart ecosystem sustains more than 850,000 subscribers, more than 100 entrepreneurs and almost 2,200 active developers which grows at an average 18% monthly. The Developers Ideamart can use Dialog's App store or Allapps.lk to publish their applications. All the applications in Ideamart is monetised and the latest improvement Android In-App SDK will allow developers to create Android Apps and monetise as well. Ideamart was awarded as the Best Technology Enabler at the GSMA Mobile World Congress in 2015.





COMMITMENT TO NURTURING PEOPLE



for the digital version, visit www.axiata.com or
download the report on Appstore and GooglePlay.

INTRODUCTION

G4-20
G4-27

In 2014, Axiata focused on strengthening its values: uncompromising integrity and exceptional performance.

We nurture future leaders and drive exceptional performance across the Group by giving our 25,000* employees the opportunity to participate in a broad range of training and personal development programmes. Programmes are influenced by employee feedback and are designed to develop the capabilities and commitment of our employees to achieve Axiata's business goals.

Our aim is to attract, develop and retain the best people by providing an inclusive workplace where talent is recognised and developed. Equal opportunities for all staff are promoted, discrimination of any kind is not condoned, and special measures are in place for those challenged by disability or personal circumstance.

By emphasising exceptional performance and integrity across the entire Group, Axiata strives to build a culture where our people are completely committed to the core values of the organisation. We recognise and reward those particularly exceptional performers through the Axiata Champions initiative.

Conducive workspaces are created in response to employee feedback, and safety levels constantly monitored and enhanced to drive performance and satisfaction.

Nurturing People

Context

Nature of our operations and region as well.

Goal

Strengthening the UI.EP programme with programmes for educating, empowering and engaging employees.
Establishing a Group wide H&S practice



**Employee Development
& Welfare**

Approach

- Offer comprehensive learning and development opportunities across Axiata in our talent development programme
- We use our annual Employee Engagement survey to assess our engagement levels,
- Our H&S, well being processes ensure best practices.

* Includes Idea & M1

Nurturing People

IMPROVEMENTS



GADP Talent Pipeline
grew **29%**

3,130
employees attended
UI.EP
training

96%
Participation in Employee
Engagement Survey

Dialog Employee
Volunteer hours
increased

4.6x

INNOVATIONS

**AXIATA
CHAMPIONS**

**SKIM
LATIHAN
1MALAYSIA**
for 159 trainees

PRISM 2.0

INVESTMENTS



RM230
million
for Training &
Development



RM23.9
million
for Employee Welfare

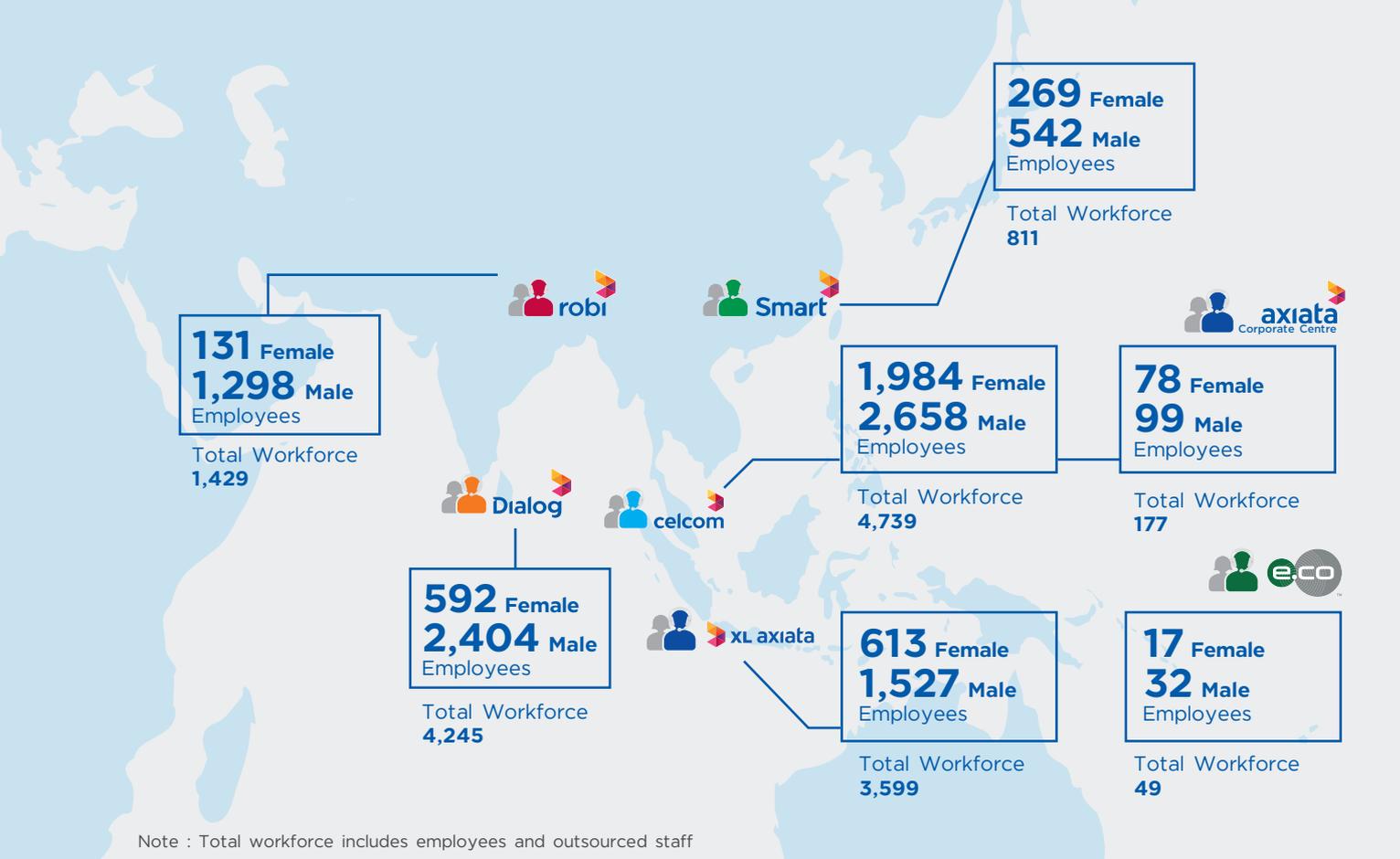
IMPACT

In 2014
81%
Top Management Position
Filled internally

Group Employee Engagement
Index Remains Stable at
83%

**50 Axiata
Champions**
Recognised

4i



	 Employees Joining		 Employees Leaving	
	Female	Male	Female	Male
	54%	46%	44%	56%
	31%	69%	31%	69%
	29%	71%	28%	72%
	8%	92%	13%	87%
	30%	70%	39%	61%
	29%	71%	20%	80%
	36%	64%	25%	75%

NURTURING FUTURE LEADERS

Axiata's talent development engine is on track to deliver a pool of strong and well-equipped leaders with the appropriate skills to ensure they deliver performance and in turn, contribute positively to the development and economic progress in their countries and communities. Led by the Axiata talent development programme, employees are offered numerous world-class training programmes regularly. The average no. of training hours per employee in 2014 was 15.1.

Talent Development and Unlocking Potential

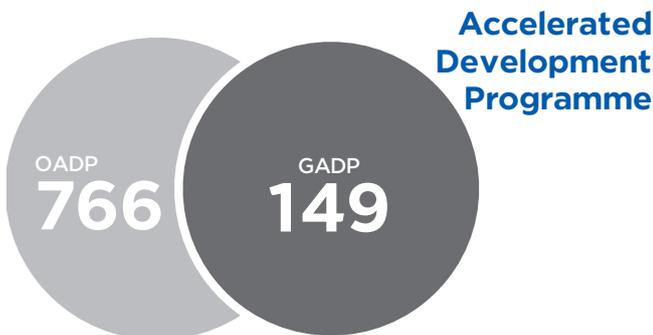
The Axiata Talent Development Programme which includes a joint programme with INSEAD (facilitated by INSEAD at its campus in Singapore); a Telco mini-MBA programme; a 'War Game'; and the 'x-Venture' business simulation programme, amongst others, continued to strengthen and groom our employees in 2014. The Axiata Group and OpCo Accelerated Programmes (GADP and OADP) are programmes designed to enable high performers and high potential employees to grow their careers within the group at an accelerated pace.

In 2014, the Group's talent management team focused on ensuring that the talents continue to drive their career development initiatives which the talents actively chart out and at the same time supporting the talents' efforts by increasing accountability for development among their line managers. This focus was made to address a key lever that the Group feels can significantly accelerate talents' development via the shared focus on development among both talents and their respective line managers. Specific engagement and training programmes were conducted to facilitate this initiative in the Talent Management Programme.

Last year a new process was also introduced to facilitate the transition of top management into new roles at the CXO level. This includes a transition plan covering the first 100 days for each CXO level movement. The transition plans identifies the anticipated key challenges for the role and the key factors for consideration during the CXO's first 100 days. Axiata Group filled 81% of its senior level positions from within the group in 2014.

Additionally, the Group and OpCo Accelerated Development Programmes were strengthened in 2014 with the introduction of the following initiatives:

- Self-development workshops which focused on linking talents to the critical issues and needs of the business
- Improved talent assessment criteria and methodology based on the Group's talent analytics
- Creating an in-house talent database for better accessibility of talent related information.
- Updates to existing development programmes to focus on the new areas of the business i.e., in Digital Services, including new programmes to strengthen functional and leadership competencies.



915 Employees were in the accelerated development programme in 2014



Volunteerism



Across the Group we encourage volunteering initiatives especially during disaster situations. Our employees were given time off from their normal office work to help during the floods in Malaysia and Bangladesh, and during the eruption of the volcano in Indonesia. These volunteer initiatives are created to provide leadership opportunities for employees outside the normal office environment.

Dialog leads this space by having its own dedicated employee volunteering scheme. In our 2013 report, we introduced the Dialog's Volunteer Network. In 2014, Dialog's volunteer programme was enhanced and improved upon providing the opportunity for more employees to volunteer and to select more projects.

Last year, Dialog gave its employees the opportunity to propose their own projects for the second consecutive year. These projects were then assessed by a panel of judges from the corporate management team. SLR3.7 million was provided by the company whereas the volunteers contributed raising a total of SLR5.6 million for the projects which saw 7,051 volunteer hours by employees in 2014.

CULTURE OF INTEGRITY

We conduct our business fairly and in full compliance with all applicable laws and regulations in Malaysia and in each of the OpCo countries. The Board leads the way with regard to the corporate culture and ethical conduct across the Group. Our people are required to conform to the ethical standards contained in our Code of Conduct. The code serves as a guideline for employee conduct in the workplace, in business when dealing with external parties and for key issues such as bribery, conflicts of interest, insider trading and data integrity. We periodically revise the code to ensure that it is in line with modern business practices.

2014 Dialog volunteer network

14 projects

executed

7,000

volunteer hours

SLR

6 million

spent



UI.EP Culture

At Axiata, we are guided by the values of Uncompromising Integrity and Exceptional Performance (UI.EP). We uphold the highest standards of ethical conduct, and demonstrate honesty, fairness and accountability in relationships with our stakeholders, customers, employees and suppliers.

A total of 3,130 participants across the various OpCos have already participated in the first round of workshops highlighting our values on Uncompromising Integrity and Exceptional Performance (UI.EP).

All employees have a duty to act with integrity and respect towards their colleagues and customers, and in all our operations. We do not condone unfair treatment or discrimination on any ground. This applies to anyone working for Axiata whether they are employees, suppliers or contractors.

In 2014, XL, Smart and Axiata Corporate Centre have nearly completed the first round of UI.EP training for their staff. We have already built in the UI.EP values in to the values of all our OpCo's.



Popular

Responsible

Innovative

Modern

Trust

Uncompromising Integrity

Exceptional Performance



Simplycity

Team synergy

Uncompromising Integrity

Exceptional Performance



Service From the Heart

Create the Future

Champions of Change

Responsible Leadership

One Team

Uncompromising Integrity

Exceptional Performance



Customer at the Centre

Uncompromising Integrity

I can, I will (Exceptional Performance)



Accountability

Customer Focus

Teamwork

Uncompromising Integrity

Exceptional Performance

Celcom's HR Best Practices

Celcom's human resource management strategy and practice was recognised locally and internationally in 2014.

In Malaysia, Celcom took the following steps to build a healthy human resource base and to foster the UI.EP culture across all levels of employees. Celcom's Corporate Wellness Programme, started in 2011, now has 'Weekly Workout Sessions' which run every Wednesday and are aimed at keeping employees at their optimum energy levels throughout the year.

Besides exercising and working towards a healthy body weight, the 'Step Up to Wellness Day 2014' programme was held in May 2014 at Menara Celcom. Employees were given the opportunity of undergoing health checks, participating in blood donation campaigns, taking eye tests, EMG tests, Stress Tests, learning about fitness activities and listening to talks on healthy diets and lifestyles.

The Celcom 'Dance All Stars' is an innovative programme that gives employees an opportunity to showcase their talent and keep fit at the same time. This programme started in December 2013 and ended in February 2014.

The objectives of the competition are to make exercise fun, promote a healthy lifestyle, and build team spirit, whilst embracing the principles of S.U.R.F.E.R through high impact activities.

In addition, 11 of Celcom's employees have been certified by the Australian Human Resource Institute (AHRI) as human resource practitioners. This six-month programme supports their upward mobility skills and upgrades their competencies in human resource practice.



11 employees
recognised and certified by
the Australian Human
Resource Institute (AHRI) as
human resource practitioners

In recognition of these initiatives, Celcom has won five prestigious awards for Human Resources Excellence.

- The 'Prime Minister Award for Human Resources Excellence (Private Sector)' in Malaysia, at the '2014 Labour Day' celebrations held on 20th June 2014 at MITC, Melaka. This award is the highest recognition for an employer that has shown outstanding achievements in contributing to the development of its workforce.
- The '1Malaysia Employer Award (GLC)' at the '2014 Labour Day' celebrations held on 20th June 2014 at MITC, Melaka.
- The 5th 'Asia's Best Employer Brand Award' during the Asia's Best Employer Awards 2014 that was hosted the World HRD Congress held in Singapore on 1st August 2014.
- The top 100 leading graduate employer in the 'Malaysia's Most Preferred Employer's at the 2014 during the Graduan Aspire Career & Talent Networking Fair, held on 17 November 2014. Celcom was the second winner in the telecommunication sector. This award is for the most popular graduate recruiters in key employment sectors.
- * The 'Most Consistent Performer' over the last 3 Years, 'Most Improved People Management Award' and 'Milestone Award No.1' winner from our parent group Axiata Group Berhad in Colombo, Sri Lanka. The awards were given to Celcom on 1 April 2014 for the consistent performance in recording positive growth over the last 3 years in revenue, EBITDA, PATAMI and subscriber share.

SL1M

In support of the Malaysian government's effort to raise the standard of employability amongst the country's graduates, Celcom launched its Skim Latihan 1Malaysia (SL1M) programme. Launched by the Prime Minister of Malaysia in 2011, the initiative aims to develop and train Malaysians to acquire soft skills and on-the-job skills and help them prepare to enter the workforce.

Malaysian graduates who are interested to join the SL1M programme must possess a minimum qualification of a Bachelor's Degree and have been unemployed for at least six months after graduation. Priority is given to underprivileged graduates from poor family backgrounds, rural areas and the urban poor.

INCLUSIVITY

Axiata, is committed to promoting diversity and to attracting and retaining exceptional talent. We have more than 50 nationalities working across our OpCos and affiliates. We are committed to creating a dynamic and innovative workplace, in an endeavour to create digital ecosystems and advance Asia. Axiata fosters a climate of diversity and inclusiveness among employees by providing equal access and opportunities to our employees in terms of recruitment, retention, training and talent development processes.

Equal Opportunity

Axiata is an equal opportunity employer and is constantly streamlining workplace practices to ensure that women and men, people with disabilities, and other groups, have equal access to workplace environments, equal access to growth opportunities and equal access to self-development within the Group.

Fostering equal opportunities for men and women is fundamental to our approach to sustainability. Our recruitment policy and talent development policy ensure that there are no barriers based on sex within the Group. The 'equal pay for equal work' principle is firmly entrenched in the way we treat our employees. There are no remuneration distinctions on the basis of sex at any of Axiata's workplaces. The table on page 092 – 093 gives more details on the ratios within the workplace. The Group's training programmes are open to both men and women and special measures are in place to cater to the needs of young mothers who may need to attend these programmes.

Pregnant Women



Understanding the challenges faced by working mothers with young children, some of our OpCos have made special provision for these mothers to balance work and parenting responsibilities efficiently.

In Malaysia, Celcom now has a dedicated parking space for pregnant employees. This was launched in October 2014 and facilitates access for those employees who are in the third trimester of their pregnancy.

Employees with Young Children



Robi's Day Care Centre

In Bangladesh, Robi's Day Care Centre provides a secure environment for employees to have their young children cared for during their working day. The Centre has children from the ages of 6 months to 6 years.

Breast Feeding



Dedicated lactation room for mothers

At the Axiata Corporate Centre, we have accompanied this with a dedicated lactation room for mothers who are breastfeeding their young children.

People with Disabilities



Employment opportunities

Our OpCos provide similar employment opportunities for people with disabilities where possible. In Malaysia alone we provide employment to 18 individuals with disabilities.

Nurturing People

Digitalised Communications

In 2015, Axiata employees will be connected to a digital network across the Group. We are in the process of converting the previous Group communication newsletter into a digital platform. Our latest innovation, Prism2.0, will enable employees to see new, exciting and important events in other OpCo's and the Group as soon as the news is uploaded.

CONDUCTIVE WORKPLACE

Safety at the Workplace

All our OpCos have occupational health and safety management systems in place. We take reasonable care for the health and safety of everyone at work, including visitors and non-employees who use our premises including our base stations and tower infrastructure.

Each OpCo has a dedicated health and safety committee overseeing the management of its health and safety measures. Floor Wardens are appointed for each floor of a building, to control the emergency procedures for their floor. Safety concerns or issues are directed to them and the contact details of these representatives are clearly displayed on each floor.

In 2014, there were four injuries throughout the Group, translating to an injury rate of 1.1% per more than 15,000 in our total workforce (excluding Idea and MI). There were only 2 lost days as a result of work related injuries during the reporting period.

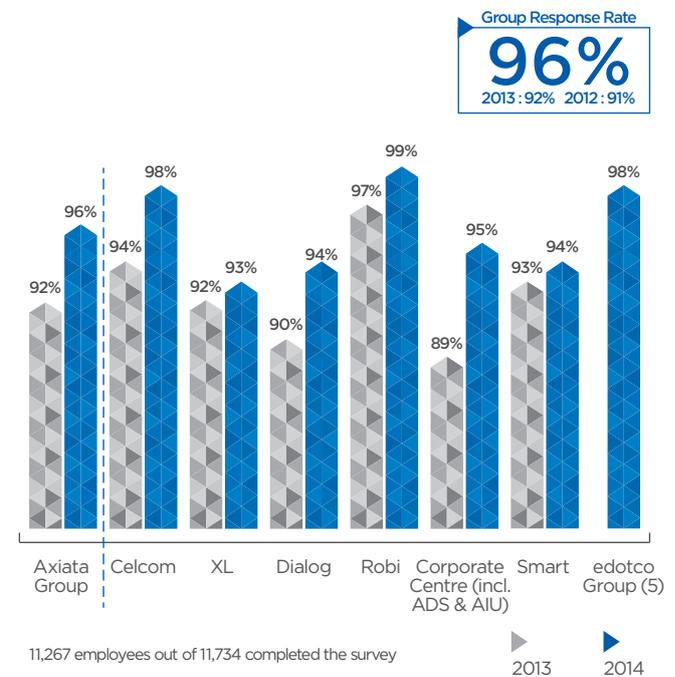
We continue to develop our health and safety systems, which are progressively benchmarked against international standards.

Employee Engagement

Our Employee Engagement Survey (conducted by an independent third party) is the primary method Axiata uses for engaging with its employees. The EES seeks detailed information from employees on a number of different topics affecting them. Key finding of the EES will be shared with management and employees in each OpCo. Additional focus group studies are carried out in some instances to further identify the gaps.

For 2015, the EES will focus on 'strategy, direction and objectives' as being key drivers of the success of the Group. It will also consider Managerial Effectiveness as a vehicle for driving employee engagement at the ground level. An online planning tool will be introduced in 2015 to facilitate the monitoring of action plans across the group. The Group's EEI score of 83% for 2014 falls within the range of Global High Performance companies.

Participation in the 2014 Employee Engagement Survey



⁶ <http://www.ohsas-18001-occupational-health-and-safety.com/>



In Malaysia, Celcom has continued to strengthen its Occupational Health and Safety standards and to ensure an effective safety and health management system. Celcom has regular programmes for employees to raise awareness on health and safety at the workplace and is developing a video on safety for visitors who attend meetings at Celcom. Celcom continues to work towards OSHAS18000 certification⁶.

Grievance and Whistle-Blowing Mechanisms

We promote an open culture and an open-door policy that encourages our people to raise issues to ensure that any behaviour, which excludes or discriminates against an individual or compromises on company values, does not go unchallenged. There is no restriction on the formation of worker groups and labour unions. In Celcom, XL and Smart, where it is mandatory by law for companies to have their own unions, we have an employee union.

Irrespective of the employee union, we always ensure that sufficient opportunity is given to employees to interact and express their concerns through our employee engagement activities. Each operating company has its own grievance procedures and whistle-blowing policy.

Recognising Exceptional Performance: The Axiata Champions' Awards



The Axiata Champions' Awards initiative provides an opportunity for the most exceptional performers within the Group to develop their leadership capabilities. Group's 13,000 employees have the opportunity to compete every year to make it to the 'Champions League'. Once selected this, elite group then spends three days working and engaging with Axiata's senior leadership, learning about different aspects of leadership in a vibrant and stimulating environment.

Champions are selected based on the contribution they make to revenue generation, cost savings, improvement of processes, service and product innovation, and spirit, motivation and level of engagement. They are the exceptional performers who have made strong contributions to the Group throughout the year and were the game-changers in the marketplace or exhibited powerful leadership skills.

13,000
employees have the
opportunity to
compete every year to
make it to the
'Champions League'.



COMMITMENT TO PROCESS EXCELLENCE



for the digital version, visit www.axiata.com or
download the report on Appstore and GooglePlay.

Introduction

Implementing transparent, effective, ethical and sustainable processes is how we build digital ecosystems and advance Asia. To be sustainable, businesses must empower and enhance the experiences of all stakeholders. In this section we discuss how we are advancing sustainable processes in our supply chain and among our retailers, and encouraging suppliers and retailers to integrate sustainability practices in their operations.

We discuss customer relations, and our efforts at enhancing customer satisfaction and customer data protection systems across the Group. Integrating sustainability in our operations in a meaningful way has required us to digitise our operations as far as possible. We discuss the steps we have taken and the targets we have set in this regard.

Sustainable governance processes are integral to sustainable operations. How we are advancing transparency within the Group, strengthening ethical processes, and ensuring business continuity are also discussed in this part of the report.

Context Industry and different markets	Approach Work closely with suppliers to reduce adverse environmental impacts and promote Social & Ethical best practices.	Goal Set up improved mechanism for calculating local procurement	 Supply Chain Management
--	---	--	---

Context Industry and different markets	Approach Regular Customer Satisfaction surveys that feed into our KPI's. Setting up internal processes to enable staff for a better service.	Goal To improve the processes in each market to become the best customer service provider	 Customer Service
--	--	---	---

Context Industry and different markets	Approach To set up policies to ensure customer information is safe. Ensuring our marketing campaigns do not violate the privacy.	Goal Review of privacy and data standards and preparedness in each market	 Privacy & Data Protection
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Context Regional context and different in each market	Approach Setting our own standards by using UI.EP as our culture, code of conduct and business continuity.	Goal Completion of BCM programmes for Each OpCo and reporting on progress made	 Governance & Responsible Business Conduct
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Process Excellence

IMPROVEMENTS



INNOVATIONS



INVESTMENTS

RM167 million
increased spend with
local vendors in Malaysia



RM35 million
for Axiata
Procurement
Centre

RM2 million
spent for
Business
Continuity at
Celcom and
Dialog

IMPACT

**Axiata's First
Supplier Forum
Held in 2014**

improved
communication and
relationships with
vendors

90% of BCM
Completed at
Celcom and Dialog

**Digitising all
our external
processes by
2020**

BEST PRACTICES DOWN THE VALUE CHAIN

Best Practices in our Supply Chain

Suppliers are one of our most important stakeholders. They play a vital role enabling all our OpCos to deliver seamless service to our customers. Axiata has an employee code of conduct which clearly sets out the behaviour we expect from our employees in dealing with suppliers and other stakeholders. In 2014, recognising the critical nature of our supplier relationship, we introduced the Axiata Group Supplier Code of Conduct⁷. The code, which is also available on our website, sets out our expectation of suppliers' behaviour. We require our suppliers to sign our code or demonstrate that they have and adhere to, a similar code of their own. Signing up to the code is a pre-requisite to doing business with Axiata and this requirement will become formalised in our new Supplier Registration process which will be introduced during 2015.

Supplier Satisfaction

Furthermore, in 2014 we invited 50 C-level leaders from 17 of our major suppliers to participate in our first Group Supplier Satisfaction Survey. We sought their opinion on our communications, ethics, relationship and our processes, as well as how we performed compared to their other customers in our industry. We appreciate their responses which will guide us on our improvement journey.

Highlights included:

- 90% of respondents said that our communications were as good as or better than most of their other customers.
- 94% rated our ethical practices as being better than most other companies.
- 20% indicated that they were not aware of our employee code of conduct which deals with employee relations with suppliers.
- Suppliers also told us that we have an opportunity to improve our sourcing processes and they would like to understand our business strategy better.



Axiata Group Supplier Forum

Axiata held the Group's first Supplier Forum in October 2014. 45 senior executives from 20 of our core suppliers participated. The forum was hosted by the Axiata Group CEO and provided an opportunity for Axiata's senior leadership to discuss business strategy and innovation in an open and collaborative environment. Feedback from suppliers was extremely positive.

20%

indicated they were not aware of the employee code of conduct

90%

said communication was good

94%

rated ethical practices better than most other companies

⁷ www.axiata.com/corporate/supplier-code/

Process Excellence

Local Procurement

We work closely with local suppliers to strengthen local business, wherever it makes a sustainable business case. The table below depicts the Group's procurement from suppliers registered in respective countries. In Malaysia, Celcom bought ~85% of the 2014 spend from suppliers registered locally. We are working towards improving our process to capture data on local procurement. In 2015 we plan to introduce a more comprehensive definition of local purchases based on ownership and local value add.

Percentage of Spend from Locally Registered Vendors in Each Country

OpCo	Percentage Local %	Percentage Foreign %
Celcom	85%	15%
Dialog	50%	50%
Robi	64%	36%
Smart	47%	53%
XL	84%	16%
edotco Group	60%	40%
Axiata Corporate Centre	87%	13%

Retailer Development

We connect over 260 million* of our customers in eight operating countries. By extending our network coverage and building our customer base, we aim to improve the socio-economic conditions of communities in these countries. However, we need a sound delivery system to take our products and services to the end users. Consequently, the distribution networks in each country play a pivotal role for our long-term success. We work hard to continually expand our retail operations to develop the relationship with our retailer base.

* Includes Idea & M1



Vendor Development Programme

Celcom started its *Local Partner Development Programme (LPDP)* to support Bumiputera vendors in May 2014. The LPDP aims to enhance the involvement of Bumiputera vendors, and businesses and strategic partners in the telecommunications industry. As part of this initiative, Celcom signed an MOU with MITI (Ministry of International Trade and Industry) to facilitate the development of Bumiputera vendors.

The Vendor Development Programme aims to make vendors more competitive in the industry. They go through four phases of development: selection, development, support and graduation. This is supported by the Business Development Programme (BDP) which aims to strengthen the capacity of business and strategic partners to contribute to advancing the digital economy.

In 2015 and beyond Celcom will look at partnering with new training companies to enhance the skills of these vendors, enabling them to play a more important role in the digital economy.



Dialog 5 Star Partners: Growing Rural Markets

In 2014, Dialog continued to probe rural markets by taking the 5 Star programme to the next level. Of the 1268 trained 5 Star retailers across the country, Dialog is currently in the process of selecting 25 of the top 5 Star Partners and taking them to the next level 5 Star Partner exclusive. In 2015 Dialog will empower these 25 elite 5 Star intermediaries to enable them to support and service in rural markets. Dialogs customers in rural areas.

Dialog is keen to ensure that rural markets share the benefits of digital connectivity. With this in mind Dialog launched the '5 Star Partners' initiative in 2012 to extend its digital footprint to as many locations as possible. The 5 Star Partners initiative was designed to reach markets at the lower end of the pyramid, often under-explored and under-serviced. A network of Dialog infomediaries (information intermediaries) named 5 Star Partners, was developed in various parts of Sri Lanka, who act as the interface between the company and the community in the last mile. Through this Dialog sought to market its products and services in rural areas in a sustainable manner, and to grow rural market shares providing after sales services with customer intimacy.

Dialog's 5 Star Partners are empowered digitally to provide the customer with a range of different services such as SIM changes, eZ cash transactions, prepaid activations, post-paid activations, mobile revenue value increases and other such services.

5 STAR PARTNERS

"Information Intermediaries" for Dialog's rural Market

CUSTOMER CENTRICITY

Customer Experience

Axiata is focused on enhancing our customer experience, and our processes are geared in ensuring their expectations are met and often surpassed.

Customers disclose sensitive information to us. As a responsible service provider we ensure the confidentiality of this data and are constantly strengthening our data protection system to ensure customer privacy.

We have strict policies to protect customer data being shared disclosed or accessed by third parties without consent.

Customer feedback helps us understand if we are meeting, surpassing or falling short of customer expectations. It tells us if we as a company have got our processes and products balanced so as to deliver high levels of customer satisfaction. Customer feedback is vital in enhancing the quality of our products and services.

Every year Axiata conducts a group-wide NPS tracking survey to understand customer loyalty and satisfaction across all our markets. From 2014, the results of this survey are used as indicators for setting KPIs for each market. Each OpCo's NPS performance is tracked carefully against the market regularly providing an important indicator for our processes to be altered according to our Customer's needs.

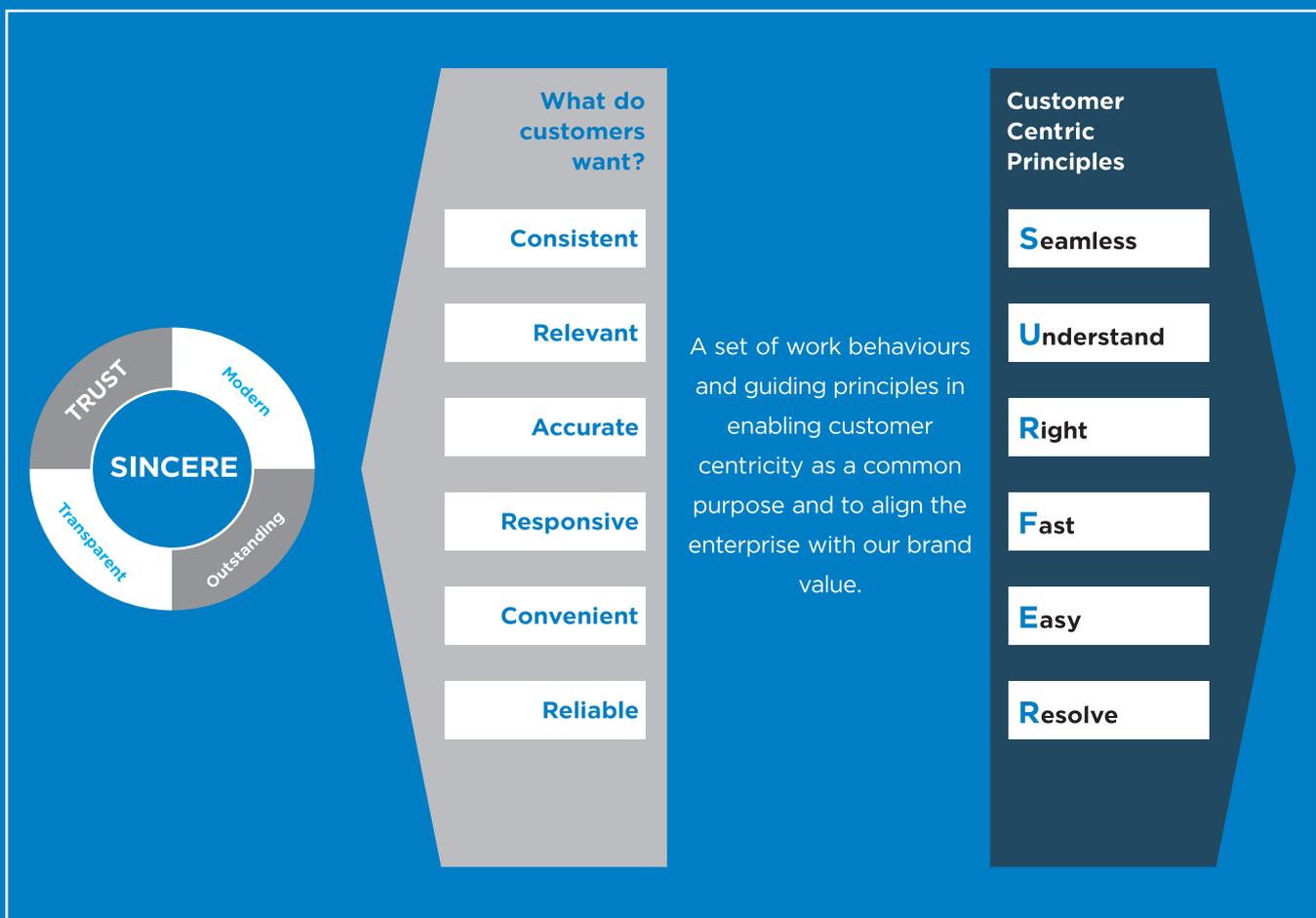


Axiata is focused on enhancing customer experience. Our processes are geared in ensuring customer expectations are met and often surpassed.

Celcom: From Customer Experience to Intimacy

Last year, we discussed the Customer Experience function at Celcom. At Celcom, Customer Experience Management (CEM) is a strategic function that designs and integrates customer centricity in people, policies, projects, products and services to enable and preserve an elevated customer experience of their brand throughout the customer lifecycle. SURFER is the customer-centric principle that CEM infuses within Celcom in driving **TRUST**.

CE into Products and Services: Since January 2013, Celcom has carried out a systematic check of every service introduced to ensure it would result in a positive customer experience. The customer experience CE GTM framework is specifically initiated to inspect all new product roll-outs to ensure expected customer experience levels are achieved.



CE into People: The process of bringing in CE to people was implemented in three ways:

- The launch of SURFER and an on-boarding training. This was discussed in detail last year.
- The SURFER Leadership Immersion Programme: the top down approach to operationalise SURFER for every Division in Celcom.
- The SURFER Culture Communications Series: a one stop location and communications series that seeks to create sustainable visibility of SURFER amongst employees.

Customer Privacy and Data protection

Understanding the relevance of protecting the personal information of our customers, our privacy and security policy governs how we collect, use and manage customers' information. This includes securing the confidentiality of their personal communications, respecting their permissions and preferences, and protecting and securing other customer information. Each of our OpCos have different levels of regulations in relation to privacy and data protection. However, as we reported in 2013, we have set our commitment to privacy and security at the highest level, based on the Personal Data Protection Act (PDPA) 2010 in Malaysia and the information security standards, ISO 27000.



Celcom update on PDPA adherence

Celcom continues to comply with the requirements of the Personal Data Protection Act (PDPA). This is outlined in detail as per Celcom's Privacy Notice⁸. In accordance to this, Celcom uses customer personal information to enhance the customer experience while ensuring that the processing of personal data is in line with the security principles of the PDPA. We strengthened our systems to prevent a loss of personal data and ensured that only authorised persons have access to personal data. Customer privacy is a priority and Celcom will continue to enhance its processes to ensure data security.

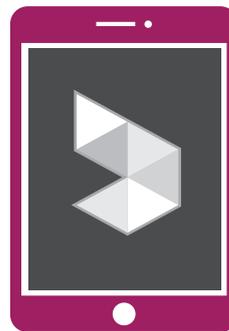
DIGITISING OUR PROCESSES

Digitising our Processes



As an industry leader, Axiata has facilitated the creation of high quality digital ecosystems in our OpCo Countries. However, most of the processes internally are run on manual support systems. Although in some of our markets, we have a majority of e-bills over physical bills and digitised registering systems instead of manual entry systems, most operations are non-digitised.

We intend to work closely with different regulatory environments in our OpCo countries to obtain their support for an increased level of digitisation, not only in our internal processes but our offers to customers as well.



**Axiata a
completely
digital
company by
2020**

In 2015, we are setting a digitising target for the first time. This target will be set with the objective of Axiata becoming a completely digital company with 100% of its processes digitised by 2020.

Axiata Procurement Centre (APC)

Axiata has implemented the APC to optimise and drive value for money in our Network and IT spend. APC takes a group wide approach, working closely with Operating Companies and Group Technology. Appropriate standardisation and streamlining allows us to achieve economies of scale. In addition to driving Network and IT sourcing the APC has overall responsibility for Procurement systems, policies and processes. With the APC sourcing model and new procurement systems which are being implemented across the business, we have much improved visibility of our spend and greater ability to managed a disciplined sourcing process.

STRONG GOVERNANCE

A key development over the last year was the implementation of the Business Continuity Management (BCM) Programme across our OpCos. The BCM enables our OpCos to be prepared for any unforeseen circumstances due to disaster situations, be it natural or man made. The details of the BCM programme are discussed on page 061 of this report.

While enhancing our business processes, we have also focused on developing open, transparent and ethical internal processes. Our good governance practices were recognised again in 2014 when Axiata received the Malaysia - ASEAN Corporate Governance Index 2014 award for our governance structure and exemplary ESG practices.

⁸ <http://www.celcom.com.my/personal/policy>



COMMITMENT TO PLANET & SOCIETY



for the digital version, visit www.axiata.com or
download the report on Appstore and GooglePlay.

Introduction

In creating digital ecosystems and advancing Asia, Axiata has sought to reduce its environmental footprint and grow its social footprint.

Greener and cleaner processes are constantly being strengthened within the Group and new processes are constantly being integrated. We are investing in new technologies and processes to reduce energy consumption at our base stations and in other points. We are also exploring all efficient renewable sources of energy. Our target is to reduce our carbon emissions by 40% by 2018.

We continue to invest in exploring renewable sources of energy, recycling waste, and growing environmental awareness among employees.

Our sustainability as a Group is closely linked to the progress and welfare of the societies in which operate. We invest in their empowerment, growth and welfare.

Disaster preparedness, disaster response and disaster mitigation has emerged as a new priority. We operate in societies prone to natural disasters and we have a role to play in mitigating the impact of these disasters. We will help develop resilience among communities to respond to natural disasters, to be prepared for new ones and to 'pick up' and move on.

While we are in the business of empowering society through digitisation and connectivity we also empower lives through sustained social investments among socially diverse groups of people. Investments in increasing access to education and enhancing the quality of education have been key areas of focus over the years and will continue to remain a priority.

Context

Global context, being gentler on the global ecosystem.

Approach

Energy optimisation, edotco targets 40% GHG emission reduction by 2018.

Goal

Report on the progress made over the edotco target



Energy & Climate Change

Context

Regional context, being in a region with very high occurrence of natural disasters.

Approach

Each OpCo working on disaster response and preparedness. Being a partner of the Humanitarian Connectivity Charter

Goal

Report on progress made in each country in Disaster preparedness & response



Disaster & Response

Context

OpCo Country wide needs and expectations would be different

Approach

Corporate responsibility programmes carried out, supporting the OpCo country's education, disaster preparedness and response and many other ways.

Goal

Tracking of the Group's Corporate Responsibility initiatives and their impact



Community Impact

Planet & Society

IMPROVEMENTS



AYTP and XL Future Leaders
sustainable leadership building initiatives

INNOVATIONS



Electricity from green base stations
for off grid villages



Dialog Volunteer Network
Re-defined into a larger programme



Celcom Ecocertified
A full fledged go green project



More than **200**
Green Towers



edotco Echo centres
for remote monitoring

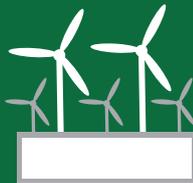


New & Enhanced
DEWN 2.0
from Dialog



RM16 million
For Education Support

RM7.5 million
for greener energy in 2015



7,500 GJ
Energy Saving

605 Tonnes
Less
Carbon
Emissions



Electricity for 4,500 people
around base stations in Bangladesh



RM4.7 million
For other CR Initiatives

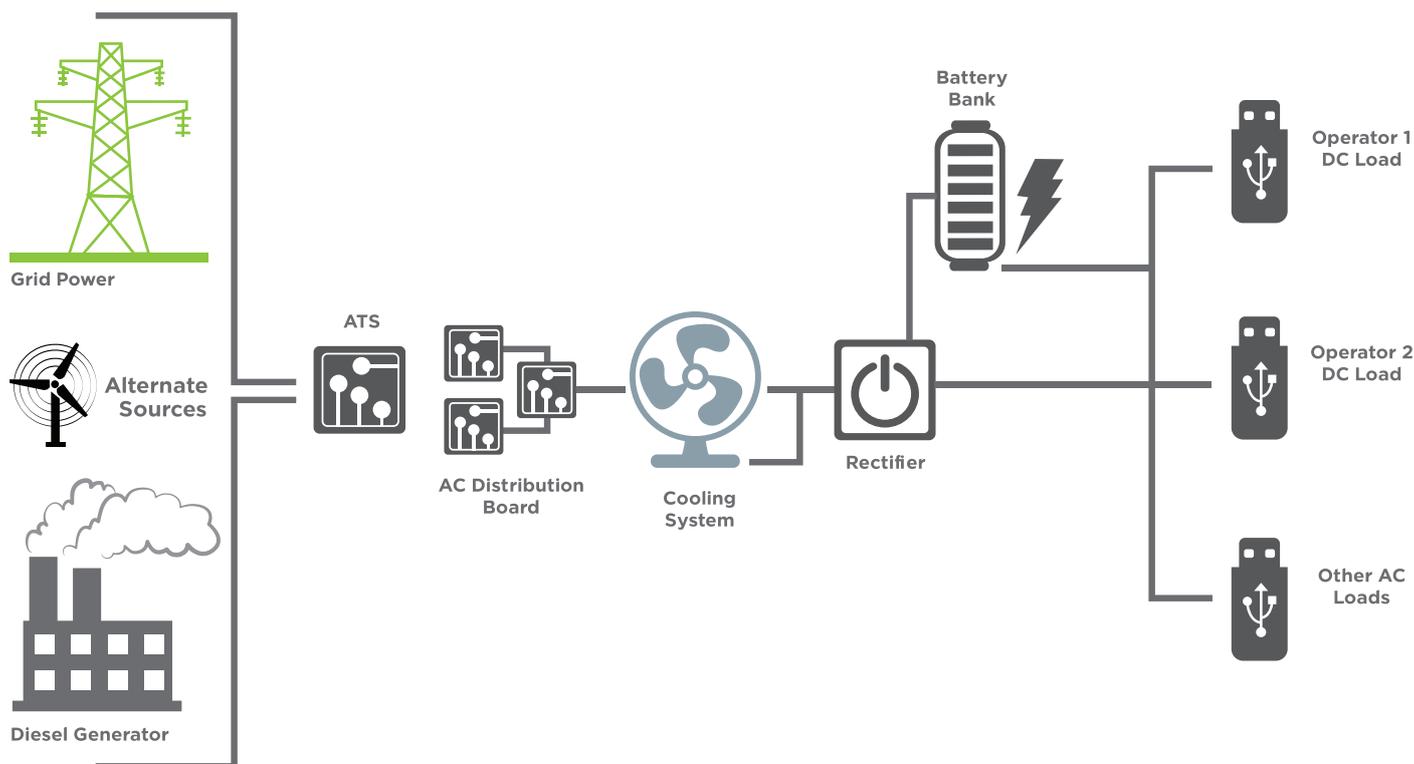


1.2 million
Students Supported

INVESTMENTS

IMPACT

EDOTCO'S POTENTIAL ENERGY SAVING OPTIONS



High control for edotco

Less control for edotco

GROUP ENERGY CONSUMPTION AND GHG EMISSION

	Direct Energy Consumption (GJ)	Indirect Energy Consumption (GJ)	GHG Emission Scope 1 + Scope 2 (Tonnes CO ₂)
	2,914	817,861	168,544
	377,837	2,726,143	601,919
	34,061	410,177	82,678
	231,542	498,554	108,747
	58,626	116,055	18,330
	8,405	450,547	93,317

GREENER OPERATIONS

Axiata constantly strives to soften its environmental footprint. By the nature of our industry, the telecommunications operations have a comparably lesser environmental impact than several industries. We actively carry out several initiatives across the Group to lessen our overall environmental impact.

In enabling connectivity to 260 million* people across Asia, we maintain more than 38,000 network sites across the region. Maintenance of these sites requires a constant supply of energy resulting in direct and indirect GHG emissions. We are conscious of this impact, and where possible are proactive in looking for greener solutions. This would mean instances such as installing a renewable energy solution to a base station which is currently not connected to the Grid and running on non-renewable sources.

In 2013, we put in place our passive infrastructure company with the intention of creating a more efficient and greener management. In 2014, we made considerable progress in identifying areas where we can reduce energy consumption and increase efficiencies. The edotco operations are discussed in detail on page 057.

Energy Management

The Group's total energy consumption for 2014 was 5,735,980 GJ. This is inclusive of the edotco Group's operations in Malaysia and Bangladesh. The energy sources we used consisted of direct energy and energy drawn from the several national grids.

Direct energy consisted of energy combusted for sites which are not connected to the national grid or were running on fuel as backup. The total direct energy consumption for the network for 2014 was 713,385 GJ. The indirect energy consumption was 5,022,595 GJ for 2014. The breakdown of energy consumption across our Group is indicated on page 088 – 089.

* Includes Idea & M1

We understand the fact, total absolute energy consumption from the network would not be a great indicator to be used for comparing the efficiency of the network. In 2014, we initiated a study looking into the relationship of data and voice usage of the network to its energy consumption. The study thus far has provided an indication of the difference in energy consumed per Mega Byte use in the network in data dominant such as Malaysia to a voice dominant market such as Bangladesh. This study would help us to provide a much more accurate score card of energy usage across our Group in 2015.

Energy Saving Initiatives

Axiata group endeavours all possible means to reduce Carbon emissions for a sustainable and greener planet. Following are some of the key initiatives that are undertaken to reduce energy consumptions.

- Solar Hybrid systems on the sites where grid power is unavailable.
- Positioning telecom equipment outdoor to minimise power consumption and space requirement.
- Free cooling units to minimise air-conditioning requirements on sites.
- Automatic TRX shutdown in the hours when there is no traffic detected (non-busy hours)

With the edotco Group progressively taking the lead in providing greener solutions for the passive infrastructure of the network sites, the Axiata OpCo teams would ensure the energy efficiency of the network equipment, they manage.

Investment for greener base stations:

Axiata has implemented overall standard equipment list of greener and energy efficient telecom equipment. Opposed to the previous versions of these equipment, the standard design does not require air-conditioning on most of the sites and the footprint is very small compared to conventional equipment resulting in less energy and space consumption.

edotco Group

Our new business unit, edotco Group, was established in 2013 to manage the passive network infrastructure of Axiata Group. Over the last year, edotco has expanded its operations while establishing a baseline to manage energy consumption across the Group. Currently, edotco Group is fully operational in Bangladesh and Malaysia and is expected to establish its presence in Sri Lanka later in 2015. There are four key aspects of energy conservation that edotco focuses on:



Implementing environmentally friendly designs for all infrastructure



Reducing energy consumption and increasing efficiency in base stations



Exploring the use of renewable energy sources



Reducing energy consumption by sharing towers

Over the past year, edotco worked on building an 'As - Is' database which would provide information on current energy consumption and conservation methods. A state-of-the-art remote monitoring centre for base stations was established, providing live information on our towers, their operations and current status. The Echo centre was established in 2014 and now monitors 300 of our sites in Malaysia. Soon, this will be extended to Bangladesh and other remaining sites in Malaysia.

Currently, the sensors in the base stations provide information on cabin temperature, AC load and DC load changes, fuel usage, and battery life which all contribute to reducing energy consumption. With the implementation of the database and remote monitoring centre, edotco is able to set measurable steps to reduce energy consumption and track its progress to achieve the target of reducing GHG emissions by 40% by 2018 from the established baseline in 2013.

We recognise the benefits of tower sharing, especially in countries where coverage in rural, sparsely populated areas is needed. To accommodate multiple network operators, small and energy-efficient antennas are installed on mobile towers. This configuration helps to save tower space, reduce power consumption and cooling requirements, resulting in the more efficient use of diesel generators during times of power failure.

Reducing edotco's
GHG emission

40%

by 2018



Energy Saving initiatives in our Group

In our 2013 report we discussed XL's attempts to have environmentally friendly base stations in Indonesia. These initiatives were continued by XL in 2014, reducing energy consumption significantly. XL currently operates more than 21,000 base stations across the Indonesian archipelago. The energy saving initiatives implemented so far include:

An Intelligent Ventilation Cooling System (IVS) that combine the use of fans and air conditioning to help control temperatures and reduce energy consumption. The use of IVS reduced the AC operation time by up to 30% and consequently the consumption of energy.

BTS Single RAN that combines several types of BTS into a single BTS with less space, low power, and technology that is capable of adapting to future gadget evolution. The use of this technology has the potential to decrease energy consumption by up to 60%.

Green BTS can reduce energy usage by up to 50%. This is possible due to the Green BTS peripherals which transmit and receive using 3G technology.

Hybrid System Charge Discharge Battery (CDC) in this system the main power is supplied by a battery while the power generator in standby mode recharges the battery only when needed. With the CDC System, diesel consumption will be reduced by up to 54%.



Smart a greener network in Cambodia

In Cambodia, Smart maintains more than 1750 towers which consists of 1250 3G sites and 160 4G LTE enabled sites. The main challenge in Smart is due to the fact, many areas in the country are currently not having a continuous electricity supply. As a result, many sites are powered by generators, running for longer durations. Wherever possible, the Company has converted the off grid site to use solar power as the main energy source. In 2014 we had more than 50 solar powered base stations. By 2017, smart targets to have renewable energy generated with solar power in all off-grid sites.

Carbon Footprint

With the establishment of edotco and the changes in the management systems along with it, many deviations have taken place in our data collection system. We report on Scope 1⁹ and Scope 2¹⁰ greenhouse gas (GHG) emissions from our business operations across Axiata in accordance with the Greenhouse Gas Protocol and the GRI G4 Guidelines. Our total carbon emission in 2014 was 881,408 tonnes.

Going Green

Each OpCo has their respective 'Going Green' programmes that promote environmental awareness among employees. These programmes seek to encourage employees to incorporate sustainable practices into their work and everyday lives. These projects are often focused on energy efficiency, biodiversity conservation, and material and waste management. Most of our employees are actively involved in these programmes, resulting in more green projects being introduced across Axiata and its operating companies.

Waste Management

We incorporate best practices in relation to waste management. The three main sources of waste in our business are:

- Our offices and stores (paper, plastic and packaging)
- End-of-life network equipment and batteries
- Unwanted phones and other devices.

Each of our operating companies has implemented measures on waste management to reduce the impact associated with resource use and disposal. E-waste is handled and disposed following guidelines set by regulatory bodies in each OpCo.

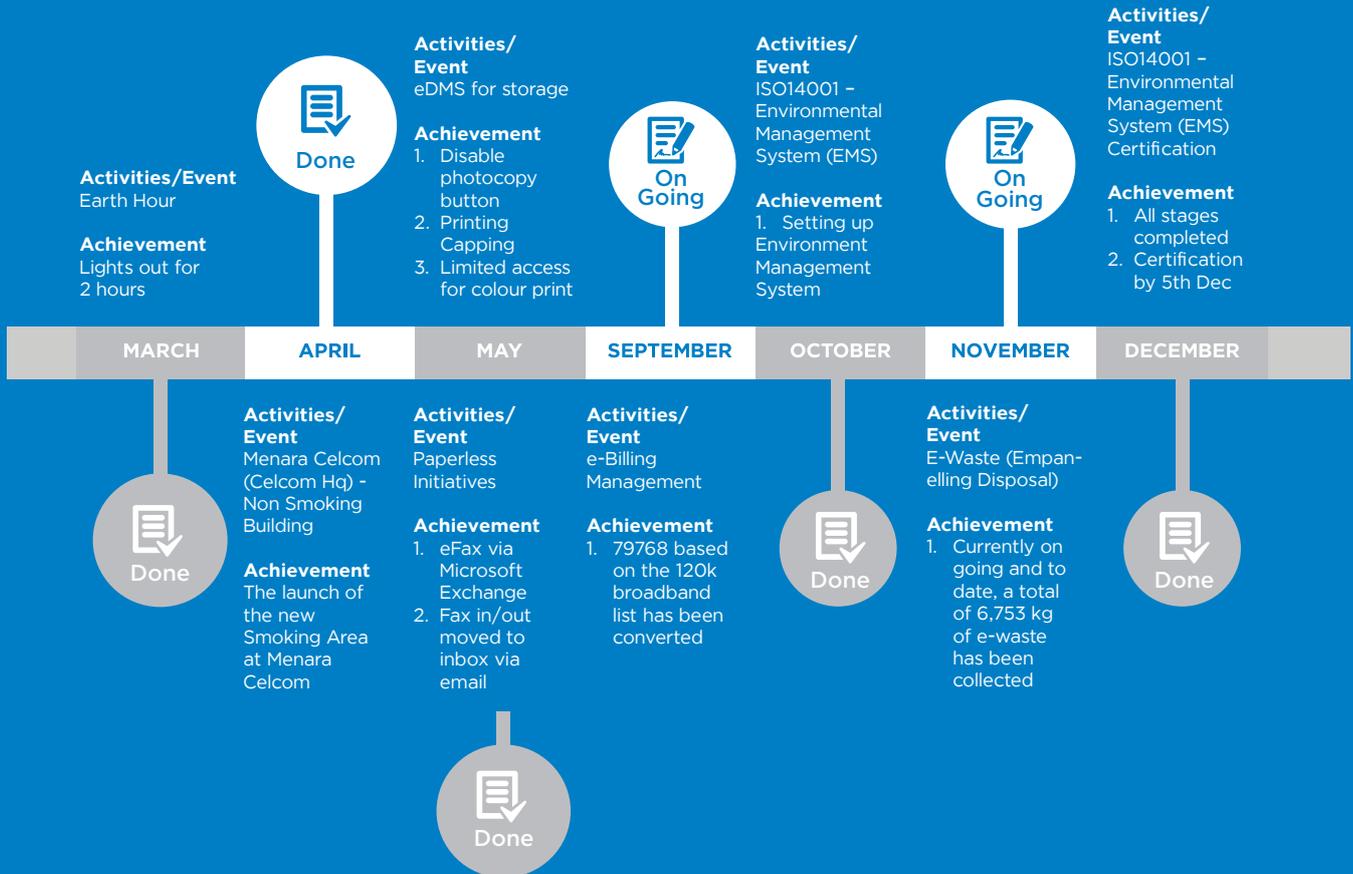
⁹ Direct (Scope 1) emissions from operations that are owned or controlled by the organisation.

¹⁰ Energy Indirect (Scope 2) 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

Celcom Eco-certified Programme update

The Celcom Eco-certified programme has improved and added a few more innovative activities over the past year. These activities are indicated in the timeline



COMMITMENT TO SOCIETY

Our sustainability as an organisation is linked closely to the sustainability of the societies in which we operate. Every year Axiata invests significantly in social empowerment initiatives in a number of key areas. 2014 was no different and last year we focused on three key areas:

- Education
- Disaster preparedness, response and mitigation
- Other corporate responsibility initiatives

EDUCATION SUPPORT

Nurturing Young Talent through AYTP

Developing Future CEOs

The 'Axiata Young Talent Programme' (AYTP) targets young Malaysians with the objective to develop traits and skills specifically focused to groom them into becoming future CEOs. Students as young as age 13 are provided with the opportunity to participate in tailored programmes to give them fundamental skills of what it takes to be a CEO early in their development journey rather than later.

Four years since its establishment, AYTP has evolved into a sustainable leadership development programme amongst Malaysian students. We see it as a niche contribution that Axiata has made towards building an empowered and prosperous nation. Over these four years AYTP has touched the lives of 465 exceptional individuals across different age groups.

Producing world-class talent is one of our key measures to ensure the sustainability of Axiata Group within the countries it operates in. What we have done in the AYTP is an extension of the talent management that we have within the organization – to ensure we fulfil our aspiration of developing world-class talents.

AYTP was initially coupled with our scholarship programme. Last year, we reviewed the programme and made a decision to “decouple” the leadership development programme from the scholarship and focus largely on the former to ensure that our pledge of RM100 million will reach more students. With this approach, we anticipate that we would be able to develop almost 2,100 students across our three tracks of secondary school, pre-university and university over a period of 10 years and therefore impact the development of a higher number of students.

AYTP has touched the lives of 465 exceptional individuals

The initiative operates at three levels: in secondary schools, at pre-university level, and at university level which is open to those studying in local and overseas universities. Each programme focuses on students at different stages of their academic lives. The curriculum, known as 'Ax-Factor' emphasizes on building essential values and attitudes, developing communication, critical and creative thinking, and fostering leadership competencies.

At secondary school the programme includes workshops, community projects and online learning spread over 70 hours and six weekends.

Conducted over eight weeks, the pre-university level programme begins to focus on the business aspects of leadership so that students have an idea of what it is like to run a business. They also have an opportunity to engage with CEOs and business leaders.

At university level the programme is run as a summer camp spread over 15 days. It includes a variety of learning experiences including participating in business simulations. The simulation provides a backdrop and context for the delivery of the learning and exposes students to the challenges and opportunities in the world of business. The top-performing participants during the programme are then given an opportunity to intern in one of our operating companies the following year.

Student Testimonials (Excerpts)

“This programme offers a unique opportunity to improve yourself from how you communicate ideas to how you present yourself. I learnt aspects of communication that I would usually take for granted. Furthermore, anyone who is contemplating a career in business should definitely join as through various stimulating challenges, one gets a feel of the various factors that influence business decisions. More importantly, you get to see if you are indeed suited for the role of a CEO. Finally, the friends who you meet here are driven, passionate and brilliant. The real question is why wouldn't you join ULDP?” – Ananda Mohan, 20 – University of Liverpool

Further on details AYTP can be found through the following link www.axiatafoundation.com

Disaster preparedness and response

as a key area of social intervention



DISASTER PREPAREDNESS & RESPONSE

Preparedness via Business Continuity Plan

Axiata operates in countries prone to natural disasters. In empowering societies and enhancing the benefits of digital technologies, we identified disaster preparedness and response as a key area of social intervention.

Our intervention will take two forms. First, we are strengthening the capacity of our OpCos and networks to resume connectivity after natural disasters. We recognise the value of connectivity in the context of a natural disaster. Secondly, we are strengthening the capacity of communities to prepare, respond and recover after natural disasters.

Axiata recognises the importance of maintaining a comprehensive Business Continuity Management (BCM) Programme to ensure the recovery of critical business processes and 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 will develop and put in place a comprehensive BCM framework appropriate to the nature, size and complexity of their respective business activities based on key principles set out in the Axiata BCM Policy.

BCM activities across the group

With the assistance of consultants and in collaboration with Axiata, Celcom and Dialog are in the midst of implementing BCM within their respective organisation. The BCM programme is benchmarked to industry best practices and encompass a BCM framework and structure, business impact analysis, Recovery strategy and business continuity plans to ensure the recovery and resumption of critical processes and business functions and incident escalation procedures.

- In December 2014, Dialog successfully performed a crisis simulation exercise to evaluate the effectiveness of its BCM plans. Meanwhile, Celcom has concluded its desktop walkthrough exercise in November 2014 and is currently preparing for the crisis simulation exercise.
- XL has an established BCM function in place and has been regularly reviewing, updating and testing its BCM plans to ensure they remain relevant for the company's business operations.

Next Steps

To continue building organisational resiliency across the group, Axiata has committed to continue providing assistance to its subsidiaries in their BCM initiatives. The following activities have been planned for 2015:

- Developing a BCM programme for Axiata Corporate Centre and its Strategic Business Units (SBU)
- Enhancing Robi's existing BCM programme by addressing gaps within its BCM plans and recovery strategies



Celcom support during the floods in Malaysia

The northeast monsoon floods that happened between December 2014 and January 2015 affected almost 200,000 people across six states and was considered one of the worst floods in Malaysia.

Celcom's network sites in Kelantan, Pahang and Terengganu, and employees attached to its regional offices within these states, were affected by the floods. This prompted the activation of the Flood Crisis Command Centre and the establishment of an Emergency Response Committee (ERC) to assist in rescue and recovery efforts.

As part of the operational recovery efforts, Celcom deployed cellular on wheels (COW) and mobile generators to base stations affected by power outages and replaced damaged equipment to sustain mobile telecommunications network.

In terms of humanitarian recovery, affected employees and their families were relocated to relief centres, and were provided with food and basic necessities.

Celcom took various initiatives to ensure customers' continued access to telecommunications services during the floods. These include offering free voice calls and SMS to customers on the East Coast, uplifting call barring for post-paid customers, 'whitelisting' calls made to the National Disaster Command Centre (NDCC) and extension of credit period for prepaid customers.

Celcom also undertook the responsibility of keeping its stakeholders, especially its customers, well informed during this period of crisis by regularly updating its corporate websites and broadcasting SMSs to its targeted recipients.

Celcom was the Most Resilient Network during 2014 flood



XL and Disaster Response

In Indonesia, XL raised the bar with regard to disaster mitigation and response. XL adopted a similar strategy to Celcom. First, to ensure that services continued to operate, or where they have been severely disrupted, to see that they resumed in the fastest possible time. Secondly, to provide relief and assistance to affected populations and help those people recover after the disaster. Last year XL responded to floods, volcanic eruptions, landslides and forest fires.

During the floods, several forms of assistance, including medical assistance, was provided to residents in Tanjung Karang Village, Kudus; the Patrol sub-district; of Yogyakarta City; of Sindang Panon sub-district, Bandung; Legon Kulon Village, Subang, and Bleberan Village, Gunung Kidul.

When Mount Sinabung in North Sumatera erupted, XL provided medicine, housing material and important communications facilities to those affected. XL also used its network to enable people to donate money to those who were affected by this disaster.

A similar response was generated after the eruption of Mount Kelud in East Java, the landslide in Banjarnegara in Dec 2014 and the floods and landslides in the regions of Manado, Banjarmasin, Jabodetabek, Pantura and Palembang during January to March 2014.



Disaster Preparedness Dialog's **DEWN**



Disaster Early Warning Network (DEWN)

In 2005, soon after the Indian Ocean tsunami, Dialog, in partnership with Microimage, a software company, and the Dialog-University of Moratuwa Mobile Communications Research Laboratory, pioneered DEWN (Disaster and Emergency Warning Network). The objective of DEWN was to provide early warnings of impending disasters to communities in disaster-prone areas using GSM networks.

DEWN was designed with two alerting objectives in mind. The first is to direct alerts to a set of relevant community leaders and the second is to direct mass alerts to the general public. When the general public receive the alert, the community leaders are ready to support relevant action and provide guidance and direction. These leaders include those responsible for emergency services such as the police, village chiefs, government agents, monks or other religious leaders, and hospital administrators. Last Year Dialog worked closely with the National Disaster Management Centre (NDMC) to upgrade the DEWN network to be more accessible to key media institutions and other important stakeholders.

The upgraded DEWN system now uses purpose-built alarm devices with basic smartphone compatibility, to issue alerts in many different formats. It has full functionality for Cell Broadcast on 3G networks, enables SMS messages, allows message acknowledgement, and works with an Android App. The system has enormous positive implications for disaster response in Sri Lanka. The network is now housed at the National Disaster Management Centre (NDMC).

DEWN has already been used in a number of cases and between December 2013 and December 2014 the NDMC has used the network to send 375 SMS alerts to 5,000 community and government leaders. Recently, two alerts warned residents of heavy rainfall and the possibility of landslides. The messages were transmitted in Sinhala, Tamil and English, and enabled groups such as 'tea-pluckers' and fishermen to be aware of potential threats and to take relevant precautions.



The 'Humanitarian Connectivity Charter'

Axiata was among four global telecommunications companies to sign the Humanitarian Connectivity Charter at the GSMA congress in March 2015.

Through the Humanitarian Connectivity Charter, the mobile network operators (MNOs) will aspire to work towards a common set of principles and work towards the adoption of coordinated initiatives focused on humanitarian connectivity at times of and post disaster situations.

The launch of the Humanitarian Connectivity Charter reflects the growing recognition within the mobile industry and among government and other stakeholders of the crucial role that mobile connectivity plays during times of humanitarian crisis. Mobile devices are often one of the first things people reach for when disaster strikes. Mobile networks and the connectivity it provides can be a lifeline for those affected in times of emergencies.

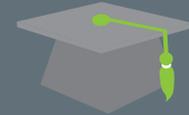
The Humanitarian Connectivity Charter is supported by the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), the UN Emergency Telecommunications Cluster (ETC) and the International Federation of the Red Cross and Red Crescent Societies (IFRC). It was created following two years of industry workshops and collaboration facilitated by the GSMA Disaster Response programme, and other partners. Axiata took part actively in the industry workshops sharing the experiences and challenges in our region during disaster situations.

Education Support in Our Operating Countries



400

XL Future Leaders



>500

Dialog
Scholars over
the last 10 years



100

**XL Future
Leader
Scholarships**
a year



2,000

Schools
Connected via
Nenesa (Dialog)



Develop English
teaching in

1,000

**Secondary
Level Schools**
(Robi)



966

Computers to
322 schools (XL)



USD500,000

to Red Cross (Smart)

Other CR initiatives in Our Operating Countries



RM1.2 Million
for Flood Relief Efforts
(Celcom)

Dialog Disaster
Early Warning
Network

DEWN



Supporting
88,000
members in
Celcom Pusat
Internet 1Malaysia
centres



169,700
Users benefit from
KTW (Kampung
Tanpa Wayar)
in 879 wifi hotspots (Celcom)



USD10,000

Awareness on
Green Planet
(Smart)



5,000
Litres of pure
drinking water
every hour (Robi)



USD2,000

Fund raising for Kantha
Bopha Hospital (Dialog)

4,500

Villagers get
Solar Electricity
(Robi Alo)

Nourishment for

133
children
(Smart)

FOR THE WHOLE
STORY
LOG IN

www.axiata.com



Idea

Idea is India's third largest mobile operator and sixth largest, globally. It has over 150 million customers and its traffic exceeds 1.8 billion minutes every day. Today Idea is seeking to achieve excellence in sustainable business practices.

Presently, Idea's approach to sustainability is built around five key areas:

- Energy and Emissions Management
- EMF Radiation Management
- Occupational Health & Safety
- Sustainable Supply Chain and Waste Management
- Incident Management Tracking including Grievance Redress and Whistle Blowing

Idea pioneered the search for Renewable Energy Technologies for fuelling cell sites in India, and has been at the forefront of adopting environmentally sustainable practices to reduce carbon emissions. It has also led efforts to reduce operating costs of telecommunications network operations in India through the use of renewable energies such as Hydrogen, Solar, and Battery-DG Hybrid systems.

Spearheading Sustainability in the Telecommunications Sector

The telecommunications industry has connected over 800 million Indians and revolutionised communications and information sharing in the country. At the same time the industry has realised it must lighten its carbon footprint. Realising the importance of sustainability within the telecommunications industry, Idea continues its lead in the search for greener energy options in India. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in the most energy efficient manner such as video and teleconferencing, and smart logistics are some of the best practices in our network infrastructure and day-to-day business operations.

Energy Consumption:

A Better Idea

'Sustainability through emission reduction and abatement.'

Initiatives

- Implementation of solar power, fuel cells and other energy efficient measures at more than 1,950 sites resulted in an average carbon reduction of 24,000 tonnes per annum. The total installed capacity of Solar Generating plants at the Telecommunications Sites is in excess of 4.5 MW.
- Rolling out of Mobile Switching Centre Solarisation initiated to reduce emissions.
- Initiation of a Carbon Abatement Project against Mobile Switching Centre (MSC) consumption.

Greener is Better

Idea continues to work on enhancing operational efficiencies and reducing its carbon footprint.

Major initiatives include:

Infrastructure Sharing

Idea led Infrastructure Sharing within the Indian Telecommunications Industry. This led to the formation of a Tower Company called Indus Towers: a joint venture among the top three telecommunications companies in India. Idea, the leader in infrastructure sharing, led the industry with a tenancy ratio of 2.6 in its network portfolio of over 111,000 Sites.

Energy efficient BTS

In a bid to reduce energy consumption in BTS operations, Idea chose OD BTS (outdoor BTS) as the preferred BTS type in 2007. Today over 40% of Idea's BTS portfolio comprises of OD BTS, the energy consumption of which is less than 25% over a conventional BTS.

In FY15, Idea converted indoor sites to outdoor sites by deploying a solution called Free Cooling Unit (FCU). 5,482 such conversions were completed in six months resulting in 25% savings in energy cost and an emission reduction of 32,000 tonnes of carbon per annum.

Over 19% of Idea's own telecommunications towers (out of 9,500 own sites of Idea) are operational with hybrid solutions for energy reduction. Out of this about 1,000 sites are operational with solar solutions. This journey continues and this number will grow every month. Our goal to reduce CO₂ emission of about 24,000 Tons per annum by end of FY15 has been achieved. Here the major objectives have been to reduce diesel generator running, and reduce diesel consumption, to less than five hours a day.

Idea is the only telecommunications company in India where 25 sites operate with Hydrogen fuel cells. If Hydrogen can be made more widely available and at lower costs, this programme has the potential of eliminating the need for regular diesel generators.

When you have a subscriber base of nearly 100 million, communication is key

Idea launched an attractive campaign, 'Use Mobile, Save Paper' campaign to encourage consumers to reduce paper usage. Idea was amongst the first mobile operators in India to promote virtual top up recharges for prepaid users, which led to the phasing out of paper-based recharge vouchers, saving tonnes of paper.

Idea became one of the first operators, globally, to introduce the PICO card replacing traditional SIM cards which were embedded into large pieces of plastic. This initiative is expected to save over 90% of plastic used in manufacturing regular cards.

All communications to our shareholders and investors are sent through e-mail reducing our printing and mailing costs and making a concrete impact on the environment. Idea promotes e-Billing for post-paid customers to reduce usage of paper.

Employees: Flag bearers of Sustainability

Idea's Human Resources operations and communications to its employee base of 15,000 are mainly done online through smart ICT solutions such as teleconferencing, videoconferencing, web chats, and internal social networking platforms to minimise commute time and increase productivity.

Through the 'Bus Karo' programme, our employees use a pool bus service to commute to and from the office during peak hours, every day. One such bus takes the place of approximately 30 cars, saving over 1,200 tonnes of carbon emissions, per annum.



M1

M1 is Singapore's leading communications company, providing mobile and fixed services to close to two million customers. Established in 1997, M1 achieved many firsts, including being the first operator to offer a nationwide 4G service, as well as the first to provide ultra-high-speed fixed broadband, fixed voice and other services on the Next Generation Nationwide Broadband Network (NGNBN). With a continuous focus on network quality, customer service, value and innovation, M1's mission is to link anyone and anything; anytime, anywhere.

M1 has a longstanding commitment to conduct its business in a responsible and sustainable way, and to play a meaningful role in the well-being of all stakeholders, and the community in which it operates. M1's approach to sustainability is built around three key areas:

Network access and coverage

M1 has invested more than SGD1.6 billion in expanding and upgrading mobile network infrastructure, including resiliency enhancement and implementation of the latest technology. These investments enabled M1 to launch Singapore's first nationwide 4G network in 2012, as well as the first 300Mbps nationwide LTE (Long Term Evolution) Advanced network in 2014.

In 2014, SGD140 million was committed to upgrading networks and systems, as well as to construct a building extension.

M1 has invested more than
SGD1.6 million
for the implementation latest technology

The 1st
300 Mbps

nationwide LTE (Long Term Evolution)
Advanced network in 2014

Ethics and integrity

M1 engages in fair, transparent and responsible business practices in dealings with all stakeholders, including customers, suppliers and business partners. The company complies with all regulatory requirements, and aims to meet or surpass the expectations of customers.

This includes promoting transparency in business practices including marketing, communications, recruitment, procurement and ensuring data privacy. Maintaining a high standard of corporate governance is key to protecting the interests of stakeholders, including customers, employees, business partners and shareholders.

Nurturing People

Ensuring a safe and conducive working environment and providing relevant training are key to M1's sustainable business practices. The company has a merit-based recruitment and promotion policy and management and employees work together to identify suitable and relevant training programmes to enhance employees' skill sets.

Reducing the Environmental Footprint

M1 conducts its operations efficiently, so as to minimise its environmental footprint and to make effective use of limited resources.

Base station operations are reviewed periodically to identify ways to reduce energy consumption. In 2011, the company completed its 2G base station modernisation programme to replace 1,200 base stations with multi-radio ones that do not require air-conditioning, yielding power savings of 6,876,600kWh a year.

Solar photovoltaic (PV) power systems were installed at base station sites on Pulau Satumu and St. John's Island to reduce the use of diesel, in 2012 and 2014. These generated power savings of 5,687kWh in 2014, and depending on weather conditions, are expected to generate an estimated 10,000kWh in a power supplement annually.

Some Key Initiatives

Delivering Advanced Technology Sustainably

In 2014 M1 launched the next-generation data centre offering state-of-the-art features previously only available to large corporate users, such as "cold aisle" containment, as well as temperature, humidity and power utilisation sensors on all server racks, to a wide spectrum of customers from large corporates to small and medium enterprises.

Protecting Children

M1 takes special measures to protect vulnerable customers such as children and youth from undesirable content, and worked with the other mobile operators to create the Voluntary Code of Self-Regulation of Mobile Content in Singapore, to protect minors from accessing prohibited content via mobile phones. A variety of tools have been made available to parents to monitor the access of their children to sites online.

Customer Experience

Providing excellent customer service is one of M1's core tenets and the company continually invests in training to ensure a positive customer experience across all touch points of its business operations. All new employees undergo an attachment at the customer contact centre and retail outlets during their orientation programme.

Enabling Communications for People with Special Needs

M1 has supported People Living with Disabilities since 2000, with the launch of Singapore's first customised mobile plan featuring an enlarged SMS bundle, to meet this community's needs.

In 2011, this plan was enhanced with a data bundle to cater to smartphone usage. Following a further review in 2014, M1 launched ConnectSurf, Singapore's best-value plan for this community, with a specially designed voice, SMS/MMS and data bundle at a highly affordable price.

Underserved Communities

In 2014 the company worked with the Media Development Authority of Singapore (MDA) to help low-income households enjoy free access to digital free-to-air TV programming. In this project, M1 supplied and installed DVB-T2 (Digital Video Broadcasting - Second Generation Terrestrial) set-top boxes to eligible households, allowing them to access and enjoy the improved video and sound quality of digital TV programming.

Supplier Code of Conduct

To promote ethical practices on the part of suppliers, M1 commenced work on a M1 Supplier Code of Conduct in 2014. This Code sets out M1's expectations of suppliers, including the need to comply with all applicable laws, prohibition on illegal or unethical behaviour such as bribery and corruption, and protection of customer data. The Code will be implemented in 2015.



National Contribution



for the digital version, visit www.axiata.com or
download the report on Appstore and GooglePlay.

National Contribution

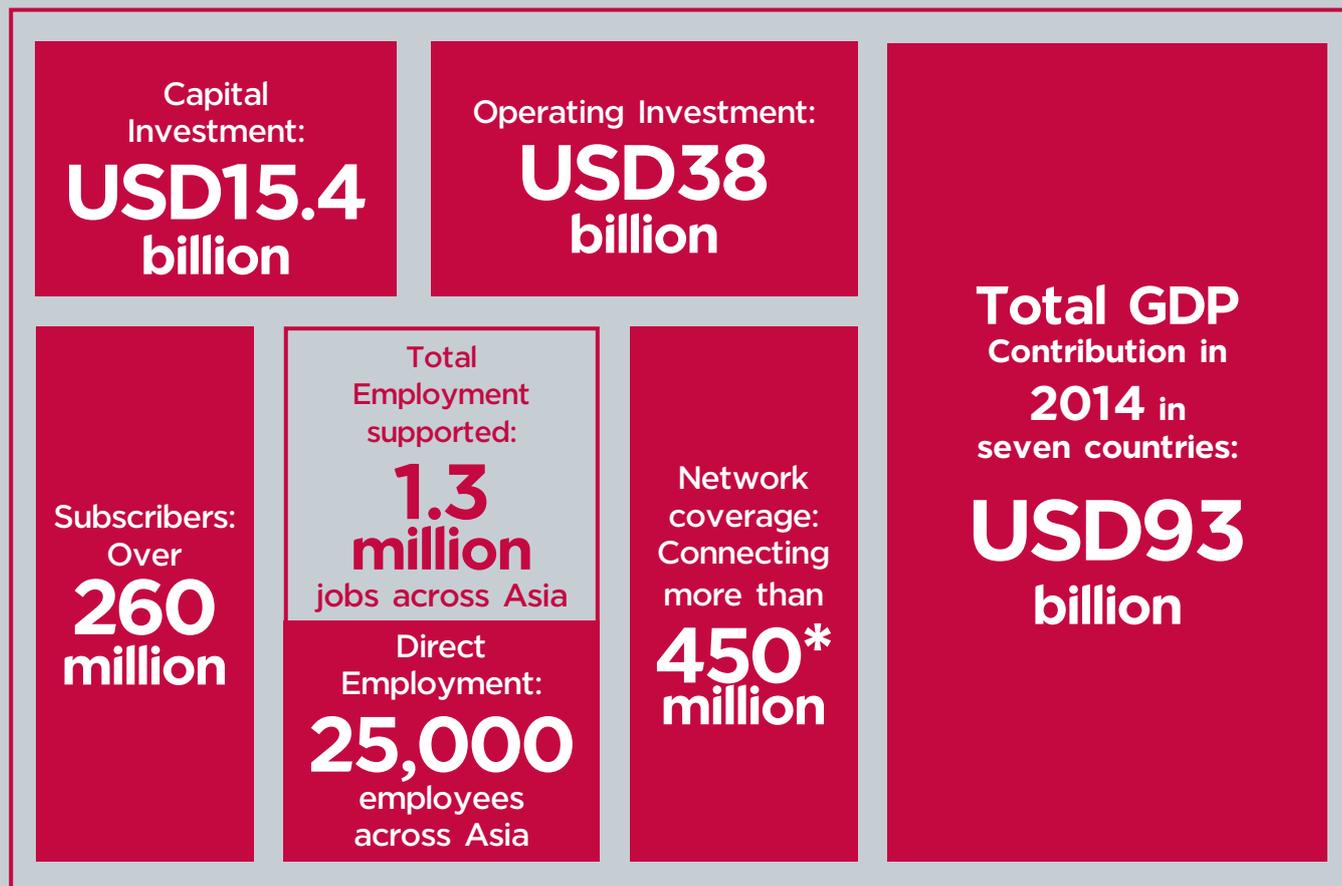
National Contribution Report

Axiata group provides state of the art digital technology and through its investments contribute directly and indirectly to the economies of the countries in which it operates. Our employees across the region benefit from the availability of training and leadership opportunities in line with the growth of Axiata and the global telecommunications industry as a whole. Axiata's contribution introduces new job opportunities, integration of green technology and process, disaster resilience, education, e-innovation and social inclusion amongst others.

Our 2014 Sustainability Report, similar to last year includes a National Contribution Report using methodology developed by an independent party. This year we have the same independent third party assessing our contribution in our operating countries and provide updated data.

This part of the report is based on the data generated by the independent third party as evidence of the contributions Axiata has made in 2014 in the several countries of Asia in which we operate.

Our Economic and Social Contribution Since 2008



* Does not include Idea and M1



Investments Since 2008

Capex + Opex

USD10.1 billion

In 2014

126,000

Jobs Created

Procurement from Locally
Registered Vendors

85%

0.9% (USD2,771 million)
Contribution to GDP

Malaysia

Malaysia has a well-developed mobile market, with mobile penetration of over 148.5% in 2014. The customer base for mobile services in the country is projected to reach over 50 million by 2015.

Celcom

Celcom defended its market share in 2014 despite a challenging year for the telecommunications industry in Malaysia. At the end of the year Celcom had the largest share of the market with 13 million subscribers and 1.4 million broadband customers. Celcom has the widest network in Malaysia, covering 98% and 85% of the population with its 2G and 3G networks respectively. Currently with approximately 1500 LTE sites, Celcom continues to invest in network coverage, capacity and performance to maintain its technology leadership.

Last year Celcom launched an IT transformation process aimed at achieving competitive advantage and delivering the best customer experience to Celcom customers in the long term. Celcom is poised to introduce more innovative products in 2015, following the completion of the IT transformation project.

National Contribution

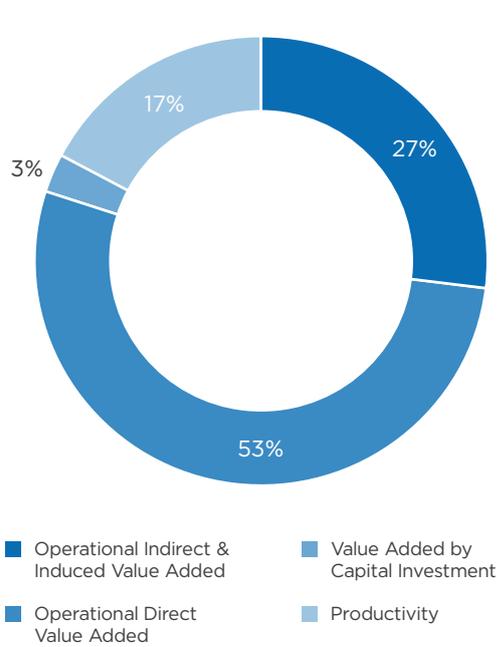


Figure 1: GDP contribution in Malaysia from 2008 - 2014

Our Economic Contribution

By the end of 2014, we had 28.7 million people covered through our network. Over the 7 year period from 2008 - 2014, our total expenses in Malaysia amounted to USD10.13 billion, whereas the Capital expenditure was USD1.8 million and Operational expenditure of USD8.3 billion.

In 2014, we contributed USD2.77 billion or 0.9% of Malaysia's GDP in 2014. Figure 1 provides a breakdown of the value added contribution to the GDP in 2014. 85% of our procurement were from vendors registered in Malaysia. Additionally, our contribution to the Universal Service Provision (USP) amounted to USD322.7 million last year.

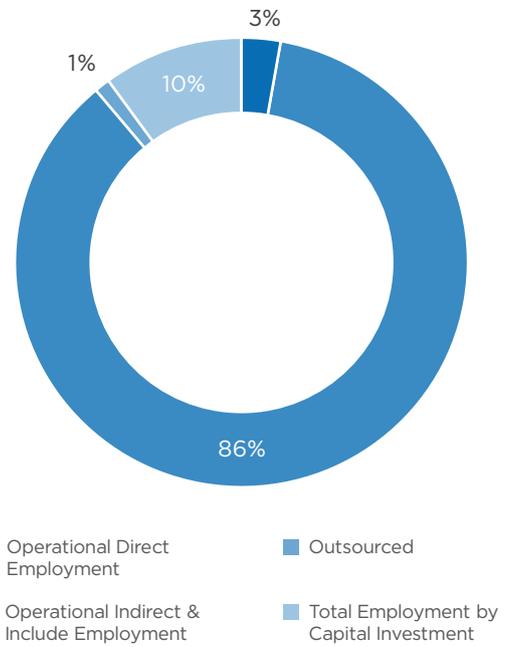


Figure 2: Employment impact in Malaysia

Our Social Contribution

On average, we have supported 131,300 employment opportunities annually in Malaysia between 2008 and 2014. In 2014, we provided direct employment to 4,445 people and supported indirect employment opportunities for more than 121,500 individuals. Figure 2 provides further breakdown of the employment opportunities supported in 2014.

In 2014, we continued the Axiata's Young Talent Programme (AYTP) and further developed the Celcom's 1Malaysia Training Scheme Programme - SL1M providing training to young Malaysian Graduates. From a disaster preparedness perspective, Celcom managed to take necessary steps to ensure its network to be the most resilient during the 2014 floods in the East coast of Malaysia.

National Agenda

Supporting our local business partners forms part of our broader sustainability strategy of adding value for the communities and economies in which we operate. In 2014, RM1.09 billion of the spend was for Malaysian companies.

Gross revenue generated from mobile content for local market in 2014 increased by 15% with a total of RM422 million.

Celcom continues to establish new key partnerships through Local Partner Development Programme (LPDP) not only to support local vendors (VDP) but also stretching into business partners (BDP) and strategic partners (SDP). We have entered MoU with MITI for the development of local vendors (VDP) to become more competitive in the industry and to be ready to venture into regional market.

Celcom has initiated discussions in exploring opportunities offered by relevant government agencies to be Celcom anchor partners to provide access to financing, trainings, knowledge transfer and skills upgrading which as a result, Celcom is in the midst of signing MoUs with SME Bank, CEDAR and MARA. Celcom Partner Capacity Building Centre (PCBC) will be developed to execute the implementation of the programme where it housing all the capacity building information and activities to be used by Celcom Vendors, Business Partners and Strategic Partners.

Vendor Development

In 2014, Celcom purchased a gross value of RM802 million from Bumiputera companies, which was an increase of RM167 million from 2013. Celcom plans to establish a Vendor Development Programme that aims to empower competent and qualified local vendors with the necessary tools and resources they need to help them succeed.

Talent

We have committed RM100 million to the Axiata Young Talent Programme aimed at developing future business leaders of the country. For employee training and development in 2014, Celcom invested approximately RM11.1 million in employee training and professional development. Celcom has supported the government's efforts to raise the quality and marketability of graduates by introducing the BLUi (Celcom's 1Malaysia Training Scheme Programme - SL1M) in 2011. Since then, 159 have participated in the programme.

Export of Talent

As at the end December 2014, 9 Malaysians had been seconded or recruited by our overseas subsidiaries for senior positions. These individuals are poised to return and lead Malaysian corporates in the future.

Celcom's Key National Contribution Initiatives





Investments Since 2008

Capex + Opex

USD9.8 billion

In 2014

Jobs Created in

195,000

Procurement from Locally
Registered Vendors

84%

Contribution to the GDP

0.2% (USD1,850 million)

Indonesia

Indonesia, with a population close to 250 million, is the fourth most populous country in the world. Indonesia's telecommunications sector in Indonesia is ranked third in the Asia Pacific region for its market size.

In 2014, the mobile penetration rate in Indonesia was over 120.04%. The growth in mobile subscriptions was attributed to three key operators - Telkomsel, Indosat and XL Axiata.

XL

XL has grown into one of the country's largest telecommunications companies, with extensive network infrastructure and services. XL offers an array of innovative telecommunications products and services ranging from voice, SMS, VAS to mobile data covering more than 90% of the population throughout Indonesia.

Our Economic Contribution

The XL extends coverage to over 227.5 million people in Indonesia. From 2008 - 2014, XL's total operating expenditure was USD5.8 billion while the Group had a total capital investment of USD4.0 billion made in Indonesia.

XL made a contribution of USD1.85 billion contribution to the GDP which amounted to 0.2% of the total GDP for 2014. Figure 3 provides further breakdown of our contribution to Indonesia's GDP over the last year 84% of our purchases last year were through companies registered in Indonesia.

National Contribution

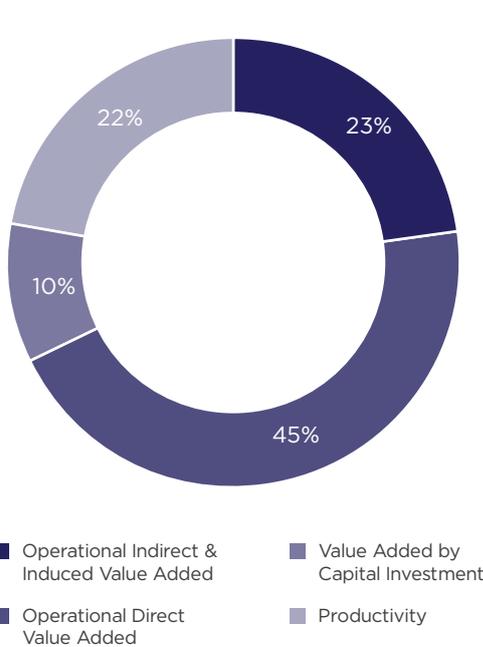


Figure 3: GDP contribution in Indonesia from 2008 - 2014

Our Social Contribution

XL has created, on average, 278,500 job opportunities annually in Indonesia between 2008 and 2014. In 2014, 195,000 jobs opportunities were supported in Indonesia. Figure 4 provides a breakdown of the direct and indirect employment creation in Indonesia as a result of our operations last year.

Over the last 3 years, XL has adopted the Axiata Young Talent Programme and made it a prominent leadership building programme (XL Future Leaders). More than 400 young Indonesians have been part of this programme over the past three years. XL has been in the forefront in supporting education, social welfare and disaster recovery with the support of XL staff and customers.

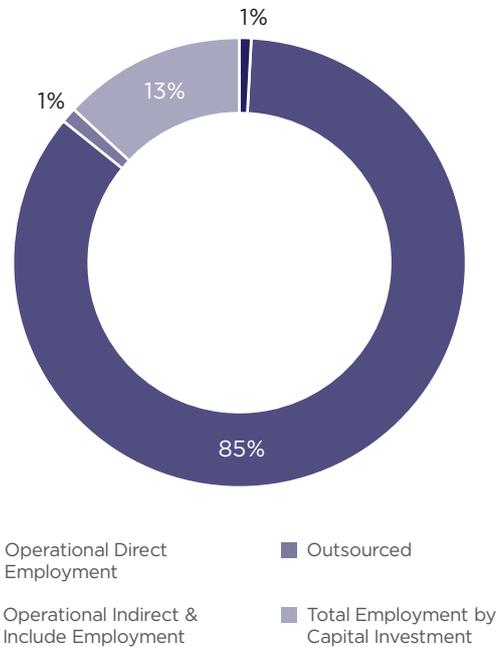
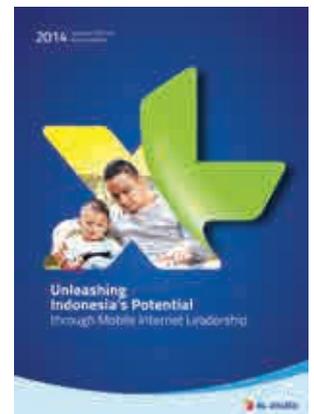


Figure 4: Employment impact in Indonesia

Our Sustainability Efforts in Indonesia

XL continues to show its commitment & dedication to the development of Indonesia through triple-bottom line strategic sustainability implementation. This year XL published its sustainability report using GRI 4, which can be accessed through the following link <http://www.xl.co.id/corporate/id/investor/informasi/laporan-tahunan>





Investments Since 2008

Capex + Opex

USD541 million

In 2014

66,000

jobs were supported

Procurement from Locally
Registered Vendors

47%

Contribution to the GDP

1.5% (USD254 million)

Cambodia

Cambodia's economy has grown at an average rate of 7.9% since 2004, resulting in better access to healthcare, education, water supply and some alleviation in poverty levels. Cambodia continues its appeal as an attractive investment destination for foreign investors. With a mobile penetration of 150%, the country is expected to see further growth in mobile subscriptions, driven mainly by prepaid users in the rural areas. The expansion of 3G networks offers new opportunities for service providers.

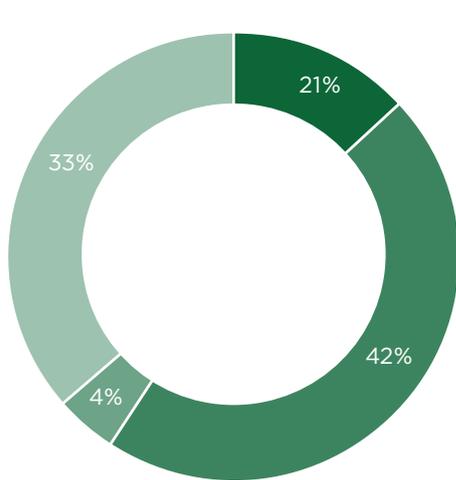
Smart

Smart is Cambodia's second largest mobile telecommunications company serving over 6.5 million customers. Through a strategic merger in February 2013, Smart became part of the Axiata Group after Latelz operating under the brand Smart Mobile, and Hello Axiata, with its Hello brand, fully integrated as a single company.

Our Economic Contribution

Smart now provides connectivity to more than 6.5 million subscribers. Smart is one of the largest tax payers in Cambodia. A total of USD117.6 million was paid as taxes and levies during 2008 - 2014. We have spent USD280 million on operating expenditure during this time while our capital expenses have amounted to USD261 million. Our total contribution to the GDP of Cambodia in 2014 was USD254 million amounting to 1.5% of Cambodia's GDP for the year. Last year, 47% of our procurement was from locally registered vendors. Figure 5. gives a breakdown of the contribution made to the GDP of Cambodia in 2014.

National Contribution

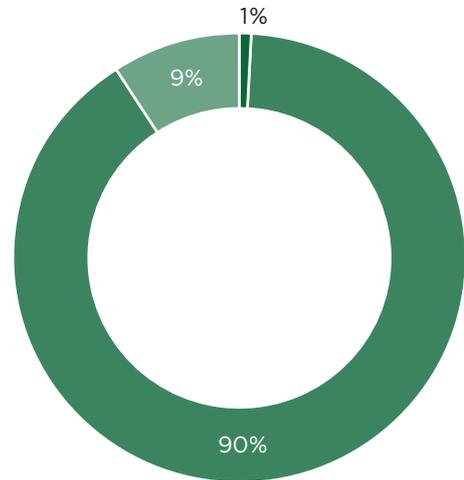


- Operational Indirect & Induced Value Added
- Operational Direct Value Added
- Value Added by Capital Investment
- Productivity

Figure 5: GDP contribution in Cambodia from 2008 - 2014

Our Social Contribution

During 2008 - 2014, we have supported on average, 42,700 direct and indirect employment opportunities annually in Cambodia. In 2014, 91,000 employment opportunities were supported strengthening the Cambodian economy. Figure 6 gives a breakdown of direct and indirect employment opportunities created in Cambodia in 2014. Smart is partnering with a number of government and non-governmental organisations in Cambodia to support corporate responsibility initiatives in education, environmental awareness and youth development.



- Operational Direct Employment
- Operational Indirect & Include Employment
- Total Employment by Capital Investment

Figure 6: Employment impact in Cambodia

Our Sustainability Efforts in Cambodia

Smart is currently working on their first standalone sustainability report. The report will discuss Smart's commitment to the economic, social and environment aspects and include a narrative on contribution to Cambodia as well. The report can be accessed through the following link <http://www.smart.com.kh/about-smart>





Investments Since 2008

Capex + Opex

USD2.6 billion

In 2014

112,000
jobs created

Contribution to the GDP

1.3% (USD961 million)

Sri Lanka

Since the conflict ended in May 2009, Sri Lanka has taken steps to reorient its economic development policy framework to achieve the next stage of growth. Economic ties with other countries and rising foreign investment have pointed to a strong improvement in the country's macroeconomic situation following the end of the conflict, leading the World Bank to upgrade Sri Lanka from a low-income to a lower-middle-income country in 2010.

In 2014, there were approximately 27.0 million mobile subscribers in Sri Lanka. The country's mobile services have remained on a positive growth path as more and more mobile operators continue to promote, launch new packages and increase their network capabilities.

Dialog

Dialog has been at the forefront of innovation in the mobile industry in Sri Lanka since the late 90's, driving the country's mobile telephony infrastructure to a level of advancement on par with the developed world. The company is also one of the largest listed companies on the Colombo Stock Exchange in terms of market capitalisation.

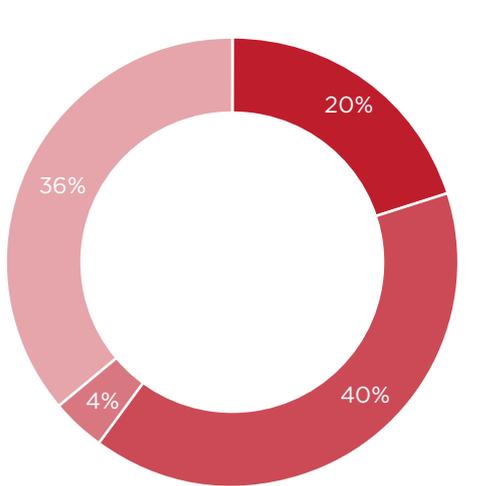
Dialog delivers advanced mobile telephony and high speed mobile broadband services to a subscriber base of 9.5 million Sri Lankans via 2.5G and 3G/3.5G and 4G networks. It was the first service provider in South Asia to launch 3G, HSDPA and mobile and fixed 4G LTE services.

Our Economic Contribution

Dialog's network encompasses 20.6 million people in Sri Lanka. Over the last six years, The group has made a capital investment totalling up to USD792.6 million in Sri Lanka while it's operating expenditure between 2008 and 2014 was USD1.8 billion.

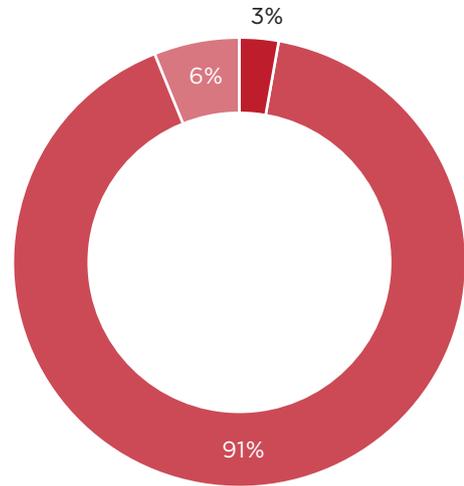
Axiata is Sri Lanka's leading foreign investor. In 2014, 50% of Dialog's procurement was from vendors registered locally. The company contributed USD961 million (or 1.3%) to the GDP of Sri Lanka. The Group's contribution to Sri Lanka's GDP in 2014 is detailed in figure 7 below.

National Contribution



- Operational Indirect & Induced Value Added
- Value Added by Capital Investment
- Operational Direct Value Added
- Productivity

Figure 7: GDP contribution in Sri Lanka from 2008 - 2014



- Operational Direct Employment
- Total Employment by Capital Investment
- Operational Indirect & Induced Employment

Figure 8: Employment impact in Sri Lanka

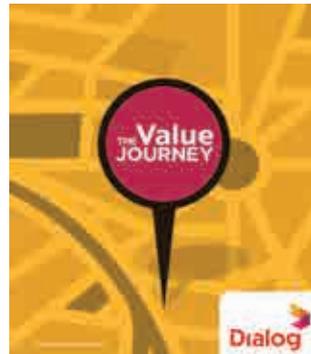
Our Social Contribution

We supported, on average, 84,000 direct jobs annually in Sri Lanka between 2008 and 2014. In 2014, 112,400 employment opportunities were created to support the economic development of the country. A breakdown of the jobs created is provided in figure 8.

Dialog has been recognized as an innovator in its approach to sustainability. Dialog was ranked first in Sri Lanka's Corporate Accountability Ranking for five years. 'Nenesa Education', channel known as the National Distance Education network in Sri Lanka, supports more than 1,000 schools in Sri Lanka, and the Disaster Early Warning Network (DEWN), the Ratmalana Audiology Centre, and the Dialog 5 star, have been recognised internationally as key sustainability interventions over the last five years.

Our Sustainability Efforts in Dialog

Dialog's seventh annual Sustainability Report reviews the Company's journey of value creation, by discussing the activities undertaken to create, deliver and preserve Value in the year under review. This report, published in accordance with the Global Reporting Initiative's G4 'Comprehensive' reporting guidelines, for the second consecutive year can be found at <http://www.dialog.lk/dlg/browse/aboutPromo.jsp?id=onlinefld70051>





Investments Since 2008

Capex + Opex

USD3.3 billion

In 2014

368,000

jobs created

Procurement from Locally
Registered Vendors

64%

Contribution to the GDP

0.4% (USD794 million)

Bangladesh

Bangladesh, with a population close to 150 million, is one of the most densely populated countries in the world. In recent years, Bangladesh has achieved strong economic growth of above 5% a year and accompanied this with an improvement in its human development indicators. The telecommunications sector in Bangladesh is growing at a rapid pace, and the government's commitment to a digital Bangladesh presents major opportunities for the sector.

In 2014, the mobile penetration rate in Bangladesh was over 75.8%, a significant increase over the 2008 figure of 34%. Besides offering affordable mobile plans to the consumers, several operators have embarked on ambitious network infrastructure sharing arrangements that will lead to a substantial reduction in the number of telecommunications sites across the country. At the end of 2014, there were 121.2 million mobile subscribers in Bangladesh.

Robi

Robi, the fastest-growing telecommunications operator in Bangladesh, continues to develop its services to meet increasing customer demands, ranging from voice and high-speed internet services to tailor-made telecommunications solutions.

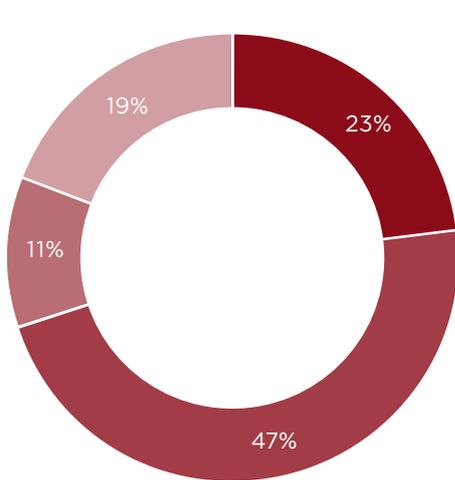
As a subsidiary of Axiata, Robi draws from the international expertise of Axiata, using leading edge technology to provide the best-of-its class services in Bangladesh. Robi is committed to providing the best data and voice quality and will continue to ensure that its customers enjoy the best experience through leading edge technology and innovative products and services.

Our Economic Contribution

The Robi network currently covers 99% of Bangladesh's population amounting to 156.5 million people. A total of USD1.4 billion capital investment and operating costs of USD1.9 billion spent during the seven year period from 2008 - 2014.

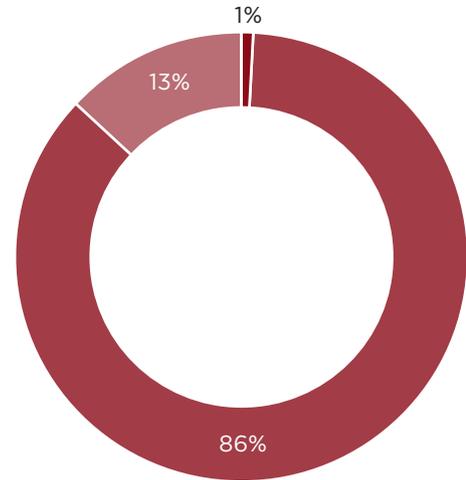
Currently, Axiata is one of the leading foreign direct investors in Bangladesh. In 2014, 64% of Robi's purchases was from local vendors. Robi has taken an active interest in developing local vendors providing them training and sharing best practices. Robi contributed USD794 million to the GDP of Bangladesh in 2014, which amounted to 0.4% of the total GDP. The Group's contribution to Bangladesh's GDP is provided below in figure 9.

National Contribution



- Operational Indirect & Induced Value Added
- Operational Direct Value Added
- Value Added by Capital Investment
- Productivity

Figure 9: GDP contribution in Bangladesh from 2008 – 2014



- Operational Direct Employment
- Operational Indirect & Induced Employment
- Total Employment by Capital Investment

Figure 10: Employment impact in Bangladesh

Our Social Contribution

We have created, on average, 308,000 job opportunities annually in Bangladesh between 2008 and 2014. In 2014, 368,000 employment opportunities were supported in Bangladesh. Figure 10 provides a breakdown.

Robi's social contribution has been in four main areas: IT Education, (IT corner, Internet Corners), Health Care (the Robi clean drinking water project), Green Development (Robi Alo, the solar powered electricity and awareness building programme) and Disaster Response.

Our Sustainability Efforts in Bangladesh

Robi is currently working on their first standalone sustainability report. The report will discuss Robi's commitment to the economic, social and environment aspects. The report can be accessed through the following link.

<http://www.robi.com.bd/en/corporate/sustainability-report>



National Contribution

1.1 KPMG's methodologies and computational formula

Direct Value Added contributions were estimated based on operational data provided by Axiata regarding revenues, expenditures, taxes and income.

Total Value Added Contributions were estimated using an economic multiplier. Various studies reports multipliers between 1.1 and 1.85 depending on the source. For this study, we have conservatively adopted a multiplier of 1.5 for all countries except 1.6 for Singapore.

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. These are estimated by dividing total Valued Added by the value added per worker in the respective country's relevant sector
4. Induced as employees from the above spend their household income thereby generating further rounds of employment.

1.2 Capital Investment

1. Total Value Added = Capital Expenditure x Proportion Spent in Host Country x Average Value Added Multiplier
2. Total Employment in Host Country = Total Capital Expenditure Value Added/Average Value Added per worker in Host Country

*Note: Figures for total value added and total employment in construction data are applicable to each relevant country
(Source: relevant Departments of Statistics for each country)*

1.3 Operational

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

Where,

Direct Value Added = Revenue -Expenditure + Taxes + Levies + Income

Note: Type II multiplier was assumed to be 1.5 for all countries except 1.6 for Singapore

2. Total Employment = Value Added/Value Added per Worker + Direct Employment

Direct Employment = As per Axiata data

(Source: Relevant Departments of Statistics for each country)

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

G4-18
G4-20
G4-21
G4-19

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 below table indicates the status of reporting as well.

Aspect boundaries for material aspects and the Groups disclosure

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 & Responsible Business Conduct	Corruption	X	X		X			X	X	X
Business Performance	Economic Performance*	X	X		X			X	X	
Employee Development & Welfare Employment	Employment		X							
	Training & Education		X							
	Diversity & Equal Opportunity		X							
	Labour Grievance		X							
	Human Rights Grievance		X							
Customer Service	Product & Service Labeling		X							X
Privacy & Data	Customer Privacy		X							X
	Marketing Communications								X	
Supply Chain	Procurement Practices			X						
	Supplier: Labour		X							
	Supplier: Human Rights		X							
	Supplier : Environment		+							
Charity/Community Development	Indirect Economic Impacts	X								
	Local Communities	X								
Network Quality & Coverage	Coverage in low/no income areas			X		X			+	X
Health & Safety	Health & Safety		X		X	+		+	+	
Disaster & Response	Indirect Economic Impacts	X								
	Local Communities	X								
Digital Inclusion, Product innovation & Research	Customer Satisfaction								+	X
	Inclusion			X						X
Energy & Climate Change	Energy Consumption	X	X			X	+	X		
	Emissions	X	X			X	+	X		

X 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 have not reported on it due to unavailability of information for the reporting cycle.

* Addressed in the Axiata Annual Report 2014

Appendix

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 registered in the OpCo country. For Axiata Corporate Centre and edotco, the country is Malaysia, since both entities have their headquarters in Malaysia.

Significant Locations of Operations

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

Appendix: List of Abbreviations

<i>Annual General Meeting (AGM)</i>	<i>High-Speed Downlink Packet Access (HSDPA)</i>
<i>Application Programme Interface (API)</i>	<i>Human Resources (HR)</i>
<i>Australian Human Resources Institute (AHRI)</i>	<i>Information and Communications Technology (ICT)</i>
<i>Axiata Digital Innovation Fund (ADIF)</i>	<i>Information Technology (IT)</i>
<i>Axiata Digital Services (ADS)</i>	<i>International Federation of the Red Cross and Red Crescent Societies (IFRC)</i>
<i>Axiata Procurement Centre (APC)</i>	<i>International Organisation for Standardisation (ISO)</i>
<i>Axiata Young Talent Programme (AYTP)</i>	<i>Key Performance Indicators (KPI)</i>
<i>Bangladesh Rural Advancement Committee (formerly) (BRAC)</i>	<i>Local Partner Development Programme (LPDP)</i>
<i>Base Transceiver Station (BTS)</i>	<i>Long Term Evolution (LTE)</i>
<i>Business Continuity Management (BCM)</i>	<i>Malaysian Communications and Multimedia Commission (MCMC)</i>
<i>Business Development Programme (BDP)</i>	<i>Malaysian Global Innovation & Creativity Centre (MaGIC)</i>
<i>Capital Expenditure (Capex)</i>	<i>Market Capitalisation (Market Cap)</i>
<i>Cellular on Wheels (COW)</i>	<i>Mobile Internet Fulfilment Exchange (MIFE)</i>
<i>Chief X Officer (CXO)</i>	<i>Mobile Network Operators (MNOs)</i>
<i>Company Secretary (CoSec)</i>	<i>Memorandum of Understanding (MOU)</i>
<i>Corporate Development (CorpDev)</i>	<i>Ministry of International Trade & Industry (MITI)</i>
<i>Corporate Office (CorpOffice)</i>	<i>National Disaster Command Centre (NDCC)</i>
<i>Corporate Social Responsibility (CSR)</i>	<i>National Disaster Management Centre (NDMC)</i>
<i>Corporate Responsibility (CR)</i>	<i>Net Promoter Score (NPS)</i>
<i>Customers (Cx)</i>	<i>Occupational Safety and Health Act (OSHA)</i>
<i>Customer Experience (CE)</i>	<i>OpCo Accelerated Development Programme (OADP)</i>
<i>Customer Experience Management (CEM)</i>	<i>Operating Companies (OpCos)</i>
<i>Disaster and Emergency Warning Network (DEWN)</i>	<i>Personal Data Protection Act (PDPA)</i>
<i>Electromagnetic Field (EMF)</i>	<i>Profit After Tax (PAT)</i>
<i>Emergency Response Committee (ERC)</i>	<i>Radio Access Network (RAN)</i>
<i>Employee Engagement Index (EEI)</i>	<i>Request for Proposals (RFP)</i>
<i>Employee Engagement Survey (EES)</i>	<i>Risk Management Committee (RMC)</i>
<i>Enterprise Risk Management (ERM)</i>	<i>Senior Leadership Team (SLT)</i>
<i>Environmental, Social, and Governance (ESG)</i>	<i>Short Message System (SMS)</i>
<i>Gigajoule (GJ)</i>	<i>Skim Latihan 1 Malaysia (SL1M)</i>
<i>Global Price Book (GPB)</i>	<i>Social Return on Investment (SROI)</i>
<i>Global Reporting Initiative (GRI)</i>	<i>Software Development Kit (SDK)</i>
<i>Global System for Mobile communications (GSM)</i>	<i>Specific, Measurable, Attainable, Relevant, Time-bound (SMART)</i>
<i>Go-to-market (GTM)</i>	<i>Strategic Business Unit (SBU)</i>
<i>Government-Linked Company (GLC)</i>	<i>Telekom Malaysia International (TMI)</i>
<i>Greenhouse Gas (GHG)</i>	<i>Uncompromising Integrity. Exceptional Performance (UIEP)</i>
<i>Group Accelerated Development Programme (GADP)</i>	<i>United Nations Convention on the Rights of the Child (CRC)</i>
<i>Group Risk Management Committee (GRMC)</i>	<i>United Nations Emergency Telecommunications Cluster (ETC)</i>
<i>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.</i>	<i>United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA)</i>
<i>Health and Safety (H&S)</i>	<i>University Leadership Development Programme (ULDP)</i>

Appendix

Data in Numbers

Aspect	Indicator	Detail	Unit	
Market Presence	EC5	Ratios of standard entry level wage vs local minimum wage ¹¹	Ratio	
	EC6	Proportion of senior management from local country ¹¹	%	
Procurement Practices	EC9	Percentage local ¹¹	%	
		Percentage foreign	%	
Energy	EN3	Direct energy consumption ¹⁷	GJ ¹³	
		Indirect energy consumption ¹⁸	GJ ¹⁴	
	EN6	Energy saved	GJ	
Emissions	EN15	Scope 1 GHG - GHG from fuel	Tonnes ¹⁵	
	EN16	Scope 2 GHG - GHG from grid	Tonnes ¹⁶	
	EN19	Reduction of GHG	Tonnes	
Employment		Employees by gender	Male	
			Female	
			Total employee	
		Workforce ¹⁶	Male	
		Female		

¹¹ Ref page 86 for definitions

¹² Dialog is guided by the Shop and Office act, Sri Lanka

¹³ 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)

¹³ Used GRI conversion rates for the National Grid energy

¹⁴ US EPA stats on greenhouse gas emissions from fuel www.epa.gov/otaq/greenhousegases.htm

¹⁵ Most recently concluded CDM project in each country was used to calculate grid GHG emission

¹⁵ http://cdm.greentechmalaysia.my/up_dir/Final%20Report_CDM_Baseline_2012v2.pdf

¹⁶ Employees and all the outsourced personnel engaged in office premises belonging to the Group

¹⁷ Direct Energy consumption - Energy consumed for units/entities owned by the organisation

¹⁸ Energy purchased or acquired and consumed within the organisation

	Celcom	XL	Dialog	Robi	Smart	edotco	Axiata CC	Overall
	629:780	103:95	N/A ¹²	11:48	32:25	629:1385	-	N/A
	80%	-	80%	95%	14%	63%	64%	N/A
	85%	84%	50%	64%	47%	60%	87%	66%
	15%	16%	50%	36%	53%	40%	13%	34%
	2,914.60	377,837.36	34,061.81	231,541.63	58,625.85	8,405.01	-	713,385.25
	817,861.37	2,726,143.01	410,177.13	498,553.71	116,054.64	450,547.49	3,257.22	5,022,594.57
	-	-	2,769.95	4,812.00	-	-	-	-
	200.91	26,045.30	3,000.17	15,960.76	161.95	579.38	-	45,948.47
	168,343.13 ¹⁵	575,873.84	79,676.9	92,786.39	18,167.86	92,737.69 ¹⁵	670.44 ¹⁵	1,028,256.24
	-	-	273.49	331.71	-	-	-	605.19
	2,658	1,527	2,404	1,298	542	32	99	8,560
	1,984	613	592	131	269	17	78	3,684
	4,642	2,140	2,996	1,429	811	49	177	12,244
	2,703	3,599	3,362	1,298	540	32	99	11,633
	2,036		883	131	271	17	78	3,416

Appendix

Aspect	Indicator	Detail	Unit	
Employment	LA1	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 group	<20	
			20-29	
			30-39	
			40-49	
	50-59			
	>60			
LA3	Employees who took maternity leave during the year	Number		
	Employees returning to work after maternity leave	%		
	Retention rate of employees who took maternity leave the year before	%		
Health & Safety	LA5	H&S representation	Number	
	LA6	Injuries (Workforce) ¹¹	Number	
			%	
		Fatalities	Number	
Lost days	Days			

¹¹ Ref page 86 for definitions

	Celcom	XL	Dialog	Robi	Smart	edotco	Axiata CC	Overall
	158	199	164	213	249	25	32	1,040
	184	88	66	20	109	10	18	495
	0	0	12	0	15	0	0	27
	233	96	183	76	296	10	5	899
	89	119	24	130	44	20	24	450
	15	70	6	22	3	4	18	138
	5	2	5	4	0	1	3	20
	0	0	0	1	0	0	0	1
	237	166	201	178	198	4	9	993
	184	74	80	24	125	1	3	491
	0	0	5	0	1	0	0	6
	188	75	169	19	266	0	1	718
	154	146	89	112	53	0	8	562
	63	17	9	60	3	5	3	160
	16	2	8	9	0	0	0	35
	0	0	1	2	0	0	0	3
	102	25	75	0	13	1	9	225
	93%	100%	95%	N/A	100%	100%	89%	96%
	N/A	N/A	91%	N/A	N/A	N/A	100%	N/A
	361	37	N/A	75	N/A	3	N/A	N/A
	1	1	N/A	2	0	0	N/A	4
	0.6%	0.3%	N/A	0.6%	0	0	N/A	1.1%
	0	0	0	0	0	0	N/A	0
	0	2	N/A	0	0	0	N/A	2

Appendix

Aspect	Indicator	Detail	Unit	
Training	LA9	Average training hours per employee	Male	
			Female	
		Percentage employees receiving performance review	Male	
			Female	
Diversity	LA12	Staff diversity: male by age group	<20	
			20-29	
			30-39	
			40-49	
			50-59	
			>60	
		Staff diversity: female by age group	<20	
			20-29	
			30-39	
			40-49	
			50-59	
			>60	
Equal Remuneration for Women and Men	LA13	Ratio of basic salary of women to men by employee category:		
		Middle management	ratio	
		Executive	ratio	
		Non-executive	ratio	

¹⁹ Does not include Senior management

	Celcom	XL	Dialog	Robi	Smart	edotco	Axiata CC	Overall
	29.72 ¹⁹	32.20	22.00	31.39	N/A	16.00	9.44	15.89
	39.97 ¹⁹	27.74	21.00	28.39	N/A	16.00	7.30	14.37
	100%	100%	100%	100%	89%	100%	100%	98%
	100%	100%	100%	100%	89%	100%	100%	98%
	0	0	3	0	4	0	0	7
	404	241	685	325	324	7	10	1,996
	1,021	835	1,307	781	186	20	40	4,190
	1,157	411	374	165	25	6	36	2,174
	197	24	32	27	2	2	13	297
	0	4	3	0	1	0	1	9
	0	0	1	0	11	0	0	12
	394	120	238	49	208	3	8	1,020
	692	344	296	75	48	4	32	1,491
	553	147	54	7	1	4	30	796
	58	14	3	0	0	3	7	85
	0	0	0	0	0	0	0	0
	1:0.92	-	1:0.97	1:0.82	1:0.94	1:1	-	N/A
	1:1	-	1:0.98	1:0.89	1:1	1:1.13	-	N/A
	1:1	-	1:1.1	1:0.98	1:2	1:1.04	-	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 2014.

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page Number (or Link)	External Assurance
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STRATEGY AND ANALYSIS

G4-1	Page 010-013, 016-017 Annual Report 2014 President & GCEO's Business Review	Page 098-103
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ORGANISATIONAL PROFILE

G4-3	Page 005	Page 098-103
G4-4	Page 005, Annual Report 2014 Business Review	Page 098-103
G4-5	http://www.axiata.com/about-us/contact-us.htm	-
G4-6	Page 006	Page 098-103
G4-7	Annual Report 2014 Group Corporate Structure	-
G4-8	Page 006	-
G4-9	Page 006, 032, 088-089 Annual Report 2014 Financial Statements	-
G4-10	Page 088-089	Page 098-103
G4-11	% not available	-
G4-12	Page 046-047	-
G4-13	Page 008, Annual Report 2014 Financial Statements	-
G4-14	Page 016-017	-
G4-15	Page 028-029	-
G4-16	Page 010-013	-

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Page 009	-
G4-18	Page 019,020,085	Page 098-103
G4-19	Page 085	Page 098-103
G4-20	Page 021, 025,035,045,053, 085	-
G4-21	Page 021, 085	-
G4-22	None	-
G4-23	Page 008	-

STAKEHOLDER ENGAGEMENT

G4-24	Page 018	Page 098-103
G4-25	Page 018	Page 098-103
G4-26	Page 018	Page 098-103
G4-27	Page 018 -019, 025,035, 045, 053	Page 098-103

REPORT PROFILE

G4-28	Page 009	-
G4-29	2013	-
G4-30	Annual	-
G4-31	Sustainability@axiata.com	-
G4-32	Page 009, Appendix GRI Content Index, page 094	-
G4-33	Page 009, 098	-

GOVERNANCE

G4-34	Annual Report 2014 Corporate Governance	-
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ETHICS AND INTEGRITY

G4-56	Page 007	Page 098-103
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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 014-015, 025			-
G4-EC1	Annual Report 2014 Financial Statements			-
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA	Page 014-015, 035			-
G4-EC5	Page 088-089			-
G4-EC6	Page 088-089			-
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA	Page 014-015, 053			Page 098-103
G4-EC7	Page 060-065			Page 098-103
MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA	Page 014-015, 045			Page 098-103
G4-EC9	Page 048, 088-089			Page 098-103
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: ENERGY				
G4-DMA	Page 014-015, 053			Page 098-103
G4-EN3	Page 054-057, 088-089	Cooling and heating sold	Not applicable	Page 098-103
G4-EN4	Page 054-057, 088-089			Page 098-103
G4-EN6	Page 054-057, 088-089	Heating, cooling, and steam	Not applicable	Page 098-103
MATERIAL ASPECT: EMISSIONS				
G4-DMA	Page 014-015, 053			Page 098-103
G4-EN15	Page 054-057, 088-089	Gases included in the calculation (CH4, N2O, HFCs, PFCs, SF6, NF3, or all) consolidation approach	Not applicable	Page 098-103
G4-EN16	Page 054-057, 088-089	Consolidation approach	Not applicable	Page 098-103
G4-EN19	Page 054-057, 088-089	Gases included (whether CH4, N2O, HFCs, PFCs, SF6, NF3, or all)	Not applicable	Page 098-103
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	Page 014-015, 053			-
G4-EN23	Page 058	Wastes quantities	Not applicable	-
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA	Page 014-015, 045	Quantitative data		-
G4-EN32	No new suppliers were screened		The information is currently unavailable	-

GRI Content Index

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 014-015, 035			Page 098-103
G4-LA1	Page 037, 090-091			Page 098-103
G4-LA3	Page 090-091			-
MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS				
G4-DMA	Page 014-015, 035			-
G4-LA4	Sufficient time is given to employees	Quantitative data		-
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	Page 014-015, 035			Page 098-103
G4-LA5	Floor-wise representation in all our offices, page 90 - 91	The percentage of the total workforce represented	The information is currently unavailable	Page 098-103
G4-LA6	Page 090 - 091	Occupational diseases rate (ODR), absentee rate (AR), for the total workforce	Currently unavailable	Page 098-103
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	Page 014-015,035			Page 098-103
G4-LA9	Page 038, 092-093			-
G4-LA11	Page 092-093	Figure by category		Page 098-103
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	Page 014-015,035	Figure by category	Value 100% in majority	Page 098-103
G4-LA12	Page 092-093	Minority groups and other indicators of diversity	Sensitive information	-
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA	Page 014-015,045			Page 098-103
G4-LA14	New suppliers screened using labour practices criteria	The percentage of new suppliers screened	The information is currently unavailable	Page 098-103

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 014-015,035			-
G4-HR3	No cases were reported.			-
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA	Page 014-015,035			-
G4-HR4	No cases were reported.			-
MATERIAL ASPECT: CHILD LABOUR				
G4-DMA	Page 014-015,035			-
G4-HR5	No cases were reported.			-
MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR				
G4-DMA	Page 014-015,035			-
G4-HR6	No cases were reported			-
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA	Page 014-015, 045	The percentage of new suppliers screened		-
G4-HR10	Page 041		The information is currently unavailable	-
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-DMA	Page 014-015, 035			-
G4-HR12	Page 043			-
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	Page 014-015, 53	Quantitative information	Not Available	-
G4-SO1	Page 060-065			-
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	Page 014-015, 035			Page 098-103
G4-SO3	Page 039	Quantitative information and significant risks	Currently not Available	Page 098-103
G4-SO4	Page 038-039	Quantitative information	The information is currently unavailable	Page 098-103
G4-SO5	No cases were reported			Page 098-103
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: PRODUCT AND SERVICE LABELLING				
G4-DMA	Page 045			-
G4-PR5	Page 049	The key conclusion of customer satisfaction service	Confidential information	-
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	Page 014-015, 045			Page 098-103
G4-PR8	Page 051	Quantitative details of customers' complaints	Currently not available	-

Assurance Statement



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Independent Limited Assurance Report in relation to Axiata Group Berhad’s 2014 Sustainability Report

To the Management and Directors of Axiata Group Berhad (‘Axiata’)

We have carried out 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 2014 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 2014:

- ▶ Subject Matter 1: Axiata’s adherence to the AA1000 AccountAbility principles of inclusivity, materiality and responsiveness in the preparation of the 2014 Sustainability Report (‘the Report’)
- ▶ Subject Matter 2: Selected sustainability indicators for the Axiata Corporate Centre as listed in Table 1 , as well as the extraction of specific sustainability indicators for the group of Operating Companies (‘Selected Performance Data’) listed in Table 1 and related disclosures included in the report – which were selected based on Axiata’s materiality assessment process, and
- ▶ Subject Matter 3: Axiata’s reported alignment to the self-declared Global Reporting Initiative’s (‘GRI’) G4 “in accordance” requirements (core).

The subject matter did not include:

- ▶ Assessing the accuracy, fairness or balance of data sets, statements, information, systems or approaches relating to areas other than the sustainability performance data and disclosures selected.
- ▶ Management’s forward looking statements.
- ▶ Assurance of financial data, other than that relating to environmental, social or economic performance where applicable.

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 Principles.
- ▶ Subject Matter 2: GRI indicator protocols, as identified in Table 1 below:

Table 1 Selected Performance Data:

Performance disclosures	Boundary	Criteria	Report section
Privacy and Data Protection DMA	Axiata Corporate Centre	G4-PR8, DMA	Page 057
Governance and Responsible Business Conduct DMA		G4-SO4, DMA	Page 045
Average Training Hours per Employee		G4-LA9	Data in Numbers (Appendix)
Procurement Practices (Percentage Local procurement)		G4-EC9	Data in Numbers (Appendix)
Energy consumption	Extraction of data from group of Operating Companies	G4-EN3, EN4	Data in Numbers (Appendix)
Emissions – Scope 1 and 2		G4-EN15, 16	
Overall Employment		G4-LA1	Data in Numbers (Appendix)

- ▶ Subject Matter 3: The GRI’s G4 “In accordance with Core” Guidelines.



Management's responsibility

The management of Axiata is responsible for the preparation and presentation of the Subject Matter in the Report in accordance with the above Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods used are appropriate for the purpose described above. Further, Axiata's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement conducted in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and in accordance with the requirements of a Type 2 assurance engagement under AccountAbility's AA1000 Assurance Standard (2008) ('AA1000AS (2008)') and the terms of reference for this engagement as agreed with Axiata.

Our procedures were designed to obtain sufficient assurance evidence about the subject matter being audited on which to base our limited assurance conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the subject matter, 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 assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Work Performed

In order for us to provide a conclusion in relation to the above scope of work, we have considered the criteria specified in AA1000 AccountAbility Principles Standard 2008, specifically the following questions:

- ▶ Inclusivity: Has Axiata demonstrated a commitment to be accountable to stakeholders on whom it has an impact or to those stakeholders who have an impact on it
- ▶ Materiality: Does Axiata have in place a process for determining material issues that results in a balanced understanding and prioritisation of its material sustainability issues
- ▶ Responsiveness: Does Axiata have a process in place that enables it to respond to stakeholders in a way that addresses their needs, concerns and expectations in a comprehensive, balanced and timely way

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, and
 - 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 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, and

Assurance Statement



- 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 Selected Performance Data had been adequately disclosed.
- ▶ Checking the Report against the GRI G4 “In accordance with Core” Guidelines.

Use of our Report

Our limited assurance report has been prepared for distribution to the management and directors of Axiata. We disclaim any assumption of responsibility for any reliance on this assurance statement or on the subject matter to which it relates, to any person other than management and directors of Axiata, or for any purpose other than that for which it was prepared.

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.

Limited Assurance Conclusion

On the basis of our procedures for this limited assurance engagement, nothing has come to our attention that causes us to believe that the Subject Matter has not been reported and presented fairly, in all material aspects, in accordance with the Criteria above.

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. The observations and opportunities for improvement do not affect our conclusions expressed in the Limited Assurance Conclusion section above.

Inclusivity

In 2014, Axiata made headway in expanding its engagement with stakeholders, in particular with suppliers. The Axiata Supplier Forum and Supplier Satisfaction Survey were new mechanisms for Axiata to engage with this group. Further, the introduction of the Supplier Code of Conduct this year covers ethical procurement practices. Going forward, we recommend that Axiata undertakes a risk-based approach to auditing supplier compliance with the Code of Conduct.

Materiality

Axiata has a process in place to help the business identify its material issues for reporting and we note that the key material issues as determined by Axiata were covered adequately in the report. Material issues were defined using AccountAbility’s five part materiality test. Axiata has extended its materiality process to each Operating Company to ensure that the content of the report accurately reflects the key issues that relate to the diverse operating environments.

Axiata has also improved its reporting this year by including key issues of interest for each Stakeholder group. In the future we recommend that this is tested externally with customers, regulators, shareholders and community representatives from a materiality perspective.

Finally, Axiata’s commitment to key material sustainability areas is evident through its strategic investment in stand-alone business units that are related to material issues, such as “edotco” supporting energy and climate change; and Axiata Digital Services (ADS) which reinforces digital inclusion.

Responsiveness

Axiata’s approach to responding to key stakeholder issues respects the autonomy of each individual operating company. From a group perspective, individual business functions are responsible for managing stakeholders. We note that the recently implemented sustainability forum may provide an opportunity to share approaches to stakeholder engagement and develop an overarching group-wide strategy.



Over time, Axiata has refined its approach to sustainability using four pillars. The report addresses aspects of Axiata's performance against each pillar using a mix of quantitative data and case studies. There is an opportunity for Axiata to provide more balanced narrative around the key sustainability challenges that are faced by the business. For example, while an ambitious target for carbon emissions reduction has been set by edotco, progress toward this target, and other targets, should be communicated.

Axiata has responded to the prior years' assurance observations on pages 24-25 of the report. This demonstrates Axiata's commitment to continuous improvement. The disclosures reflect the progress made, however we believe that further improvement can be made around the robustness of the newly introduced data collection system. We have provided more detailed suggestions for improvements in an internal report to management.

A handwritten signature in black ink, appearing to read 'T. Jeyaretnam'.

Terence Jeyaretnam, FIEAust, Lead CSAP (AccountAbility UK)
Partner
Ernst & Young
Melbourne, Australia
20 April 2015



Notes