

DiGi's Sustainability Report 2013

(For the digi.com.my/sustainability website)

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DELIVERING
THE BEST
INTERNET
EXPERIENCE

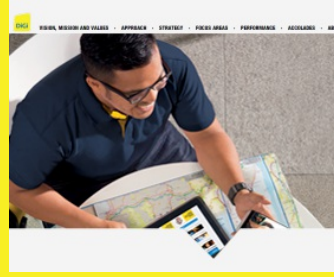
SUSTAINABILITY REPORT



CEO'S MESSAGE



APPROACH TO SUSTAINABILITY



ABOUT THIS REPORT



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Vision

Our vision is to be a company that is always '**Changing the Game**'. We do this by constantly pushing boundaries, defining new standards, and ensuring continuous improvements in all parts of our business.

Mission

We deliver *Internet For All* as part of our commitment to building a connected Malaysia - enabling access to mobile internet services and applications by offering customers the right combination of devices and value pricing, as well as the best usage experience.

Values

Keep Promises

We take ownership for delivering on our goals and responsibilities, and pride ourselves on driving quality into everything we do.

Make It Easy

We aim for simplicity in the way we work, and in offering products and services that are easy to understand and easy to use.

Be Respectful

We are open-minded and professional in our conduct, and appreciate differences in cultures, opinions, and outlook.

Be Inspiring

We bring passion, energy, and creativity into everything we do, and make every effort to constantly drive change and continuous improvement.



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CEO'S
MESSAGE

SUSTAINABILITY REPORT

2023-2024

Dear Reader,

I am pleased to present DiGi's 2013 Sustainability Report, giving an overview of our commitment and activities undertaken during the year in delivering responsible and sustainable business practices.

Our sustainability strategy supports our ambition to enable Internet For All. It addresses issues that are of importance to our stakeholders, and key to our long-term growth and success. These include digital inclusion, ethical and responsible business practices, people, and the environment.

This year, DiGi continued to inspire positive adoption of mobile internet services through various community empowerment initiatives.

In season five of the Challenge For Change programme, DiGi worked with Malaysians at large to unearth community-centric ideas, brought together young developers to turn these ideas into mobile applications, and look towards supporting the commercialisation of these apps by promoting them to our customers and through various touchpoints and strategic partnerships. The Challenge builds on an established partnership with the Economic Transformation Programme (ETP), the National Digital Economy Initiative (Digital Malaysia), Google Malaysia, Microsoft Malaysia, and welcomes into the programme new partners 1Malaysia for Youth (iM4U) and the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU).



In 2013, we deepened our efforts on raising awareness and creating safe online experiences for students through DiGi's CyberSAFE in Schools Programme. The focus this year was on developing trusted ambassadors comprising teachers and education ministry staff who are able to influence students' appreciation of cyber safety. DiGi also published a comprehensive nationwide survey detailing students' level of awareness on online safety, from a pool of 15,256 students trained.

During the year, we continued to conduct our business in an ethical and responsible manner by ensuring high standards of corporate governance across our value chain, addressing health and safety risks, and by responding to customers' and stakeholders' expectations of our business.

We also strengthened DiGi's 'Way of Work' governance framework, focused on streamlining policies, processes and internal controls, and strengthening compliance to laws and regulations critical to our business performance. We also established a new, comprehensive set of compliance principles, frameworks and initiatives, in addition to the existing Information Security Management programme to secure the personal information of our 11 million customers in line with the requirements of the Personal Data Protection Act 2010.

In 2013, we invested strategically in the engagement, development, performance and well-being of our employees, guided by the principles of cultivating a challenging and supportive work culture and environment, providing attractive development opportunities at all levels, and offering competitive, performance based rewards for all DiGizens. We believe we have made solid progress in strengthening our Best on People aspiration, and continue to be among the most preferred places to work in Malaysia. During the year, we have also refreshed our organisational structure and senior management line-up to drive stronger cohesion and focus across the company to better drive the next phase of our growth.

Climate change and environmental risks remain a key concern from an operational efficiency standpoint, and as part of our overall corporate responsibility focus. We continued to drive efficiency improvements in our network and facilities, and addressed broader issues across the business to stabilize the growth of total energy consumption and carbon dioxide (CO2) emission levels. With the completion of our network modernisation exercise, we expect to see gradual improvements in energy efficiency year-on-year. This year, we were recognized for diligently reporting and managing carbon savings across our operations. DiGi was ranked No. 1 in Malaysia for the second time in the Climate Disclosure Leadership Index 2013, and was also awarded a best year-on-year disclosure score award for South East Asia, putting us on the same league as leading Asian organisations in displaying a strong approach to the disclosure of climate-related information.

Our Sustainability approach is aligned to Telenor Group's Corporate Responsibility Strategy, Bursa Malaysia's CSR Framework and the United Nations Global Compact (UNGC) which ensures we actively address all key sustainability aspects consistent with the Global Compact Principles. We remain guided by our comprehensive policies and processes, with practices monitored across key business functions, and periodically reported to the senior management and Board of Directors.

We continue to look at ways to improve the disclosure of our sustainability performance, and hope this report provides a comprehensive overview of our position and performance on key issues. Selected key performance indicators in this year's Sustainability Report has obtained an independent assurance from Ernst & Young.

I trust you will find this Sustainability Report informative and useful, and thank all customers, partners and employees for their commitment and support.

Henrik Clausen
Chief Executive Officer



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SUSTAINABILITY REPORT

DiGi's approach on Sustainability is to leverage our core competencies to enable positive changes in society and our business environment.

We are committed to driving responsible and sustainable business practices throughout its organisation. This is achieved by ensuring high standards of governance across its entire operations, promoting responsible business practices, managing its environmental impact, and by extending the benefits of mobile communications to all Malaysians.

Our philosophy on sustainable business practices is expressed through a body of comprehensive policies and processes, monitored across key business functions, and periodically reported to the senior management and Board of Directors.

Our Sustainability approach is aligned to Telenor Group's Corporate Responsibility Strategy, Bursa Malaysia's CSR Framework, and the United Nations Global Compact (UNGC) Principles. We continue to regularly review this approach to ensure that relevant sustainability challenges are addressed across its value chain.

2013 Highlights

- **RM6.7** billion revenue
- **RM38.6** billion market capitalisation
- **11** million customers
- **2,264** employees
- **95% 2G** and **80% 3G** population coverage



GOVERNANCE



**STAKEHOLDER
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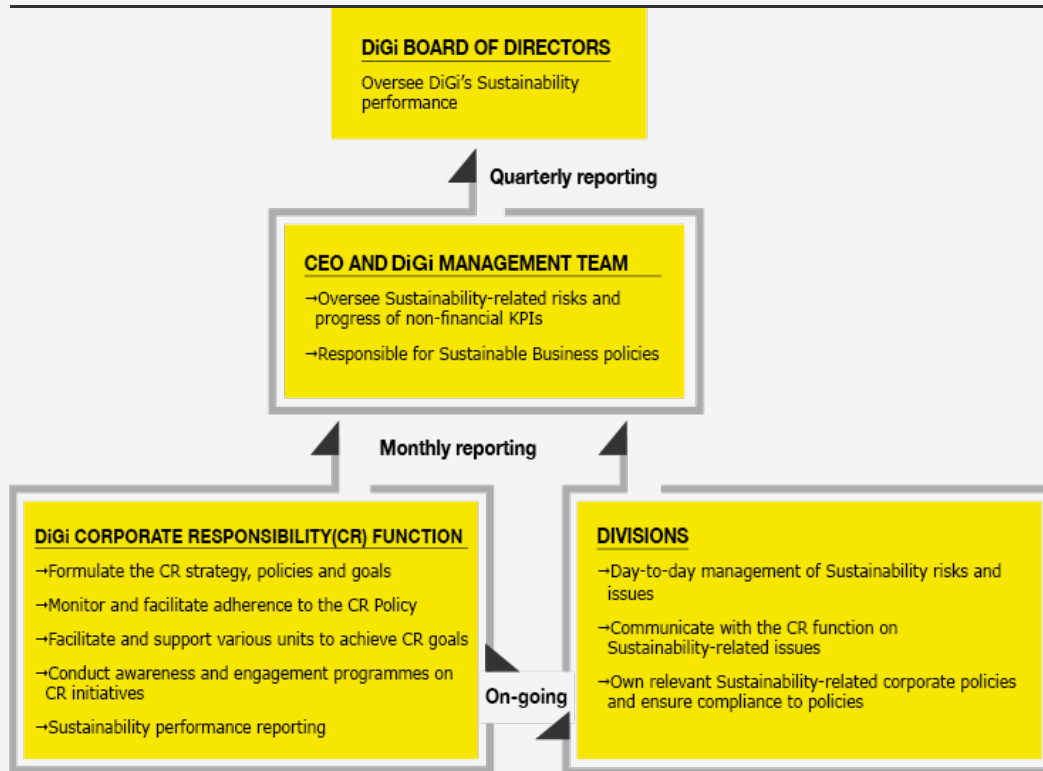
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Our Sustainability performance is tracked on an ongoing basis, and is reported and discussed at senior levels of management.

We have a set of non-financial Key Performance Indicators (KPIs) that are monitored and reported on a quarterly basis to the DiGi Board of Directors encompassing Climate Change, People Management, Health and Safety, and Supply Chain Risks. Guidance on the management of Sustainability issues is provided in a comprehensive set of policies which are part of a broader DiGi Governance Programme. These policies address Anti-Corruption, Legal, Privacy, Supply Chain Sustainability and other Corporate Responsibility issues.

In 2013, we have reported our progress publicly in our website, and since 2011, we have obtained Limited Assurance on our Sustainability Reports.

Governance of Sustainable Business Practices



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STAKEHOLDER ENGAGEMENT

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Our stakeholders comprise those who have an interest in the sustainability of our business, and have been validated by relevant key personnel and functional representatives, including DiGi's Board of Directors.

We engage them on an ongoing basis in the normal course of business, to identify and prioritise material issues.

A wide range of engagement platforms are used, depending on the nature of our relationships with them and the topics that are discussed. The following table provides a list of our key stakeholder groups, who are engaged via various engagement platforms.

Stakeholders	Engagement Platforms
Policy makers	<ul style="list-style-type: none"> • Regular reports and information sharing • Participation in government programmes and initiatives • Public-private partnership initiatives • Secondment of DiGi's senior employees to government bodies
Customers	<ul style="list-style-type: none"> • DiGi retail outlets • Customer Service channels (online customer service, 24-hour helpline) • Social networking e.g. Facebook and Twitter
Employees	<ul style="list-style-type: none"> • Best on People Council • Annual Employee Engagement Survey • Internal communications • CEO's emails to employees • Employee Townhall meetings • Leadership forums with all Managers
Investors and Stock Analysts	<ul style="list-style-type: none"> • Local and overseas Non-Deal roadshows • Corporate presentations • Analyst briefings
Business partners	<ul style="list-style-type: none"> • Product presentations • Annual Self-Assessment Questionnaires • Site inspections and audits • Training for suppliers
Media	<ul style="list-style-type: none"> • Media interviews • Media events • Formal and informal briefings • Media familiarisation trips/visits
Community and NGOs	<ul style="list-style-type: none"> • Engagement with business and industry forums • Engagement with relevant NGOs • Community development programmes



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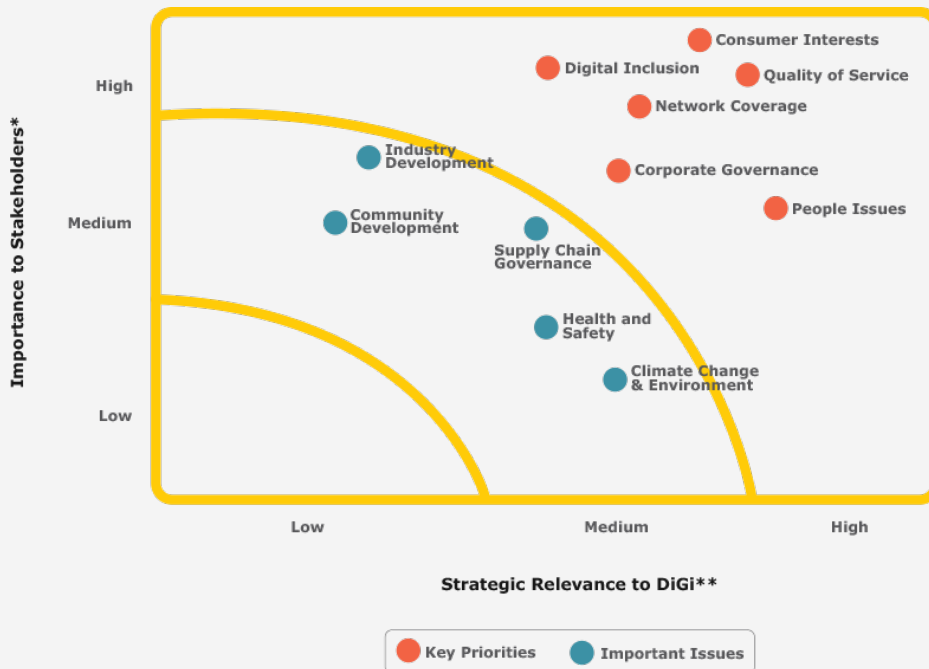


Stakeholder feedback is reviewed and addressed by relevant functional personnel. Issues that are strategically important to our business are subsequently integrated into our corporate strategy, and form the basis for our Sustainability focus areas and related initiatives.

These material issues are monitored closely and regularly reported to the senior management team and Board of Directors.

Our materiality assessment is conducted based on a methodology developed by the Global Reporting Initiative (GRI). This methodology is also closely linked to the AA1000 Accountability Principles (2008) developed by AccountAbility. The process of identifying our most material sustainability issues has been structured into three main stages, namely, i) identification (internal studies and interviews with internal and external stakeholders), ii) prioritisation (to evaluate the importance of sustainability issues) and iii) validation (to ensure that we have a common understanding of material issues).

Following is our materiality matrix where various issues have been grouped into broader topics, mapped against the importance to stakeholders and potential financial or operational risks to our business. We have reported key initiatives and performance indicators on these broad topics as well as the sub-topics in our Sustainability Report. A summary of these key topics and performance highlights is also captured in the Sustainability chapter of our DiGi [Annual Report 2013](#).



*Policy Makers, Customers, Employees, Investors, Business Partners, Media, Community and NGOs.
 **Financial or Operational Risks

STAKEHOLDER EXPECTATIONS	POLICY MAKERS	CUSTOMERS	EMPLOYEES	INVESTORS	BUSINESS PARTNERS	MEDIA	COMMUNITY AND NGOS	LINK TO CORPORATE STRATEGY	FOCUS AREAS
Digital Inclusion	●	●	●	●	●	●	●	Internet For All mission	Empowerment Through Connectivity
Network Coverage	●	●	●	●	●	●	●	Best usage experience	
Industry Development	●			●		●		Drive & set industry standards	
Community Development	●		●			●	●	Most engaged corporate citizen	
Quality of Service	●	●	●	●	●	●	●	Best usage experience	
Climate Change					●		●	Smartest use of network & IT assets	Climate Change and Environment
Green ICT					●		●		
People Management	●		●	●				Best on People	Best on People
Health, Safety, Security & Environment			●	●	●				
Code of Conduct			●	●				Sustainable business practices	
DIGI Values			●						
Corporate Governance	●		●	●	●	●	●		
Supply Chain Governance				●	●	●	●		
Consumer Interests (RF, Privacy, Customer Service)	●	●	●	●		●	●	Best customer experience across touchpoints	



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Our Sustainability strategy addresses issues that are of high importance to our stakeholders, and key to our long-term growth and success.



Empowerment Through Connectivity

We strive to harness our core competencies as one Malaysia's leading telecommunications providers to deliver *Internet For All*.



Ethical and Responsible Business

We uphold high corporate governance standards and ethics across our value chain. We are guided by our governance framework called the DiGi Way of Work, which encapsulates our Corporate Values, Code of Conduct, and various other policies and procedures that govern professional conduct.



Best on People

We aspire to create an engaging and supportive work culture and environment, provide the most attractive development at all levels, and offer competitive, performance-based rewards for all employees.





Climate Change and Environment

We are committed to driving energy efficiency initiatives in our communications network and facilities, while addressing broader issues across our business operations to minimise our environmental impact.



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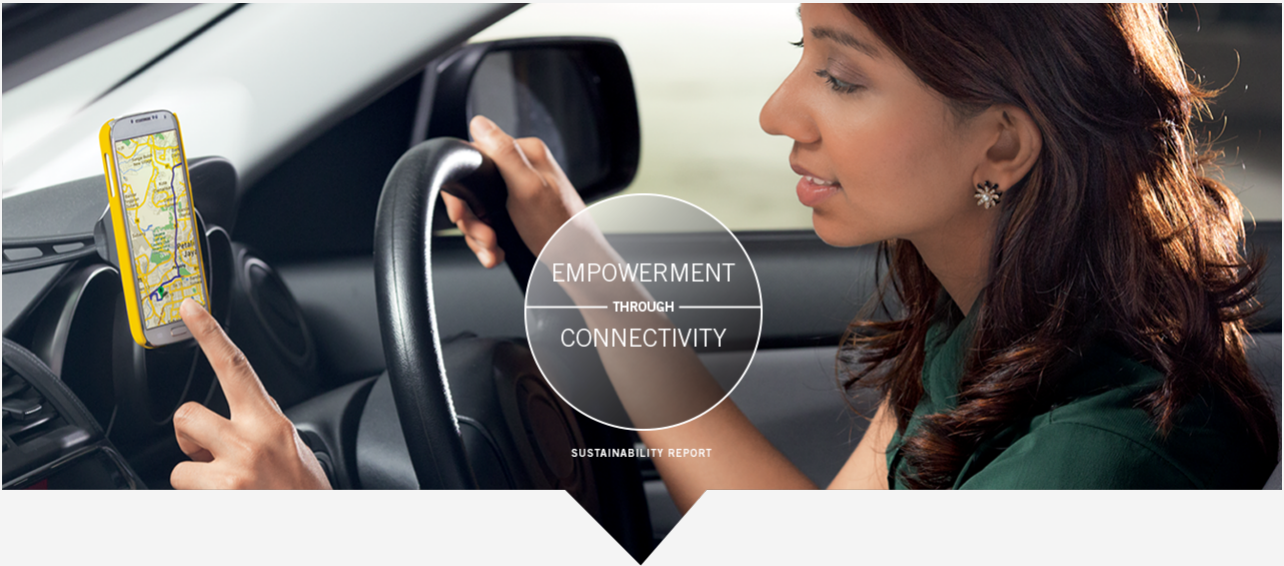
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Approach

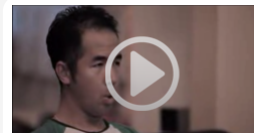
We strive to harness our core competencies as one Malaysia's leading telecommunications providers to deliver *Internet For All*, by providing quality and affordable communications and by playing our part to drive industry and community development.



Christian Thrane - DiGi's Chief Marketing Officer, shares our approach to Empowerment Through Connectivity.

Quality and Affordable Communications

In line with our *Internet For All* mission, we are building a strong data network, and enabling access to mobile internet services by offering customers the right combination of devices, value pricing, and the best usage experience of mobile internet.



Watch a video by Adam, a DiGi customer who is an active advocate of the empowering effect of the internet.

Strengthening our Telecommunications Infrastructure

Building our **Tomorrow Network**

2013 was a landmark year for DiGi as we completed our nationwide network modernisation exercise. This brand-new network enables DiGi to deliver greater stability and improved quality for both voice and data services. Apart from expanding our HSPA+ enabled 3G network coverage to 80% of populated areas, we also launched LTE services in key market centers like Klang Valley, Johor Bahru and Kota Kinabalu.

At end 2013, we extended our own and jointly built fibre network to more than 3,200 km nationwide to support the always-on, high-speed data needs of its customers, and the delivery of LTE services to more locations nationwide.



Network Sharing

Together with Celcom, we have signed a long term collaborative deal with Telekom Malaysia (TM) to secure faster access to fibre infrastructure, for future network capacity demands. This formed an important part of the ongoing network collaboration between DiGi and Celcom to roll out more than 10,000 km of fibre nationwide, and provided a good platform to capitalise on built and shared infrastructure synergies, optimize costs, and avoid infrastructure duplications. Importantly, this will significantly enhance our ability to deliver affordable and high-quality internet connectivity to more Malaysians in the coming years.

Universal Service Provision

We strongly support the Government's efforts to bridge the digital divide across the country. We are a leading contributor to the [Universal Service Provision \(USP\)](#) fund, and actively participate in USP initiatives to build or upgrade infrastructure, to extend mobile and [broadband](#) services to underserved districts.

Following USP initiatives were implemented by DiGi, in locations that are aligned to our business objectives and the Government's development priorities.

Initiative	Outcome
• Telephony conversion	Converted 2,500 fixed to mobile lines.
• Wireless Village	Provided collective wireless broadband access to 340 villages.
• Upgraded 2G to 3G sites	Provided collective wireless broadband access to communities within the vicinity of the 255 upgraded sites.
• 1Malaysia Internet Centers	Established 10 new centers.

DiGi-managed 1Malaysia Internet Centers			
1	Kg. Pandan, Kuantan, Pahang	15	Kg. Masjid Baru, Melaka*
2	Kg. Ubai, Kuantan, Pahang	16	Bandar Baru Merlimau, Melaka*
3	Pasir Gajah, Kemaman, Terengganu	17	Felda Nitar 2, Johor*
4	Taman Semarak Binjai, Kemaman, Terengganu	18	Kg. Tg. Genting, Johor*
5	Kg. Umbai, Jasin, Melaka	19	Felda Lepar Hillir, Pahang*
6	Kg. Sg Rambai, Jasin, Melaka	20	Kg. Seri Damai, Pahang*
7	Kg. Teriang Besar, Mersing, Johor	21	Bukit Kuang, Terengganu*
8	Felda Tenggaroh 3, Mersing, Johor	22	Kg. Geliga, Terengganu*
9	Lundu, Sarawak	23	Kg. Belimbing, Kelantan*
10	Kuala Berang, Hulu Terengganu	24	Kg. Chawas, Kelantan *
11	Kg. Bukit Diman, Ajil, Hulu Terengganu		

* Centers that were built and launched in 2012.

Driving Uptake Amongst Local and Underserved Communities

We offer a wide range of convenient, relevant and affordable products and services that suit various customer needs. Several of these products have a strong positive social impact for customers.

Case Study

Sendmoney

DiGi partnered with Maybank Berhad to offer an over-the-counter remittance service that allows Malaysians and migrants alike to remit cash to nine Asian countries. This service provides DiGi and non-DiGi customers a convenient and safe way of remitting cash to key destinations in Asia, and particularly benefits a significantly large migrant community by providing them with an additional option for secure cash remittance. In addition, the service is also useful to Malaysian customers who have domestic helpers or children studying in these countries. [Click here to read more.](#)



Case Study

Discounts for Persons-With-Disabilities (PWD)

DiGi introduced a special RM10 discount off monthly bills for Postpaid or Postpaid broadband services for all Persons-With-Disabilities on top of other promotional rebates offered. [Click here to read more.](#)



Case Study

BEST Club

DiGi Best Club offers our customers from Indonesia, Bangladesh, India, Nepal, Myanmar and China the opportunity to enjoy more rewards while connecting to their families in their home country. The Club allows these customers to stay connected to home with regular news and entertainment updates from their respective countries.



Case Study

Pakej Komunikasi Belia & Start Tablet Promotion

DiGi launched a holistic, nationwide drive of government's Pakej Komunikasi Belia initiative, enabling more youths to own entry-level smartphones by redeeming RM200 rebate from retail stores nationwide.

We also enabled more Malaysians to 'Start' their first internet experience and enjoy a rich mobile internet lifestyle, with an affordable tablet plan bundled with a free 7" Start Android tablet at only RM45 per month.



Industry Development

We recognise our responsibility to support the development of the local telecommunications industry by leveraging on our global capabilities to drive Malaysia's transformation into a digital society. We focus on three key aspects of industry development i.e. influencing policy development, driving product innovations and developing industry capabilities.

Policy Development

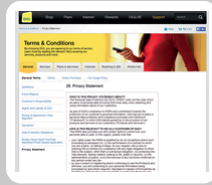
We are a founding member of the following industry forums governed by the Communications and Multimedia Act 1998 (CMA). These forums encourage and facilitate self-regulation of the industry.

- [Malaysian Technical Standards Forum Berhad](#) - initiates and facilitates the development of technical codes, standards, and guidelines on operations, safety and interoperability.
- [Malaysian Access Forum Berhad](#) - oversees the Access Code (a voluntary code, which serves as a guide for members of the industry) and makes recommendations to the Malaysia Communications and Multimedia Commission (MCMC) on services and facilities to be included in or removed from the Access List.
- [Consumer Forum](#) - aims to protect the rights of consumers within the multimedia and communications industry.

Through our active participation, we contribute towards raising the overall standard of the Malaysian industry, as well as advocating the development of consumer and business-friendly policies. In 2012, the telecommunications industry forums addressed several key issues that were of interest to Regulators, the industry and consumers. These included [spectrum](#) management, mobile termination rates, [accounting separation](#) and [Radio Frequency emissions](#).

We also seconded several senior DiGi employees to the Performance Management and Delivery Unit (PEMANDU), a unit in the Prime Minister's Office, to support national transformation initiatives.

Personal data protection Act (PDPA)



This year, we deepened our focus in building compliance towards the PDPA 2010, and securing the personal information of the 11 million customers in our base. We established a new, comprehensive set of compliance principles, frameworks and initiatives, adding to the existing Information Security Management programme that addresses broader issues of information management and security across the Organisation.

DiGi's Privacy Statement is now accessible to customers via our website and online customer service site, and physical copies are also made available upon request. We have also introduced the Personal Information Notice and Data Protection Clause to protect existing new and potential DiGi employees, requiring individuals to consent and acknowledge the ways in which the Company will keep and use their personal data in accordance to the Act.

Product Innovations

We have a strong track record in delivering local innovations in mobile voice and data services such as the first telco-branded prepaid payment card, the first machine-to-machine [Mobile Virtual Network Operator \(MVNO\)](#) and the first Malaysian mobile operator to co-brand Opera Mini featuring a compression technology that allows non-smartphone or feature phone users to access the internet easily.

We continue to bring innovative digital service offerings to customers over the course of the year. Some of the products that we have launched as part of delivering our Internet For All ambition:

- Through Telenor Group we established partnerships with global internet players like Facebook, Twitter, WhatsApp, Opera, and Deezer to offer subscribers a richer mobile experience through relevant popular digital services, and will continue to introduce more services to further stimulate usage and foster a mobile internet lifestyle among its subscriber base.
- Launched free mobile surfing for accessing Wikipedia Zero on the DiGiLive Zero portal, aimed at driving relevant mobile Internet content among Malaysians. Wikipedia Zero is an ultra lightweight site with text only content to provide faster mobile browsing experience.
- Launched mobile point-of-sale (m-POS) plan in collaboration with CIMB to enable credit and debit card payment facilities on-the-go.
- Launched online travel portal, Travelar.com in partnership with Asia Web Direct. Portal enables customers to book hotels globally, and eases pre-travel arrangements like voice and internet roaming services, and personal and travel insurance.
- Introduced the first one-stop Android solutions center for customers through the first MyAndroidHub at the DiGi Store in Sunway Pyramid Mall and also online.
- Launched mobile video service Viki to offer DiGi prepaid and postpaid internet customers free and exclusive first viewing of dramas, movies and music videos on their mobile devices.
- Unveiled new machine-to-machine (M2M) platform to enable enterprise customers achieve better cost savings, improve efficiencies and explore new revenue streams.
- Launched the DiGi Best Prepaid, a more cost efficient plan for customers who make very short calls, with charges as low as 6 sen for calls that are below 10 seconds to any network. This product addresses customers' tendencies to make very short calls.



Capability Development

DiGi Challenge For Change programme

We recognise the need to develop local capabilities that can meet the increasing demand for relevant local content, in support of the Malaysian government's aim to spur local entrepreneurship within the Information and Communications Technology (ICT) sector.

In November 2013, we continued the Challenge into its fifth year with four categories: Learning & Edutainment, Health & Wellness, Discovering Culture, and a new category called Connected Citizens for mobile app ideas that facilitate the delivery of public services. More than 2,500 ideas were received from the Malaysian public in the Ideation Phase, the first phase of the Challenge.

The programme will conclude in 2014 with the best ideas being developed into mobile applications. DiGi will continue to support the winning apps by actively promoting the winning applications to its own base of more than 4.2 million smartphone users, as well as on DiGi's online app stores, retail outlets and over their social media properties.

The Challenge builds on an established partnership with the Economic Transformation Programme (ETP), the National Digital Economy Initiative (Digital Malaysia), Google Malaysia, Microsoft Malaysia and welcomes 1Malaysia for Youth (iM4U), and the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU).

DiGi believes that the partnership with these select public and private organisations provides a holistic approach to talent and content development locally, now notably expanded with access to an additional 500,000 youths via iM4U and a wealth of public service delivery data extended by MAMPU.



"I believe the internet brings positive changes to Malaysians particularly in connecting relevant content, convenience and economic opportunities to Malaysians of all walks of life. Programmes like Challenge for Change help promote local content development, which is a key component in this value chain. I am pleased to see DiGi taking an active role in driving internet usage through mobile apps and nurturing an inclusive app ecosystem that encourages innovation."

YBhg Datuk Che Azemi Haron
Deputy Secretary-General of the Communications and Multimedia Ministry, on behalf of Minister
YB Dato' Sri Ahmad Shabery Cheek.



"At Google we celebrate proposals and ideas that address a problem, suggest a radical solution that could work, and use some form of breakthrough technology to make it happen. In the same shared spirit, we're grateful to DiGi for involving us in an initiative that pools Malaysian ideas and gives it room to flex and develop, which also lets us to get closer to our local users and developers."

Sajith Sivanandan
Country Manager, Google Malaysia

Evolution of DiGi Challenge For Change

2009

- Focused on sustainable energy solutions for rural communities.
- Established a micro hydro project for the community of Lumpagas, Sabah.
- Opened to university students.

2010

- Focused on sustainable business ideas for Community Broadband Centers and clean technology innovations.
- Winner of the Challenge For Change - Clean Tech category emerged top 5 in the Global Clean Tech Open in San Jose, California, USA.
- Opened to university students and Malaysian youth.

2011

- Focused on mobile or internet based social ventures to address social, economic or environmental issues amongst underserved communities.
- Achieved strong traction from local NGOs, social and Information and Communications Technology (ICT) entrepreneurs at grassroots level.
- Sponsored one of the winners to the Stanford Start-up Boot Camp in California, USA
- Opened to university students.

2012

- Focused on crowd-sourcing ideas for mobile applications that can bring Malaysians together.
- Winning ideas to be developed into mobile applications by Malaysian mobile app developers.
- Winning apps to be marketed to our customers
- Opened to all Malaysians.

2013

- Invited Malaysians and local app developers to ideate and build innovative community-centric mobile apps that bring Malaysians together for positive change.
- Strengthened the Challenge by refining the categories into four categories: Learning & Edutainment, Health & Wellness, Discovering Culture, and a new category called Connected Citizens for mobile app ideas that facilitate the delivery of public services.
- Created focused development session for the Ideation phase, #IDEAJAM, an 'idea hackathon' that served as checkpoint for participants to refine their ideas with input and insights from industry experts and partners.

Participation	2009	2010	2011	2012	2013
Institutions of Higher Learning	8	13	23	50	8
Submissions	15	76	117	1,977	2,537
Workshop Participants	60	92	512	1,243	707
Finalists	6	20	13	26 ¹	20 ³
Industry and NGO Partners	8	16	90	5	6
Employees engaged ²	18	20	25	50	40

Notes:

1. Refers to finalists for Phase 1 of the programme, i.e. finalists for the best ideas. Phase 2 will take place in 2013.
2. From 2009 to 2011, employees were engaged as mentors to coach finalist teams comprising university students. In the 2012 programme, employees were engaged as participants in an internal version of the DiGi Challenge For Change competition.
3. Refers to finalists for Phase 1 of DiGi CFC 5, i.e. finalists for the best ideas. Phase 2 will place in 2014.

Community Development

Our efforts in community development go beyond a traditional philanthropic model to strategically deploy resources, either through technology or our people. We focus on creating a safer internet for children, and supporting nation-building initiatives in communities which are relevant to our business.

This year, we reached out to more than 900 communities comprising schools, universities, non-governmental organisations and underprivileged groups including orphanages, rural communities and communities affected by natural disasters.



[Click here to download our free guidelines to Safe Internet](#)

Safe Internet for Children

2012

While the internet is a powerful tool for empowering communities, the misuse of it can potentially pose risks to more vulnerable members of society, particularly children. This can be seen in the significant increase in incidents of cyber-crimes targeting children, for example cyber-bullying, cyber-stalking, cyber-grooming, identity theft and cyber-pornography.

In 2012, we continued our efforts in driving awareness for a safe, family-friendly internet environment through our DiGi CyberSAFE programme. Partnering with the Ministry of Education, CyberSecurity Malaysia (an agency under the Ministry of Science, Technology and Innovation), and NGO Childline Malaysia, the programme aims to educate participants on how to protect themselves against online threats and cybercrimes.

By end 2012, we had reached out to 4,194 students and 832 teachers from 272 schools, and 1,729 residents of communities in the vicinity of the 14 Malaysia Internet Centers (formerly called Community Broadband Centers) operated by DiGi.

In addition, as a fore-runner in the fight for a safer digital environment, DiGi was invited as the only private Information and Communications Technology (ICT) sector partner to the UNICEF-UN Global Compact Malaysia launch of the Children's Rights and Business Principles. DiGi was also awarded the 2012 Best Information Security Organisation and Cybersafe Ambassador of the Year awards by Cybersecurity Malaysia for our work in raising awareness on online safety.

2013

In 2013, we deepened our efforts on raising awareness and creating safe online experiences with students through DiGi's CyberSAFE in Schools Programme. The focus this year was on developing trusted ambassadors who are able to influence students' appreciation of cyber safety, and we trained 459 ICT and digital library teachers and education ministry staff from over 450 schools nationwide. Polling views of 15,256* students in these schools, DiGi also published a comprehensive nationwide survey detailing students' level of awareness on online safety.

For its efforts, DiGi was awarded the Best Outreach Provider of the Year award for the second consecutive year in the Malaysia Cyber Security Awards 2013.



"I am proud to be an ambassador for DiGi's CyberSAFE in Schools program and commend their continued investment in our students in partnership with our teachers and education programs. I particularly commend their dedication to remaining relevant to the online issues that face our students in the internet age."

Yusnizam Mohd
Teacher & CyberSAFE Ambassador of the Year 2013
Sekolah Menengah Kebangsaan Ahmad Pekan



"Through the DiGi CyberSAFE workshops, I have heightened my awareness of the risks and how to take steps to safeguard myself and also my family on the Internet. Prior to this, I was unaware that some of these cyber crimes take place so close to home. I have also learnt new skills that I can apply as I continue to enrich my knowledge on the internet.

Thanks to DiGi, I can now continue to develop my creative thinking and pursue my personal growth in a safe and secure way."

Lievyia Amrita
Secondary School Student from Penang.

Internet for the Underprivileged

We partnered local organisations and communities to extend internet services to underprivileged communities.



School in Hospital Programme: DiGi provided laptops and internet connectivity to three schools that are part of the pilot phase of this initiative which is led by the Ministry of Education and the Ministry of Health. The programme aims to provide formal education to children who are undergoing long-term treatment in hospitals.



Computer and Internet Connections for Underprivileged Children: By end 2012, DiGi had provided 75 computers with internet connectivity to 15 children's homes.



Computers and Internet Connection for Underprivileged Children: In 2013, DiGi provided 10 computers with internet connectivity to 6 orphanages in Terengganu and Kuala Lumpur.

Bringing Malaysians Together

Recognising the power of mobile internet to bring Malaysians together in positive and enriching ways, we carried out initiatives such as Simfoni Malaysia in conjunction with Malaysia Day. We also hosted the second edition of the DiGi WWWoW *Internet For All Awards* - Malaysia's first 'by the people, for the people' internet awards, paying tribute to ordinary Malaysians who utilise the power of the internet to do extraordinary things.



Simfoni Malaysia: In conjunction with Hari Malaysia, we crowd-sourced sounds, and voices from around Malaysia to make a uniquely Malaysian song.



DiGi Live Sekolahku Berbakat: A school-based competition focused on cultivating talent among 12 to 19 year-olds by encouraging creative expression through music and dance. This year's competition included an online category and reached out to 373 schools.



What makes you #confirmMalaysian: DiGi's #confirmmalaysian campaign during Merdeka month attempts to capture the Malaysian spirit of patriotism through the power of social media and bringing Malaysians together to celebrate everything wonderful about being Malaysian.



Charity initiatives in the Regions: Employees from our Regional offices volunteered time and money towards needy causes in their local communities.



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SUSTAINABILITY REPORT



Approach

We uphold high corporate governance standards and ethics across our entire value chain. Our values of Keep Promises, Make it Easy, Be Respectful, and Be Inspiring serve as a constant reminder of our corporate culture. We focus on corporate governance, supply chain sustainability as well as consumer interest issues.



Albern Murty - DiGi's Chief Operating Officer, shares our approach to Ethical and Responsible Business.

Corporate Governance

Long-term stakeholder interest is best served by ensuring that effective risk and governance processes are in place. We are guided by our governance framework, called the DiGi Way of Work which encapsulates our corporate values, Code of Conduct, and various policies and procedures governing professional conduct across our value chain.

In order to ensure that employees understand and embrace the DiGi Way of Work, we carry out extensive internal communications and training via various face-to-face and online platforms.

DiGi's CORPORATE GOVERNANCE JOURNEY

2006

- Formalised new Code of Conduct.
- Launched and enforced anti-corruption, whistleblowing and compliance policies.
- Implemented the Sarbanes Oxley Act (USA).

2007

- Conducted first employee training on Code of Conduct, anti-corruption, whistleblowing, compliance policies and DiGi Values at HQ.
- Launched Compliance Hotline.

2008

- Updated Code of Conduct signed by all employees.
- Extended employee training on corporate governance policies and practices to regional offices.

2009

- Code of Conduct signed by the Board of Directors.
- Engaged employees on living the DiGi values.
- Launch of Intellectual Property Management Policy.

2010

- Introduced DiGi Way of Work covering the Code of Conduct, values, policies and procedures.
- Launched and enforced Gifts and Business Courtesies Policy, Donation Policy, and Information Management Policy

2011

- Induction programme for new hires included training on DiGi Way of Work.

2012

- Launched and enforced DiGi Governance Programme with formalised requirements on sustainable business practices.
- Integrated DiGi values into performance management.
- Awareness and training programmes on updated DiGi Way of Work.

2013

- Sourcing Department became a member of Telenor Group's Global Sourcing Organisation (GSO) to align to Group's new sourcing and manual.
- Established a new, comprehensive set of compliance principles, frameworks and initiatives in addition to the existing information security management programme.
- DiGi's Privacy Statement is made available to customers via DiGi's website and Online Customer Service site, and physical copies upon request.
- Introduced the Personal Information Notice and Data Protection Clause to protect existing, new and potential DiGi employees.

Our Initiatives

DiGi Way of Work

DiGi Values

We have worked towards a stronger integration of the DiGi values into all relevant processes. This included translating the values into behavioral goals as a basis for one-on-one performance and development dialogues. Employee performance evaluation is therefore based on achieving business goals, as well as demonstrating DiGi values in day-to-day conduct at work.

These values were emphasised and discussed at several internal leadership forums to ensure that managers lead by example, subsequently contributing towards the improvement of DiGi's Leadership Profile scores in the [Employee Engagement Survey](#).

Code of Conduct

DiGi's [Code of Conduct](#) provides guiding principles on professional conduct for employees. It is frequently reviewed and updated to ensure that it meets current business requirements and is easily understood.

In 2012, the Code was refreshed and communicated to all employees. The latest update formalises it as an integral part of the DiGi Way of Work. It further makes a firm stand against association with business partners that do not meet high ethical standards.

The Code also emphasises the importance of compliance, and provides greater clarity on the consequences of misconduct and infringements. Training sessions were conducted for all employees to facilitate understanding of the new Code. Consistent with our normal practice, all employees and Board of Directors were required to formally acknowledge that they have read and understood the Code.

To address risks of corruption, our Compliance Unit analyses all reported cases of corruption. In 2012, only 1 case was reported, and investigations indicated no risk of non-compliance, while in 2013, there was one proven corruption case and relevant actions were taken.

DiGi Governance Programme

The DiGi Governance Programme is a new initiative aimed at streamlining processes, policies and internal controls, as well as strengthening compliance to laws and regulations that are critical to long-term business performance. This involved reviewing and updating 18 policies addressing a wide range of topics covering Finance and Control, Asset Management, Operational Excellence and Sustainable Business Practices.

Updated policies that relate to Sustainable Business Practices and other relevant topics are as follows:

- Corporate Responsibility - addresses human rights and labour rights, climate and environment, safe services and user experiences, emergency relief contributions, non-financial performance, internal and external reporting, and stakeholder dialogues.
- Supply Chain Sustainability - describes our overall Supply Chain Sustainability framework as well as risk assessments relating to the Supplier Conduct Principles (SCP), implementation of the SCP using the Agreement on Business Conduct and

exception handling, as well as monitoring and follow-up.

- Safety and Security - addresses the working environment, occupational health and safety, business continuity management, crisis management, information security, physical security and fraud relating to telecommunications services.
- Anti-Corruption - addresses integrity, bribery, gifts and business courtesies, facilitation payments, due diligence on business partners, lobbyists and risk assessments.
- Whistleblowing Policy - sets out principles and requirements for reporting misconduct.
- Privacy - addresses the processing and protection of personal data, as well as detection and reporting of non-conformities.
- People - covers the DiGi Way of Work, leadership, recruitment, on-boarding, employee engagement survey, development and performance process, workforce planning, labour standards, employment terms, working environment and the administration of employee data.
- Legal - covers topics such as legal risk assessment, information freeze or legal hold, reporting of legal exposure, claims and disputes, and compliance with competition laws.

Supply Chain Sustainability

We extend local and international standards on health, safety, security, environment, human rights, and ethics to all business partners, through our [Supplier Conduct Principles \(SCP\)](#) framework.

Supply Chain Sustainability Journey

2009

- Introduced the Supplier Conduct Principles (SCP) to all direct vendors.
- Piloted site audits for a few high risk vendors.

2010

- Embedded SCP into the Agreement for Business Conduct (ABC), and made it mandatory for all vendors.
- Introduced annual Self Assessment Questionnaire.
- Commenced vendor training on Health, Safety, Security and Environment, and SCP.

2011

- Extended ABC to all parties that have a direct contractual obligation with DiGi including dealers and distributors.
- Extended site inspections to all high risk vendors.
- Established one-on-one follow up sessions to rectify incidents of non-compliance.

2012

- Formalised Supply Chain Sustainability framework as part of the Supply Chain Sustainability Policy.

2013

Actively monitor operations for any environmental impact and business association risks and ensuring that sourcing procedures to include:

- Requirements for sustainable sourcing,
- Compliant to the Agreement of Responsible Business Conduct (ABC) or Supplier Conduct Principles (SCP) frameworks with all business associates.

Our Initiatives

Driving Compliance

Our Supply Chain Sustainability framework was formalised as part of the Supply Chain Sustainability Policy, under the DiGi Governance Programme. The policy sets out minimum requirements on risk assessments relating to the Supplier Conduct Principles (SCP), implementation of the SCP based on the Agreement on Business Conduct and exception handling, monitoring, as well as (SCP), implementation of the SCP based on the Agreement on Business Conduct and exception handling, monitoring, as well as follow-up on major findings.

These include compliance to internationally proclaimed human rights standards, forced and child labour, freedom of association and collective bargaining.

Regular training sessions are also conducted for suppliers to ensure that they understand and are able to comply with the SCP, and related policies and procedures.

In 2013, the Sourcing Department completed its transition from a procurement-based service to a global entity by becoming a member of Telenor Group's Global Sourcing Organisation (GSO). A central role of GSO is to manage and align sourcing activities across the Group in accordance to the new sourcing policy and manual for 2013, which aims to bring efficiency to the sourcing process without compromising key controls. It strives to achieve these objectives by providing guidance through high yet achievable standards that uphold common principles and good governance, managed through an efficient synchronised sourcing approach.

Customer Centricity

We strive to ensure that our business operations are carried out in a manner that improves customer satisfaction, and protects consumer privacy and safety.

Our Initiatives

Customer Satisfaction

Embedding the customer centric culture within DiGi starts from within, and this is translated into engaging employees to be more aware about the importance behind the ambition and intention to create better customer experiences. Through greater awareness, employees are more attuned to be promoters of the DiGi network as well as the products and services offered in the market, making them more effective DiGi Ambassadors. At the same time, efforts have been initiated to streamline the process of handling customer complaints in a more cohesive and integrated fashion.

While DiGi has managed to become No. 1 in Net Promoter Score (NPS) for Malaysia (in comparison with the other service providers) for 2013, changes were made at the core of the organisation. In line with the global strategy of being "Loved by Customers", DiGi has undergone a massive restructuring exercise towards Q4 2013 and consolidated key operations under a new division called "Customer & Operations". The new division has realigned functions and objectives of the Technology, Customer Service, Customer Experience Excellence and Product Development departments with a dedicated goal of better management of customer experience. Subsequently, retaining the No. 1 position in NPS became an organisation-wide strategic goal for 2014 to further entrench the importance of customer centricity.

Privacy

While we have always been conscious of risks to data privacy, the enactment of the Personal Data Protection Act (PDPA) 2010 has increased the need for more stringent measures to protect the privileges of privacy and data of our customers, employees and business partners. As part of our overall focus on customer centricity, we are taking all necessary precautions to ensure the safety and protection of customer data.

Internally, we have taken measures to ensure compliance to the PDPA 2010, including:

- Internal audits to identify the flow of information and potential risks to data protection.
- Revisions to information gathering processes to address potential risks.
- Information to customers about personal data protection and the need to exercise consent for the usage of their data via notices in all customer touchpoints (DiGi website, retail centers, service centers, dealers, paper bills, SMS blasts and e-mails).

Beyond statutory requirements, we embarked on an Information Security Management Programme addressing broader issues of information management and security across the organisation. We also obtained ISO27000 Certification for Information Security covering our ongoing network modernisation initiative and value-added services.

On industry level, we are working with the Personal Data Protection Commission and telecommunications industry to draft an industry code for personal data protection in Malaysia.

In 2013, DiGi deepened its focus in building compliance towards the Personal Data Protection Act 2010, and securing the personal information of the 11 million customers in its base. It established a new, comprehensive set of compliance principles, frameworks and initiatives, adding to the existing Information Security Management programme that addresses broader issues of information management and security across the organisation.

DiGi's Privacy Statement is now accessible to customers via DiGi's website and Online Customer Service site, and physical copies are made available upon request. DiGi has also introduced the Personal Information Notice and Data Protection Clause to protect existing, new and potential DiGi employees, requiring individuals to consent and acknowledge the ways in which the Company will use, keep, process, and share their personal data in accordance to the Act.

Managing Spam

Since 2009, we have been progressively putting in place a range of anti-spam initiatives, such as traffic filters, international spoof blocking, and reporting mechanisms to curb the growing number of unsolicited SMS marketing blasts and scams. In 2012, we focused on driving greater internal awareness on managing spam especially amongst our Customer Service employees. Throughout 2013, DiGi SMS spam task force team continued the SMS spam initiatives by enhancing the SMS spam mechanisms for both domestic and international traffic, and proactively monitor for any SMS spamming activities.

We take a firm stand against spamming, except to support issues of national importance. For example, we offer our customers an opt-in multimedia-messaging service (MMS) in support of the National Urgent Response (NUR) Alert, a government-led initiative to spread information to help trace missing children

Addressing Radio Frequency Emissions

While there is inconclusive evidence about health risks posed by Radio Frequency (RF) emissions arising from mobile phones and transmission equipments, there remains a perception that these emissions could be damaging to health. Public concerns on the issue have on some occasions led local communities demanding for telecommunication structures to be dismantled. Such actions adversely impact the coverage and quality of service, and pose a key challenge to the industry as a whole.

Our commitment to deliver safe services to our customers has been incorporated into the Corporate Responsibility Policy which sets out requirements for the installation of transmission equipment to adhere to stringent guidelines of the International Commission on Non-Ionizing Radiation Protection (ICNIRP) standards. RF tests conducted in 2013 show that emission levels are well within permissible limits of these standards.

We also continue to monitor concerns and views relating to RF, and where needed our internal RF Response Team investigates and takes necessary measures. DiGi was a founding member and an active participant of an industry-led initiative to raise and address consumer awareness on this issue



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Approach

We aspire to create an engaging and supportive work culture and environment, provide the most attractive development at all levels, and offer competitive, performance-based rewards for all employees.



Henrik Clausen - DiGi's Chief Executive Officer, shares our approach to Best on People.

Best on People Highlights

2010

- Streamlined development process integrating business goals, professional development goals, capability assessments, succession planning, and Employee Engagement Survey.
- Introduced Leadership Development programmes to drive a performance-driven and values-based culture.
- Obtained OHSAS 18001 Certification for Central region.

2011

- Reviewed and updated all job descriptions.
- Strengthened salary and job grading structures.
- Defined career development paths for future growth.
- Benchmarked salary and rewards structure.
- Refreshed work environment.
- Completed Strategic Workforce Planning to assess skills and leadership capabilities and gaps.
- Obtained OHSAS18001 Certification for nationwide operations.

2012

- Launched Best on People Council.
- Launched Competency Framework.
- Launched Flexible Benefits Plan.
- Introduced new informal channels of employee engagement.
- Launched in-house gym for employees.

2013

- Refreshed organisational structure and senior management line-up.
- Improvements on competency framework.
- Implemented targeted training platforms for all employees, managers and leaders.
- Launched workday, an integrated HR information system.

Engaging and Supportive Work Environment

We seek to create an engaging and supportive work environment that encourages a culture of values-based collaboration, and high performance. We have established various platforms to drive employee participation, provide greater clarity on our corporate initiatives, and obtain employee feedback.

PROVIDING EQUAL OPPORTUNITIES FOR ALL

[Click here](#) to listen to a BFM podcast featuring Syadakai and Cheryl, two of DiGi's employees who joined five years ago under our Open Mind Open Hearts Programme, a programme that aimed to providing employment opportunities to Persons With Disabilities.

Our Initiatives

Strengthening Employee Engagement

Our focused efforts in addressing concerns arising from the 2011 Employee Engagement Survey resulted in improved employee engagement and leadership profile indicators in 2012. This annual survey measures various indicators of engagement including career development, service quality, internal processes, living the DiGi values, and leadership.

CASE STUDY - EMPOWERING EMPLOYEES

One of the key concerns arising from the 2011 Employee Engagement Survey was the lack of understanding about the impact of the ongoing network modernisation initiative on the quality of network experience. The following initiatives were implemented to address this issue, and empower employees to be more involved in the continuous improvement process.

- Awareness sessions for employees to understand the ongoing network modernisation programme, related challenges and improvement efforts.
- Weekly updates via internal communications channels.
- Formed a team of *Tomorrow Network?* Ambassadors, equipped with up-to-date information on upgrading efforts, to enable them to share relevant information with fellow employees on a timely basis.
- 300 employees from various departments conducted user experience tests of newly upgraded locations in Klang Valley, and escalated issues to our network team accordingly.
- Equipped employees with communications channels to provide feedback regarding quality of service to the network team.

To ensure that all employees are well informed about corporate goals, directions and initiatives, we have put in place various platforms to communicate corporate performance, goals, directions and organisational initiatives. These include quarterly company-wide townhall sessions and divisional meetings, management off-site meetings involving department and team leaders, as well as monthly emails from the CEO.

Formal engagement platforms have been further strengthened with the establishment of the Best on People Council (BOPC), an official forum for employee representatives to discuss work-related matters or employee grievances, by means of regular consultation between the senior management team and employees. These include matters relating to the welfare of employees, benefits and rewards, improvements to working conditions, career development, performance improvements, and employee health, amenities, safety and the environment, among others. It also serves as a sounding board for employees on company decisions, and as a reference group for the senior management team on new business or policy decisions directly affecting employees.

In 2012, the newly formed BOPC reviewed all issues raised by employees and proposed relevant solutions for decisions by senior management. More than 120 issues or suggestions were received, out of which 70 percent have been addressed with the remaining currently being considered. Employees were notified of outcomes via our internal online collaboration website. In 2013, over 55 issues have been addressed concerning employee benefits, rewards and development, improving workplace amenities and employee welfare relating to health, safety and the environment.





"Since the inception of BOPC 2 years ago, we have seen tremendous support both from senior management and employees. The number of issues and suggestions raised by employees confirms that BOPC is an effective channel for employees to address their concerns/issues. The bottom up approach adopted by senior management validates that the process works and we strive to improve this further. We are confident employees will continue to engage BOPC members."

Alfred Ratnaik
Chairman of the Best on People Council 2013

We also introduced other informal platforms to engage employees and get their feedback on a broad range of people-related issues. These included a hotline for employees to call and seek clarification on people issues, coffee chats between heads of division and department or unit leaders, and monthly informal get-togethers (called D'Chillz). Employees based in our regional offices were not left out of this process as the senior management team made regular visits to engage with them.



Family Day : A step towards greater Work-Life Integration



Annual Company Event : To strengthen camaraderie amongst employees to achieve our mission of bringing *Internet For All*

Promoting Health, Safety and Wellness

Healthy employees are important for the long-term sustainability of company performance. We therefore place strong emphasis on health, safety and wellness at the workplace.

In line with our OHSAS 18001 Certification and local health and safety regulations, DiGi adheres to formalised health, safety and security policies and procedures. Key indicators are monitored by a joint management-employee health committee that operates at the headquarters and regional levels, and reports to the Board of Directors on a quarterly basis. At the headquarters, 35 percent of the committee comprises management team members, with the remaining 65 percent consisting of employees. In regional offices where there are a higher number of field-based employees, on average 93 percent of the committee is represented by employees, and 7 percent management team members.

During the year, we also carried out several initiatives that encouraged employees to pursue activities that enhanced personal wellness, even during work hours. We established an in-house fitness center, organised weekly sporting and friendly divisional games during office hours, and ran awareness sessions on a range of wellness topics.



DiGi sponsored "Walk as one for Breast Cancer" 2013 and our employees in Sabah participated in this Breast cancer Awareness campaign organised by Kinabalu Pink Ribbon.



In 2013, DiGi employees in Sarawak shaved their hair to support and raise funds for the Go Bald campaign organised by Sarawak Children Cancer Society.



Breast Cancer Awareness week : DiGi organised a company-wide breast cancer awareness week in conjunction with the International Breast Cancer Awareness month. Employees also helped to raise funds for the cause through a charity run whereby DiGi committed RM10 for every kilometre clocked in on the treadmill located at our in-house gym. Funds were channeled to the Cancer Research Initiatives Foundation (CARIF) in support of their work.



D'Gym : One of the initiatives to encourage employees to maintain a healthy lifestyle. The gym is open daily from 6.30a.m. to 9.00p.m.

Most Attractive Career Development

We are committed to providing our employees with the most attractive career development opportunities and framework, at all levels of the organisation. We have well defined job descriptions and competency requirements for each role. We are also putting in place more targeted coaching and development platforms for more effective and individualised development plans.

Our Initiatives

Targeted Coaching and Development Programmes

We developed and launched a training portfolio consisting of programmes that address key skills and leadership gaps that were identified in the Strategic Workforce Planning exercise that was conducted in 2011.

We also implemented special training sessions and clinics for managers to improve the quality and outcomes of performance and development dialogues with team members.

In addition to training programmes organised by DiGi, employees who have been identified as potential leaders are given the opportunity to participate in a number of Telenor Group executive development programmes. In the last three years, more than 20 DiGi employees have participated in these programmes.

In 2013, DiGi continued to invest strategically in the engagement, development, performance and well-being of its employees. This is guided by its Best on People aspiration to create an engaged and supportive work culture and environment, provide the most attractive development at all levels, and offer competitive, performance-based rewards for all Digizens.

Creating a More Defined Career Path for Employees

Further to the comprehensive review and benchmarking of job roles and grades that was completed in 2011, we developed a Competency Framework to provide employees at all levels with the right guidance around career advancement in DiGi.

To encourage a more values-based performance culture, the framework as well as performance management processes incorporate DiGi values and leadership competencies. The Competency Framework will also form the basis for a new career framework that is being developed as a tool for managers to enhance development dialogues and plans with team members.

Throughout 2013, DiGi also deepened its focus on employee development through improvements made on its Competency Framework. The framework helps managers and employees enhance performance dialogues by providing better clarity on competencies required and opportunities available for career advancement in DiGi.

Nurturing Young Talents

Given the dynamic nature of our industry landscape, we recognise the importance of investing in future talent. We introduced the Technical Graduate Programme hiring fresh graduates on a 1-year contract attached to our Technology division. This programme complements our existing internship programme for local students and fresh graduates, and ranges from ten weeks to a maximum of six months.

Competitive and Performance-Based Rewards

We continue to offer competitive compensation that is benchmarked against the best performing companies in Malaysia, and a rewards framework that is closely linked to employees' performance.

Our Initiatives

Flexible Benefits

We introduced a flexible plan which empowers employees to choose benefits that best suit their needs and lifestyles. The design and development of the plan was based on industry best practices and employee feedback.

The plan consists of core and optional benefits. Core benefits provide basic protection and are designed to meet statutory requirements. Optional benefits allow employees to choose from a range of optional benefits covering healthcare for parents, post-graduate education, childcare, purchase of communications devices, and internet access fees, among others.



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Approach

We are committed to driving energy efficiency initiatives in our communications network and facilities, while addressing broader issues across our business operations to minimise our environmental impact.



Albern Murty - DiGi's Chief Operating Officer, shares our approach to Climate Change and Environment.

Climate Change and Environmental Highlights

2008

- Launched Deep Green initiative to integrate environmental sustainability into company operations.
- Conducted 3 week internal awareness campaign about Climate Change.
- Introduced internal initiatives to drive environmentally sustainable mindsets amongst employees, e.g. carpooling, recycling, tele-commuting, paper reduction, etc.
- Introduced green procurement criteria.
- Kicked off energy optimisation initiatives in network and buildings.
- Launched Deep Green NOW, our 1st community outreach programme, to create Climate Change awareness amongst Malaysian school children.
- First Malaysian company to sign up to the UN Global Compact Caring for Climate - the Business Leadership Platform.

2009

- Environmental sustainability part of company strategy.
- Launched Challenge for Change programme, encouraging Malaysian university students to find Climate-friendly solutions for rural electrification and communications networks.
- Launched initiatives to create climate and environmental awareness and conservation amongst customers, e.g. e-billing and Earth Hour.
- First-time participation in the Carbon Disclosure Project.
- Established pilot solar powered transmission site.

2010

- ISO14001 certification for Central region operations.
- Green Building Index Provisional Gold certification for Technical Operations Center (TOC).
- Introduced handset recycling initiative.
- Partnership with GSMA to study the viability of renewable energy sources for transmission sites in Malaysia.

2011

- Rated #1 in Malaysia and #5 in Asia in the Carbon Disclosure Project 2011.
- ISO14001 certification for nationwide operations.
- Energy efficiency integrated into net work modernisation initiative

2012

- Climate and environmental requirements formalised in the new Corporate Responsibility policy.
- Secured full Green Building Index Certification for TOC.
- Launched formal project to manage obsolete electrical and electronic equipment.
- Supported NGO CETDEM's study on Low Carbon Sustainable Development Options for Malaysia.

2013

- DiGi converted 23 off-grid sites to grid power, and downsized generators for another 23 sites to reduce dependency on diesel-fuel.
- Additional number of off-grid sites have been converted into hybrid-solar sites capitalising the use of renewable energy.
- Decommissioned over 100 sites due to from the infrastructure sharing initiative with Celcom and contributed to the reduction in energy usage within DiGi's network.

Driving Energy Efficiency

As more Malaysians enter the digital age and demand higher capacity mobile internet services, we expect to experience continued increase in energy consumption and carbon dioxide (CO₂) emissions. Our main focus is to improve the efficiency of our network, which represents more than 80% of DiGi's total energy consumption.

Our Initiatives

Energy Efficiency in the Network

Network Modernisation

In 2013, we completed our network modernisation initiative, involving a nationwide swap of our entire telecommunications network we expect energy savings on a gradual basis now that the migration is completed. Early results indicate a slight stabilisation of electricity consumption on a year-on-year comparison, with greater efficiencies expected with the completion and optimisation of the new network. We have decommissioned approximately 139 sites under the infrastructure sharing project with Celcom.

Conversion of Off-Grid Sites

A significant number of our transmission sites are in locations that are located off the national electricity grid (off-grid), and run on diesel-powered generator sets. We have been actively exploring cost-efficient means to convert these sites into more carbon-efficient energy sources.

By end 2013, we had converted 67 sites into hybrid solar-diesel sources, thereby reducing the amount of diesel consumption. We have not been able to deploy fully solar-powered transmission sites, due to the insufficient power supply generated by photovoltaic panels. We hope to explore full solar-powered sites in the future, as more advanced photovoltaic technologies and energy-efficient telecommunications equipment become available.

In other less remote locations, we worked with the local electricity provider to provide electricity to off-grid sites. By end 2013, we had successfully converted more than 100 off-grid sites to grid power. We have also downsized diesel generators in 23 sites to reduce diesel wastage.

Despite the rise in number of converted sites in 2012, we experienced an increase in diesel consumption due to the higher number of new 3G sites built in off grid locations under the national Universal Service Provision initiative.

Greening our Data Center

Data centers are known to require large amounts of energy, especially electricity. In line with our efforts to drive environmental and energy efficiency, the construction and operations of our Technical Operations Center (TOC) was built based on environmentally-friendly principles. In 2012, we achieved full Gold Level Certification, upon verification by Green Building Index auditors that various eco-friendly features indicated in the planning and design stages of the building had been effectively implemented.

In 2013, DiGi continues to utilise cold aisle containment systems in the data centers located in its Technology Operations Center (TOC), and has introduced this system to all its Mobile Switching Centers (MSCs) nationwide. The use of photovoltaic panels at base stations have also provided a source of energy in its operations.

Case Study

DiGi's Technical Operations Center was the first data center in Malaysia to achieve the provisional Gold Level Certification from the Green Building Index. The design, construction and operations of this data center incorporate a wide range of energy and environmentally-friendly features.



Green features:

- Energy efficiency (target Power Usage Efficiency < 1.6)
- Renewable Energy - solar cells of 35.2KWp for internal usage
- Water efficiency - rain water harvesting capacity with bio-swale tank
- Eco-friendly elements - eco-friendly carpeting, low volatile organic compound (VOC) wall paint, low emissions coated window panels, 'Green' fire suppression system (inert gas used with zero ozone depleting potential)



Sourcing Energy-Efficient Solutions

We constantly source for new and emerging energy-efficient solutions that strengthen our efforts. These range from simple lighting solutions, to running pilot tests on more sophisticated energy-efficient innovations.

In 2012, we upgraded the lighting in four of our Mobile Switching Centers for greater energy efficiency. We also ran pilots on energy and carbon-efficient refrigerants for our air conditioning systems, as well as on smart metering solutions. Air conditioning is estimated to consume approximately 60% of energy in our network, and therefore presents a sizeable opportunity for energy efficiency. Smart metering provides more accurate insights into energy consumption patterns across the network and would therefore help to improve our energy management efforts.

We continue to also implement various initiatives to reduce indirect energy consumption in our mileage and travel carbon footprints such as fleet management, usage of natural gas vehicles, facilitating carpooling programmes and planning optimal travel and flight options.

Addressing Environmental Sustainability

We take a proactive approach to managing potential environmental risks and impacts across our operations. We comply with international and local standards such as ISO14001 for environmental management in managing obsolete electrical and electronic equipments, and in advocating a greener future amongst our key stakeholders.

Our Initiatives

Adherence to Environmental Standards and Carbon Reporting

Environmental sustainability is part of our governance framework and the way we work at DiGi. In 2012, guidelines relating to Climate and Environment were formalised as part of the Corporate Responsibility Policy under the [DiGi Governance Programme](#). Adherence to this policy is managed via our ISO14001-certified Environmental Management System.

In 2013, DiGi was recognised for diligently reporting and managing carbon savings across its business operations. DiGi was ranked No. 1 in Malaysia for the second time in the Climate Disclosure Leadership Index 2013 and was also awarded a best year-on-year disclosure score award for South East Asia. This global environmental disclosure system indicates that DiGi is on par with leading Asian organisations in displaying a strong approach to the disclosure of climate-related information.



Managing Obsolete Electrical and Electronic Equipment

Electronic waste represents a substantial portion of obsolete electrical and electronic equipment from our network and the disposal of mobile phones by our customers, and therefore poses environmental risks to DiGi.

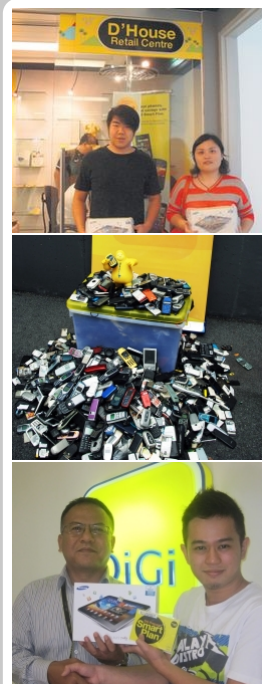
Retiring Network Equipment

Since 2012, we have put in place a formal process to facilitate the disposal of swapped network equipment, in accordance to environmental and safety standards. The process ensures that all unused equipment is properly dismantled and subsequently stored for re-use as spare parts, refurbished and sold, or scrapped according to environmental and safety requirements.

Recycling Handsets

Malaysian consumers are upgrading their mobile phones at an increasing pace, as devices become more affordable and integral to our daily lives. Recognising the environmental risks that come with the disposal of mobile phones, we have implemented handset collection processes for recycling since 2011.

To raise awareness amongst our customers, we run an annual handset recycling campaign. We made this part our customer loyalty programme by offering free tickets to the 2012 David Guetta concert to customers who brought along a friend to recycle their old mobile phones. Collected handsets are disposed off in accordance with Malaysian regulations for the disposal of scheduled waste.



DiGi Handset Recycling Campaign since 2010 collected more than 180kg of handsets from its DiGi Centers and offices nationwide

Advocating a Greener Future

In line with the Malaysian government's efforts to reduce the nation's carbon intensity by 40% by the year 2020, and our own Deep Green initiative, DiGi has taken several initiatives to raise awareness amongst key stakeholders and the general public on environmental challenges, and ways we can address this issue together.

One such initiative was the 2012 study entitled "[Low Carbon Sustainable Development Options for Malaysia](#)" by the Sustainable Development Initiatives (SUDI), a think-tank under the Centre for Environment, Technology and Development (CETDEM). The report focused on three main aspects, namely establishing baseline emissions data, assessment of low carbon sustainable development options for Malaysia, and recommendations on viable options for government, private sector and Malaysians at large. Our support was mainly to assist in raising awareness about this study and encourage dialogue and action towards reducing Malaysia's carbon intensity.

During the course of the year, we also shared our Deep Green initiatives via various speaking engagements and participation in the International Green Tech and Eco Products Conference and Exhibition 2012 (IGEM 2012).

In 2013, for Earth Hour, DiGi partnered with WWF Malaysia to advocate energy conservation through a 'Live Green'pledge, reaching over 50,000 Malaysians across 17 higher education institutions nationwide.





DiGi was the only Malaysian telecommunications company to exhibit in IGEM 2012



DiGi sponsors WWF - Malaysia Earth Hour initiative.



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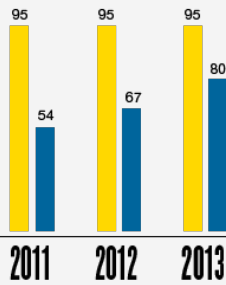
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Empowerment Through Connectivity

Network Coverage

■ 2G Population Coverage (%)
■ 3G Population Coverage (%)



Community Development

Local Suppliers by Percentage¹

Indicator	2011	2012	2013
Percentage of local suppliers	94	97	98

Communities Engaged in Nation Building Initiatives

Indicator	2011	2012	2013
Schools ¹	189	645	478
NGO	45	96	NA
Universities	30	116	59
Underprivileged Communities	36	45	13
Total	300	902	531

Note:

1. Data includes schools engaged in the DiGi CyberSAFE Programme.

DiGi CyberSAFE Programme

Indicator	2011	2012	2013
Students	530	4,194*	15,256*
Schools	24	272	478
Teachers and Parents	90	832	478*
DiGi's Pusat Internet 1Malaysia communities	NA	1,729	-

*Ernst & Young reviewed and verified this data.



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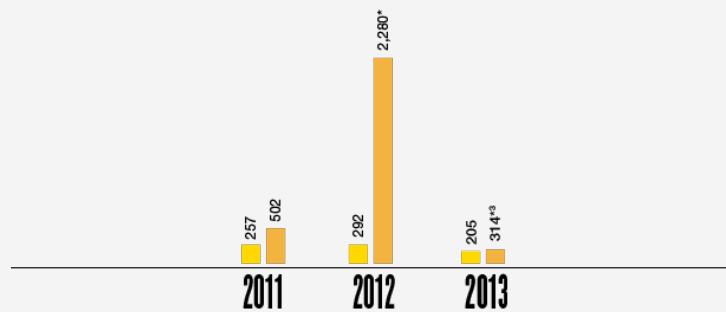
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Ethical and Responsible Business

Corporate Governance

- Employees trained in 'DiGi Way of Work'¹
- Employees trained in Code of Conduct²



*Ernst & Young reviewed and verified this data.

Notes:

1. 2011-2012 data reflects training given to new hires only, as part of the induction programme.
2. Refers to employees who have read, understood and agreed to the terms of our Code of Conduct.
3. Refers to new employees who have read, understood and agreed to the terms of our Code of Conduct.

Compliance to Laws, Regulations and Codes

Indicator

2013 Performance

Anti-competitive behavior	There was no legal action for anti-competitive behavior in 2013. The Communications and Multimedia industry is governed by competition regulations under the Communications and Multimedia Act 1998, and therefore, the Competition Act 2010 is not applicable to DiGi.
Compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life-cycle	Notice of Improvement and Notice of Prohibition were issued for a workplace accident by the state Department of Occupational Safety and Health, to DiGi's Mobile Switching Center in Senawang, Negeri Sembilan. The cause of the accident has been rectified and the Notices have been officially closed by the authorities.
Compliance with regulations and voluntary codes concerning product and service information and labeling	There were no incidents of non-compliance in 2013.
Compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	DiGi Telecommunications Sdn Bhd was issued a compound of RM100,000 by Malaysian Communications and Multimedia Commission (SKMM) for dropped calls.
Compliance with laws and regulations concerning the provision and use of products and services	There were no incidents of non-compliance in 2013.
Compliance with environmental laws and regulations	There were no incidents of non-compliance in 2013.

Supply Chain Sustainability

Indicator	2011	2012	2013
Percentage of suppliers who signed the Agreement on Business Conduct (ABC)	98	99	99
Systematic SCP risk reduction during the year based on supplier SAQ (percentage point) ¹	43	67	23
Number of Sustainability Inspections and audits	153	199	143
Number of HSSE training sessions for suppliers	5	2	7

Note:

- The Supply Chain SCP Risk indicator (SCSR) gives an indication about the SCP risk level in the supply chain, based on a supplier Self Assessment Questionnaire (SAQ) made at the end of every year. The SCSR is reduced during the subsequent year, based on verification of concrete risk elimination at suppliers' side.



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Approach

We aspire to create an engaging and supportive work culture and environment, provide the most attractive development at all levels, and offer competitive, performance-based rewards for all employees.



Henrik Clausen - DiGi's Chief Executive Officer, shares our approach to Best on People.

Best on People Highlights

2010

- Streamlined development process integrating business goals, professional development goals, capability assessments, succession planning, and Employee Engagement Survey.
- Introduced Leadership Development programmes to drive a performance-driven and values-based culture.
- Obtained OHSAS 18001 Certification for Central region.

2011

- Reviewed and updated all job descriptions.
- Strengthened salary and job grading structures.
- Defined career development paths for future growth.
- Benchmarked salary and rewards structure.
- Refreshed work environment.
- Completed Strategic Workforce Planning to assess skills and leadership capabilities and gaps.
- Obtained OHSAS18001 Certification for nationwide operations.

2012

- Launched Best on People Council.
- Launched Competency Framework.
- Launched Flexible Benefits Plan.
- Introduced new informal channels of employee engagement.
- Launched in-house gym for employees.

2013

- Refreshed organisational structure and senior management line-up.
- Improvements on competency framework.
- Implemented targeted training platforms for all employees, managers and leaders.
- Launched workday, an integrated HR information system.

Engaging and Supportive Work Environment

We seek to create an engaging and supportive work environment that encourages a culture of values-based collaboration, and high performance. We have established various platforms to drive employee participation, provide greater clarity on our corporate initiatives, and obtain employee feedback.

PROVIDING EQUAL OPPORTUNITIES FOR ALL

[Click here](#) to listen to a BFM podcast featuring Syadakai and Cheryl, two of DiGi's employees who joined five years ago under our Open Mind Open Hearts Programme, a programme that aimed to providing employment opportunities to Persons With Disabilities.

Our Initiatives

Strengthening Employee Engagement

Our focused efforts in addressing concerns arising from the 2011 Employee Engagement Survey resulted in improved employee engagement and leadership profile indicators in 2012. This annual survey measures various indicators of engagement including career development, service quality, internal processes, living the DiGi values, and leadership.

CASE STUDY - EMPOWERING EMPLOYEES

One of the key concerns arising from the 2011 Employee Engagement Survey was the lack of understanding about the impact of the ongoing network modernisation initiative on the quality of network experience. The following initiatives were implemented to address this issue, and empower employees to be more involved in the continuous improvement process.

- Awareness sessions for employees to understand the ongoing network modernisation programme, related challenges and improvement efforts.
- Weekly updates via internal communications channels.
- Formed a team of *Tomorrow Network?* Ambassadors, equipped with up-to-date information on upgrading efforts, to enable them to share relevant information with fellow employees on a timely basis.
- 300 employees from various departments conducted user experience tests of newly upgraded locations in Klang Valley, and escalated issues to our network team accordingly.
- Equipped employees with communications channels to provide feedback regarding quality of service to the network team.

To ensure that all employees are well informed about corporate goals, directions and initiatives, we have put in place various platforms to communicate corporate performance, goals, directions and organisational initiatives. These include quarterly company-wide townhall sessions and divisional meetings, management off-site meetings involving department and team leaders, as well as monthly emails from the CEO.

Formal engagement platforms have been further strengthened with the establishment of the Best on People Council (BOPC), an official forum for employee representatives to discuss work-related matters or employee grievances, by means of regular consultation between the senior management team and employees. These include matters relating to the welfare of employees, benefits and rewards, improvements to working conditions, career development, performance improvements, and employee health, amenities, safety and the environment, among others. It also serves as a sounding board for employees on company decisions, and as a reference group for the senior management team on new business or policy decisions directly affecting employees.

In 2012, the newly formed BOPC reviewed all issues raised by employees and proposed relevant solutions for decisions by senior management. More than 120 issues or suggestions were received, out of which 70 percent have been addressed with the remaining currently being considered. Employees were notified of outcomes via our internal online collaboration website. In 2013, over 55 issues have been addressed concerning employee benefits, rewards and development, improving workplace amenities and employee welfare relating to health, safety and the environment.





"Since the inception of BOPC 2 years ago, we have seen tremendous support both from senior management and employees. The number of issues and suggestions raised by employees confirms that BOPC is an effective channel for employees to address their concerns/issues. The bottom up approach adopted by senior management validates that the process works and we strive to improve this further. We are confident employees will continue to engage BOPC members."

Alfred Ratnaik
Chairman of the Best on People Council 2013

We also introduced other informal platforms to engage employees and get their feedback on a broad range of people-related issues. These included a hotline for employees to call and seek clarification on people issues, coffee chats between heads of division and department or unit leaders, and monthly informal get-togethers (called D'Chillz). Employees based in our regional offices were not left out of this process as the senior management team made regular visits to engage with them.



Family Day : A step towards greater Work-Life Integration



Annual Company Event : To strengthen camaraderie amongst employees to achieve our mission of bringing *Internet For All*

Promoting Health, Safety and Wellness

Healthy employees are important for the long-term sustainability of company performance. We therefore place strong emphasis on health, safety and wellness at the workplace.

In line with our OHSAS 18001 Certification and local health and safety regulations, DiGi adheres to formalised health, safety and security policies and procedures. Key indicators are monitored by a joint management-employee health committee that operates at the headquarters and regional levels, and reports to the Board of Directors on a quarterly basis. At the headquarters, 35 percent of the committee comprises management team members, with the remaining 65 percent consisting of employees. In regional offices where there are a higher number of field-based employees, on average 93 percent of the committee is represented by employees, and 7 percent management team members.

During the year, we also carried out several initiatives that encouraged employees to pursue activities that enhanced personal wellness, even during work hours. We established an in-house fitness center, organised weekly sporting and friendly divisional games during office hours, and ran awareness sessions on a range of wellness topics.



DiGi sponsored "Walk as one for Breast Cancer" 2013 and our employees in Sabah participated in this Breast cancer Awareness campaign organised by Kinabalu Pink Ribbon.



In 2013, DiGi employees in Sarawak shaved their hair to support and raise funds for the Go Bald campaign organised by Sarawak Children Cancer Society.



Breast Cancer Awareness week : DiGi organised a company-wide breast cancer awareness week in conjunction with the International Breast Cancer Awareness month. Employees also helped to raise funds for the cause through a charity run whereby DiGi committed RM10 for every kilometre clocked in on the treadmill located at our in-house gym. Funds were channeled to the Cancer Research Initiatives Foundation (CARIF) in support of their work.



D'Gym : One of the initiatives to encourage employees to maintain a healthy lifestyle. The gym is open daily from 6.30a.m. to 9.00p.m.

Most Attractive Career Development

We are committed to providing our employees with the most attractive career development opportunities and framework, at all levels of the organisation. We have well defined job descriptions and competency requirements for each role. We are also putting in place more targeted coaching and development platforms for more effective and individualised development plans.

Our Initiatives

Targeted Coaching and Development Programmes

We developed and launched a training portfolio consisting of programmes that address key skills and leadership gaps that were identified in the Strategic Workforce Planning exercise that was conducted in 2011.

We also implemented special training sessions and clinics for managers to improve the quality and outcomes of performance and development dialogues with team members.

In addition to training programmes organised by DiGi, employees who have been identified as potential leaders are given the opportunity to participate in a number of Telenor Group executive development programmes. In the last three years, more than 20 DiGi employees have participated in these programmes.

In 2013, DiGi continued to invest strategically in the engagement, development, performance and well-being of its employees. This is guided by its Best on People aspiration to create an engaged and supportive work culture and environment, provide the most attractive development at all levels, and offer competitive, performance-based rewards for all Digizens.

Creating a More Defined Career Path for Employees

Further to the comprehensive review and benchmarking of job roles and grades that was completed in 2011, we developed a Competency Framework to provide employees at all levels with the right guidance around career advancement in DiGi.

To encourage a more values-based performance culture, the framework as well as performance management processes incorporate DiGi values and leadership competencies. The Competency Framework will also form the basis for a new career framework that is being developed as a tool for managers to enhance development dialogues and plans with team members.

Throughout 2013, DiGi also deepened its focus on employee development through improvements made on its Competency Framework. The framework helps managers and employees enhance performance dialogues by providing better clarity on competencies required and opportunities available for career advancement in DiGi.

Nurturing Young Talents

Given the dynamic nature of our industry landscape, we recognise the importance of investing in future talent. We introduced the Technical Graduate Programme hiring fresh graduates on a 1-year contract attached to our Technology division. This programme complements our existing internship programme for local students and fresh graduates, and ranges from ten weeks to a maximum of six months.

Competitive and Performance-Based Rewards

We continue to offer competitive compensation that is benchmarked against the best performing companies in Malaysia, and a rewards framework that is closely linked to employees' performance.

Our Initiatives

Flexible Benefits

We introduced a flexible plan which empowers employees to choose benefits that best suit their needs and lifestyles. The design and development of the plan was based on industry best practices and employee feedback.

The plan consists of core and optional benefits. Core benefits provide basic protection and are designed to meet statutory requirements. Optional benefits allow employees to choose from a range of optional benefits covering healthcare for parents, post-graduate education, childcare, purchase of communications devices, and internet access fees, among others.



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Climate Change and Environment

CO₂ Emissions

Indicator (CO ₂ tonnes)	2011	2012	2013
Direct CO₂ emissions: Scope 1' from fuel and gas consumption²	14,846	18,508	19,575
Network	13,179	16,963	18,203
Building	0	0	0
Fleet	1,667	1,545	1,372
Indirect CO₂ Emissions: Scope 2' from electricity consumption	97,531	107,002	104,587
Network	92,171	101,643	98,658
Building	5,360	5,359	5,929
Other indirect CO₂ Emissions: Scope 3' from travel and transportation	1,447	1,372	1,535
Flights	628	575	711
Mileage	819	797	824
Total CO₂ Emissions	113,824	126,882**	125,697**

**Ernst & Young reviewed and verified this data.*

Notes:

1. Parameter reported based on Green House Gas Protocol (GHG Protocol). Scope 1 represents emissions arising from fuel and gas consumed by DiGi, Scope 2 is from electricity consumed by DiGi and Scope 3 represent emissions from travel and transportation.
2. Fuel consumption (diesel) is estimated based on rated capacity of generators at 75% load.
3. The calculation of CO₂ emissions has been updated based on the latest energy to CO₂ conversion factor as provided by the International Energy Agency guidelines.

Energy Use

Indicator (Gwh)	2011	2012	2013
Direct Energy Use <i>from fuel and gas sources</i>	63	77	82
Network	50	64 ¹	69 ¹
Building	0	0	0
Transportation	13	13	13
Indirect Energy Use <i>from electricity sources</i>	156	162	159
Network	147	154 ²	150
Building	9	8	9
Total Energy Use	219	239	241
Energy Efficiency³	36.7	37.6	35.8

Notes:

1. Increased due to the roll-out of new 3G sites to off-grid locations under the national Universal Service Provider (USP) initiative.
2. Increased due to the on-going network expansion activities causing higher consumption in two parallel networks, which will continue to operate until the migration is completed and the previous network is fully decommissioned.
3. Parameter reports total energy consumption per revenue unit.

Other Environmental Impacts

Water consumption

Indicator	2011	2012	2013
Consumption (m ³)	76,969	90,838 ¹	96,074 ¹
Number of buildings	35	45 ²	54 ²

Notes:

1. Increased due to the higher number of retail centres and round-the-clock operations at DiGi's Technical Operations Center and the facility that houses employees and partners working on the network modernisation initiative.
2. Increase in the number of retail centres.
3. The number of buildings include only office buildings and exclude network buildings.

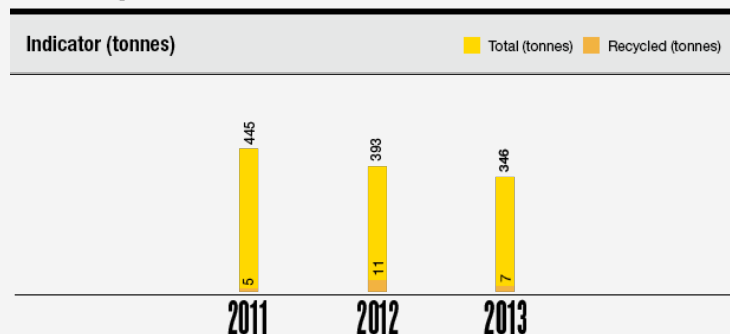
Obsolete Electrical & Electronic Equipment

Indicator (tonnes)	2011	2012	2013
Total	346	495	1,626 ²
E-waste ¹	NA	125	345

Note:

1. E-waste, a subset of DiGi's obsolete electrical and electronic equipment is defined according to Malaysian regulations for Scheduled Waste. It refers to components such as accumulators, mercury-switches, glass from biphenyl-capacitors, or parts contaminated with cadmium, mercury, lead, nickel, chromium, copper, lithium, silver, manganese or polychlorinated biphenyl.
2. Increased due to network modernisation projects. The collected equipment to be resold, re-use or recycle.

Municipal Waste



Note:

1. The disposal method for municipal waste is through waste segregation for full or partial recovery by third party vendor.
2. Scheduled waste is also stored in our scheduled waste storage facilities and disposed in accordance to the Environmental Quality (Scheduled Waste) regulations.

Spills

Indicator	2011	2012	2013
Number of cases	0	0	0



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Key ● Achieved ◐ Ongoing		
2013 target objectives, and initiatives	Status as at end 2013	2014 Focus Areas and Targets
Strengthen our mobile internet proposition to further drive internet uptake.	●	Offer products and services that promote affordable and positive use of the internet.
Expand our 3G network, introduce LTE services, and continue infrastructure sharing initiatives.	◐	Expand 3G network to more than 80% of populated areas. Completed network modernisation programme, and continue to roll out LTE services.
Support the government's coverage and USP initiatives to enhance digital inclusion.	◐	Continue supporting the government's coverage and USP initiatives that bring internet to more Malaysians.
Complete the final round of DiGi Challenge for Change 2012/2013.	●	Complete Phase 1 of DiGi Challenge for Change 2013/2014 and choose best ideas for mobile applications.
Launch DiGi Challenge for Change 2013/2014 with an enhanced focus on mobile internet.	●	Develop minimum of 5 mobile applications from the best ideas.
Extend DiGi CyberSAFE Programme to more than 600 schools, 20,000 children, teachers, parents and guardians, and 14 1Malaysia Internet Center communities.	●	Launch Phase 3 of DiGi CyberSAFE Programme. Create awareness amongst 100,000 school students and teachers.




Ethical and Responsible Business		
Key ● Achieved ◐ Ongoing		
2013 target objectives, and initiatives	Status as at end 2013	2014 Focus Areas and Targets
Review and update governance framework.	●	Continue to enhance management of compliance to risk-assessment and customer privacy and data protection.
Extend the scope of supply chain monitoring to sub-suppliers via inspections and awareness programmes.	●	Focus on reducing risks of major non-compliance in our supply chain.
Continued focus on excellent customer experience.	◐	Continue to embed customer centricity focus in key customer touchpoints. Enhance customer centric culture amongst employees.
Focus on consumer protection issues.	◐	Strengthen internal awareness and compliance to policies and manuals on privacy, information management and security.

Best on People		
Key ● Achieved ◐ Ongoing		
2013 target objectives, and initiatives	Status as at end 2013	2014 Focus Areas and Targets

Strengthen channels for employee feedback.		Strengthen the effectiveness of the BOPC to expedite resolution of issues.
Cultivate a proactive health, safety, security and environment (HSSE) culture amongst employees.		Promote healthier lifestyles through awareness and training programmes for employees. Focus on reducing the Lost-time Injury Frequency.
Continue upgrading physical work environments.		Refresh key workspaces within DIGI's offices.
Develop stronger performance, development and competency management processes.		Continue to improve the Competency Framework. Commence development of a Career Framework. Design a formalised training curriculum. Strengthen employer branding to attract and retain top talents.
Competitive and performance-based rewards.		Continue enhancing total rewards framework.

Climate Change and Environment

Key  Achieved  Ongoing

2013 target objectives, and initiatives	Status as at end 2013	2014 Focus Areas and Targets
Drive greater energy efficiency via the network modernisation initiative.		Completed network swap, focus on optimizing for greater energy efficiencies.
Reduce diesel consumption in off-grid sites via renewable solar energy, and conversion to grid electricity.		Strengthen efforts to reduce diesel consumption via hybrid solar-diesel sites and conversion of off-grid sites to grid power, where feasible.
Efforts to reduce air conditioning in our network.		Strengthen efforts to improve energy efficiency of air conditioning.



VISION, MISSION AND VALUES



CEO'S MESSAGE



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Our sustainability efforts have been recognised through various awards and ratings.

Following are awards and ratings received in the last three years.

Asian Sustainability Ratings by Asian Sustainability Rating™	
2011	No. 1 telecommunications company, and No. 2 overall in Malaysia
2010	No. 1 telecommunications company in Asia, and No. 1 overall in Malaysia

Asia's Best Companies by Finance Asia	
2013	No. 1, Best Managed Company Category
	No. 1, Best Corporate Responsibility Category
	No. 1, Most Committed to a Strong Dividend Policy Category
	No. 2, Best Corporate Governance Category
2012	No. 2, Best Investor Relations Category
	No. 5 Best Managed Company Category
2012	No. 5 Best Managed Company Category
	No. 5 Best Corporate Governance Category
2011	No. 6 Best Corporate Social Responsibility Category
	No. 9 Best Managed Company Category
	No. 5 Best Corporate Governance Category
	No. 4 Best Corporate Social Responsibility Category

Billion Ringgit Club 2011 by The EDGE Malaysia by The EDGE Malaysia	
2013	Company of the Year
	Best Performing Stock (for companies with a market capitalisation of over RM10 billion)
	Most Profitable Company, Trading and Services Category
2012	No.2 Best CSR Initiatives Category
2011	Top 10 CSR Company of the Year

Carbon Disclosure Project

2013	No.1 in Malaysia
	No. 1, Year-on-Year Disclosure Score Change for South East Asia
2011	No.1 in Malaysia and No.5 in Asia (excluding Japan, India, China and Korea)

Malaysia Cyber Security Awards by Cybersecurity Malaysia

2013	Information Security Outreach Provider of the Year
2012	Information Security Outreach Provider of the Year
	CyberSAFE Ambassador for the Year

Malaysia's 100 Leading Graduate Employers 2011 by GTI Media

2011	Winner, Telecommunication Sector Category
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Malaysia Corporate Governance Index by Minority Shareholders Watchdog Group (MSWG) Award

2011	Distinction Award
2010	Distinction Award

MSOSH Occupational Safety and Health by Malaysian Society of Occupational Safety & Health

2010	Silver Recognition Award
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ACCA Malaysia Sustainability Reporting Awards 2010 by the Association of Certified Chartered Accountants

2013	Finalist, Stand Alone Category for Best Sustainability Report
2010	Best First Time Reporter

Ethical Business Excellence Award 2010/2011 by Ministry of Domestic Trade, Cooperatives and Consumerism

2010	Highest Recognition in the Large Enterprise Category
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This is our fifth Sustainability Report and the fourth Communication on Progress (COP) since becoming a signatory to the UN Global Compact in September 2008. Our last Sustainability Report was published on May 14th, 2013.

Scope

The report covers DiGi.Com Berhad and its subsidiaries, which only operate within Malaysia. It does not include outsourced activities, joint venture and suppliers.

The DiGi Annual Report 2013 together with the information this website, address all issues that are material to our business, covering social, environmental and economic impacts.

Therefore, information on this report is to be read and crossed referenced with DiGi's [Annual Report 2013](#) for a more comprehensive view of the group's overall financial and non-financial performance.

Reporting period

This is an annual report which covers the period from January 1, 2013 to December 31, 2013 (Fiscal Year 2013). For selected performance indicators that have been historically tracked, we have included data from the past three years.

Reporting Principles

Our Sustainability Report is developed in accordance with the DiGi Standard Operating Policy and Procedures on Sustainability Reporting. The policy and procedures aim to provide guidance on the scope and boundaries of reporting, roles and responsibilities, internal control processes, and definitions for all reported parameters. They are consistent with the Telenor Group Non-Financial Reporting Procedures and other established reporting standards such as the Global Reporting Initiative 3.1 Guidelines, Green House Gas Emissions Protocol, Carbon Disclosure Project and the UN Global Compact.

Following is an illustration of the reporting process that was undertaken for this year's report.



* Content Providers are employees responsible for providing data for various parameters. They are accountable for the accuracy, completeness and timeliness of data provided.

New approaches

Based on feedback received on our previous Sustainability Reports, we have implemented the following new approaches to improve the overall reporting quality and disclosure standards.

- Updating DiGi Standard Operating Policy and Procedures to provide greater clarity on roles and responsibilities of Content Providers.
- Referencing corporate information and initiatives that address issues relevant to the Principles of the UN Global Compact.
- Publishing this report in a fully digital format. This will help to extend the reach of our disclosure on Sustainability performance to a wider audience, and is also in keeping with our efforts to minimise our environmental impact.

Audience and Accessibility

This report is made available on our corporate website (www.digi.com.my/sustainability), for all key stakeholders and members of the public. A printable version of the full report is also available on the same website.

Feedback

Please direct your enquiries or feedback to:
Joachim Rajaram - Head of Communications and Corporate Responsibility
Email: cr@digi.com.my
Tel: 03 57211800

Address :
Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor
Malaysia.



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We have benchmarked our Sustainability reporting against the Global Reporting Initiative (GRI) Sustainability reporting guidelines.

Index of Conformance with the GRI 3.1 Guidelines:

- [Strategy and Analysis](#)
- [Organisational Profile](#)
- [Report Parameters](#)
- [Governance, Commitments and Engagements](#)
- [Economic Performance Indicators](#)
- [Environmental Performance Indicators](#)
- [Labour Performance Indicators](#)
- [Human Rights Performance Indicators](#)
- [Society Performance Indicators](#)
- [Product Responsibility Performance Indicators](#)

The table below provides links to relevant information which has been published in this report, as well as other printed or electronic publications by DiGi.

Core Indicator Additional Indicator

1. Strategy and Analysis		
Indicator	Compliance	Cross Reference or Direct Answer
1.1 Statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation and its strategy.		Annual report: Chairman and CEO's Statement (Page 8-11) CEO's Message
1.2 Description of key impacts, risks and opportunities.		CEO's Message


2. Organisational Profile		
Indicator	Compliance	Cross Reference or Direct Answer
2.1 Name of reporting organisation.		About this report : Scope
2.2 Primary brands, products and services.		Annual Report: Management Discussion and Analysis (Page 12-16) DiGi Website
2.3 Operational structure of the organisation including main divisions, operating companies, subsidiaries and joint ventures.		Annual Report: Corporate Structure (Page 1)
2.4 Location of organisation's headquarters.		Annual Report: Notes to the Financial Statements (Page 85) About this Report











2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		DiGi only operates in Malaysia. About this Report
2.6	Nature of ownership and legal form.		Annual Report: Notes to the Financial Statements (Page 85)
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).		Annual Report: Management Discussion and Analysis (Page 12-16) About this Report DiGi offers a wide range of voice, data and internet products in the form of pre-paid, post paid, business solutions, international and financial services.
2.8	Scale of the reporting organisation (including employees, assets, sales and products).		Annual Report: "Statements of Comprehensive Income" (Page 78), "Statements of Financial Position" (Page 79) Annual Report: "Management Discussion and Analysis (Page 12-16) 2013 Highlights Best on People: Performance Indicators
2.9	Significant changes during the reporting period regarding size, structure or ownership.		Annual Report: Chairman's Statement (Page 8) Annual Report: Statement of Changes in Equity (Page 81-82)
2.10	Awards received in the reporting period.		Annual Report: Accolades (Page 22-23)









3. Report Parameters Key Full Partial No Not material

















Indicator	Compliance	Cross Reference or Direct Answer
Report Profile		
3.1		About this Report: Reporting Period
3.2		About this Report: Reporting Period
3.3		About this Report: Reporting Period
3.4		About this Report: Feedback
Reporting Scope and Boundary		
3.5		About this Report: Reporting Principles Our Approach to Sustainability
3.6		About this Report: Scope
3.7		About this Report: Scope
3.8		About this Report: Scope
3.9		Ethical and Responsible Business: Performance Indicators Climate Change and Environment: Performance Indicators
3.10		Best on People: Performance Indicators: Employees Leaving DiGi : Woman in Management Positions : Health and Safety Key Performance Indicators
3.11		Best on People: Performance Indicators: Employees Leaving DiGi : Woman in Management Positions : Health and Safety Key Performance Indicators Climate Change and Environment: Performance Indicators: CO2 Emissions
GRI Report Content		
3.12		This index
Assurance		
3.13		Assurance Statement

Also explain the relationship between the reporting organisation and the assurance provider.

4. Governance, Commitment and Engagement		
		
Indicator	Compliance	Cross Reference or Direct Answer
Governance		
4.1		Annual Report: Corporate Structure (Page 1) Annual Report: Governance (Page 32-35)
4.2		Annual Report: Statement on Corporate Governance (Page 38-55)
4.3		Annual Report: Directors' Profiles (Page 32-35)
4.4		Annual Report: Statement on Corporate Governance (Page 38-55) Our Approach to Sustainability: Stakeholder Engagement Best on People: Strengthening Employee Engagement
4.5		Annual Report: Statement on Corporate Governance (Page 38-55) DIGI Way of Work DIGI Code of Conduct
4.6		Annual Report: Statement on Corporate Governance (Page 38-55) Ethical and Responsible Business: Corporate Governance DIGI Code of Conduct
4.7		Annual Report: Statement on Corporate Governance (Page 38-55)
4.8		Annual Report: Statement on Corporate Governance (Page 38-55) Ethical and Responsible Business: Corporate Governance DIGI Code of Conduct
4.9		Annual Report: Statement on Corporate Governance (Page 38-55) Our Approach to Sustainability: Governance
4.10		Annual Report: Statement on Corporate Governance (Page 38-55) Our Approach to Sustainability
Commitment to External Initiatives		
4.11		Annual Report: Statement on Corporate Governance (Page 38-55) DIGI Code of Conduct
4.12		CEO's Message About this Report: Reporting Principles
4.13		DIGI as part of the Telenor Group is an active participant in GSMA, the global association for mobile operators. DIGI is also a signatory to the UN Global Compact. Locally, DIGI actively participates in telecommunications industry forums, government bodies, Business Council for Corporate Social Responsibility Malaysia and EU Malaysia Chamber of Commerce and Industry. Empowerment Through Connectivity: Industry Development CEO's Message
Stakeholder Engagement		
4.14		Our Approach to Sustainability: Stakeholder Engagement
4.15		Our Approach to Sustainability: Stakeholder Engagement
4.16		Our Approach to Sustainability: Stakeholder Engagement
4.17		Our Approach to Sustainability: Stakeholder Engagement Our Approach to Sustainability: Material Issues


Economic Performance		
		
Management Approach		DiGi contributes directly to the Malaysian economy through license fees, taxes, contribution to Universal Service Provision, job creation and support to local business partners. Indirectly, our core offering of mobile internet and telephony are key enablers for socio economic development. Annual Report CEO's Message Our Approach to Sustainability Empowerment Through Connectivity
Indicator	Compliance	Cross Reference or Direct Answer
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		Annual Report: Group Financial Summary (Page 18) Annual Report: Statements of Comprehensive Income (Page 78) Empowerment Through Connectivity : Performance Indicators
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.		CEO's Message Climate Change and Environment Telenor Group's Carbon Reporting
EC3 Coverage of the organisation's defined benefit plan obligations.		Annual Report: Notes to the Financial Statements Note 2(n) Significant Accounting Policies: Employee Benefits (Page 94-95) Note 7 Profit Before Tax (Page 103) Note 23 Defined Benefit Plan (Page 119)
EC4 Significant financial assistance received from government.		Annual Report: Statements of Cash Flows (Page 83-84)
Market Presence		
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		DiGi's standard entry level wage is more than 150% of the gazetted minimum wage.
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		Empowerment Through Connectivity : Performance Indicators: Local Suppliers by Percentage
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		All available positions including senior management are opened to DiGi employees and external local candidates to select the best fit for the position. For selected positions with specialised skills, the search is extended to the Telenor Group of companies. Best on People: Performance Indicators: Ethnic Diversity
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		Empowerment Through Connectivity
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.		Empowerment Through Connectivity

Environmental Performance		
		
Management Approach		Our Approach to Sustainability Climate and Environment
Indicator	Compliance	Cross Reference or Direct Answer
Materials		
EN1 Materials used by weight or volume.		DiGi is not involved in manufacturing.
EN2 Percentage of materials used that are recycled input materials.		DiGi is not involved in manufacturing.
Energy		
EN3 Direct energy consumption by primary energy source.		Climate Change and Environment : Driving Energy Efficiency Climate Change and Environment : Performance Indicators: Energy Use
EN4 Indirect energy consumption by primary source.		Climate Change and Environment : Driving Energy Efficiency Climate Change and Environment : Performance Indicators: Energy Use
EN5 Energy saved due to conservation and efficiency improvements.		Climate Change and Environment : Driving Energy Efficiency Climate Change and Environment : Performance Indicators: Energy Use
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	N/A	DiGi's main product or service is our communications services and we focus on driving energy efficiency in our network.
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.		Climate Change and Environment : Driving Energy Efficiency
Water		
EN8 Total water withdrawal by source.		Climate Change and Environment: Performance Indicators: Water Consumption

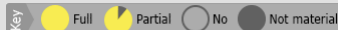
EN9	Water sources significantly affected by withdrawal of water.		DiGi's activities, products and services do not consume nor depend on large amounts of water.
EN10	Percentage and total water volume of water recycled and reused.		DiGi's activities, products and services do not consume nor depend on large amounts of water.
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	N/A	There are no significant adverse effects on biodiversity resulting from DiGi's activities, products and services.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N/A	There are no significant adverse effects on biodiversity resulting from DiGi's activities, products and services.
EN13	Habitats protected or restored.	N/A	There are no significant adverse effects on biodiversity resulting from DiGi's activities, products and services.
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	N/A	There are no significant adverse effects on biodiversity resulting from DiGi's activities, products and services.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/A	There are no significant adverse effects on biodiversity resulting from DiGi's activities, products and services.
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.		Climate Change and Environment: Performance Indicators: CO2 Emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.		Climate Change and Environment: Performance Indicators: CO2 Emissions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		Climate Change and Environment : Driving Energy Efficiency
EN19	Emissions of ozone-depleting substances by weight.		DiGi's activities, products and services do not utilise nor manufacture significant amounts of ozone depleting substances.
EN20	NOx, SOx, and other significant air emissions by type and weight.		Under review to establish materiality.
EN21	Total water discharge by quality and destination.		DiGi's activities, products and services do not discharge large amounts of water. Office buildings are DiGi's main source of wastewater, which is treated according to local discharge conditions and legal requirements.
EN22	Total weight of waste by type and disposal method.		Climate and Environment: Performance Indicators: Municipal Waste
EN23	Total number and volume of significant spills.		There were no spills in 2013.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N/A	DiGi disposes all scheduled waste in accordance with Malaysian Scheduled Waste regulations.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.		DiGi's activities, products and services do not discharge large amounts of water.
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		Climate Change and Environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		Under review to establish materiality.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		There were no cases of non-compliance in 2013.
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.		Transportation generates less than 3% of DiGi's total CO2 emissions and is therefore does not have a significant impact. Climate and Environment: Performance Indicators
Overall			
EN30	Total environmental protection expenditures and investments by type.		Environmental protection is taken into consideration in overall capital expenditure decisions. Annual Report: Business Review (Page 15, 18)

Social Performance

Labour Practices and Decent Work

Key  Full  Partial  No  Not material

Management Approach		Our Approach to Sustainability Best on People Supply Chain Sustainability	
Indicator	Compliance	Cross Reference and Direct Answer	
Employment			
LA1	Total workforce by employment type, employment contract, and region.		Best on People: Performance Indicators: Employment Data
LA2	Total number and rate of employee hires and turnover by age group, gender, and region.		Best on People: Performance Indicators: Employees Leaving DIGI
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.		DIGI hires temporary employees from third party agencies and they are not entitled to any benefits given to DIGI's full-time employees. Best on People: Competitive and Performance-Based Rewards
LA15	Return to work and retention rates after parental leave, by gender.		Best on People: Performance Indicators: Employees on Parental Leave
Labour/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.		DIGI supports freedom of association and collective bargaining as stated in DIGI's Code of Conduct. Under the Industrial Relations Act 1967 the right to collective bargaining is similarly enshrined. DIGI Code of Conduct
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		DIGI gives 1 month notice to inform all employees of operational changes that result in loss of employment. For employees falling within the scope of the Employment Act, notice is as provided in sections 12 (2) (a), (b) and (c), and section 12 (3) of the Employment Act 1955.
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programmes.		Best on People: Performance Indicators: Health and Safety Committee
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		There were no work-related fatalities in 2013. Best on People : Performance Indicators: Health and Safety Key Performance Indicators
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		DIGI organises education, training, counseling, prevention and risk-control programmes for employees, whenever there is an outbreak of serious diseases. Best on People: Engaging and Supportive Work Environment Ethical and Responsible Business : Supply Chain Sustainability
LA9	Health and safety topics covered in formal agreements with trade unions.	N/A	To-date, there is no trade union in DIGI.
Training and Education			
LA10	Average hours of training per year per employee by employee category.		Best on People : Performance Indicators: Training
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		Best on People : Most Attractive Career Development
LA12	Percentage of employees receiving regular performance and career development reviews.		Best on People : Performance Indicators: Employees Development Plan
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.		Annual Report: Directors Profiles (Page 32-35) Best on People: Performance Indicators: Diversity and Inclusion
LA14	Ratio of basic salary of men to women by employee category.		DIGI practices equal opportunity to all in salary and remunerations. DIGI Code of Conduct
Human Rights			
Management Approach		Our Approach to Sustainability Ethical and Responsible Business : Corporate Governance Ethical and Responsible Business : Supply Chain Sustainability DIGI Code of Conduct	
Indicator	Compliance	Cross Reference or Direct Answer	
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		All significant investment agreements are subject to the terms of our Supplier Conduct Principles which include internationally proclaimed human rights standards such as the UN Declaration and conventions on human rights. Ethical and Responsible Business : Supply Chain Sustainability Ethical and Responsible Business : Performance Indicators: Supply Chain Sustainability Supplier Conduct Principles
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		All agreements with significant suppliers and contractors are subject to the terms of our Supplier Conduct Principles and/or DIGI Code of Conduct which includes internationally proclaimed human rights standards including the UN Declaration and conventions on human rights. Ethical and Responsible Business : Supply Chain Sustainability Ethical and Responsible Business : Performance Indicator: Supply



Chain Sustainability
Supplier Conduct Principles

HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		Ethical and Responsible Business : Performance Indicators: Corporate Governance
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Non-discrimination

HR4	Total number of incidents of discrimination and actions taken.		There have been no incidents of discrimination in 2013. DIGI is opposed to discriminatory practices, and is committed to do its utmost to promote equality in all employment practices. This is stated in DIGI's code of conduct. DIGI Code of Conduct
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Freedom of Association and Collective Bargaining

HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		DIGI evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clauses on freedom of association and collective bargaining. Ethical and Responsible Business : Supply Chain Sustainability Supplier Conduct Principles
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Child Labour

HR6	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced and compulsory labour.		DIGI evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clauses on child labour. Ethical and Responsible Business : Supply Chain Sustainability Supplier Conduct Principles
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Forced and Compulsory Labour

HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.		DIGI evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clauses on forced and compulsory labour. Ethical and Responsible Business : Supply Chain Sustainability Supplier Conduct Principles
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Security Practices

HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.		All security personnel have been trained in basic health, safety and security, as part of the requirements in the Supplier Conduct Principles. Supplier Conduct Principles
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Indigenous Rights

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		There have been no violations in 2013.
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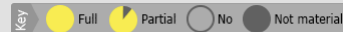
Assessment

HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		DIGI assesses its operations for risks of violations to our code of conduct and Supplier Conduct Principles, which include clauses on internationally proclaimed human rights such as the UN Declaration and conventions on human rights. Ethical and Responsible Business : Corporate Governance Ethical and Responsible Business : Supply Chain Sustainability Ethical and Responsible Business : Performance Indicators DIGI Code of Conduct Supplier Conduct Principles
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Remediation

HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.		There have been no filed grievances in 2013. DIGI Code of Conduct
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Society



Management Approach

Our Approach to Sustainability
Empowerment Through Connectivity
Ethical and Responsible Business
DIGI Code of Conduct




Indicator Compliance Cross Reference or Direct Answer











Community

S01	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.		DIGI assesses its operational impact on community, and carries out relevant development and engagement programmes to address such impacts. Empowerment Through Connectivity : Community Development Ethical and Responsible Business : Consumer Centricity
S09	Operations with significant potential or actual negative impacts on local communities.		Ethical and Responsible Business Ethical and Responsible Business : Consumer Centricity Empowerment Through Connectivity : Safer Internet for Children
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		Ethical and Responsible Business Ethical and Responsible Business : Consumer Centricity Empowerment Through Connectivity : Safer Internet for Children

Corruption

S02	Percentage and total number of business units analysed for risks related to corruption.		DIGI's Code of Conduct and Anti-Corruption Policy apply strict requirements across our operations.
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.		Ethical and Responsible Business : Performance Indicators: Corporate Governance
S04	Actions taken in response to incidents of corruption.		There were no incidents of corruption in 2013. Ethical and Responsible Business : Corporate Governance

Public Policy Behavior		
S05	Public policy positions and participation in public policy development and lobbying.	 Empowerment Through Connectivity : Industry Development
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	N/A DiGi does not give support to political parties, either in the form of direct financial support or paid time. This is stated in DiGi's Code of Conduct. Ethical and Responsible Business : Corporate Governance DiGi Code of Conduct
Anti-Competitive Behaviour		
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	 There were no legal actions in 2013.
Compliance		
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	 There were no cases of non-compliance in 2013.

Product Responsibility		
<div style="text-align: right;">  </div>		
Management Approach		
Our Approach to Sustainability Ethical and Responsible Business Empowerment Through Connectivity : Safer Internet for Children		
Indicator	Compliance	Cross Reference or Direct Answer
PR1		All key products and services are subject to health and safety assessments which cover design, use/delivery and disposal, and are required to be compliant with local safety standards. DiGi is committed to taking an active role in delivering safer products and services. Ethical and Responsible Business : Addressing RF Emissions Empowerment Through Connectivity : Safer Internet for Children
PR2		There were no incidents of non-compliance in 2013.
Product and Service Labeling		
PR3		Empowerment Through Connectivity : Safer Internet for Children Ethical and Responsible Business : Customer Centricity
PR4		There were no incidents of non-compliance in 2013.
PR5		Ethical and Responsible Business : Customer Satisfaction
Marketing Communications		
PR6		DiGi has identified laws, standards and voluntary codes relating to marketing communications which apply to its products and services. Internal policies and procedures regarding marketing communications are in place. Ethical and Responsible Business : Corporate Governance Ethical and Responsible Business : Customer Centricity - Privacy
PR7		One incident of non-compliance on Mandatory Standards of Provisioning of Mobile Content Services. An internal audit has been carried out to ensure strict adherence and our Regulatory (together with Internal Audit team) is now reporting the progress to Audit Committee on quarterly basis. Ethical and Responsible Business : Performance Indicators: Compliance to Laws, Regulations and Codes
Customer Privacy		
PR8		One case was lodged to Consumer Forum Malaysia (CFM) on customer privacy. The case was closed on the same day. Ethical and Responsible Business : Privacy DiGi Code of Conduct
Compliance		
PR9		There were no fines for non-compliance in 2013.



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This report serves as our fifth communication on progress by DiGi.com Berhad. The list below provides links to this website and other publications by DiGi, which explain our approach and performance on issues relevant to the Principles of the Global Compact.

Principle 1: Support and Respect the Protection of Internationally Proclaimed Human Rights

Corporate Governance

Consumer Interests

Supply Chain Sustainability

Best on People

Safer Internet for Children

Principle 2: No Complicity in Human Rights Abuses

Corporate Governance

Supply Chain Sustainability

Principle 3: Uphold Freedom of Association and the Right to Collective Bargaining

DiGi Way of Work

Engaging and Supportive Work Environment

Principle 4: Elimination of all forms Forced and Compulsory Labour

Corporate Governance

Supply Chain Sustainability

Principle 5: Abolition of Child Labour

Corporate Governance

Supply Chain Sustainability

Principle 6: Eliminate Discrimination in respect of Employment and Occupation

Corporate Governance

Competitive and Performance Based Rewards

Principle 7: Support a Precautionary Approach to Environmental Challenges

DiGi Way of Work

Climate Change and Environment

Principle 8: Undertake initiatives to Promote Greater Environmental Responsibility

DiGi Way of Work

Climate Change and Environment

Principle 9: Encourage the Development and Diffusion of Environmentally Friendly Technologies

DiGi Way of Work

Climate Change and Environment

Principle 10: Work against corruption in all its forms, including extortion and bribery

Corporate Governance

Supply Chain Sustainability



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2G services	Voice and data services being provided using our GSM network (operating in 900MHz and 1800MHz bands).
3G services	Voice and data services being provided using our WCDMA network (operating in 2100MHz band).
4G services	Voice and data services using the next generation of mobile broadband technologies including Long Term Evolution (LTE) and operating in 2600MHz band.
Access Pricing	The price charged by a telecommunication service provider for connection to its network in order for the other provider to complete the service for its end-user customers.
Accounting Separation	Deconsolidation of financial statements for wholesale and retail services as if they were separate businesses. It is designed to reduce information asymmetry, enhance transparency and complement the existing regulatory instruments to address and prevent anti-competitive behaviour in the telecommunications industry.
Broadband	A network that has greater bandwidth than another standard or usual signal or device, with ability to transmit signals of up to 128 Kbps.
Pusat Internet 1Malaysia (formerly known as Community Broadband Centre)	A project under the Universal Service Provision programme to provide collective internet access in underserved areas.
Infrastructure Sharing	Initiative to share the use of towers, fibre optic facilities and also network capacity between two or more telecommunication companies.
Wireless Village	The provisions of collective broadband access and individual broadband access service for targeted communities living in the underserved areas.
Mobile Virtual Network Operator (MVNO)	A mobile service provider that does not own key network assets such as spectrum and telecommunications structures but leases them from other mobile network operators.
Radio Frequency Emission	A frequency of electromagnetic radiation in the range at which radio signals are transmitted.
Spectrum	A range of electromagnetic frequencies required for telecommunication systems to operate.
Universal Service Provision (USP)	A programme to support the development and usage of communication services in underserved areas and communities. Operators are mandated to contribute to the USP fund which is managed by the Malaysian Communications and Multimedia Commission, and are reimbursed for building telecommunications infrastructure in underserved areas.

As defined by SKMM, any area:

Underserved areas

- Where the penetration rate for broadband subscribers in Malaysia is below the national broadband penetration rate or where broadband access services are not sufficient.
- Where the Public Switched Telephone Network (PSTN) subscribers penetration rate is 20% below the national PSTN penetration or where PSTN services are not sufficiently available.
- With a population density of 80 persons per square kilometer or less, and where public cellular services are not sufficiently available.



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Assurance Statement by Ernst & Young

Independent Limited Assurance Statement To The Management Of DiGi Telecommunications Sdn Bhd

We have performed limited assurance procedures in relation to **DiGi Telecommunications Sdn Bhd's** Sustainability Section in the Annual Report 2013 ('the Report') as detailed in the 'Subject Matter' below.

The Management's responsibility

The Sustainability Section in the Annual Report 2013 has been prepared by the Management of DiGi Telecommunications Sdn Bhd, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements relating to the preparation, publication and verification of sustainability reports.

The auditor's responsibility

Our responsibility in performing our limited assurance activities is to the Management of DiGi Telecommunications Sdn Bhd only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at their own risk.

Our review was limited to the information on the select indicators set out within the Sustainability Section in the Annual Report 2013 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on DiGi Telecommunications Sdn Bhd's website;
- Sustainability information prior to 01 January 2013 and after 31 December 2013; and
- Review of Management's forward looking statements such as targets and intentions.

Our multi-disciplinary team has the required competencies and experience to conduct this assurance engagement.

Reporting criteria

As a basis for the assurance engagement, the Subject Matter for assurance was verified for adherence to the Global Reporting Initiative (GRI G3.1) principle of accuracy and non-financial reporting guidelines applicable to the Telenor Group. We consider this reporting criterion to be relevant and appropriate to review the Report.

Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000 Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.

This standard requires that we comply with the ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

We have also considered the Global Reporting Initiative G3.1 ('GRI G3.1') reporting guidelines in conducting our limited assurance procedures.

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Subject matter

The Subject Matter for our limited assurance engagement is:

Statements and claims related to the following indicators for 2013 in relevance to DiGi Telecommunications Sdn Bhd's focus areas presented in the Report:

- Empowerment through Connectivity: Number of students and teachers attending the DiGi Cybersafe Program;
- Ethical and Responsible business: Number of employees signing off "Code of Conduct" policy in HRMS;
- Best on people: Lost time due to injury and career development oriented training undergone by employees; and
- Climate Change & Environment: Direct and indirect energy consumption, direct and indirect greenhouse gas emission, other indirect greenhouse gas emission (limited to business travel and mileage claims).

What we did to form our conclusions

The procedures performed aim to verify the plausibility of information. We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matter detailed above has not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusions we undertook the steps below:

1. **Interviewed DiGi Telecommunications Sdn Bhd's** executives including the Head of Communications and Corporate Responsibility who also holds responsibility for the sustainability reporting process, to understand the current status of their sustainable development agenda and activities;
2. **Undertook visits** to DiGi Telecommunications Sdn Bhd's offices;
3. **Reviewed DiGi Telecommunications Sdn Bhd's** processes for data collection, aggregation, analysis and quality control;
4. **Reviewed selected relevant internal documents** pertaining to the select indicators to assess the accuracy of reporting;
5. **Reviewed draft of the Report** for statements or assertions for consistency with the findings from our work;
6. **Traced select relevant sources of information** in line with the Telenor Group non-financial reporting guidelines, reviewed conversion factors in relation to their sources, relevance and accuracy; and
7. **Obtained and reviewed** evidence to support key assumptions and reasonableness in calculations and other data.

The limitations of our review

Our review was limited to the information on the select indicators set out within the Sustainability Section in the Annual Report 2013.

The accuracy and completeness of the sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with DiGi Telecommunications Sdn Bhd's procedures on the reporting of its sustainability performance.

Our independence

EY has provided independent assurance services in relation to the Sustainability Section in the Annual Report 2013. We have provided no other services relating to DiGi Telecommunications Sdn Bhd's approach to sustainability reporting.

In conducting our assurance engagement we have met the independence requirements of the Institute of Certified Public Accountants of Singapore, Code of Professional Conduct and Ethics. Our independence policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to DiGi Telecommunications Sdn Bhd's Management. The focus on this report will be in addressing any identified gaps between the GRI principles for defining report content, materiality, completeness, sustainability context and stakeholder inclusiveness and those presented within the report. These observations do not affect our conclusions set out below.

Conclusion

Based on the procedures performed and evidence obtained for the Subject Matter nothing has come to our attention that causes us to believe that the information in the Report does not comply in all material respects with the above mentioned reporting criteria.

K SADASHIV
Partner
Climate Change and Sustainability Services
Ernst & Young LLP
1 April 2014

Note:

1. International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000)



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