

CONNECTING YOU TO WHAT MATTERS MOST

Sustainability Report 2017



LET'S
INSPIRE

Part Of



telenor
group

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GRI

CEO'S MESSAGE

Our commitment to sustainability mirrors the responsible way we run our business, impact communities and consciousness towards the environment.

Everyday we connect our customers to what matters most. More than bringing people together, we help enrich lives and empower societies.

Sustainability underscores the way we run our business. We are committed to the United Nation's Sustainable Development Goals with a focus on goal #10: Reduced Inequalities. We believe that freedom to internet and responsible digital citizenship is a great equaliser and we look to demonstrate how this can be achieved.

Over the years, we have built our business on the foundation of the highest standards of integrity, transparency and governance. Our commitment to uphold these principles is critical to build resilience, and key to Digi's continued growth and success. Our employees are guided by our Code of Conduct, which underlines the manner in which we conduct ourselves, and expect from our partners.

Privacy was also key on our agenda in 2017 where we make significant efforts in shaping more robust processes and security measures to safeguard the privacy of our customers' data.

Our people are the cornerstone of responsible and sustainable business. We have, and continue to

nurture a workplace and culture that give Digizens the space and freedom to learn, innovate, engage and grow within the company, and invest in new digital learning platforms to empower our talents to acquire skills for the digital future. We are pleased to be able to attract a diverse and balanced workforce where 45% of our leaders are women.

We continue to raise the bar on governance and build capacity among our contractors and sub-contractors especially in the area of health and safety. We also initiated an industry collaboration to enable joint inspections, trainings and to lift the overall health and safety standards among our contractors and sub-contractors.

Our commitment to responsible business remains a priority for the Management team. We are determined to elevate standards across our business operations, push for improved service experience and maximise the opportunities for every Malaysian from being connected.

ALBERN MURTY

CHIEF EXECUTIVE OFFICER



AT A GLANCE

Establish leadership benchmark on being ethical and compliant in our business operations.

OUR PURPOSE

Connecting you to what matters most.

OUR VISION

To become the preferred digital provider for Malaysians. We have put in significant efforts and continue to refine our strategy to fuel sustainable long-term growth and value creation, anchored by well-defined growth drivers and the responsible way we drive our business and engage our community.



GROWTH

Deliver profitable growth ahead of industry



EFFICIENCY & SIMPLIFICATION

Focus on cash flow improvement and drive lowest production cost



RESPONSIBLE BUSINESS

Position Digi as an exemplary corporate citizen



WINNING TEAM

Build future-ready talents and culture that inspires Everyday Innovation

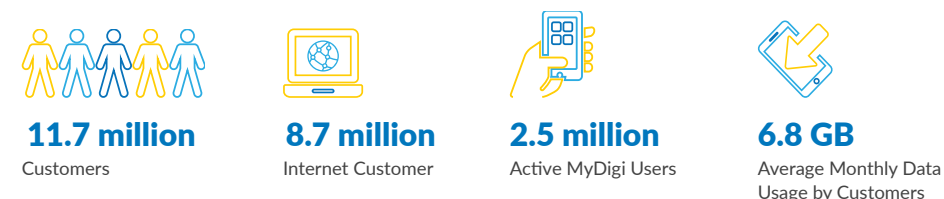


INSPIRING 2017

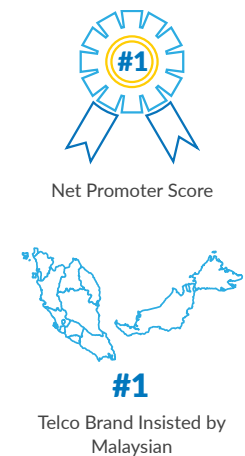
PERFORMANCE



CUSTOMER



INSPIRING BRAND



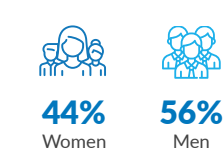
OUR PEOPLE



UPSKILLING



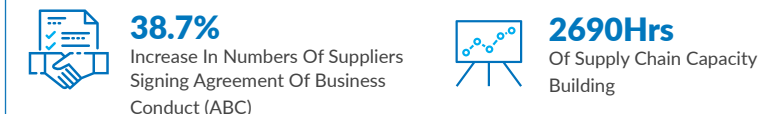
DIVERSITY



INNOVATION 360



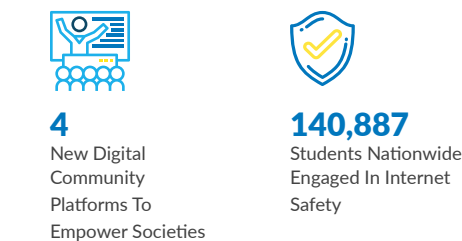
SUPPLY CHAIN



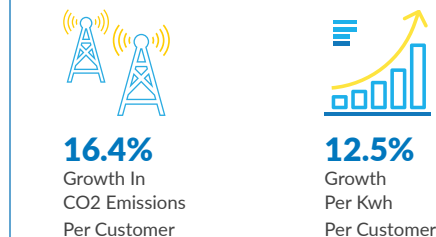
SAFETY



OUR COMMUNITY



EMISSIONS



SUSTAINABILITY GOVERNANCE

Structured governance to identify and manage business risks and opportunities.

OUR APPROACH

Our sustainability commitment towards a responsible business is rooted on building long-term trust and creating shared value. We continue to prioritise and inculcate best practice principles, transparency and accountability in our operations and value chain.

We support all UN Sustainable Development Goals (SDG) with a focused commitment on SDG goal #10 Reduced Inequalities, by extending the benefits of mobile and digital communications to enable digital inclusion and build digital resilience in communities.



FRAMEWORK



GOVERNANCE



MATERIALITY



SUSTAINABILITY FRAMEWORK

Digi's governance principles and practices is a framework to govern our business. We proactively manage our non-financial risks to unlock business opportunities and enable meaningful economic, social and environmental impact.

Our sustainability framework leverages the materiality assessment as a strategic platform to integrate material issues into business strategies, daily operations and stakeholder relations, leading to improved short and long-term value creation.

RESPONSIBLE BUSINESS

- Ethics and Compliance
- Supply Chain Sustainability
- Winning Team
- Climate Change and Environment

EMPOWER SOCIETIES

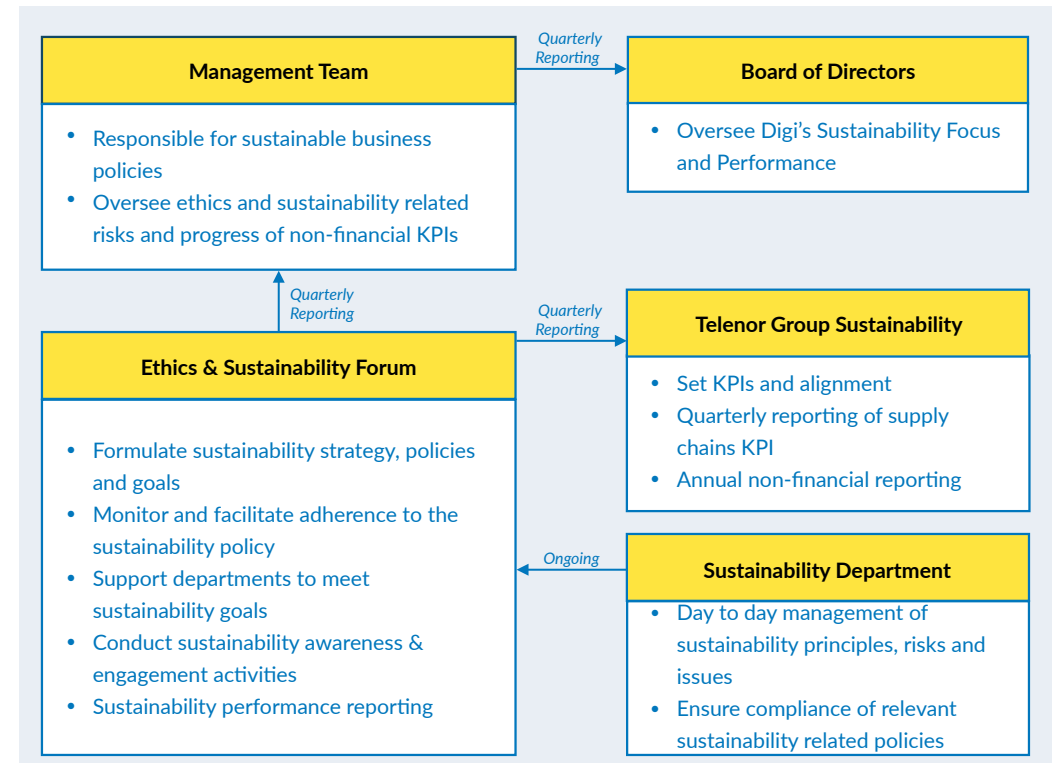
- Digital Inclusion
- Digital Resilience

GOVERNANCE

Sustainability governance is managed under the Chief Executive Officer's department. The Head of Communications and Sustainability oversees the daily operation of the team to meet the non-financial Key Performance Indicators (KPIs) established jointly with Telenor Group Sustainability.

Sustainability KPIs are reported quarterly to the Ethics & Sustainability Forum. Chaired by the Chief Executive Officer, the forum includes the Chief Human Resource Officer, Chief Technology Officer, and Chief Corporate Affairs Officer. Ethics and Sustainability is a standing quarterly agenda for the Digi Board of Directors and Non-financial Reporting (NFR) data including people, social, and environmental data is collected quarterly and signed off by the Chief Financial Officer.

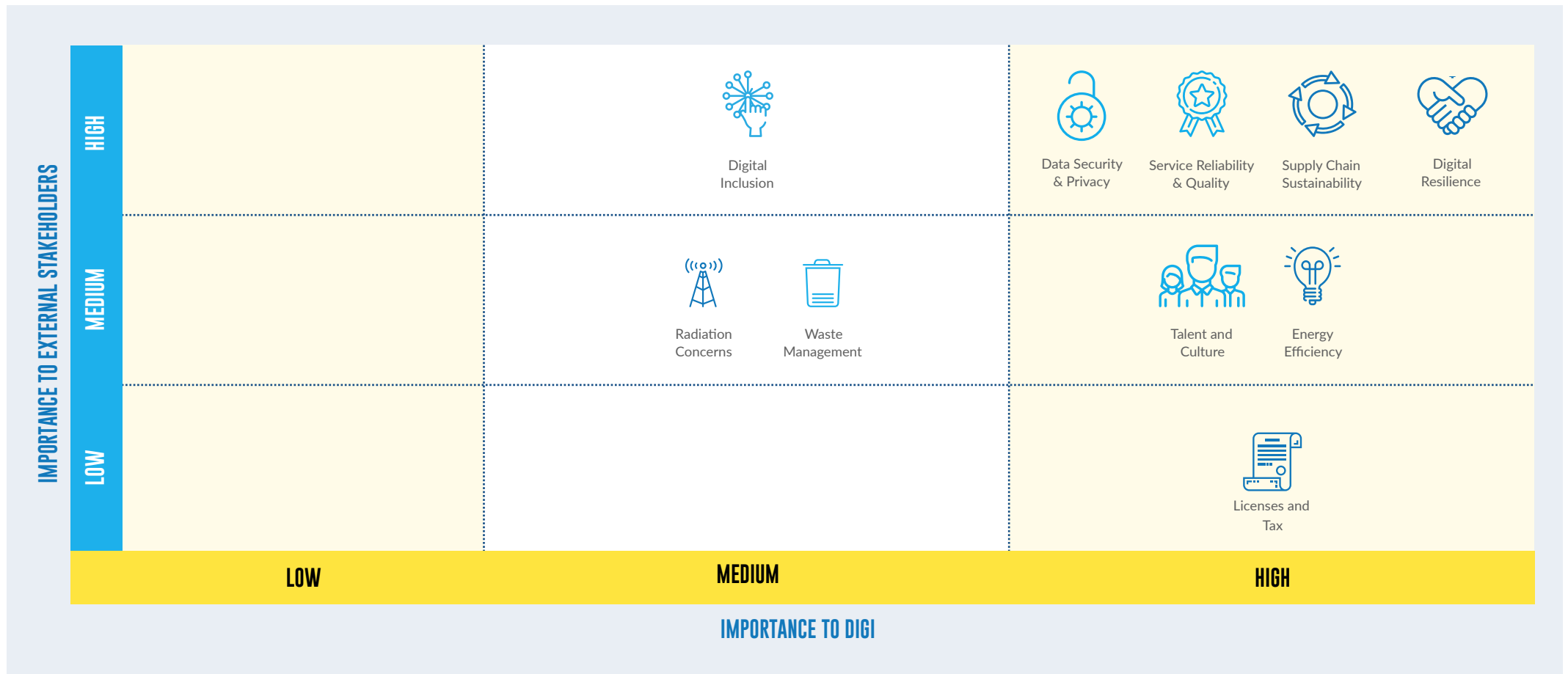
We conduct a human rights risk assessment to identify areas where there are risks of complicity to human rights abuse once every two years. The assessment identifies areas where we promote and protect human rights in our processes, services and programmes. Findings of the assessment are addressed to the Management Team.



MATERIALITY

Digi uses the GRI Sustainability Reporting Standards-based materiality assessment, involving external and internal stakeholders to identify key social, economic and environmental topics, and map it against our strategic priorities. The materiality issues were built on Telenor Group’s materiality assessment and mapped against Digi’s operational priorities, corporate strategy and stakeholder expectations.

In 2017, we refreshed our Materiality Matrix based on an internal review with Digi Management. The procedure of compiling Digi’s sustainability disclosure is in accordance with Telenor Group’s Non-Financial Reporting Procedures, and Digi’s Standard Operating Policy and Procedures on Sustainability Reporting.



STAKEHOLDERS

Building trust of stakeholders through structured engagement and accountable actions.

OUR APPROACH

We have established channels and platforms to keep a constant pulse on key concerns and issues of stakeholders. By understanding expectations and responding to concerns, we aim to deepen stakeholders' trust in us.

REGULATORS

EMPLOYEES

CUSTOMERS

INVESTORS &
STOCK
ANALYSTS

BUSINESS
PARTNERS

MEDIA

COMMUNITY &
NGOS



DEEPENING TRUST OF STAKEHOLDERS

We utilise different platforms to engage our stakeholders on key concerns and issues, to understand expectations and facilitate conversations to strengthen our stakeholder's trust. These are our key stakeholders, the engagement platforms, and some of the key issues addressed.

REGULATORS



- ENGAGEMENT PLATFORMS**
- ◆ Regular reports and information sharing with Ministry and regulators
 - ◆ Public-private partnership initiatives

- ISSUES**
- ◆ Accessibility of Internet
 - ◆ Quality of Connectivity
 - ◆ National digital innovation agenda

- HOW WE ADDRESSED**
- ◆ Roll out widest 4G plus network footprint (4G LTE: 87%, LTE-A: 55%, Fibre Network- 8,000km)
 - ◆ Activated VoWiFi & VoLTE network technologies, and exploring new innovative network technologies
 - ◆ Partner with MCMC in ASEAN Child Online Protection Seminar
 - ◆ Nurture skills for the digital future (eg. robotics for schools and digital entrepreneurship at our Pusat Internet 1Malaysia (PI1M))
 - ◆ PI1Ms as the one-stop centre for internet access and digital innovation for surrounding communities.

CUSTOMERS



- ENGAGEMENT PLATFORMS**
- ◆ Digi retail outlets
 - ◆ Customer service channels (online customer service, call centre)
 - ◆ Social media e.g. Facebook and Twitter
 - ◆ Consumer Forum Malaysia
 - ◆ MyDigi App

- ISSUES**
- ◆ Coverage and service quality
 - ◆ Waiting time at store
 - ◆ Bill shocks from third party content providers
 - ◆ Barred accounts with Credit Reporting Agency CTOS

- HOW WE ADDRESSED**
- ◆ Roll out widest 4G plus network footprint
 - ◆ Activated VoWiFi & VoLTE and explore future network technologies
 - ◆ Launched Freedom to Internet innovations, flexible value data plan, borderless roaming and time-based data passes
 - ◆ Introduced Digi Live Chat

EMPLOYEES

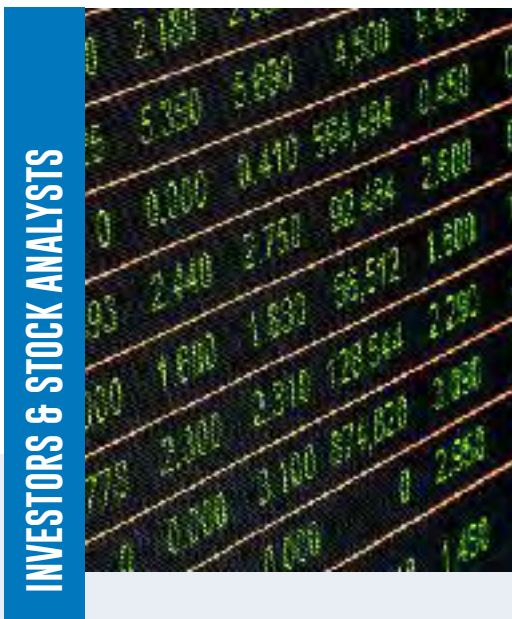


- ENGAGEMENT PLATFORMS**
- ◆ Best of People Council
 - ◆ Digi Telecommunications Sdn Bhd Employee Union
 - ◆ Annual Employee Engagement Survey
 - ◆ Multiple internal engagement channels (CEO's emails, DigiMail, Workplace, quarterly company and division town hall)
 - ◆ Leadership forums with extended and middle management
 - ◆ Innovation platforms

- ISSUES**
- ◆ Career planning and development
 - ◆ Fair and transparent rewards
 - ◆ Active engagement process across the region by Digi management team

- HOW WE ADDRESSED**
- ◆ Employee Engagement Scores averaged 75% over three years, above the percentage of high performing companies, and Malaysian companies.
 - ◆ Our employer promise 'Freedom to Inspire the Next' creates a culture to Learn, Innovate, Engage and Grow.
 - ◆ Employees accessing e-learning and joining innovation platforms

AS A RESPONSIBLE BUSINESS, WE INVEST OUR ENERGY IN UNDERSTANDING AND RESPONDING TO OUR STAKEHOLDERS



ENGAGEMENT PLATFORMS

- Local and overseas non-deal roadshows
- Corporate presentations
- Analyst briefings

ISSUES

- Corporate strategy and financial performance
- Corporate governance and compliance

HOW WE ADDRESSED

- Conduct quarterly briefings to analysts and investors
- On business performance and strategy
- On demand response to enquiries and meeting requests



ENGAGEMENT PLATFORMS

- Annual Self-Assessment Questionnaires
- Site inspections and audits
- Supplier training
- Product presentations

ISSUES

- Health & safety in supply chain
- Non-compliance in supply chain
- Integrity due diligence

HOW WE ADDRESSED

- Training for our contractors and sub-contractors ranges in Health and Safety and anti-corruption
- Industry collaboration on joint enforcements for highest safety standards in supply chain.
- Achieved zero Lost Time Injury Frequency (LTIF) in 2017



ENGAGEMENT PLATFORMS

- Media interviews & events
- Formal and informal briefings
- Media familiarisation visits
- On demand requests

ISSUES

- Corporate strategy
- Financial performance
- Products and services
- Customer related issues

HOW WE ADDRESSED

- Regular media engagements for updates on business performance, strategy, products and services, and customers' concerns



ENGAGEMENT PLATFORMS

- Engage and partner with government agencies, corporates, and NGO forums to address issues in the community

ISSUES

- Leveraging mobile technology to empower local communities
- Safe internet use by young children

HOW WE ADDRESSED

- Digital resilience and digital inclusion programmes partnering NGOs and communities.
- Digital resilience programme reached over 340,000 since 2011

ETHICS & COMPLIANCE

Establish leadership benchmark on being ethical and compliant in our business operations.

OUR APPROACH

We uphold the highest standard of ethical behaviour and integrity in everything we do. Our core principles and ethical standards set the foundation that guides employee conduct and the way we engage with our customers, stakeholders and partners, who share similar beliefs and values of ethical business practices.



AWARENESS



ASSESSMENT



TOOLS & TRAINING



AUDIT



ANTI CORRUPTION

We strongly oppose corruption in all its forms and are committed to doing business in accordance with the highest ethical standards.

An Ethics and Compliance officer oversees the governance of integrity. The officer reports to the Chief Executive Officer, has direct quarterly reporting to Digi Management, and the Audit and Risk Committee to ensure full independence.

- Conduct regular training with employees on Code of Conduct
- No gifts policy and independent compliance hotline to report cases of misconduct
- An annual integrity risk assessment conducted by Telenor
- An Integrity Due Diligence (IDD) conducted for all business partners. IDD findings are reviewed by the Ethics and Compliance, and the Sourcing and Logistics teams before awarding contracts.



CREATING AWARENESS

The Code of Conduct is mandatory for all employees to read, acknowledge and sign annually. It guides all employees on;

- Expected behaviours on responsibility and accountability
- Importance of transparency and professionalism in work

In 2017, monthly training for 'Doing Business the RIGHT Way' which uses real scenario-based learning to guide employees in handling work related dilemmas.

Internal awareness programme on ethics and compliance 'Our Voice of Integrity', was organised with a focus on the importance of consistent ethical business standards. Employees nationwide pledged to uphold the highest level of integrity.



STRENGTHEN HUMAN RIGHTS

Digi is the first mobile operator in Asia to complete the UNICEF Mobile Operator Child Rights Self-Impact Assessment Tool (MO-CRIA) designed to strengthen corporate practices, policies and processes in relation to children rights. The tool provides a framework to assess business impact, associated risk, and identify gaps and opportunities to create better business sustainability when it comes to child rights.

The areas assessed included;

- Sustainability & Compliance;
- Legal;
- Human Resources;
- Procurement;
- Product, Sales & Marketing;
- Security and Emergencies.



ENCOURAGING REPORTING

An initiative to encourage employees to step forward and voice their concerns or report possible acts of non-compliance via the Ethics and Compliance hotline.

We adopted a new approach for incident handling including responding to compliance incidence reports within 48 hours of receiving the report, completing investigations within 30 days ensuring implementation of recommendations are followed up within 30 days.

Carrying Out Assessments

Conducted company-wide ethics and compliance risk assessment exercise to identify possible risks and proposed mitigation plans

Managing Third Party Risks

To ensure our business relationship with all third parties do not pose unacceptable risks to the company, due diligence assessment is carried out with all business partners prior to engagement.

30% INCREASE

on Ethics and Compliance related issues reported as compared to 2016



We are a member of the Business Integrity Alliance (BIA), a private sector initiative comprising companies committed to doing business with integrity. Through collective action, the BIA allows members to engage relevant government agencies and stakeholders to address corruption affecting the business environment, and at the same time create value in the preservation of business integrity.

CONSUMER RESPONSIBILITY

Our purpose is to connect our customers to what matters most to them by becoming the preferred digital provider in Malaysia, and at the same time ensuring that we are compliant to the Communications and Multimedia Consumer Forum Code of Conduct and the Internet Access Code.



SAFEGUARDING PRIVACY

Privacy continues to be an integral part of our responsibility to stakeholders, and we are committed to ensuring that all data is collected and processed according to what they are meant for by placing stringent processes and security measures in all areas of our operations.

01 STRENGTHENING PROCESSES

We tightened our governance process, and improved monitoring compliance in our business processes and technical systems. Adopting a risk based approach, we assessed our privacy notice, data handling procedures and operating systems to be compliant to the Personal Data Protection Act 2010 and our Privacy Policy.

02 CREATING AWARENESS

51 CUSTOMISED TRAINING 68 AWARENESS ACTIVITIES

carried out for employees who deal with personal data on a daily basis in the Contact Centre and Retail Stores. Information Handling e-learning continues to be a mandatory training for new employees.

03 SETTING STANDARDS



Digi collaborated with industry peers to prepare the

Personal Data Protection Code of Practice 2017 (Code of Practice) for licensees under the Communications and Multimedia Act 1998.

04 COMPETITION LAW

1365 employees whose job scope exposes them to potential risks completed a mandatory, 'Say Yes to Competition' e-learning to maintain a business environment that promotes fair and healthy competition.

05 TRUSTED BRAND



Digi was recognised as one of the top 20 most trusted

brands in Malaysia at PWC's The Building Trust Awards 2017 for our long-term commitment and effort towards responsible and sustainable business, and transparency.



IMPROVING CUSTOMER EXPERIENCE

We continue to engage customers across all touch-points to better understand their challenges and for ideas on how we can improve user experience & offer them what matters most. Employees also participate in initiatives to gain first hand feedback on our network performance & products offerings.

FOCUS ON SERVICE RELIABILITY & QUALITY

99.61% performance in network latency, a significant improvement from previous year in accordance to MCMC's Network Performance Report 2017. This mirrors Digi's focus on providing a better & more consistent network. The download and throughput speed was consistent with 2016 performance and Digi met the nationwide Mandatory Standards requirement for Drop Call Rates and Call Setup Successful Rate.

DIGITISING CUSTOMER CARE

40% reduction in total calls to our customer service for all services, corresponding to the 28% increase in digital interaction via Digi Live Chat. A chatbot is used over our Live Chat channel which looks to address simple customer queries after office hours.

EMBRACING CUSTOMER FIRST MINDSET

Celebrated the Customer First Day 2017 with employees nationwide by going out to the streets to engage with customers, who were introduced to Digi's digital entertainment services as well as some tips how to make internet safer for their families.

AUTHORITY REQUESTS

All requests that come from authorities are processed based on a coherent set of framework outlined in Digi's Authority Requests Manual. All requests are accessed on an individual basis & processed by a committee, according to a set of criteria, including the legal basis & human rights impact of the requests.

SUPPLY CHAIN SUSTAINABILITY

Digi strives for high standards in sustainability and continuous improvement in our operations throughout the supply chain. Our Supplier Conduct Principles (SCP) are based on internationally recognised standards, including requirements on human rights, health and safety, labour rights, the environment and anti-corruption. It is mandatory for all contracting parties to agree and adhere to these principles.

SUPPLIER CONDUCT PRINCIPLES

The SCP commits suppliers to act in accordance with relevant local laws in relations to the environmental, social and economic impacts as well as supporting the practice of good governance, compliance to the Agreement on Responsible Business Conduct (ABC) is reported quarterly to the Board of Directors and to Telenor Group Supply Chain.

 **>75,000** Individuals in supply chain are part of our commitment for fair, responsible and safe workspace


 **38.7%** Increase in supplier signing ABC

AUDIT & INSPECTIONS

We have a zero tolerance towards unsafe work practices.

An 'Immediate Stop Work Order' is issued across all contractors' sites if workers are found to breach the SCP guidelines.

Digi Permit to Work (D'PTW) app provided to all main contractors and their sub-contractors to strengthen the governance of monitoring the safety of workers at base stations and technical sites. The app enables our inspection team to have a real-time overview of when, and where our contractors and sub-contractors are working, allowing efficient deployment of inspectors to respective sites.

 **898** unannounced inspections

7 Subcontractors Terminated or Suspended

Supply Chain Risk Indicators

50%

0 Cases Fatality

Non-Compliance

1% Major

3% Minor

6%

IMPROVEMENT
IN MINOR NON-COMPLIANCE

CAPACITY BUILDING AND ENGAGEMENT

ENHANCING STANDARD THROUGH INDUSTRY COLLABORATION

Digi continues to lead the industry in driving the highest standards in health and safety. In 2017, industry players began unannounced joint inspections and implementing joint enforcements on non-compliant contractors and subcontractors leading to the termination and suspension of those who failed to meet the agreed safety standards.

BUILDING CAPACITY THROUGH TRAINING

Multiple workshops amounting to 2,690 man-hours were conducted for capacity building for contractors and sub-contractors on safety awareness, proper ways to use equipment, and HSSE and Road safety trainings including the 'Say No to Corruption' learning module in our effort to reduce and minimise all forms of work related risk

WHAT IS CORRUPTION?

Corruption occurs when a person offers or gives for, accepts or receives an improper advantage.



HEALTH & SAFETY

ADOPTING INTERNATIONAL BEST PRACTISES

Protecting our employees' health and safety is a key priority of the Digi management team. We strive to provide employees with the best working environment, allowing them to develop their professional and personal skills.

The Occupational Health & Safety Management System Certificate (OHSAS 18001:2007) attests to Digi's compliance to the standards' requirements and relevant corporate policies, and procedures, as well as best practices. Similar commitment are expected from our suppliers – high standards of business conduct and undertakes initiatives to implement safe workplace.

Digi recorded zero lost time injury frequency (LTIF) in 2017. We also introduced a dedicated hotline number, 29588, for emergency incidences such as fire or health related cases with immediate assistance by any of the 35 Digizens, who are certified First Aider volunteers, before emergency medical personnels are available on site.

We will soon be migrating to the new ISO45001 which provides a framework to improve employee safety, reduce workplace risks and create better, safer working conditions.

SAFE USE

We are committed to providing mobile connectivity safely to our customers. We support proactive engagement with stakeholders concerned on the misunderstanding of the low risk associated with electromagnetic frequency (EMF) matters and are open in how we ensure our emissions are within the prescribed levels.

In many Malaysian states, state backed companies are responsible for identifying sites and erecting towers, working with local authorities to obtain the required permits and engage local communities. Our transmission equipment adheres to stringent guidelines of the International Commission on Non Ionising Radiation Protection (ICNIRP) standards and Technical Working Groups of the 3rd Generation Partnership Project, endorsed by the World Health Organisation. An internal EMF Response Team investigates and addresses any complaints.

We are a founding member and an active participant of an industry-led EMF initiative that engages and responds to concerns raised by communities and local authority. Telenor Group continues to be supportive of serious research efforts to establish whether there may be any negative health effects of exposure to EMF from mobile phones and infrastructure, and has released an updated paper that briefly sets out Telenor Group's position on EMF and health. The report can be downloaded from [here](#).



WINNING TEAM

Building future ready talents and a culture that inspires everyday innovation.

OUR APPROACH

Our people are our most valuable asset. We continue building a work culture that is open, dynamic and nurtures a supportive environment, creating opportunity for each employee the freedom to grow, to freely voice their opinions and share fresh ideas that inspire everyday innovation.

ALWAYS EXPLORE

We believe growth comes from learning every day. We're curious and we dare to challenge, test, fail and pivot.

CREATE TOGETHER

We believe diverse teams find better solutions. We seek different perspectives, share, involve and help each other succeed.

KEEP PROMISES

We believe that trust is key in all our relationships. We take ownership and pride in delivering with precision and integrity.

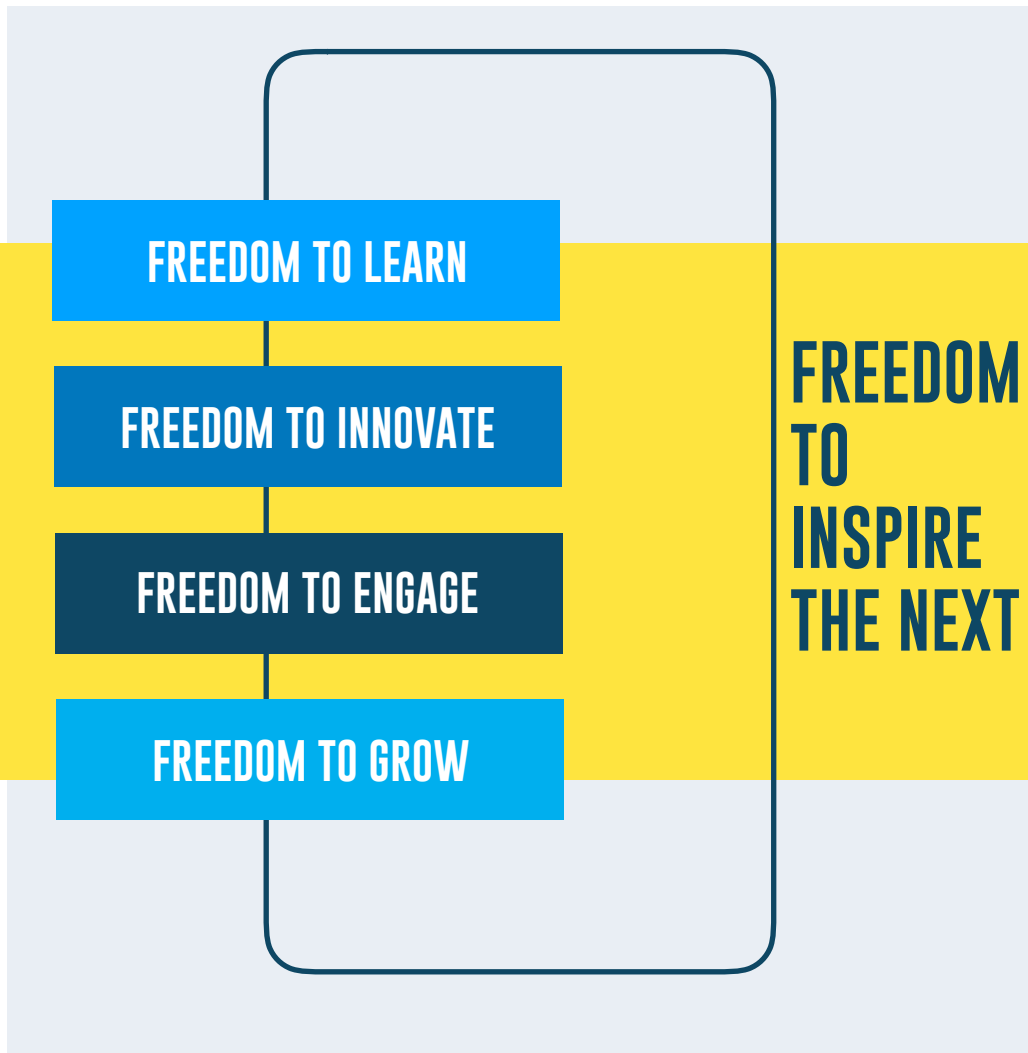
BE RESPECTFUL

We believe in the unique human ability to understand what matters for people. We meet everyone at eye level, listen and show that we care.



Everyone working with or for Telenor is required to commit to, abide by and annually renew their signature on our Code of Conduct. We strongly believe that by staying true to these fundamental values, we will innovate the next generation of products and services, inspire new ways of improving customers' digital lives, resulting in an empowered society.

Our employer promise of 'Freedom to Inspire The Next' is delivered through these four areas.



FREEDOM TO LEARN

We are purposeful in transforming the way our employees learn and enhance their skills and competencies, with a focus on developing skills for the digital future, built on a culture of 'permission-less' learning.

- **FUNCTIONAL LEARNING**

Focused towards five competence areas namely new product development, digital marketing, service design, applied analytics, and digital channel and partnerships. These areas have been identified as critical capabilities for the future workforce and we are providing employees equal opportunity to upskill and grow in any of the identified competencies.

- **PERMISSION-LESS LEARNING**

With open access to the world's best content provided through three digital learning platforms - Udacity, Coursera and Lynda, employees are empowered to manage their own career growth anytime, anywhere.



FREEDOM TO INNOVATE

We promote a culture of everyday innovation where Digizens are encouraged to experiment with their own ideas and challenge the status quo to create impact across the organisation. To drive this innovation 360° mindset, various platforms are created for employees to explore new products, services and solutions.



DISRUPT@DIGI

Annual 30-hour hackathon challenge where employees participate to hack growth ideas for Digi. 47 Digizens from 19 departments formed 12 teams and participated last year where they had to ideate and work on their premise based on three unique business challenges.

WINNER: D'Geek

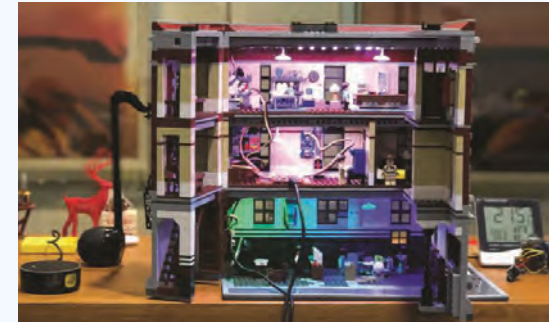
A recommendation platform that uses predictive analytics to suggest personalised lifestyle offerings to users was selected as the winner in 2017.

IGNITE

An intrapreneur programme for employees across Telenor's 12 business units aimed to identify great ideas for new end-user products and services. It provided an avenue for employees to turn ideas into testable prototype, supported by regional & global mentors. 6 ideas from Digi were submitted & 1 team with an idea to develop storage & analysis of drone flight data pitched to the global platform to be turned into a testable prototype.

MAKER LAB

A dedicated space in Digi's headquarters to nurture innovators and embrace the 360° innovation culture among Digizens. With a focus on S.T.E.A.M (Science, Technology, Engineering, Arts and Math), the lab functions as a hub to encourage critical thinking, problem solving & collaboration through hands-on learning & experimentation on various project-based & cross-disciplinary ideas.



DIGITISING HR TOOLS

alt.hr, a one-stop mobile app for all human resource needs was introduced in line with efforts to digitise our workplace processes and engagement with employees.



DIGITAL DAY

A one-day event dedicated to inspire Digizens to learn and discover new technologies and digital services. Themed LIFE x DIGITAL, the event in 2017 focused on how digital transformation can be applied to be more purposeful in our daily lives. The event featured a mix of fast paced Ted-style sharing sessions, anchored by futurists and tech speakers and multiple exhibits for experiential engagements.



TADHACK

In 2017, Digi released 3 APIs for TADHack on Identity, Messaging & Payment, allowing us to explore the innovation possibilities emerging from the larger tech community. TADHack is the world's largest global hackathon focusing on programmable telecoms wherein teams sign up to develop solutions based on telco/connectivity APIs.



FREEDOM TO ENGAGE

At the core of our DNA is a culture of empowerment, trust and fairness that creates a sense of belonging for each of our employees. We value the ideas and commitment that employees can bring to the table regardless of their positions in the company. The open office and hot-desking concept embodies our value of openness, and is a key part of who we are.

EMPLOYEE ENGAGEMENT SURVEY (EES)

An annual survey that collects employees' feedback to determine the areas that are critical in encouraging employee engagement. We achieved a 74% engagement score in 2017, surpassing the Telenor Group average and the benchmark of high performing companies. The results point towards a strong culture of loyalty and innovation amongst Digizens with a solid understanding of the company's business strategy and governance framework.

EMPLOYEE REPRESENTATION

Employees are represented by two platforms, the Best on People Council (BOPC) and the Digi Telecommunications Sdn Bhd Employee Union (DGEU) where elected members will work together with the Management to deliberate and enable changes that matter to employees. This year, BOPC resolved 38 issues concerning employee welfare, way of work, and work environment which were raised by the employees to the Management.

MANAGEMENT ENGAGEMENT

Digi Management Team makes regular visits to all regions to engage with employees and stakeholders, and also to deepen understanding of local operations.



FREEDOM TO GROW

It is our ambition to unlock the potential of our employees who are empowered to take charge of their own career development. If Digizens are willing to give their 100% every day, dare to challenge the norm, be willing to take on additional goals and responsibilities, and deliver results, the company will support their growth – from world-class leadership programmes to accelerating them into positions of responsibility.

INCLUSIVE TALENTS

Approximately 86% of our top 49 leaders are from our internal succession programme, including four out of the seven Management team members. We believe that gender balance and diversity are critical for competitive advantage and shareholder value. Through the Women Inspiration Network (WIN), we continue to groom more women in the company for top management roles. 16 women were selected in 2017 and provided the opportunity to develop to their full potential through exposure and engagement with external women leaders, direct mentorship with senior Management, and a platform to learn and share with other women leaders.

GLOBALISING LOCAL LEADERS

Employees are also provided the chance to work in other Telenor business units worldwide through the Mobility Programme. This programme allows selected Digizens to not only share their expertise and knowledge with other business units but more importantly, the chance to develop their professional and leadership skills, contributing to their career development. In 2017, Digi mobilised 11 employees to business units in Bangladesh, Myanmar, Norway and Thailand.

TALENT PLATFORMS

The second edition of the Digi CXO Apprentice Programme hit a record high of 1,100 applications, 25% more than the inaugural launch in 2016.

Seven individuals were selected to apprentice with our respective Management team members, giving them a 12-month opportunity to experience first-hand high-level decision making, dealing with real business challenges and the empowerment to innovate in a culture that provides the freedom to inspire the next generation of products and services for millions of customers in Malaysia.

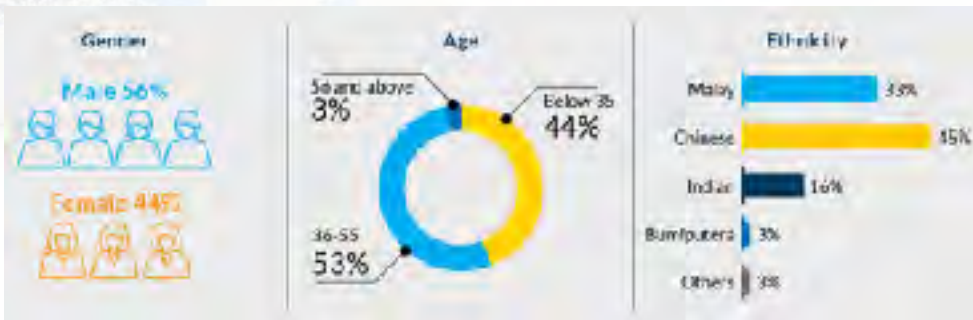




DIVERSE AND DYNAMIC WORKFORCE

Digi believes in a diverse and dynamic workforce at all levels of the organisation regardless of nationality, age, gender or competence. Our goal is to foster a workplace that embraces differences, and provides equal opportunity to everyone. In 2017, women represented 45% of Digi's leadership team. On 11 July 2017, women representation at the Board dropped from 43% to 29% with the resignation of Ms. Kristin Muri Möller, as the Non-Independent and Non-Executive Director of Digi.Com Bhd. With the appointment of Ms. Tone Ripel to the Board as Non-Independent and Non-Executive Director on the 23 January 2018, the composition of women board members is reinstated to 43%..

In 2017, for a second year in a row, our CEO, Albern Murty, was awarded the CEO Champion category award by TalentCorp Life at Work Awards 2017 in recognition of our efforts in creating a workplace that is family and women friendly. This, of course, was made possible by our culture of inclusion.



CLIMATE & ENVIRONMENT

Minimising our environmental footprint while growing our reach, and leveraging digital services to address climate change.

OUR APPROACH

Practical environmental practices and responsible climate reporting remains to be a main area of focus for us as we leverage on innovative solutions to meet the rising demand for energy.



ENERGY
EFFICIENCY



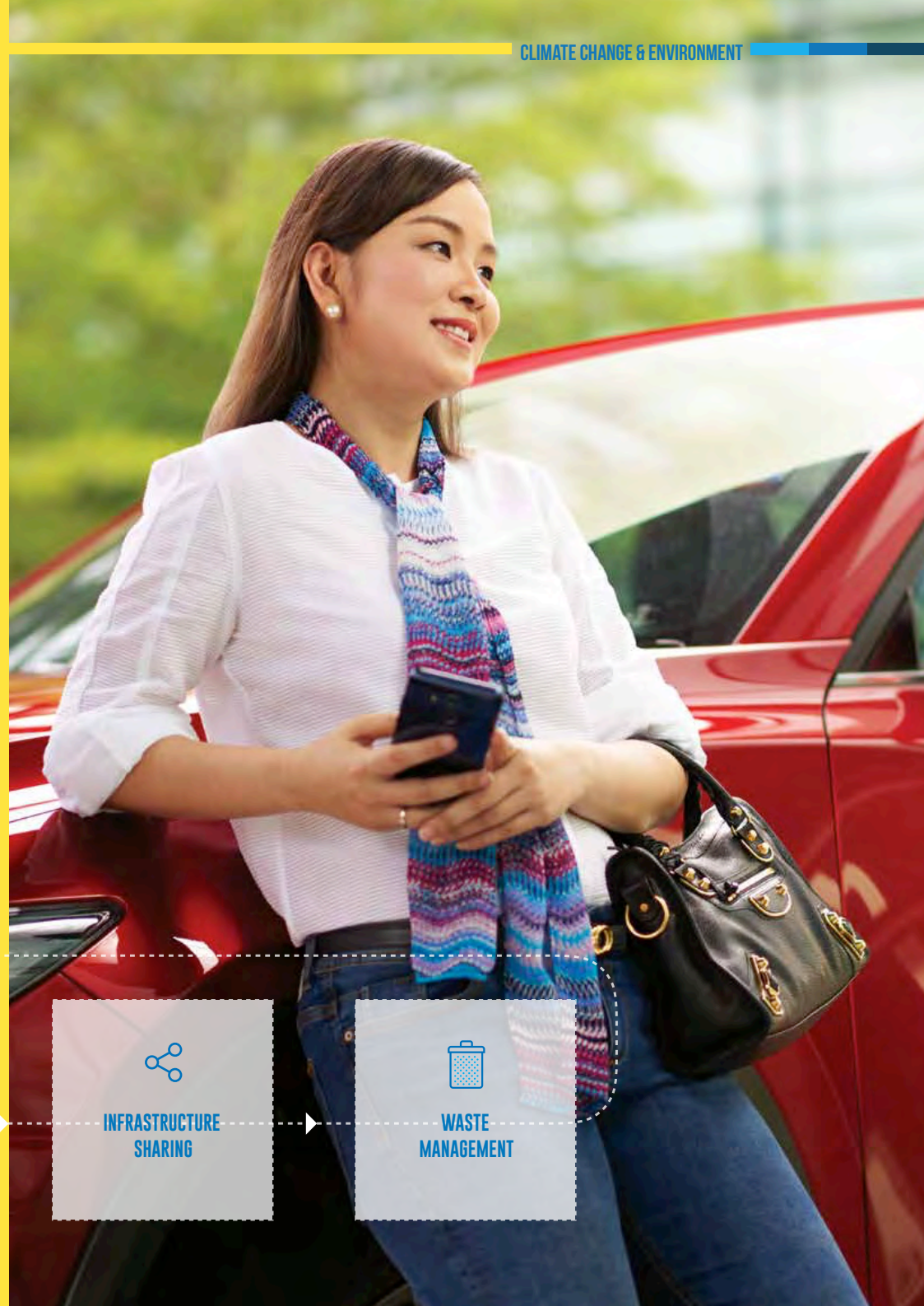
SUSTAINABLE
WORKPLACE



INFRASTRUCTURE
SHARING



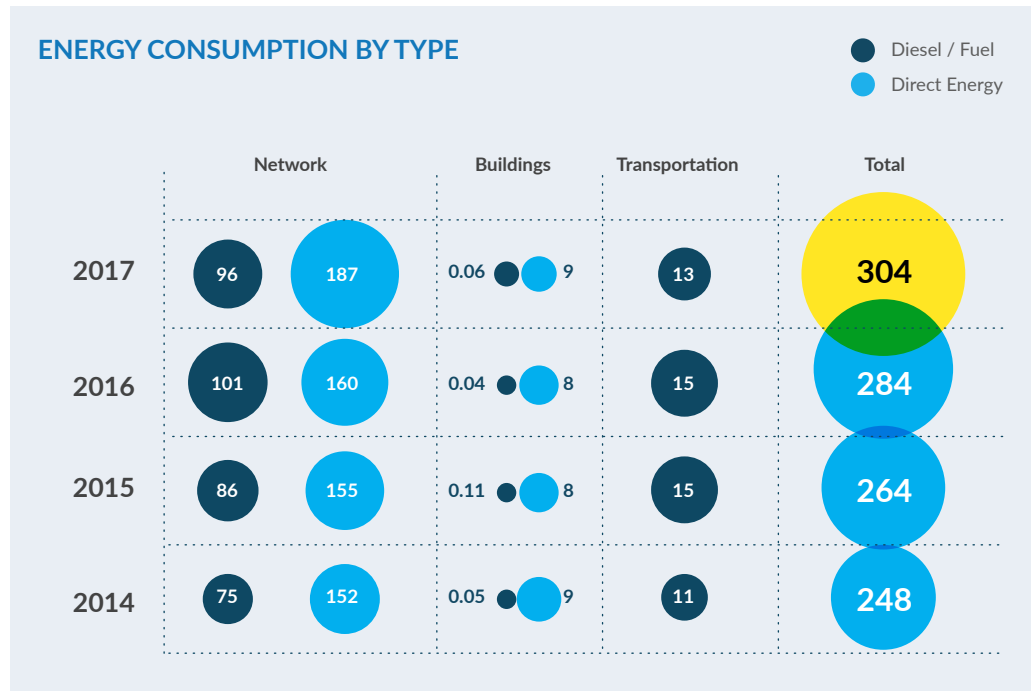
WASTE
MANAGEMENT



ENERGY EFFICIENCY

In 2017, as our robust network supports a 16.2% growth in data traffic stimulated by more than half a million additional internet users in our base, we continue to stabilise our energy consumption through various initiatives resulting in an energy growth of 6.5% increase year- on-year. Our non financial reporting framework tracks energy usage and carbon emissions from the grid and generators for our network, buildings, flights, fleet and rental vehicles. Being aware of where our most significant emissions are produced, we continue to explore new avenues to reduce our emissions while delivering business goals. Our energy intensity per RM revenue rose to 0.051 kWh due to lower revenues, while our kWh per customer is at 26 kWh, above the Telenor Group average of 17.6 kWh.

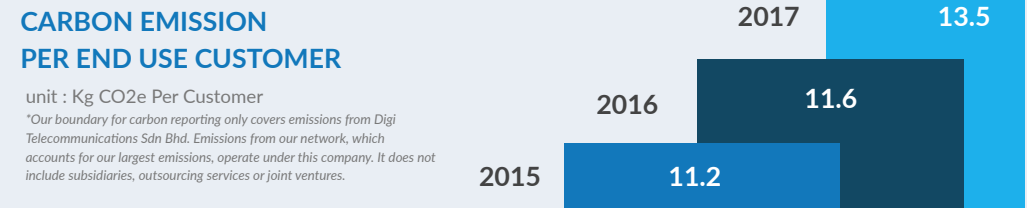
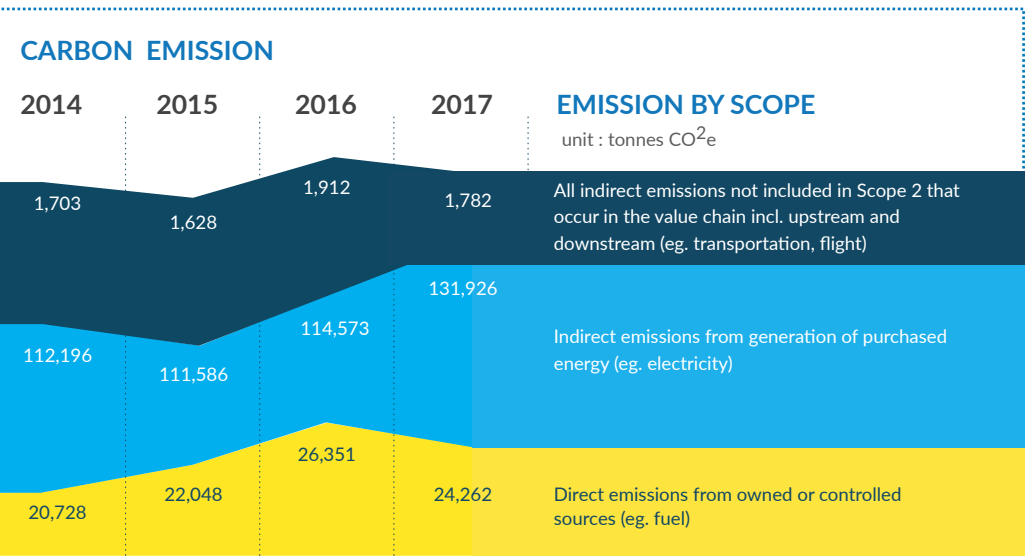
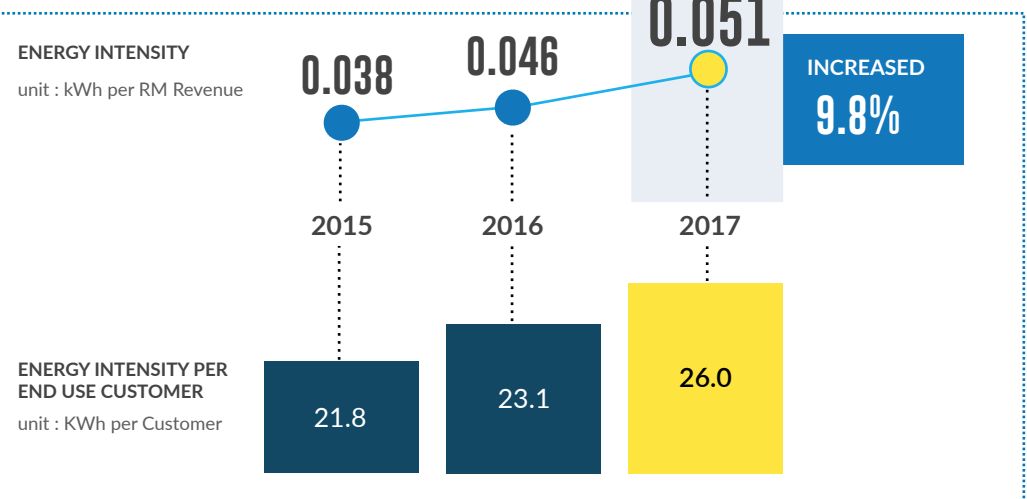
ENERGY CONSUMPTION BY TYPE



In 2017, our total carbon emission equivalent is at 157,970 tonnes* (10.7% year on-year rise) from our network expansion. Our carbon intensity per RM value added incre emission per customer rose to 13.5 kg CO2e.

Our largest carbon emission is from Scope 2, purchased electricity from grid, which primary initiative is to reduce our dependency on diesel. We progressively transform a significant number of our transmission sites located off the national electricity grid (off-grid) to run on electricity rather than diesel-powered generator sets. We have also converted more than 600 cabin sites from air-conditioning to fan more robust outdoor equipment to stabilise our electricity consumption.

In the year, we have realised carbon savings in Scope 1 and Scope 3 as we reduced flights. We disclose our carbon emissions to the Carbon Disclosure Project as part of The Telenor Group.



SUSTAINABLE WORKPLACE

At Digi, we recognise the importance of protecting the environment and we seek to embed environmentally sustainable work practices into our daily operations to minimise our environmental impact and reduce wastage of resources. Some common work practices in Digi include reuse and recycling facilities, carpooling and green vehicles initiatives, responsible consumption of paper and a ban on usage of environmental hazards such as styrofoam, balloons and plastic cutleries.

We became the first operator in Malaysia to receive the Leadership in Energy and Environmental Design (LEED) Gold certification from the US Green Building Council (USGBC) for Digi's refurbished headquarters in Subang Jaya. In 2017, we upgraded our Environmental Management System (EMS) to the latest ISO 14001:2015 standard as part of our commitment to best international practice.



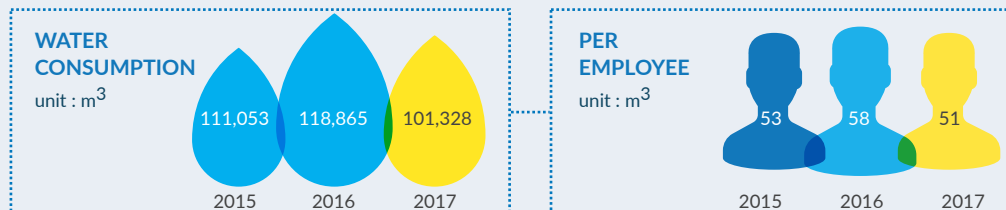
INFRASTRUCTURE SHARING

Sharing of network infrastructure is a growing industry initiative to bring the benefits of mobile communication to more people. Through an industry agreed methodology, the common sharing unit was developed to monitor the extent of sharing between companies. As we increase our initiatives to share sites, this enhances our ability to deliver affordable, high-quality digital services, while decommissioning common sites to reduce our energy consumption.

WASTE MANAGEMENT

WATER

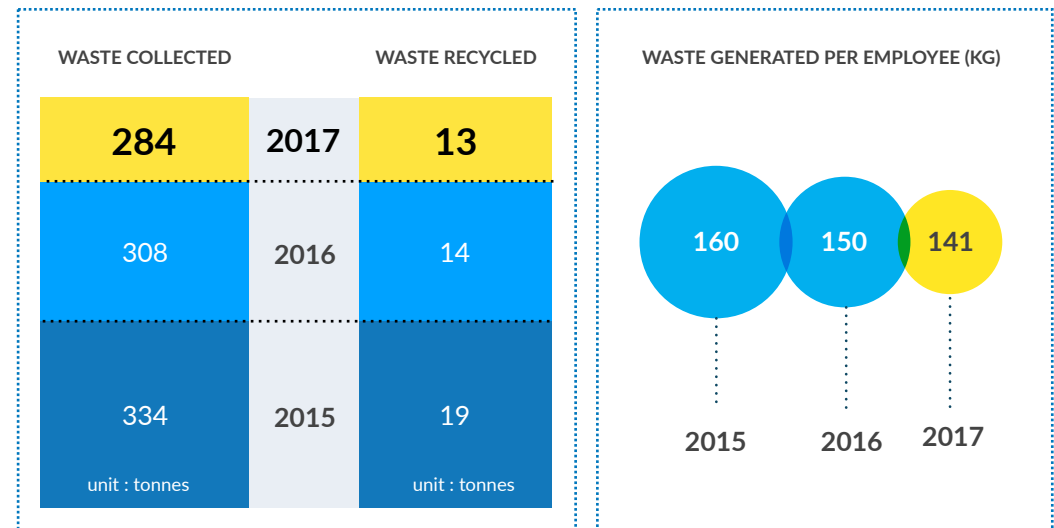
In 2017, in line with our Leadership in Energy and Environmental Design (LEED) Gold certification, we recorded a 15% reduction in water usage across all our operations nationwide and a decrease in our waste generation.



GENERAL WASTE



GENERAL WASTE AND RECYCLING RATES



ELECTRICAL WASTE

The growing amount of e-waste not properly disposed of has health and environmental implications. E-waste directly produced from our operations is managed under the Environmental Quality (Scheduled Wastes) Regulation 2005 and our E-Waste Guidelines.

NETWORK EQUIPMENT

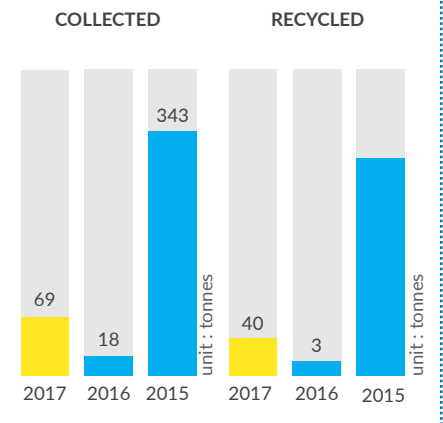
Decommissioned network equipment constitutes the largest amount of e-waste generated by tonnes. We reuse equipment, and send those that are obsolete to recycle and be disposed of safely by a licensed vendor. Our target is to achieve 100% recycling rate of decommissioned electrical and electronic equipments.

MOBILE PHONES

We continue with our collection of old mobile phones for responsible disposal through our e-recycling boxes in all Digi stores. This is in collaboration with the Mobile e-Waste: Old Phone New Life initiative which is a joint recycling and awareness initiative by the Malaysian Communications and Multimedia Commission, Malaysian Technical and Standards Forum Berhad, and the industry.



OBSOLETE ELECTRICAL & ELECTRONIC WASTE



EMPOWER SOCIETIES

As more services become available online, connectivity becomes a necessity to enrich lives and empower societies.

OUR APPROACH

Connecting you to what matters most - empower societies.

We believe that the internet is a great equaliser. Our outreach programmes are designed to enable Digital Inclusion and to build Digital Resilience in delivering on our commitment to help reduce inequalities among the underprivileged and underserved communities.



ENABLING
DIGITAL INCLUSION

EMPOWER
SOCIETIES



BUILDING
DIGITAL RESILIENCE



PARTNERING IN DIGITAL TO REDUCE INEQUALITIES

We are committed to the United Nation's (UN) Sustainable Development Goals (SDG), focusing on SDG 10 - Reduced Inequalities. In 2017, we hosted a roundtable session to express our commitment to reduce inequality through partnerships with like minded organisations.

Together with partners, we aim to collectively deliver solutions that can address social, economic and environmental needs to close inequality gaps.



Towards this end, we have identified two focus areas - Enabling Digital Inclusion and Building Digital Resilience.

It is our Digital Inclusion aspiration to bring the benefits of digital access and outreach to all segments of society.

In parallel, on Building Digital Resilience, is our commitment to nurture digital citizenship by helping build digital resilience among schoolchildren, with over 340,000 trained since 2011.



ENABLING DIGITAL INCLUSION

Connected societies are empowered societies. In enabling digital inclusion, we empower the underserved and underprivileged communities with digital solution, paving the way for balanced opportunity and equitable societies.



LEARNING SIGN LANGUAGE FOR EVERYONE

EDDY is a sign language mobile app for the deaf community and anyone looking to learn the Malaysian Sign Language. EDDY is designed as an education aide, and also a communications tool that is able to translate sign language on-the-go.

The idea of digitalising the sign language was mooted by Zuhairy Zulkiflee when he participated and emerged as the winner of Digi Challenge for Change Season 7 Programme.



EDDY is downloadable from Google Play Store for free.

EASY ACCESS TO LOCAL INFORMATION FOR CANCER PATIENTS

In collaboration with the National Cancer Society Malaysia (NCSM), Digi built a virtual resource and support mobile app known as Stronger than Cancer, to empower patients, caregivers, family and friends affected by cancer. It is a one-stop community mobile platform to facilitate quicker, reliable and trustworthy sharing of information related to cancer.

The idea was the brainchild of Christine Cheah (participant of the Telenor Youth Forum 2014) and she envisioned a strong support network for cancer patients, who could reach out anytime and from anywhere.



Stronger Than Cancer is downloadable from Apple and Google Play Store for free.





DIGITAL LEARNING FOR HOSPITALISED CHILDREN

Together with a technology social enterprise SOLS 24/7, we equipped 15 Sekolah Dalam Hospital (SDH, School in Hospitals) nationwide with 30 laptops, 15 tablets, and internet connectivity to enable digital learning for children who are undergoing long-term treatment at hospitals to ensure they are not left behind in their studies. More than 700 children were engaged in the first pilot school programme, held in the SDH at Hospital University Kebangsaan Malaysia.



PUSAT INTERNET 1MALAYSIA (PI1M) 1 MALAYSIA INTERNET CENTRES

Together with the Malaysian Communications and Multimedia Commission (MCMC), we operate 132 '1Malaysia Internet Centres' located in sub-urban and rural areas across Malaysia. Besides providing free high speed internet services, these centres also provide meaningful trainings and upskilling of locally employed managers and assistant managers who are tasked to run educational classes for children residing in those communities.

BUILDING DIGITAL RESILIENCE

Building Digital Resilience is our commitment to nurture digital citizenship by helping build digital resilience among schoolchildren. With more children accessing the internet at an early age, we have the responsibility as an internet provider to educate them on safe and responsible use of the internet. We organise cybersafety workshops and local content, as well as spearheaded thought leadership around the growing concern for online risks. In 2017, we engaged more than 140, 887 students nationwide through different programmes which were carried out in collaboration with the government and partners such as the Ministry of Education, Malaysian Communications and Multimedia Commission (MCMC), CyberSecurity Malaysia, Royal Malaysian Police (PDRM), Federation of Reproductive Health Association Malaysia (FRHAM), UNICEF, R.AGE (TheStar), WOMEN:girls (NGO), Petrosains and NagaDDB Tribal.



DIGI DIGITAL CITY SHOWCASE IN PETROSAINS

In March 2017, we launched Digi's Digital City at Petrosains. The experiential exhibit is aimed at educating and engaging children on positive digital behaviours and creating awareness towards various internet risks including cyberbullying and online predators (cybergrooming).



LEARNING ROBOTICS FOR RURAL STUDENTS

In partnership with Petrosains, we organised a robotic programme, 'Young PI1M Inventors Challenge', to provide secondary school students in rural communities the opportunity to learn basic designing, coding and proximity sensor skills. Hosted at 1Malaysia Internet Centres (PI1Ms), this eight-month programme engaged about 144 students from surrounding schools near our 48 PI1Ms.

FIGHT AGAINST PREDATORS PSA VIDEO

The video sheds light on how easily one can track individuals especially children, through social media if the safety and privacy features are not utilised. Through the video, we hope to bring attention to both parents and youth alike on common ways used by cyber-predators to prey on children. For more information, visit digi.my/predator.



DIGI CYBERSAFETM EXHIBIT AT BIG BAD WOLF

In conjunction with the largest book fair in Malaysia, we hosted an experiential and educational exhibit to educate parents and children on cyber safety. During the 10-day 24-hour exhibit marathon, we managed to engage over 5,000 visitors. With activities such as games to identify online predators, understanding online personalities, and advocating good while avoiding bad behaviours on the internet.



#SAYASAYANGSAYA TOWNHALL SESSIONS

Together with UNICEF Malaysia, WOMEN:girls, R.AGE and with experts from the Royal Malaysian Police and the Federation of Reproductive Health Malaysia, we organised a series of nationwide youth-friendly townhall that featured interactive panel sessions actively discussing issues like online sexual violence, teen relationships, reproductive health and sexuality. These townhall sessions, conducted at 8 states - Kedah, Penang, Terengganu, Kelantan, Pahang, Johor, Sabah and Sarawak saw the participation of over 1,500 students from 318 schools.

Coinciding with the townhall, we also produced a youth guidebook with UNICEF Malaysia focused on the topic of cybergrooming. The guide is available for download [here](#).



ASEAN CHILD ONLINE PROTECTION (COP) YOUTH CAMP

Digi partnered with UNICEF Malaysia and the Malaysian Communications and Multimedia Commission (MCMC) to organise the ASEAN Child Online Protection (COP) 2D1N youth camp. This was in support of the ASEAN Child Online Protection Seminar 2017 themed 'Nurturing Cyber Wellness For Connected Children'. We also facilitated a child panel discussion and participated as one of the expert panelists alongside regional experts from Facebook and Google. In the seminar, Digi was also recognised by the Ministry of Education as an industry leader in advocating safer internet in Malaysia.

RESEARCH WORKSHOP: HOW DO YOUNG MALAYSIANS INTERACT WITH TECHNOLOGY

Digi partnered with UNICEF Malaysia as part of UNICEF's State of the World Children 2017 research workshop to understand children's perspectives on life in the digital age. In two separate full day sessions with children selected from the urban and semi-urban communities, the children share their views on how and why they use digital technologies in their everyday lives, as well as their aspirations for the future of our digitally mediated world. The report is available at [here](#).

LAUNCH OF 2017 CYBERBULLYING SURVEY

Digi launched its third instalment of cyberbullying survey in November 2017. The survey seeks to understand the effectiveness of digital resiliency strategies adopted by secondary school students, and correlations between their online behavioural patterns and cyberbullying. The collated responses anticipated from thousands of students nationwide will potentially be the largest behavioural repository of cyberbullying study in Malaysia.

ABOUT OUR DISCLOSURE
GRI DATA
GRI

ABOUT OUR DISCLOSURE

Our 2017 report is our eighth Sustainability Report and the seventh Communication on Progress (COP) to the UN Global Compact. Our last Sustainability Report was published on May 14th, 2017.

SCOPE

Our sustainability disclosure covers only our wholly owned subsidiary Digi Telecommunications Sdn Bhd, which is the core of our business operations.

CORPORATE STRUCTURE

100% Digi.com Berhad

Digi Telecommunications Sdn Bhd
 Digi Services Sdn Bhd
 Y3llownation Sdn Bhd
 (formerly known as Pay By Mobile Sdn Bhd)
 Y3llowlabs Sdn Bhd
 (formerly known as DJuice Com Sdn Bhd)

REPORTING PERIOD

Unless otherwise stated, all data covers the calendar year 1 January to 31 December. We have included two years of historically tracked data for key indicators.

REPORTING PRINCIPLES

We are guided by the Global Reporting Initiative 4.0 (Core) and focus on meeting the Principles of Defining Report Content, Quality & Boundary. We also adhere to meet established reporting standards such as the Greenhouse Gas Emissions Protocol, Carbon Disclosure Project, and the UN Global Compact

The procedure of compiling sustainability disclosure is in accordance with the Telenor Group Non-Financial Reporting Procedures, and Digi's Standard Operating Policy and Procedures on Sustainability Reporting. These policies and procedures provide guidance on the scope and boundaries of reporting, roles and responsibilities, internal control processes, and definitions for all reported parameters. Since 2011, we have obtained an Independent Limited Assurance statement.

COMPLETENESS: ASPECTS AND BOUNDARIES

We have identified 15 aspects to be disclosed in this report. These aspects were identified as issues linked to the materiality matrix and our commitment to the UNGC. Issues relating to these aspects are addressed through our various engagement with our stakeholders.

AUDIENCE AND ACCESSIBILITY

Information of our sustainability performance can also be found in the sustainability section of the annual report. Our sustainability disclosure has been written in response to engagement and queries of investors and analyst, regulators, current and potential employees.

COMPLETENESS: ASPECTS AND BOUNDARIES

| Material issue | Material Aspect | Boundary | Key stakeholders |
|---------------------------------|---|--|--|
| Service reliability and quality | <ul style="list-style-type: none"> Product and service labelling Compliance | <ul style="list-style-type: none"> Internal External | <ul style="list-style-type: none"> Employees Customers Communications & Multimedia Consumer Forum of Malaysia Malaysia Communications & Multimedia Commission (MCMC) |
| Ethics and anti-corruption | <ul style="list-style-type: none"> Anti-corruption | <ul style="list-style-type: none"> Internal and with our external suppliers and parties | <ul style="list-style-type: none"> Employees Suppliers Partners |
| Supply chain | <ul style="list-style-type: none"> Supplier Assessment (Environment, labour practices, society, human rights) | <ul style="list-style-type: none"> External | <ul style="list-style-type: none"> Contractors Suppliers Vendors |
| Employees | <ul style="list-style-type: none"> Occupational Health and Safety Training and Education Diversity and Equal Opportunity Non-discrimination Freedom of Association and Collective Bargaining | <ul style="list-style-type: none"> Internal | <ul style="list-style-type: none"> Employees |
| Energy efficiency | <ul style="list-style-type: none"> Energy Emissions | <ul style="list-style-type: none"> Internal External | <ul style="list-style-type: none"> Telenor Group Carbon Disclosure Project Project Environmental NGOs Employees Customers Privacy Commission |
| Data security and Privacy | <ul style="list-style-type: none"> Customer privacy Human rights Compliance | <ul style="list-style-type: none"> Internal External | <ul style="list-style-type: none"> Privacy Commission Safe Use CyberSAFE™ |
| Digital responsibility | <ul style="list-style-type: none"> Customer health and safety | <ul style="list-style-type: none"> External | <ul style="list-style-type: none"> Safe Use CyberSAFE™ |
| Enabling services | <ul style="list-style-type: none"> Local communities | <ul style="list-style-type: none"> Internal External | <ul style="list-style-type: none"> Challenge For Change Wanita Era Digital Telenor Youth Forum Strategic partners Relevant government ministries |

RESPONSIBLE BUSINESS

| | Unit | 2015 | 2016 | 2017 |
|--|--------|-------|-------|-------|
| Anti-Corruption | | | | |
| Material cases of corruption | Number | 0 | 1 | 0 |
| Supply Chain Sustainability | | | | |
| Signed Agreement of Business Conduct ¹ | Number | 120 | 119 | 165 |
| Self Assessment Risk indicator | % | 55 | 55 | 50 |
| Inspections conducted | Number | 887 | 984 | 898 |
| Incidents of major non-compliance ¹ | Number | 8 | 10 | 1 |
| Incidents of minor non-compliance ² | Number | 154 | 92 | 3 |
| Contractors suspended <6 months | Number | 1 | 3 | 2 |
| Contractors terminated | Number | 7 | 8 | 5 |
| Fatalities ³ | Number | 1 | 0 | 0 |
| Supplier training | Hours | 2,500 | 2,050 | 2,690 |
| % of contracts <USD250,000 meeting sustainability criteria | % | 100 | 100 | 100 |

CLIMATE CHANGE & ENVIRONMENT

| | Unit | 2015 | 2016 | 2017 |
|----------------------------------|--------------------------|------------|------------|------------|
| Energy Consumption | | | | |
| Total direct energy used* | GWh | 100.98 | 116.75 | 109.71 |
| Network | GWh | 86.30 | 101.22 | 96.32 |
| Fleet | GWh | 14.57 | 15.49 | 13.33 |
| Buildings | GWh | 0.11 | 0.04 | 0.06 |
| Total indirect energy used* | GWh | 163.26 | 167.08 | 193.94 |
| Network | GWh | 155.01 | 159.58 | 187.12 |
| Buildings | GWh | 8.25 | 7.50 | 6.82 |
| Total energy consumption* | GWh | 264.24 | 283.83 | 303.64 |
| Energy intensity* | KWh/RM revenue | 0.038 | 0.046 | 0.051 |
| Energy use per end use customer | KWh/customer | 21.8 | 23.1 | 26.0 |
| Solar power generated (Network)* | GWh | 0.60 | 0.52 | 0.50 |
| Carbon Emissions | | | | |
| Total Scope 1 emissions* | Tonnes CO ₂ e | 22,048.25 | 26,351.00 | 24,261.59 |
| Network | Tonnes CO ₂ e | 21,036.45 | 25,430.15 | 23,478.29 |
| Fleet vehicles | Tonnes CO ₂ e | 995.78 | 918.70 | 770.38 |
| Building | Tonnes CO ₂ e | 16.02 | 2.15 | 12.92 |
| Total Scope 2 emissions* | Tonnes CO ₂ e | 111,586.39 | 114,572.97 | 131,926.08 |
| Network | Tonnes CO ₂ e | 105,925.71 | 109,475.06 | 127,274.84 |
| Buildings | Tonnes CO ₂ e | 5,660.68 | 5,097.91 | 4,651.24 |
| Total Scope 3 emissions* | Tonnes CO ₂ e | 1,627.91 | 1,911.55 | 1,782.19 |

¹ Major non-compliance includes climbing base station without a Work At Height Permit, safety harness, and safety shoes on site

² Minor non-compliance includes illegal labour, no first aid kits, no fire extinguisher.

³ Fatalities of any worker of contractors or sub contractor

* KPMG has provided a limited external assurance of select indicators presented in this section of the Annual Report. The limited external assurance report can be found on page 171 to 173 of the Digi.Com Berhad Annual Report 2017.

CLIMATE CHANGE & ENVIRONMENT

| | Unit | 2015 | 2016 | 2017 |
|-------------------------------------|-------------------------------|------------|------------|---------|
| Carbon Emissions | | | | |
| Air travel | Tonnes CO ₂ e | 1,394.21 | 1,344.11 | 948.77 |
| Leased vehicles | Tonnes CO ₂ e | 233.70 | 567.44 | 833.43 |
| Total carbon emissions* | Tonnes CO ₂ e | 135,262.55 | 142,835.52 | 157,970 |
| Carbon emission per customer | Kg CO ₂ e/customer | 11.2 | 11.6 | 13.5 |
| Other environment indicators | | | | |
| E-waste collected | Tonnes | 343 | 18 | 69 |
| Municipal waste | Tonnes | 333.65 | 308.17 | 284 |
| Water consumption | m ³ | 111,054 | 118,865.67 | 101,328 |

WINNING TEAM

| | Unit | 2015 | 2016 | 2017 |
|---|----------------|-------|-------|-------|
| Gender | | | | |
| Male | Numbers | 1,174 | 1,140 | 1,117 |
| Female | Numbers | 907 | 902 | 891 |
| Total | Numbers | 2,081 | 2,042 | 2,008 |
| Race | | | | |
| Bumi | % | - | 3 | 3 |
| Malay | % | 36 | 33 | 33 |
| Chinese | % | 45 | 46 | 45 |
| Indian | % | 15 | 15 | 16 |
| Others | % | 4 | 3 | 3 |
| Age | | | | |
| < 35 | % | 17 | 22 | 44 |
| 36-55 | % | 82 | 73 | 53 |
| >55 | % | 1 | 5 | 2 |
| Other indicators | | | | |
| % of women in leadership ⁴ * | % | 34 | 40 | 45 |
| Employee Engagement Index (EEI) Score | % | 76 | 76 | 74 |
| Lost Time Injury Frequency ⁵ * | No/Million hrs | 0 | 0.23 | 0 |
| % of employees under bargaining agreement | % | 31 | 33 | 32.3 |
| Average total training hours ⁶ * | Hours | N/A | 14.2 | 27.29 |
| Employees that completed the "TDP Dialogue" and follow up | % of Employees | 93 | 50 | 40 |
| Turnover (Male) ⁷ * | Numbers | 168 | 192 | 160 |
| Turnover (Female) ⁸ * | Numbers | 117 | 147 | 108 |

⁴ Based on CXO minus 2 level managers only. Does not include specialist.

⁵ LTI/F is based on 9 working hours x actual working days in a year (minus leave and public holidays) x number of employees

⁶ Based on total training hours / no. of employees. Physical training hours is based on 8 hours (does not include lunch). Training hours for D/Academy (mandatory, programme, soft skills complete and completed) are based on system. Online training on Lynda.com is based on system. Udacity is based on numbers of graduated x hours of videos for the course. Training hours do not include hours from D/Academy (Processes).

⁷ This number includes Digi employees, voluntary and involuntary resignation.

⁸ In previous year, all employees had to complete their review and dialogue by 31 Dec.

GRI TABLE

| GENERAL STANDARD DISCLOSURES | | | |
|-------------------------------|--|------------|--|
| DMA and Indicators | | Compliance | Cross reference or direct answer |
| Strategy and Analysis | | | |
| G4-1 | Statement from the most senior decision-maker of the organisation | Full | CEO's Statement CEO's Message Chairman's Statement |
| Organisational Profile | | | |
| G4-3 | Name of the organisation | Full | About Our Disclosure |
| G4-4 | Primary brands, products and services | Full | Management Discussion and Analysis |
| G4-5 | Headquarters location | Full | Notes to Financial Statement |
| G4-6 | Countries of operation | Full | Digi only operates in Malaysia. |
| G4-7 | Nature of ownership and legal form | Full | Notes to Financial Statement |
| G4-8 | Markets served | Full | Management Discussion and Analysis |
| G4-9 | Scale of the organisation | Full | Management Discussion and Analysis |
| G4-10 | Organisation's workforce | Full | Winning Team |
| G4-11 | Total employees covered by collective bargaining agreements | Full | 32.3% of employees are covered by collective bargaining agreement as at 31 Dec 2017. |
| G4-12 | Organisation's supply chain | Full | Supply Chain Sustainability Telenor Sustainability Report |
| G4-13 | Significant changes during the reporting period regarding size, structure, ownership or its supply chain | Full | There was no significant change |
| G4-14 | Explanation of whether and how the precautionary approach or principles is addressed by the organisation | Full | Code of Conduct Climate Change and Environment |
| G4-15 | Externally developed economic, environmental and social charters, principles or other initiatives | Full | About Our Disclosure Sustainability Governance |
| G4-16 | Memberships of associations and national/international advocacy organisations | Full | As part of Telenor Group, we are members of the GSMA, The Telecommunications Industry Dialogue, which has observer status in the GNI, and the Global e-Sustainability Initiative. Digi is a signatory to the UN Global Compact and a member of the Malaysia Compact. Digi is a member of Business Integrity Alliance (BIA), a private sector initiative comprising of companies committed to doing business with integrity |

| DMA and Indicators | | Compliance | Cross reference or direct answer |
|---|---|------------|--|
| Identified material aspects and boundaries | | | |
| G4-17 | Entities included in the organisation's consolidated financial statements or equivalent documents | Full | Annual Report 2017 |
| G4-18 | Process for defining report content and the Aspect Boundaries | Full | Materiality |
| G4-19 | Material Aspects identified in the process for defining report content | Full | Materiality |
| G4-20 | Aspect Boundary within the organisation | Full | About Our Disclosure |
| G4-21 | Aspect Boundary outside the organisation | Full | About Our Disclosure |
| G4-22 | Restatements of information provided in previous reports | Full | There is no change from pervious report |
| G4-23 | Significant changes from previous reporting in the Scope and Aspect Boundaries | Full | There is no change from previous report |
| Stakeholder Engagement | | | |
| G4-24 | List of stakeholder groups engaged by the organisation | Full | Stakeholders |
| G4-25 | Basis for identification and selection of stakeholders with whom to engage | Full | Stakeholders |
| G4-26 | Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group | Full | Stakeholders |
| G4-27 | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through it reporting | Full | Stakeholders |
| Report Profile | | | |
| G4-28 | Reporting period | Full | About Our Disclosure |
| G4-29 | Date of most recent previous report | Full | About Our Disclosure |
| G4-30 | Reporting cycle | Full | About Our Disclosure |
| G4-31 | Contact point | Full | About Our Disclosure |
| G4-32 | GRI content index | Full | This page |
| G4-33 | External assurance | Full | Assurance Statement |
| Governance | | | |
| G4-34 | Organisation's governance structure | Full | Statement on Corporate Governance |
| Ethics & Integrity | | | |
| G4-56 | Organisation's values, principles, standards and norms of behaviours | Full | Statement on Corporate Governance Ethics and Compliance |

| SPECIFIC STANDARD DISCLOSURES | | | |
|-------------------------------|---------------------|------------|---|
| Material Aspects | DMA and Indicators | Compliance | Comments |
| Economic | | | |
| Economic performance | Management Approach | | Digi contributes directly through license, fees, taxes, contribution to the Universal Service Provision, job creation, and support to local business partners. Indirectly, our core offering of mobile internet is an enabler of socio economic development of the country. |
| | G4-EC1 | Full | Direct economic value generated and distributed Financial Summary: Statement of Comprehensive Income Telenor Sustainability Report |
| | G4-EC2 | Full | Financial implications and other risks and opportunities for the organisation's activities due to climate change CEO's Statement Climate Change and Environment Telenor Group's Carbon Reporting Notes to Financial Statement: |
| | G4-EC3 | Full | Coverage of the organisation's defined benefits plan obligations Employee Benefits, Profit Before Tax, Defined Benefit Plans. |
| | G4-EC4 | Full | Financial assistance received from government Statement of Cash Flow |
| Market presence | G4-EC5 | Full | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operations Digi's standard entry level wage is more than the gazetted minimum wage. |
| | G4-EC6 | Full | Proportion of senior management hired from the local community at significant locations of operation Management Profile Winning Team We are an equal opportunity employer and all positions are open to local candidates. Selection is based on best fit to meet specific needs of the role. |
| Indirect economic impacts | G4-EC7 | Full | Development and impact of infrastructure investments and services supported Our Present Telenor Sustainability Report Empower Societies |
| | G4-EC8 | Full | Significant indirect economic impacts, including the extent of impacts Ethics & Compliance Telenor Sustainability Report |
| Procurement practices | G4-EC9 | Full | Proportion of spending on local suppliers at significant locations of operation Telenor Sustainability Report |
| Environmental | | | |
| | | | Management approach Climate Change and Environment |
| Energy | G4-EN3 | Full | Energy consumption within the organisation Climate Change and Environment |
| | G4-EN4 | Full | Energy consumption outside the organisation Climate Change and Environment |
| | G4-EN5 | Full | Energy intensity Climate Change and Environment |
| | G4-EN6 | Full | Reduction of energy consumption Climate Change and Environment |
| Water | G4-EN8 | Full | Total water withdrawal by source Data: Climate Change and Environment <i>Our water is from the local municipal.</i> |
| Emissions | G4-EN15 | Full | Direct GHG emissions (Scope 1) Climate Change and Environment |
| | G4-EN16 | Full | Indirect GHG emissions (Scope 2) Climate Change and Environment |
| | G4-EN17 | Full | Other indirect GHG emissions (Scope 3) Climate Change and Environment |
| | G4-EN18 | Full | GHG emissions intensity Climate Change and Environment |
| | G4-EN19 | Full | Reduction of GHG emissions Climate Change and Environment |

| Material Aspects | DMA and Indicators | Compliance | Comments |
|---|--------------------|------------|---|
| Effluents and waste | G4-EN23 | Full | Total weight of waste by type and disposal method Data: Climate and Environment |
| Products and Services | G4-EN27 | Full | Initiatives to mitigate environmental impacts of products and services, and extent of impact Climate and Environment |
| Compliance - Environmental | G4-EN29 | Full | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations There was no case of non-compliance in 2017 |
| Transport | G4-EN30 | Full | Significant environmental impacts of transporting products and other goods and materials for the organisations' operations, and transporting members of the workforce Climate and Environment Transportation accounts for less than 3% of Digi's total CO ₂ emissions, and does not have significant impact. |
| Suppliers environmental assessment | G4-EN32 | Full | Percentage of new suppliers that were screened using environmental criteria Supply Chain Sustainability Digi evaluates current and prospective suppliers to identify risks of violation of Supplier Conduct Principles. Contracts above USD250,000 have an environmental component as part of sourcing |
| | G4-EN33 | Full | Significant actual and potential negative environmental impacts in the supply chain and actions taken None reported in 2017 |
| Environmental Grievance Mechanisms | | Full | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance None reported in 2017 |
| Social | | | |
| Labour practices and decent work | | | |
| | | | Management Approach Our Purpose Ethics and Compliance Winning Team |
| Employment | G4-LA1 | Partial | Total number and rates of new employee hires and employee turnover by age group, gender and region Data: Winning Team |
| | G4-LA2 | Partial | 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. |
| | G4-LA4 | Full | Minimum notice period regarding significant operational changes, including whether it is specified in collective agreements. Digi gives one month notice to inform all employees of operational changes that result in loss of employment. |
| Occupational health and safety | G4-LA5 | Partial | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes We comply with the regulation which stipulates that there shall not be less than four representatives each from the employees and the management. |
| | G4-LA6 | Full | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender Supply Chain Sustainability |
| | G4-LA7 | Full | Workers with high incidence or high risk of diseases related to their occupation Digi organises education, training, counselling, prevention and risk control programmes related to outbreaks. |
| | G4-LA8 | Full | Health and safety topics covered in formal agreements with trade unions Health and safety covers all employees regardless of union membership. |
| Training and education | G4-LA9 | Partial | Average hours of training per year per employee per gender, and by employee category GRI DATA |
| | G4-LA10 | Full | Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings Winning Team |

| Material Aspects | DMA and Indicators | | Compliance | Comments |
|--|--------------------|--|------------|--|
| Diversity and equal opportunity | G4-LA11 | Percentage of employees receiving regular performance and career development review | Partial | GRI Data 40% as at 31 Dec 2017 |
| | G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | Partial | Directors Profiles Winning Team |
| Equal remuneration for women and men | G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | Full | Digi practices equal opportunity for salaries and remuneration for equal skills |
| Labour practices grievance mechanisms | G4-LA15 | Significant actual and potential negative impacts for labour practices in the supply chain and actions taken | Full | Supply Chain Sustainability |
| | G4-LA16 | Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms | Full | There were none filed in 2017 |
| Human rights | | | | |
| | | Management Approach | | Sustainability Governance |
| Investment & Procurement Practices | G4-HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening | Full | All significant investment agreements are subject to the terms of our Supplier Conduct Principles which has adopted UN Guiding Principles on Business and Human Rights. |
| | G4-HR2 | Total hours of employees trained on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained | Partial | Ethics and Compliance |
| Non-discrimination | G4-HR3 | Total number of incidents of discrimination and corrective actions taken | Full | There were no incidents of discrimination in 2017. We are committed to promoting equal opportunity |
| Freedom of association and collective bargaining | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | Full | Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which includes freedom of association. |
| Child labour | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | Full | Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clause on child labour. There were no incidents of child labour in 2017. |
| Forced or compulsory labour | G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour | Full | Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which includes forced labour |
| Security Practices | G4-HR7 | Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations | Full | All security personnel have been trained in basic health, safety, and security as part of the requirements of the Supply Chain Sustainability |
| Assessment | G4-HR9 | Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments | Full | Sustainability Governance |

| Material Aspects | DMA and Indicators | | Compliance | Comments |
|---|--------------------|---|------------|--|
| Supplier Human Rights Assessment | G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | Full | Digi evaluate its operations for risks of violations to our code of conduct, Supplier Conduct Principles, Agreement of Business Conduct, and UN Guiding Principles of Business and Human Rights. |
| | G4-HR11 | Significant suppliers and contractors that have undergone screening on human actions taken | Full | Ethics and Compliance |
| Human Rights Grievance Mechanism | G4-HR12 | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms | Full | There has been no grievance filed in 2017 |
| Society | | | | |
| | | Management approach | | Safe Use Empower Societies |
| Local communities | G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programmes | Partial | Ethics and Compliance Empower Societies Digi assesses its operational impact on communities, and carries out relevant engagement to address concerns of local authorities and communities. |
| Anti-corruption | G4-SO3 | Percentage and total number of business units analysed for risks related to corruption | Full | Anti-Corruption |
| | G4-SO4 | Communication and training on anti-corruption policies and procedures | Full | Anti-Corruption |
| Compliance | G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | Full | Digi was fined RM650,000 by the Malaysian Communications and Multimedia Commission for breaching the Mandatory Standards for Quality of Service and Guidelines on Regulations of End Users of Prepaid Public Cellular Services. |
| Supplier assessment for impacts on society | G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | Full | Supply Chain Sustainability |
| Grievance mechanisms for impacts on society | G4-SO11 | Number of grievances about impact on society filed, address, and resolve through formal grievance mechanisms. | Full | There were no cases filed in 2017. |
| Product responsibility | | | | |
| | | Management approach | | Consumer Responsibility |
| Product and service labelling | G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvements. | Partial | Safe Use Empower Societies |
| | G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | Full | There were no cases filed in 2017. |
| Product and service labelling | G4-PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | Full | Consumer Responsibility |

YOU HAVE REACHED THE END OF OUR REPORT

Please direct your enquiries or feedback to

Ms Quah Yean Nie
Head of Communications & Sustainability
sustainability@digi.com.my
03 5721 1800



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