

About this Report...

Who are we writing this report for?

Our Corporate Responsibility (CR) efforts have been included in our annual report since 2007. This is however our first standalone sustainability report.

We hope all our stakeholders, i.e. investors, suppliers, customers, staff, NGO's and the media find it useful and use it as a means to engage with us on matters important to them and to us. We welcome feedback from all stakeholders and will use this as a basis to improve our future sustainability reporting as well as to refine our focus areas in the coming years.

What period does this report cover?

As this is our inaugural report, we have included some historical information in the report to put into context the journey we have taken. However, all financial, market, environmental and workplace results are collated up to December 2009.

How often will we report?

We are fully committed to regularly reporting our efforts and initiatives. Our current plan is to issue our sustainability report on an annual basis. However we will seek feedback from our stakeholders in finalizing the frequency of reporting.

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What is the scope of this report?

We have endeavoured to report on the key sustainability areas, focusing only on significant initiatives and efforts. However, with our focus on climate change and the impact it has to our business, we have taken the approach that all efforts under our climate change program (Deep Green) are material and as such have been reported. Our report covers our operations and all our offices nationwide, including our wholly owned DiGi Centres.

Have we obtained external assurance for this report?

In developing DiGi's inaugural sustainability report, we consulted with sustainability practitioners and advisors. Where relevant, we have incorporated their views to improve our first report.

In 2009, we engaged PricewaterhouseCoopers Malaysia to conduct a review of our CR practices with a view to identify improvement opportunities and to enhance the effectiveness of our sustainability strategy. We have worked on the high priority opportunities identified and have already put in various measures to address the gaps. Through the implementation of ISO 14001 in 2010, all remaining priority items will be addressed.

It is our aim to obtain external assurance and verification for our sustainability report within the next 2 years. We will also work towards reporting based on GRI and will include year on year (YoY) comparisons of performance data and indicators. In this report, YoY comparisons have been included on Climate Change data.

From the

DiGi is making the commitment to become a leader in sustainable and ethical business practices and in doing so, shape the future for our stakeholders.

Reports like this one usually mark the passing of another financial year, but to me it is also a reminder that the clock is ticking and we need to start making some radical changes before it's too late.

As the Chief Executive Officer of this company, I bear the responsibility to ensure that my decisions are made in the best interest of the Company, its shareholders and stakeholders. I believe that we need to make a change and someone has to make that first step. This is why DiGi is making the commitment to become a leader in sustainable and ethical business practices and in doing so, shape the future for our stakeholders.

Our resolute decision to address climate change is further bolstered by a McKinsey report on the environmental impact by industry. It revealed that the ICT industry is set to surpass the aviation industry as the biggest contributor of CO2 emissions,

mainly from increasing consumption patterns, and the high dependency on fossil fuel for energy.

This revelation should propel the communications industry as a whole to play an active role in reducing our combined emissions levels, and is why we decided to make the commitment to the Deep Green initiative, core to our sustainability agenda. It is a critical part of our strategy to embed sustainable development across every aspect of our organization.

I believe that CR has to be meaningful. It is not about winning awards and smiling faces; it is about making a difference and DiGi intends to be the catalyst for change and to leave a lasting legacy. It's not something we are doing to earn points, but something that needs to be done because sustainability as we define it at DiGi has to drive change, shape the future and lead by example.

We view CR as more than just philanthropy; it is something that has been very much embedded into our values and business strategies. It defines how we operate as it makes good business sense, which is ultimately the purpose of every profit driven organisation.

At the heart of our sustainability strategy is the goal of achieving sustainability in all that we do, from our product offerings, the well-being of our employees and the profits we generate, to the development of the communities that we serve through our products and services.

We have chosen to address the universal challenge of climate change as the anchor programme for both DiGi's sustainability and Company strategy because it is something to which we believe we can contribute meaningfully. Once it is on the agenda, it will help us stay competitive over time and become a great company; one that makes a difference and is able to initiate widespread change across the country.

CEO





Climate change is an issue in which we as individuals and companies can make a difference, and as the first Malaysian corporate signatory of the "Caring for Climate: The Business Leadership Platform" initiative under the United Nations Global Compact, we are making the commitment as a leader in sustainable and ethical business practices.

To further illustrate our seriousness on the Green agenda we embarked on the construction of our latest Tier III Data Centre - the DiGi Technology Operating Centre, which when completed, will meet the specifications of a Green Building. The new sustainable and energy efficient centre will incorporate eco design elements which will translate to significant lifecycle savings with intelligent systems, while providing employees with a healthier and more

comfortable work environment. It also sends out the right message about us – that we are a well run responsible Company committed to a sustainable future.

We are conscious that we need to walk the talk in every aspect of our business. Our Health, Safety, Security and Environmental (HSSE) policy, for instance, is aimed at ensuring all our partners across the entire supply chain are aligned to how we conduct our business. We aim to grow together with all those we connect with in some form or other. This can lead to radical changes in the way business is conducted in Malaysia. Changes for the better.

We are passionate, and we are confident that we will achieve our objectives. The journey is long and arduous. But we will remain focused on what we have to do.

Johan Dennelind

CEO

About DiGi

We see our obligations going beyond merely providing mobile and Internet products and services. With the country enjoying high mobile penetration rates, there is an opportunity for us to reach out to society at large, and impart the values that we hold close to our heart.

DiGi is a leading Malaysian mobile and Internet service provider. Our company and brand, are known for innovation and continue to challenge market norms in efforts to deliver what is relevant and easy to use for our customers to enjoy the best deals in the market. It is part of our DNA to look for ways and means that offer excellent customer experience at every touch point.

Mobile communications form the core of our business operations, which in itself helps boost economic and social development in a plethora of ways such as providing access to communications, creating social impact and promoting productivity. These benefits combine to create wealth and increase economic activity, employment and tax receipts benefiting the entire economy and its citizens.

In the context of sustainability, we see our obligations going beyond merely providing mobile and Internet products and services. With the country enjoying high mobile penetration rates, there is an opportunity for us to reach out to society at large, and impart to them that we hold close to our heart.

In the area of climate change, for instance, our access to our subscribers and potential customers present us with the opportunity to educate and encourage them to participate in initiatives that will make a difference. It is such initiatives that differentiate us from our competitors, and as much as we want to be known as the premier mobile and Internet service provider in the country, we would not be terribly disappointed if the public refers to us as The Green Company!

Creatively Connecting Malaysia

DiGi is 49% owned by Telenor ASA, Norway, the 6th largest mobile communications Company in the world. Established in Malaysia in 1994, DiGi commenced providing mobile services in 1995. With a subscriber base of 7.7 million at the end of 2009, we posted a revenue of RM 4.9 billion on the back of steady demand for mobile and Internet services in the Malaysian mobile communications market.

We are in the top three communications companies in Malaysia, providing relevant mobile pre-paid and post-paid services with a number of firsts that have set industry benchmarks for creativity and innovation. Progressive plans are also underway to widen our Turbo 3GTM footprint in key market centres of Malaysia in efforts to bring Internet access to the people.





Our philosophy for Corporate Responsibility is to drive sustainability into every aspect of our organisation. We first focus on changing the mindsets of our employees to help ensure we have an engaged workforce before extending our beliefs to external stakeholders.

Innovating the Industry & Environment

Our boldness and innovative outlook has given us the edge over our competitors. With our aspiration to be the industry shaper we are taking leadership positions through a series of innovative value propositions, simplicity and excellent execution.

Our philosophy for Corporate Responsibility is to drive sustainability into every aspect of our organisation. We first focus on changing the mindsets of our employees to help ensure we have an engaged workforce before extending our beliefs to external stakeholders, and then communicating the benefits of our business to as many customers as possible.

We aim to lead in sustainable and ethical business and we believe we can achieve this by focusing on the following priorities:-



• Integrity & Empowerment

We aim to treat our people fairly and responsibly to empower them to reach their full potential as they are at the centre of all that we do. Through our comprehensive corporate governance measures we strive to ensure a positive and respectful culture across the organisation as the conduct of our people is crucial to our reputation.

Climate Change

We are committed to minimise our environmental impact by reducing our CO2 emissions and through offering climate-friendly solutions to our customers.

Community Engagement

We endeavour to go beyond financial contributions, and look for ways in which the community can benefit from our employees' time and expertise, from knowledge and learning from NGO partners, and more importantly, opportunities where mobile telecommunications technology and Internet can make a meaningful difference.



Our CR Evolution

While community engagement has always been the thrust of our business objectives and strategies, our terms of engagement have dramatically evolved since we began our journey in 2002. Our sustainability journey has seen us move from philanthropy and corporate contributions to strengthening our corporate governance and ensuring corporate responsibility is an integral part of our business strategy.

In 2008 we were the 1st Malaysian company to be invited to be a signatory to the Caring for Climate: Business Leadership Platform under the UN Global Compact (UNGC). As we sit on the UNGC Advisory Group on Supply Chain Sustainability and are also part of the Steering Committee of the UNGC Malaysia we have high standards to adhere to. This is our commitment to ensuring sustainability in our business operations and practices.

PERFORMANCE BENCHMARKS

Where possible, performance is benchmarked against that of other organisations to help the reader make sense of reported performance.

Such comparative information is reported in a box like this.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption

The Journey so Far...

2002 – 2005 Community Engagement & Philanthropy

• Corporate contributions and community projects

2005 – 2009 Corporate Social Responsibility

- Integrating CSR in business operations
- Community investments

2009 & onwards Sustainability

- CR linked to company objectives
- Sustainability part of company wide ambition

Stakeholder Engagement

At DiGi, we seek to constantly engage with our stakeholders to ensure we address the issues that interest them and concerns that affect them in our effort to continuously improve ourselves.



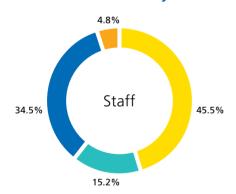
Responsible Operations and Business Practices

From the very beginning, we focused on our key success factors: our employees and our customers.

A Great Place to Work

Nurturing a culture of responsibility within DiGi is a continuous improvement process we are very committed to, as we firmly believe that it will ultimately benefit the brand, our people and the nation.

Racial Diversity





Others

Chinese Indian

As one of Malaysia's leading telecommunications companies, it is vital that we contribute to society in our mission to be a leader and shaper of mindsets, especially with our business partners and customers.

The strict approach we have adopted in corporate governance also contributes to our positive brand position; as it tells our investors, partners, stakeholders and customers that we are serious about doing good things and right things with very high ethical standards. More importantly, without taking any shortcuts.

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Flat Organisation

We have built a working culture that encourages openness and transparency. The level of bureaucracy in the organisation has been significantly reduced, by having an (almost) flat organisational structure. The lack of hierarchy enables easy communication which in turn encourages a working culture that is relaxed and encourages productivity while allowing our DiGizens to enjoy a sense of fun and creativity while going about our daily working lives. The open office concept in all our offices means that all of us share the same office environment, including same furniture, same types of office spaces, etc. There are no formal offices and no designated sitting spots. DiGizens are encouraged to sit where it makes most sense for our business functions based on the task at hand, thereby putting the task and the team at the centre of what we do.



Work Life Balance

The work life balance of our DiGizens is further improved by initiatives such as our "Work@" programme, which offers a conducive work culture that is flexible, productive and mobile. Recognizing the unique demands of new mothers, we also provide an option to extend maternity leave by an additional 2 months to the Government mandated 2 months, in addition to the standard medical, travel and leave benefits given to all employees.

Choices of alternative ways of work are also made available for selected employees who have special needs. To encourage a healthy lifestyle and to enable DiGizens to inculcate teamwork, a variety of sporting and exercise activities are held at D'house (DiGi's headquarters) as well.

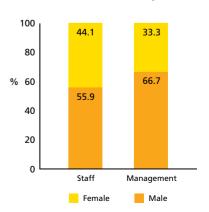
Career Development

The career development of our employees is summarized under "D'Plan", which aims to ensure every employee has an individual development plan that includes self-assessment; personal and career aspirations as well as development requirements; 360 degree assessments and peer inputs - all distilled into a running 3 year plan. All D'Plans are categorized in the 3E's – Education, Experience and Exposure, to ensure there is balance and sufficient focus in all the three aspects that we believe are important for the well rounded development of our workforce.

Work Life Balance



Gender Diversity



A Great Place to Work





Open Minds, Open Hearts

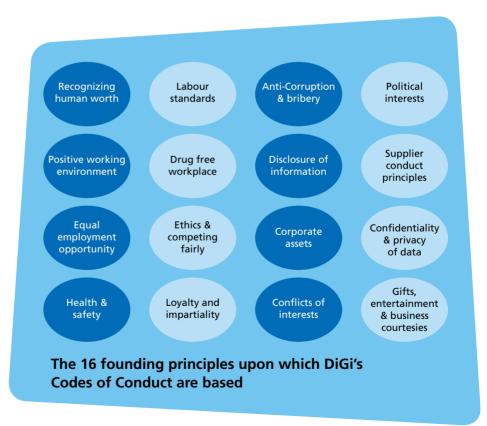
Our "Open Minds, Open Hearts" programme empowers the physically challenged community and reflects our sustainability philosophy of creating a work environment that inspires and stimulates our employees by providing those with special needs, equal benefits as well as career and growth opportunities. To ensure the mobility and safety of our physically challenged employees, D'House was designed to cater for their special mobility needs. To-date, we have employed a total number of 10 People With Disabilities (PWD's) and have plans to extend this program in the coming years.

Corporate Governance

Code of Conduct

Based on 16 fundamental principles, our Code of Conduct defines who we are as a corporate citizen and how we operate by reflecting our values as a company, the ethical standards we live by, and how we interact with our stakeholders in everything that we do. It prevents conflicts of interest by defining the parameters between personal and work life, while protecting the privacy of our employees and the integrity of the company.

The Code of Conduct applies to our Board Members and all our DiGizens who have certified in writing that they have read and understood the code. The Code of Conduct also promotes compliance by requiring transparency. A key initiative in this regard is the



A Great Place to Work

Whistleblower programme that allows employees or external parties to report any suspected non-compliance of the Code without fear of retribution or retaliation. Our Health, Safety, Security & Environmental (HSSE) policies make good business sense because they promote a fair and open process according to stringent definitions which are applied to all our partners, and improves the working conditions for our people and the thousands of others who work along with us in Malaysia.

Additionally, we introduced a Supplier Code of Principles for compliance that is mandatory for all suppliers, and is in line with the United Nations' Millennium Development goals. By doing our part, we believe we can help contribute towards the 2015 deadline.

Health, Safety, Security and Environment

We conducted a framework review of our high-risk suppliers in relation to Health, Safety, Security & Environment where non-compliance is identified and highlighted for rectification. This is an on-going process as we seek improvements through periodic audits of high-risk suppliers.







Working towards the UN
Millennium Development Goals

PERFORMANCE BENCHMARK

ISO 14001 specifies the actual requirements for an environmental management system. It applies to those environmental aspects, which the organization has control and over which it can be expected to have an influence.



This standard is applicable to any organisation that wishes to:

- implement, maintain and improve an Environmental Management System
- · assure itself of its conformance with its own stated environmental policy
- ensure compliance with environmental laws and regulations
- seek certification of its environmental management system by an external third party organization

We are putting in place an Environmental Management System (EMS) based on ISO14001 requirements. We also plan to obtain ISO14001 certification for D'House in 2010.

Caring for the Environment

Our climate change ambitions under the Deep Green programme aim to:

- reduce our carbon emissions by 50% by 2012
- jointly work with our external stakeholders to reduce our shared climate impact.

Network

- Genset to grid conversion
- Base station capacity sharing
- Common power sharing
- Optimizing cabin temperature

Buildings & I.T.

- Energy efficient lighting
- Building maintenance
- Automation systems

Reduce 50% CO2 emissions



Deep Creen

shared climate impact

Monthly employee

engagement activities

• WoW & Work@ program

Employees

Workplace

- Carpooling program
- Paperless workplace
- Active 3R practices
- "No styrofoam" rule

Vendors & Suppliers

- Green procurement
- Eco-premiums and corporate gifts

Customers

- E-billing
- Reduced packaging of SIM packs
- Handset recycling
- Reduce plastic usage in roadshows

Community

- C4C University Challenge
 - Renewable energy for underserved communities
- C4C investment for underserved community





Deep Green

Our Deep Green strategy maps out a holistic approach towards addressing climate change. Deep Green does not just apply to our internal operations and our employees as it also encompasses our entire business operations. At DiGi, our CEO has taken a leadership role on our climate change program. He, along with the rest of the DiGi Management Team spearhead many of the initiatives and programs that we have embarked upon. Quarterly updates on progress are made to the Management Team, who in turn update the Board quarterly on Deep Green achievements and issues.

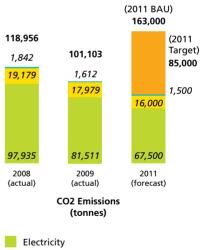
Achievement of the "Deep Green" ambition is embedded in our DNA as evidenced by the inclusion of climate targets in our non-financial KPI's, upon which we are assessed. It makes good business sense for us by driving change, shaping the future and leading by example when it comes to conducting ourselves in a sustainable and ethical way, while raising the bar for our partners as well. As at Q4 2009, we reduced our carbon emissions by 18,000 tonnes of CO2 from the previous year – a healthy percentage and making significant progress towards our 50% target reduction. Our key efforts were directed at being more energy efficient by switching to alternative sources of electricity, using more energy efficient lighting and reducing hours used for air conditioning and lighting.

Making a Difference

We strongly believe that it is only through the mobilization of our workforce, our DiGizens that we will be able to achieve the lofty targets we have set. As such a number of workplace initiatives have been introduced to reduce our personal carbon footprint. These include employee carpooling, Way of Work (WoW) and the Work@ programmes which have successfully reduced business travel by allowing virtual or remote meetings. We also actively operate a paper(less) working environment and all our internal administrative systems are electronic, thereby (almost) eliminating paper use. Within the office environment we are also encouraged to separate our waste. To ensure we are aware of the impact and effects of climate change, regular education and awareness sessions are held.

CO2 Emissions Target

DiGi's Deep Green aims to reduce our 2011 CO2 emissions by 50% based on 2011 BAU





Caring for the Environment



Our Partners

But beyond this, we are also seriously looking at how we can change the mindsets of our partners and suppliers, to conform to the principles that we live by – specifically our commitment to Deep Green. While as a company, we can provide training and directions internally and set specific codes to which our employees have to abide, greening the procurement process is a little bit more complicated.

But nobody said it was going to be easy! We are very much aware that a concerted and persistent effort is needed to convince external parties. To a certain extent, we have already started greening our procurement processes. We have included in our Supplier Code of Principles a "green procurement" criterion for sourcing exercises

above RM500,000, which carries a 20% evaluation weightage on issues relating to the use of environmentally friendly products and materials, waste disposal management and the recycling of waste material.

We encourage all our partners to look into these issues, and award them "extra credits" should they be able to do so. At this stage, we believe the approach has to be educational and one of encouragement rather than strict compliance to specific requirements. We are pleased to note that based on feedback from our various departments, our vendors had few problems meeting this criterion. Indeed, a growing number recognise the fact that the environmental qualities of their products and services can be a competitive advantage in courting and maintaining relationships.

PERFORMANCE BENCHMARK

StarBiz-ICR Malaysia Awards

An initiative between The Star and Institute of Corporate Responsibility (ICR) Malaysia, together with its partners, the Association of Chartered Certified Accountants (ACCA), PricewaterhouseCoopers and the Securities Industry Development Corporation. It focuses on assessing all the elements, which make up how a company conducts its business and provides a systematic approach to evaluating the performance of Malaysian companies, and takes into consideration issues of governance and ethics.

In 2009, DiGi was awarded the Corporate Responsibility Award in the Environment Category.



Our Customers

The external environment also includes our customers, arguably our most important stakeholder. In a highly competitive industry such as ours, it is only expected that customers be driven by price in making their choices.

In the real world, especially during times of economic difficulties, the cost factor becomes a major consideration. Thus it is important that we remain competitive. Our Deep Green processes should not be a reason for higher prices; instead it should differentiate us from our competitors. And if we can get our customers to appreciate and be affected by what we are doing, they will recognise the value of our brand for that.

However, corporate and business strategies are often invisible to the customer as their interaction with the Company and the brand is mainly through the products that they use and the promotions that they partake in. We have introduced initiatives such as providing default e-Billing to post-paid customers and online delivery of services via branded pre-paid service, such as online registration and reloads.

Additionally, we provide products and services that have a positive environmental impact. For example, DiGi Music, which allows unlimited music downloads for only RM5/month, helps in the dematerialisation of music, through the reduction in purchases of physical CDs, which translates to lower production of CDs or any physical item that results in the emission of CO2.

Continuous Improvements

But despite our efforts in the course of implementation of Deep Green, there have been incidents where we failed to comply with our ambition or relevant environmental legislation. An instance is when we were penalized for excessive carbon monoxide emissions from one (1) of our company vehicles. Although this represents less than 0.4% of our fleet of 260 vehicles, it was nevertheless unacceptable, and we have since rectified the problem and instituted processes to service and monitor carbon monoxide levels of all our vehicles on an annual basis.

But incidences like this have reminded us on the need for continuous improvements in all our business processes. To ensure we do not miss out on the smallest detail, we are in the process of putting in place an Environmental Management System based on the ISO14001 requirements. Additionally, we have also put the wheels in motion towards obtaining ISO14001 certification for D'House in 2010.

Nevertheless, DiGi has been duly recognised for its green efforts, winning the award under the environment category at the StarBiz-ICRM Awards 2009. While awards and recognition are not part of the objectives of Deep Green, nor is an objective measurement of our efforts, it is nonetheless gratifying that our efforts are recognised by our peers.

Caring for the Environment











"The Challenge for Change is a very, very good program. For one, it does inculcate awareness from a very young level.

The Challenge for Change has tackled it (Climate Change) at the root. We are attracting a lot of interest from university students who will take the lead in making things better as a whole for our country."

MOHAMED AZRIN MOHAMED ALI (TNB Research)

The Deep Green Challenge for Change ("C4C")

The "Deep Green" philosophy is also shared with the community through events such as the Deep Green Challenge for Change ("C4C"), which is a competition organised together with project partners Ericsson, Intel, TNB Research, and the Energy Commission of Malaysia, for university students to showcase applications of renewable energy solutions for under-served communities in Malaysia.

C4C reaches out to the Malaysian youth from participating local universities to discover viable energy solutions, with the winners getting the opportunity for their solutions to be potentially incubated, developed and commercialised by us and our partners.

Developing Communities

In partnership with community group PACOS (Partners of Community Organisations) we have invested in building a micro-hydroelectric system in Lumpagas, a 35 household

Caring for the Environment









under-served community in Pensiangan, Sabah. This community only has access to limited electricity generated through the use of diesel generators. The supply of electricity will reduce the dependency on diesel generators and trees as firewood for the household, thus offsetting the trend of open burning and the emission of greenhouse gases and toxic pollutants that contribute to the climatic changes in the region and the poor health of the communities.

Furthermore, the proposed project has the potential of educating, motivating and committing the villagers to the preservation of the forests and the conservation of the biodiversity within the vicinity of the village.

Another community programme to bring understanding of the impact of climate change to communities across Malaysia is the Mangrove Treasures of Kuala Selangor in partnership with Malaysian Nature Society, to educate school children from 6 local schools on the need for conservation of our natural resources.

Evaluating our Community Engagements

We have come a long way from community-based initiatives to reach Deep Green. The journey has taken a shape of its own, and we believe that Deep Green is something that we need, and the country needs. This is the only way we can ensure dynamic and sustainable results for Malaysia. We are committed to address climate change effectively within our own sphere of influence, and believe that through our previous engagements with the various communities in the country we have built relationships that will help us achieve our climate-change agenda together.

While we believe that our initiatives have brought benefits to the communities we engage with, there were no formal processes to measure the effectiveness and success of the projects. This is an area that we will be addressing in the coming years.

Growing with the Community

We are doing our part to improve the lives of the communities around us. We want to shape an agenda that is important to society at large.

DiGi



Beyond environmental concerns, we are also doing our part to improve the lives of the communities around us. We want to shape an agenda that is important to society at large. Our core belief is that the entire management team should drive and own the sustainability programmes. With commitment from management, we have successfully incorporated sustainability into our business and have been able to influence the communities we engage with.

DG Family Plan

Being a good corporate citizen is more than just charitable giving, although we still do our fair share of that. Beyond the charities, we also constantly evaluate how our products and services can empower and prompt our customers to contribute to the causes we believe in. We make a conscious effort to provide our customers with services that are easily understood, convenient and flexible as well as offer maximum benefit and value. An example is the DG Family Plan, which sees Postpaid and Prepaid numbers consolidated under one plan. Launched in July 2009, the DG Family Plan is an industry-first; an innovation that gives post-paid customers the flexibility to include up to three (3) pre-paid supplementary lines in their preferred family package. We are the first to offer a comprehensive family-centric value proposition for greater savings for the entire family.





DiGi Yellow Army

Youth development has also received our attention as we embarked on multiple initiatives to inculcate positive values and leadership qualities for our nation's future. DiGi's Yellow Army is our student ambassador programme in which we engaged more than 500 students from 18 university campuses nationwide as our youth consultants as well as our brand marketers. In the programme, they are exposed to motivational and leadership training sessions – an effort to make these young students more market ready upon graduation.

Read. Action. Play. (RAP)

Our RAP project is an initiative endorsed by the Ministry of Education and supported by various partners to encourage reading among primary school children through fun and creative drama. Primary six students from schools throughout Peninsular Malaysia translate their readings of children's favourite stories into 15-minute action plays.

RAP provides a platform for these children to read and express themselves in English and to use their imagination to make stories come to life in a fun and interactive way. The initiative engages the children collectively in staging the plays - besides those who act in the play, other children are also involved in the making of props and costumes.





Growing with the Community









Reaching Out to Malaysians

As a responsible organisation we also continuously pursue our Universal Service Provision (USP) obligation by providing access to basic telephony communications to the USP districts where DiGi is the designated service provider. To date, we have provided about 5,000 household lines and more than 200 payphones to more than 7 under-served districts in Malaysia, connecting thousands within the Malaysian population. We will continue to work alongside the Malaysian Communications and Multimedia Commission (SKMM) to grow and provide the USP services to more communities in rural areas.

In 2009, we commenced operations of our first Community Broadband Centre (CBC) located in Lundu, one of the 13 CBC sites provisioned to DiGi. To be officially launched in 2010, the CBC, which provides communities in under-served areas access to unlimited information and educational resources via the Internet as well as sustainable programmes to suit the local community's needs, is part of a five-year project initiated and awarded by the SKMM. The CBC project will be developed in stages following the successful deployment of the Lundu centre.





Edge-Bursa Malaysia Rat Race

A highlight of the year was our RM200,000 contribution to send 15 teams to participate in the annual Edge-Bursa Malaysia Rat Race, the proceeds of which go to charity. The enthusiastic response is testimony to the commitment of our employees to give back to the community.

Love to Save Campaign

This campaign was unique in that we were able to engage with our customers, and support charities of their choice. The idea was for DiGi to donate RM5 for every vote by the customer. RM150,000 was raised in 30 days for 14 charitable organisations.



"I believe I speak for all when I say that this innovative fund raising effort was timely during these difficult times. Thank you DiGi."

IVY JOSIAH, Executive Director, Womens' Aid Organisation

DiGi in the Marketplace

We are passionate about exceeding customer expectations, and for us, innovation is about bringing meaningful difference to customers by making our mobile and Internet services relevant, easy and affordable.

"Two days ago, DiGi.Com Bhd apologized to its customers for service disruptions that lasted just over two hours. To compensate for the inconvenience, users were offered 50% discount on airtime.

That is goodwill and kudos to DiGi and its CEO, Johan Dennelind for doing it the right way by taking the matter seriously, thereby ensuring its customers stay loyal. We can only wish there will be more celcos and telcos which realize that their services are bad, be it mobile and/or broadband services, and try to improve on their customer experience."

B.K. SIDHU, The Star, 29th May 2009



Our Commitment

Our workplace initiatives aside, our products and services still need to meet the expectations of our customers. Through our engagements with our customers we are able to identify and resolve issues that they have. This is an on-going process and part of our Excellent Customer Experience (ECE) initiative, where we strive to provide the services that our customers want; obtain feedback on new and innovative products; as well as listen to the issues they have when using our products and services.

Via these feedback mechanisms we continuously improve and enhance our service offerings. An example of how we have used customer engagements to improve our product offerings is the value-added benefit of free RM10,000 Personal Accident (PA) insurance we offer to all our subscribers. Surveys conducted, revealed that a large number of our customers do not have PA coverage for a number of reasons including complexity of process. We simplified the process by providing automatic coverage to DiGi mobile customers.



Customers do not welcome surprises in the form of charges and clauses "hidden" in the fine print. We advocate transparency in our pricing and endeavour not to surprise our customers with hidden charges.

The DiGiREMIT Service meanwhile, allows customers to remit money overseas or vice versa via a simple SMS message. This is especially useful to customers who have children or members of family who live or study overseas or in remote areas of countries where banks are not easily accessible.

We also provide multi-lingual Interactive Voice Response (IVR) for our customers who find it easier to converse in their own mother tongues. Currently we offer 6 language options including Mandarin, Bengali, Indonesian, Tamil.

As part of our commitment to our customers, we aim to always provide a reliable uninterrupted service. While we are occasionally unable to prevent unplanned outages, we take full responsibility and measures to rectify the situation immediately. In 2009, these measures included compensating our customers with a 50% discount on all pre-paid calls for a 12 hour period caused by a severe outage the previous day.

We believe it is imperative that we constantly exceed the expectations of our customers and we are making good progress to this effect. In 2009, we took the top spot in the category of

"innovation in responding to customers needs" in the Wall Street Journal Asia's 200 Most Admired Companies survey for the third year running. Alongside, we were voted the 3rd Most Admired Company in Malaysia by Wall Street Journal (Asia) and also received the Merit Award and Best CSR Practices on the Malaysian Corporate Governance Index by Minority Shareholders Watchdog Group (MSWG).

We are delighted with this recognition and will continue to push the boundaries in ensuring excellent customer experience. We are passionate about exceeding customer expectations, and for us, innovation is about bringing meaningful difference to customers by making our mobile and Internet services relevant, easy and affordable.

PERFORMANCE BENCHMARK

The Wall Street Journal Asia's 200 Most Admired Companies

DiGi climbed another spot from 2008 to No. 3 in the Most Admired Companies in Malaysia category.

Moving Forward

Looking forward, we see another exciting and challenging year ahead. We are progressing well with our plans to grow the business and remain fully committed to the objectives and targets that we have set out to achieve. Some of our key plans for the immediate future include:

Climate Change

- Meeting our target to reduce 50% CO2 emissions by 2012.
- Commissioning our Technology Operation Centre in 2010.

 Establishing a formal Environmental Management System (EMS) with ISO 14001 Certification.

Responsible Operations & Business Practices

 To be the first telecommunications company in Malaysia to achieve ISO 14001 Certification.

Empowerment Through Access

- Officially launch our first Community Broadband Centre (CBC).
- Develop the remaining 13 CBC sites provisioned to DiGi.

Community Engagement

- Conclude and recognise the innovative solutions from the Deep Green Challenge for Change competition.
- Launch Phase 2 of Deep Green Challenge for Change competition to discover new applications of renewable energy solutions for communities in Malaysia while encouraging awareness of climate issues and getting greater participation amongst Malaysian youth to engage in solutions to address this universal challenge.



Performance Data – extract of selected data that relate to our sustainability priorities. Through our future stakeholder engagements, we will refine these elements such that they provide the information that is considered useful by our various stakeholder groups.

DiGi's performance data in the following pages is segregated to reflect the pillars of our sustainability priorities:

	Integrity & Empowerment					
	Initiative	Objective	Target	Progress (2009)		
1.1	Employee Code of Conduct (CoC)	All employees to be aware of the CoC and its requirements	100% of employees and management annually	Signed by all employees and board of directors 100% participation		
1.2	Anti Corruption Policy	Awareness and training programme for employees	ining be trained annually 100% of employees to be trained annually 100% of employees to staff trained to date in workshops 100% of employees to staff trained tra		ogramme for be trained annually staff trained to date in worksh	
1.3	Integrity, Compliance and Whistleblower programs	Awareness of all compliance programs Ensuring all employees are trained	Nationwide training of employees. 100% of employees to be aware of : *Integrity Hotline *Speak Up program (Whistleblower) by 2010	More than 1000 employees trained to date in workshops 50% participation Workshops conducted in all 17 offices nationwide		
1.4	Health, Safety, Security and Environment	Awareness and implementation of HSSE compliant procedures	100% of employees to acknowledge policy. Implementation of HSSE measures to ensure compliance	Compliance to ILO Guidelines for Occupational Safety and Health Management Systems HSSE policy signed by all employees – 100% Conducted HSSE awareness week (temperature scanning, H1N1 talks, road safety, medical surveillance, CPR, fire evacuation drill) Quarterly HSSE audits at buildings Working at Heights & fire mitigation training and certification HSSE detailed handbook developed specifically for Technology Division		

	Initiative	Objective	Target	Progress (2009)	
1.5	Supplier Conduct Principles (SCP)	All suppliers engaged by DiGi must comply with the SCP	Systematic program to work with suppliers in a constructive and cooperative way to achieve responsible business conduct. 100% compliance of suppliers	 All suppliers aware of our SCP and Supply Chain Business Assurance SOPP Basic requirement to agree and sign before contracting with DiGi Conducted Self Assessment Questionnaire (SAQ) for 46 principal suppliers Regular Supply Chain, Health, Safety, Security, and Environment Assurance (HSSE-A) program with all suppliers to monitor and follow-up with the Supply Chain Business Assurance 	
1.6	Intellectual Property (IP) Management Policy	To protect the intellectual property of DiGi	Awareness of all affected levels of employees	 IP Management policy & procedure in place IP awareness session at D'House 	
1.7	CR Performance Review	To drive long term shareholder value through increased accountability and transparency	CR practices are inline with recognised (global) practices	Engaged PriceWaterhouseCoopers in 2009 to conduct a CR performance review against GRI, ISO 14001 & GHG Protocols across the company with a view to continuously improve practices and to benchmark ourselves with other major telcos	
1.8	Work Life Balance	Empowering employees through the provision of flexible work arrangements	Comprehensive choices for employees for alternative ways of work. Extended maternity leave benefits	1200 employees on Way of Work tool (utilising telecommunications to enable virtual working methods) and ongoing practices of Work@ and Flexi hours 53 mothers are on or have taken up the extended maternity benefit (since 2007). A significant number continue to utilize the nursing room facility at D'House	
1.9	Training	Provide training to develop employees	Capacity building	Total of 41,775 hrs in conferences & training - Training Investment = RM4,170,495 HRDF Contribution = RM750,265 HRDF Amount Claimed = RM1,339,418	
1.10	Career & Development	Provide & sponsor career and development plan (D'Plan) where staff aspirations meet DiGi's capability requirement	For all employees to build a 3 year development plan to achieve their career aspirations	D'Plan launched in mid 2009, more than 1,715 employees with complete appraisal dialogue and follow up with supervisors and more than 1,196 have an active written D'Plan to help them achieve their aspirations	

	Initiative	Objective	Target	Progress (2009)	
1.11	Employee Engagement	To actively seek input from employees to ensure a positive, rewarding corporate culture	Annual Internal Value Creation (IVC) survey conducted by independent party	Conducted IVC with 90% participation and review of responses and feedback from employees to actionable items including focus groups In the last 5 years, the employee participation rate in the IVC has been at an average rate of 90%	
1.12	Employment Diversity	To employ Persons with Disabilities (PWD) as a source of talent	Provide equal working opportunities and transition training and development	10 PWD's hired to date (from 2008) in Customer Service and Corporate Affairs	
1.13	Gender Diversity	To be an equal opportunity employer	Maintain a reasonable level of diversity across gender and levels of staff	Staff – M (55.9%), F (44.1%) Management – M (66.7%), F (33.3%)	
1.14	Racial Diversity	To be an equal opportunity employer	Ensuring no bias or preference is shown across racial lines	Chinese Indian Malay Others Staff 45.5% 15.2% 34.5% 4.8% Management 33.3% 11.1% 22.5% 33.1% Total employees at 2,211 as of Dec 2009 Diverse nationality includes Malaysian, Swedish, Norwegian, Danish, German, British, Indian, Bangladeshi, Pakistani, Singaporean, Indonesian	
1.15	Internship	Internship programme to provide practical learning experience and to encourage talent identification and development	To obtain talented resources as well as opportunities to encourage employment	DiGi took in a total of 46 interns. Internship durations ranging from 2 to 6 months in various divisions DiGi hosted 3 trainees for a 6 month attachment to the Telenor Global Trainee Programme Employees also participate in placement programs, where they are seconded to other companies within the Telenor group for 3-12 month periods	
1.16	Excellent Customer Service (ECE)	 Employees to understand issues and solutions to Customer Service Maintain a high level of Customer Satisfaction Index 	 Conduct awareness programmes for all employees Conducting ongoing training for Customer Service employees 	 Conducted Customer Discovery workshops and a Customer Service Immersion Programme (4 weeks) for 100% of employees Customer Satisfaction Index sustained at 	

			Climate Change	
	Initiative	Objective	Target	Progress (2009)
2.1	Electricity Consumption	Reduce consumption of electricity	154.4 GWh	138.1 GWhEnergy efficiency initiatives in networks, facilities and solutions
2.2	Waste Reduction	Reduction of waste to landfill	Less than previous year 2008 - 267 tonnes of waste 2008 - 0.06% total waste recycled	 2009 - 60 tonnes 2009 - 27% total waste recycled Recycle bins instead of rubbish bins in office Recycle bins in carparks for employees to bring from home e-waste bin to recycle hazardous waste No styrofoam rule in office since 2007
2.3	Paper Consumption	Reduce consumption of paper	Less than previous years consumption 2008 : 2.4 mil sheets	 2009 - 1.7 mil sheets Individual employee passwords for printing and default double sided printing all envelopes and letterheads made from recycled material Policies & procedures migrated to electronic systems (employee leave & claims, facilities booking, human resource policies & services)
2.4	Diesel Consumption	Reduce consumption of diesel	Less than previous years consumption 2008 : 7.24 mil litres	2009 - 6.27 mil litres
2.5	Petrol Consumption	Reduce consumption of petrol	Less than previous years consumption 2008 : 1.04 mil litres	2009 - 0.45 mil litres
2.6	Mileage	Reduction of business travel and flights	Less than previous years consumption 2008 : 11.8 mil km	2009 - 10.0 mil km
2.7	Water Consumption	Reduce consumption of water	Less than previous years consumption 2008 : 49,000 m ³ for 35 buildings	2009 - Consumption of 49,000m³ for 46 buildings

	Initiative	Objective	Target	Progress (2009)
2.8	Technical Initiatives	Initiatives to improve energy efficiency across all aspects of our network operations including Mobile Switching Centres (MSC), Base Station Controllers (BSC) and Radio base stations as well as our data centres and office buildings	Develop, trial and implement successful initiatives	 Energy audits at MSCs for efficiency Solar panels to power mobile transmission stations Pilot projects to use hydrocarbon gases Precision air conditioners/humidifiers in data centres Pilot energy saving project using 'Matrix' power saver device Increase temperature by 2 degrees in 294 base transmission stations nationwide Common power sharing Shutdown of unused transmission units Diesel generator size reduction Diesel generator sharing Transmission capacity sharing Swapping of equipment to energy efficient equipment by reducing asset lifecycle Conversion of 38 gensets to grid electricity D'House fully converted to energy saving and T-5 ballast lighting
2.9	Commercial Initiatives	Reduce packaging and paper use	Continuous innovative efforts	 Reduction of packaging and size for reload cards & SIM packs Minimal use of POSM at DiGi outlets via the use of plasma screens Reduction of use of balloons and helium at roadshows No styrofoam rule and reduced plastic usage at roadshows Eco friendly premiums and tote bags e-greeting cards service for subscribers
2.10	Handset Recycling	Provide customers with a channel to properly dispose of e-waste	Provide bins and collection at all DiGi Centres	Handset recycling bins available at all 20 DiGi Centres nationwide
2.11	Electronic Point of Sales	Reduce printing and usage of paper and hardcopy brochures	Continuous implementation and expansion of this solution	 Retail touch points with touchscreen units to showcase our products and services and FAQs Touch screen units on power save mode unless in use

	Initiative	Objective	Target	Progress (2009)
2.12	Customer billing & registration	Reduce paper bills via E-billing & registration	E-billing campaign in support of WWF's Kinabatangan Corridor of Life project	 E-billing tie-up with WWF ending March 2010 8.5% of post-paid base unsubscribed from paper billing by end 2009 Simplification to reduce pages for post-paid registration forms
2.13	Paperless Personal Accident (PA) Insurance (Free and Paid)	Reduce paper consumption by offering paperless PA insurance	Adoption by customers	Approximately 19,000 reams of paper avoided
2.14	Green procurement (GP)	Incorporate environmental considerations into all our purchasing and investment decisions	Environmental considerations for all Request for Proposals (RFQ)	 Conducted GP workshop for procurement employees Environmental consideration of 20% in all RFQ's and vendor selection requirements
2.15	Earth Hour everyday	Reduction of energy consumption	Reduced hours for a/c and lighting : 70% of office lights switched off at lunch time daily	Daily lunch time lights-off: since 27 March 2009. (1.5hrs off at 260 days per year) =38,215kWh/year equals to saving around 63 tonnes of CO2 emission
2.16	Carpooling	Reduction of travel	Encourage more employees to carpool	 More than 500 employees in carpooling programme Shuttle services to KTM, LRT and Klang Valley by vans Fleet cars with NGV kits
2.17	Employee Engagement	Awareness of Climate Change issues	Regular awareness campaigns, education and newsletters. Communication of latest updates on targets and initiatives via Intranet and internal plasma screens and Town Hall sessions	 Earth Hour, Earth Day and World Environmental Day campaigns and activities Eco-movie screenings by Eco-knights and National Geographic. Environmental protection talks. D'Spring recycle and reuse charity drives in all regions Tree planting and beach cleaning employee engagement activities, garbage enzyme workshops Deep Green Focus Groups Sustainable Transport Option Programme (STOP) survey with NGO partner - CETDEM

		Co	mmunity Engagemen	t
	Initiative	Objective	Target	Progress (2009)
3.1	USP Community payphone and fixed lines	Provide communication services to under-served rural communities	Provision of USP services as awarded by MCMC	DiGi provides (200) payphones and (5000) phone lines to (7) USP districts
3.2	USP Community Broadband Centre (CBCs)	Provide communication services to under-served rural communities	Provision of USP services as awarded by MCMC	Commenced operations at CBC Lundu in 2009
3.3	Community Outreach	A university competition for renewable energy solutions - The Challenge for Change (C4C)	15 engineering teams from 8 universities	Kick-off with seed funding, boot-camp and mentoring sessions (finale in March 2010)
3.4	Community Outreach	Generate clean electricity for under-served communities	Project in partnership with NGO partner - PACOS to build a micro- hydro project	Invested in a micro-hydro project in Lumpagas, Sabah to be completed in 2010
3.5	Community Outreach	Community programme on climate change - Mangrove Treasures of Kuala Selangor(MTOKS)	Engage and educate young people on climate change in partnership with MNS	Outreach program conducted for 120 students from 6 schools in Kuala Selangor
3.6	Community Outreach	DiGi's Yellow Army Leadership & Motivational camp to inspire mindset change in undergraduates & to develop great team leaders	Continue to maintain and expand programme in universities nationwide	In 2009, there are approximately 500 Yellow Army students in 15 universities nationwide

	Initiative	Objective	Target	Progress (2009)		
3.7	Community Outreach			LEAP session with 63 students focusing on current issues in the working world		
3.8	Community Outreach	Read.Action.Play (R.A.P.) Programme to encourage reading among primary school children via action plays	Engage primary schools throughout Peninsular Malaysia	Engaged with approximately 20,000 students from 70 schools		
3.9	Charitable contribution : Love to Save Campaign	ion: to a charity, for each to be donated to 14 ave click, by campaign charities in 30 days		RM150,000 donated to 14 charities		
3.10	Charitable contribution : Edge Bursa Malaysia Rat Race	charitable causes		RM200,000 raised and 176 DiGizens participated		
3.11	Free Personal Accident Coverage	Free PA insurance coverage for death and permanent disability, insured sum of RM10,000	Continue to provide free coverage to DiGi subscribers	More than 650,000 DiGi subscribers are covered under this plan		
3.12	DiGiREMIT	International fund transfer service through mobile phone	Continue to provide service at an affordable fee to the public	Introduced in 2007, DiGiRemit allows remittance to selected South East Asian countries		

Feedback Form

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This is DiGi's first sustainability report and we welcome your feedback to help us improve our sustainability performance and our future reporting. We appreciate your time in sharing with us your views and returning this form by fax, mail or email. An electronic version of this form is available at our website http://www.digi.com.my/aboutdigi/cr/cr index.do

for	m is available at our websi	ite http://www.digi.com.my	//aboutdigi/cr/cr_index.do		
1)	Your view on our:				
	Performance	☐ Excellent	Good	Fair	Poor
	Reporting Quality	☐ Excellent	Good	Fair	Poor
2)	If you chose Excellent or C	Good in Question 1, what c	did we do well in? (you may	choose more than on	e)
	Performance	☐ Integrity and Empow Others:		Change Co	ommunity Engagement
	Reporting Quality	Conciseness Others:	☐ Design & Layout	Readability	☐ Credibility
3)	If you chose Fair or Poor i	n Question 1, what areas d	o we need to improve? (yo	u may choose more th	an one)
	Performance	☐ Integrity and Empow Others:	rerment	Change Co	ommunity Engagement
	Reporting Quality	Conciseness Others:	☐ Design & Layout	Readability	Credibility
4)	Your view of our content				
	Depth	Suitable	☐ Too detailed	☐ Too brief	
	Coverage	Suitable	☐ Too detailed ☐ Too brief		
5)	Any other comments/sug	gestions?			
_	tention To: Ms Vimal L Ku Head, Corpora DiGi.Com Berl	ate Responsibility had			
	Lot 10, Jalan Delima 1/1, Subang Hi-tech Industrial Park 40000 Shah Alam, Selangor Darul Ehsan, Malaysia Tel: 03-5721 1800 Fax: 03-5721 1857				
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