

# Inspiring Your Digital Life

Sustainability Report 2016



LET'S  
INSPIRE

Making it easy is one of the core values of the Telenor Way, and this is what we have attempted to in this sustainability report. It may look simplistic, but embedding sustainability at Digi is anything but that.

Our sustainability report is to communicate transparently with stakeholders on our sustainability initiatives. We welcome stakeholders to engage on issues raised or indicate information they would like to read about in our future disclosure.

Visit [www.digi.com.my/sustainability](http://www.digi.com.my/sustainability) to view the online version of this report.



# CONTENT

4

CEO'S MESSAGE

5

ABOUT DIGI

7

SUSTAINABILITY  
GOVERNANCE

10

STAKEHOLDERS

11

ETHICS AND COMPLIANCE

13

WINNING TEAM

16

CLIMATE CHANGE  
AND ENVIRONMENT

18

EMPOWER  
SOCIETIES

21

DATA

REPORT SCOPE

GRI

# CEO's MESSAGE

Welcome to Digi's 2016 sustainability report. Our sustainability report is a platform for stakeholders to gain a deeper understanding of our efforts to be a responsible business and to empower societies. We welcome engagement on these sustainability issues to ensure our business is built for the future.

Sustainability at Digi is seen in the context of our overall business ambition, which is to be our customers' favourite partner in digital life by 2020. We commit to achieving this by operating in a responsible manner, assembling a winning team that engages, understands and develops innovative digital services that is delivered on an efficient network to our customers.

The mobile internet is increasingly the basis upon which we integrate the world to the many opportunities that advances the way we live, work, learn, share, and solve societal challenges to create a better future. We want everyone to leverage on the benefits of a digitally connected world, as we believe that a connected society is an empowered society.

Demonstrating responsibility and accountability remains at the core of being a sustainable business. Our Code of Conduct outlines our expectation of all Digizens, and we mandate training to drive a message that we won't compromise on integrity. The launch of a third party independent hotline for Digizens, supplier and stakeholders to speak up on any non-compliance to our Code, has contributed to an increase in incidents reported.

As we connect more customers to the internet, ensuring the privacy of our customers' is protected is even more important. We have invested significant resources and training to strengthen

governance, and ensure robust privacy protocols are in place.

We continue to enable a working environment that allows our employees the freedom to inspire the next. Our inclusive culture continues to elevate gender diversity in our leadership team and across our organisation. A suite of apps help Digizens to connect and stay engaged. We invested in three digital learning platforms to allow learning by anyone, at anytime, from anywhere. We launched multiple innovation platforms that have received overwhelming response from Digizens who want to be part of our digital transformation.

Our commitment to responsible, fair and safe workplace extends to the over 75,000 individuals estimated to be working in our supply chain. The rollout of the Digi Permission to Work app has allowed us to be more effective in governing the performance of safety in our supply chain, and help to uncover more cases of major non-compliance by our contractors.

We remain steadfast to continue exploring cost efficient technologies to reduce our carbon emissions. Our goal is to stabilise the energy consumption in our network while growing our market share. With the ratification of the Paris Agreement to address climate change, our industry can play a significant role to enable reduction of carbon emissions in other sectors by rolling out digital solutions.

Our aim to create a more sustainable future for everyone enabled by connectivity has seen us strengthen our community impact programmes. We took a deeper position on online child safety and our CyberSAFE programme by working with partners to organise forums and events. Aided by the launch of several new innovative digital platforms, we were able to help scale the

reach and impact of these programmes to reduce inequalities in various aspects of society.

These sustainability practices are guided by a sharpened framework in 2016 mapped against the Sustainable Development Goals (SDG), a landmark global commitment of 17 goals to collectively end poverty, protect the planet, and ensure prosperity for all by 2030. We have prioritised SDG 10 to reducing inequalities, by leveraging on our digital competencies to build a sustainable world for all.

Our sustainability leadership efforts are deeply embedded in our business strategy, and a way of doing business that will continue to have the highest attention of our Management team. This underscores our determination to be a trusted company, delivering services to our customers that guarantee their safety and privacy, creating an inclusive, digitally-enabled and development-focused workplace for our people, building trust with our stakeholders across our supply chain grounded in our zero tolerance policy on corruption and HSSE compliance, digitally empower communities while ensuring the cybersafety of our children, and respectfully manage our impact on the environment. We remain steadfast to continue setting the standard of excellence and industry leadership in this area, and look forward to working with partners who share in our commitment to high standards of integrity, and vision of building a connected and empowered society.

**Albern Murty**  
Chief Executive Officer



# ABOUT DIGI

Our ambition is to be our customers' favourite partner in digital life.

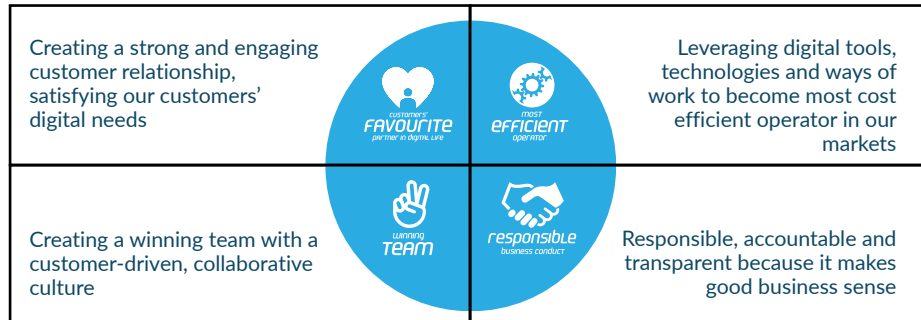
We are a mobile telecommunications company providing mobile voice, internet and digital services. With over 20 years of operations, we have built a strong legacy of product and services innovation.

Our ambition now is to become our customers' favourite partner in their digital lives providing relevant, personalised and engaging digital products and services that will further enable all Malaysians' digital lifestyles. We will achieve this through developing digital products and services that are loved by customers, delivered over an efficient, consistent and responsive network, supported by a winning team, and working in a transparent and responsible manner.

We serve over 12.3 million customers across Malaysia, offering a wide portfolio of market-leading, mobile connectivity and data services. Delivered on Malaysia's widest 4G LTE network, we reach 85% population coverage across 275 cities and towns nationwide.

We are part of global telecommunications provider Telenor Group, recognised as a leader in driving progressive and responsible business practices.

### Four Strategic Pillars that Support Our 2020 Ambition



## PERFORMANCE



## CUSTOMERS



## COVERAGE



## RETAIL



**>15,000**  
RETAIL TOUCHPOINTS NATIONWIDE WITH  
100% DIGITAL AND PAPERLESS EXPERIENCE

## OUR PEOPLE

 **2,048**  
EMPLOYEES

 **76%**  
EMPLOYEE  
ENGAGEMENT  
SCORE

 **33%**  
COVERED BY  
COLLECTIVE  
BARGAINING

## DIVERSITY

 **44%**  
WOMAN  
**56%**  
MEN

 **40%**  
OF THE  
LEADERSHIP TEAM  
ARE WOMEN

 **12**  
NATIONALITIES

## UPSKILLING

 **RM4M**  
INVESTED IN PEOPLE  
DEVELOPMENT

 **3**  
NEW DIGITAL  
LEARNING  
PLATFORM

 **29,000**  
TOTAL LEARNING  
HOURS

## INNOVATION

 **3**  
NEW PLATFORMS FOR  
GENERATING NEW  
IDEAS INTRODUCED

 **180**  
EMPLOYEES IN  
INNOVATION  
PROGRAMMES


 **2**  
NEW DIGITAL  
VENTURE STARTUPS  
FOUNDED

## AWARDS



**BEST MALAYSIAN ORGANISATION**  
BY TALENT CORP MALAYSIA

## SUPPLY CHAIN

 **DIGITISING SAFETY**  
Digi's Permit to Work is Malaysia's first location-based app to strengthen HSE governance at sites

 **37:1**  
JOBS CREATED WITH  
EACH DIGI HIRE

## SAFETY

 **40%**  
IMPROVEMENT IN  
MINOR NON-  
COMPLIANCE

 **11**  
CONTRACTORS AND  
SUBCONTRACTORS  
TERMINATED OR  
SUSPENDED

 **HSSE**  
DRIVING INDUSTRY  
COLLABORATION TO  
STANDARDISE HEALTH  
AND SAFETY

## OUR COMMUNITY

 **4**  
NEW DIGITAL COMMUNITY  
PLATFORMS TO EMPOWER  
SOCIETIES

 **ONLINE SAFETY**  
WORKING WITH PARTNERS TO END  
ONLINE CHILD SEXUAL EXPLOITATION

## EMISSIONS

 **<1%**  
GROWTH IN  
CO2 EMISSIONS  
PER CUSTOMER

**VS**

 **11.8%**  
INCREASE IN  
CUSTOMERS

 **1.25%**  
GROWTH  
PER KWH  
PER CUSTOMER

## AWARDS



ACCA MALAYSIA  
SUSTAINABILITY  
REPORTING AWARDS  
(MaSRA 2016)



FTSE4Good  
FTSE4GOOD  
EMERGING MARKET  
INDEX 2016



FTSE4Good  
FTSE4GOOD  
BURSA MALAYSIA  
INDEX 2016



CHANNEL NEWS ASIA  
SUSTAINABILITY  
RANKING 2016



**DOING BUSINESS THE RIGHT WAY**

# SUSTAINABILITY FRAMEWORK

Our commitment to sustainability leadership is deeply embedded in our business strategy.

We believe our position, governance and management of material issues have an impact on the long term success of our business, and are also what's important to our stakeholders. This approach ensures we build trust with stakeholders to future proof our operations, give us a competitive advantage to attract the best talent, remain agile in delivering our services, while engaging communities to create a better future together.

We are committed to the United Nations Guiding Principles on Business and Human Rights which holds us accountable to respect and remedy any adverse impacts on human rights linked to our operations. We are signatory to the UN Global Compact Principles, which encompasses commitment to anti-corruption, labour standards and protecting the environment. We adhere to the International Labour Organisation Core Labour Standards of freedom of association, recognising the right to collective bargaining, elimination of forced and child labour, and discrimination in our operations and that of our suppliers.

Our sustainability framework underscores our commitment to operate an accountable, transparent business. It steers our focus to uphold ethical and responsible conduct across our operations, build a highly motivated, skilled and collaborative workforce, and reduce our environmental impact. It also guides our broader purpose of empowering communities to address social, economic and environment inequalities by working with like-minded partners to scale and accelerate the rollout of appropriate digital solutions for the betterment of local communities.

In 2016, we mapped our sustainability framework to include the Sustainable Development Goals (SDG), a landmark global commitment to collectively end poverty, protect the planet, and ensure prosperity for all by 2030. The SDG accelerates expectations for the private sector to join the international community in taking meaningful action. As part of Telenor Group, we have prioritised Goal 10 in Reducing Inequalities, leveraging on our digital competencies and strength.

**10 REDUCED INEQUALITIES**

**Four Key Outcomes of Telenor by 2020**

- Support income growth for poor and disenfranchised populations through stimulating ecosystem employment.
- Leverage digital services and connectivity in innovative ways to address social and economic challenges.
- Create opportunities for meaningful and safe digital participation for everyone.
- Raise operating standards in line with international best practices, and improve working conditions through supply chain sustainability.

## BUILDING ON CORE VALUES SUPPORTING GLOBAL GOALS

**SUSTAINABLE DEVELOPMENT GOALS** ●

Reduced Inequalities

**EMPOWER SOCIETIES** ●

Safe Internet  
Digital Enablement

**RESPONSIBLE BUSINESS** ●

Ethics and Compliance  
Winning Team  
Climate Change and Environment





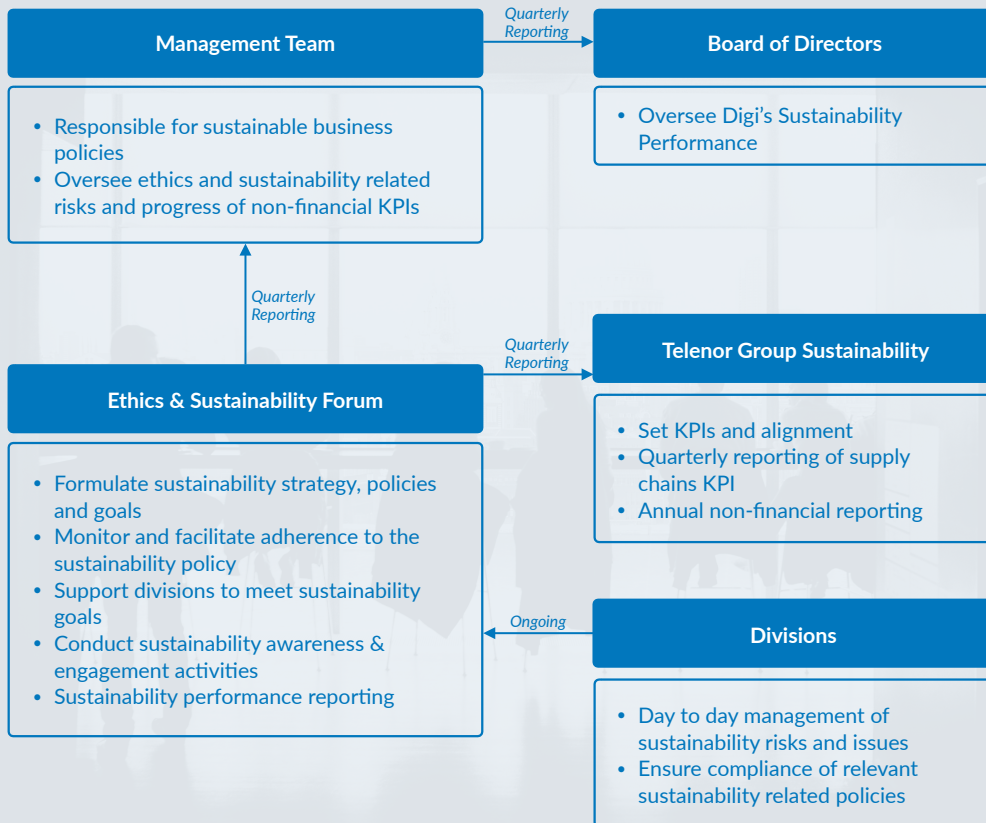
# GOVERNANCE

Sustainability is under the division of the Chief Executive Officer. The Head of Communications and Sustainability oversees the daily operations of the team to meet a set of non-financial Key Performance Indicators (KPIs) that are established jointly with Telenor Group Sustainability.

Sustainability KPIs are monitored and reported on a quarterly basis to the Ethics & Sustainability Forum. Chaired by the Chief Executive Officer, the forum includes the Chief Human Resource Officer, Chief Network Officer, and Chief Corporate Affairs Officer.

Ethics and Sustainability is a standing quarterly agenda to the Digi Board of Directors. Non-financial Reporting (NFR) on social and environmental data is collected on a quarterly and annual basis by the NFR Coordinator and signed off by the Chief Financial Officer.

We conduct a biennial human rights risk assessment to identify areas where there are risks of complicity to human rights abuse. Findings of the assessment are addressed to the Management Team. Where there are potential areas of complicity, we have developed transparent processes and conducted engagement with stakeholders to minimise any potential of complicity in our operations.

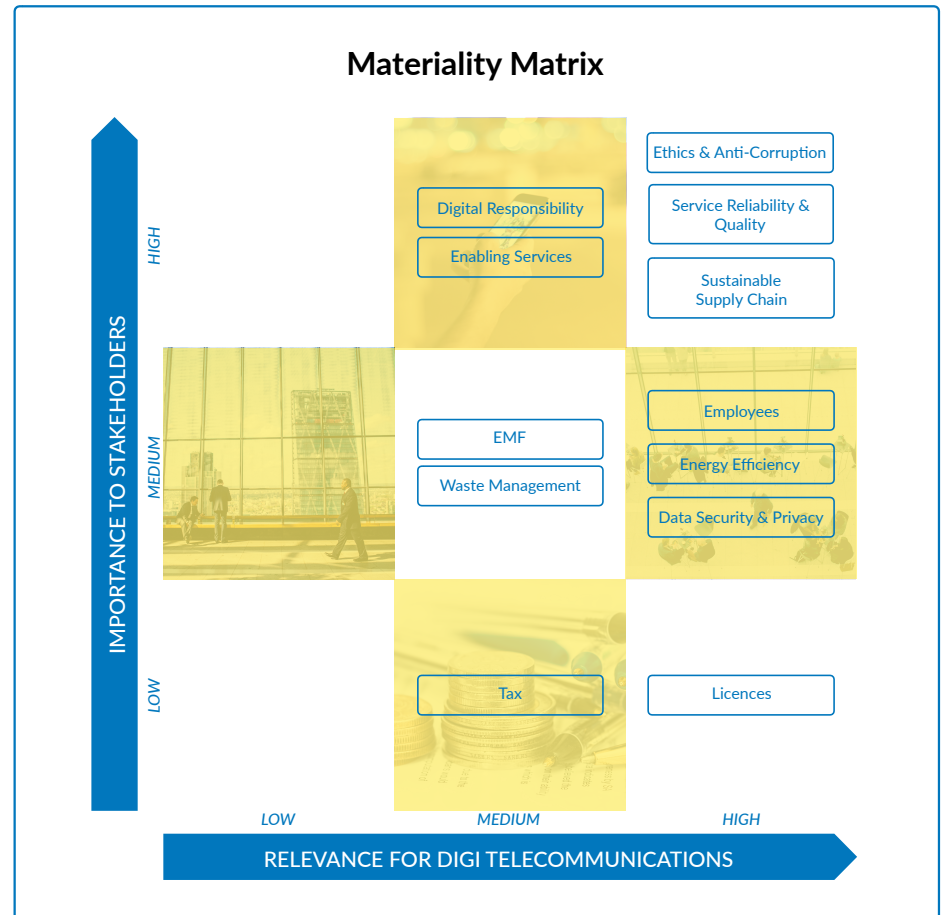


# MATERIALITY

Our materiality assessment is conducted based on a methodology developed by the Global Reporting Initiative (GRI). This methodology is linked to the AA1000 Accountability Principles (2008) developed by AccountAbility.

We align our materiality issues with Telenor Group's matrix. Issues identified by Telenor is assessed and prioritised according to








our operational context, corporate strategy and stakeholder expectation. Feedback from stakeholders is reviewed and addressed by relevant functional personnel. Issues that are strategically important to our business are subsequently integrated into our corporate strategy, and form the basis for our sustainability focus areas and related initiatives.



# STAKEHOLDERS

We engage, understand and respond to expectations of our stakeholders in a transparent way.

These individuals, communities and institutions are affected and can impact our business operations and our sustainability efforts. We utilise a wide range of platforms to engage stakeholders to ensure we are accessible to our stakeholders. Issues raised by stakeholders is prioritised and validated with relevant key personnel and functional representatives, including Digi's Board of Directors. The following table provides a list of our key stakeholder groups, the various engagement platforms and some key issues which are raised.

	ENGAGEMENT PLATFORMS	ISSUES	HOW WE ADDRESSED		ENGAGEMENT PLATFORMS	ISSUES	HOW WE ADDRESSED
 <b>REGULATORS</b>	<ul style="list-style-type: none"> <li>▶ Regular reports and information sharing with Ministry and regulators</li> <li>▶ Public-private partnership initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Affordability of internet</li> <li>▶ Quality of calls</li> <li>▶ Spectrum allocation</li> <li>▶ National digital innovation agenda</li> </ul>	<p>Rolled out the nation's widest 4G LTE network. We organised several incubators and challenges to engage and support the digital start up communities.</p>	 <b>INVESTORS &amp; ANALYSTS</b>	<ul style="list-style-type: none"> <li>▶ Local and overseas non-deal roadshows</li> <li>▶ Corporate presentations</li> <li>▶ Analyst briefings</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate strategy and financial performance</li> <li>▶ Corporate governance and compliance</li> </ul>	<p>We conducted quarterly briefings to analysts and investors on business performance and strategy</p>
 <b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>▶ Digi retail outlets</li> <li>▶ Customer service channels (MyDigi app, Mobile Sales App, social media, 24-hour helpline)</li> <li>▶ Communications and Multimedia Consumer Forum Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>▶ Network coverage</li> <li>▶ Bill disputes</li> <li>▶ Service quality</li> <li>▶ subscription of services</li> <li>▶ Barred accounts with Credit Reporting Agency CTOS</li> </ul>	<p>We launched the MyDigi app and the Mobile Sales App which gives customers more autonomy to the types of services, and enhance their customer experience. Our network technical teams engaged directly with customers which have issues over our network performance</p>	 <b>BUSINESS PARTNERS</b>	<ul style="list-style-type: none"> <li>▶ Product presentations</li> <li>▶ Annual Self-Assessment Questionnaires</li> <li>▶ Site inspections and audits</li> <li>▶ Training for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Health and safety in supply chain</li> <li>▶ Mitigating non-compliance in supply chain</li> <li>▶ Anti-corruption and business integrity</li> </ul>	<p>We conducted information sharing and training with business partners and increased compliance audits to ensure they meet our supplier standards</p>
 <b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>▶ Best of People Council</li> <li>▶ Digi Telecommunications Sdn Bhd Employee Union</li> <li>▶ Annual Employee Engagement Survey</li> <li>▶ Multiple internal engagement channels (CEO's emails, Digimail, Workplace, quarterly company and division townhall)</li> <li>▶ Leadership forums with extended and middle management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Career planning and development</li> <li>▶ Fair and transparent rewards</li> <li>▶ Active engagement process across the region by Digi management team</li> </ul>	<p>Our Employee Engagement Scores averaged 76% over three years, and is above that of high performing companies, and Malaysian companies. We launched a range of innovation platforms to engage and support our digital journey.</p>	 <b>MEDIA</b>	<ul style="list-style-type: none"> <li>▶ Media interviews, briefings, events, and familiarisation visits</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate strategy</li> <li>▶ Financial performance</li> <li>▶ Products and services</li> <li>▶ Customer related issues</li> </ul>	<p>We conducted regular media engagements to share business performance and strategy updates, launch of new products and services, and clarify issues of customers' concerns</p>
				 <b>COMMUNITY &amp; NGOs</b>	<ul style="list-style-type: none"> <li>▶ Engage and partner with other corporates, industries and NGO forums to identify issues and concerns in the community.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leveraging mobile technology on meeting local social needs and issues</li> <li>▶ Concerns of safe internet use by young children</li> </ul>	<p>Digi's CyberSAFE™, Challenge for Change, and Wanita Era Digital are core programmes to our Empower Societies. The programme has engaged over 130,000 individuals since its inception</p>

# ETHICS AND COMPLIANCE

We believe in establishing a business environment with partners who share our commitment to high standards of ethics and integrity.

Anchored on the foundations of our principles and core values, we continuously assess and improve our internal processes to demonstrate these commitments to our partners. Our focus in ethics and compliance are on anti-corruption, customer privacy, consumer responsibility, supply chain sustainability, and safe use of equipment.



## ANTI-CORRUPTION

Digi has a zero tolerance towards corrupt practices and has a structured approach to integrate ethics and anti-corruption considerations across all process, functions and levels. We embed these values into our corporate DNA through a range of policies, procedures and training that applies to all employees.

An Ethics and Compliance officer oversees the governance of integrity. Reporting to the Head of Legal and Compliance, the Ethics & Compliance officer has direct quarterly reporting to Digi Management, and the Audit and Risk Committee to ensure full independence. An integrity risk assessment is conducted annually by Telenor, which guides workplan for the year.

### A CULTURE OF INTEGRITY

All Digizens are guided by the Code of Conduct which sets the standard for proper business conduct with customers, stakeholders and partners. It defines the culture and the main principles by which we create value. All employees must read, acknowledge and sign the Code of Conduct annually.

### ENABLING REPORTING

The launch of an independent integrity hotline contributed to the reporting of compliance issues that were more complex, substantive, and a 37% year-on-year increase of issues reported. Almost half of the reports were related to business integrity.

### TRAINING AND SUPPORT

We developed and launched the 'Say No to Corruption Training', consisting of an e-learning module and a face-to-face scenario training based on ethical dilemmas faced by employees. The integrity scenario training began with the Digi Management team, and all people managers had the responsibility to engage and train their direct reports once they were trained by their respective immediate managers.



**86%** Digizens completed 'Say No to Corruption Training' by 31st December 2016

### BUILDING AWARENESS

Following the Integrity and Ethics Survey 2015, we conducted focus group sessions and roadshows with Division leaders and employees to discuss findings and solutions. Key focus areas were in managing exposure to corruption, conflict of interest, gifts and business courtesies, and improving trust in the whistle blowing policy. These engagements allowed us to better understand ethical dilemmas faced by our employees, and for them to have more confidence to report compliance incidents and understand management's expectations of behaving with integrity.

### BROADENING DUE DILIGENCE

Business managers are now required to conduct an Integrity Due Diligence (IDD) assessment for all business partners. The IDD serves to measure the level of integrity held by potential business partners. The IDD findings are reviewed by the ethics and compliance, and the procurement teams before contracts are awarded.



## PROTECTING PRIVACY

Respecting and safeguarding our customers' privacy is a strong commitment we make in enabling trust in our services. We are committed to keeping our customer's personal data safe and secure, and be transparent in how we collect and use their data.

A Privacy Officer oversees the governance of privacy and ensures compliance with the Personal Data Protection Act 2010 and our Privacy Policy. Reporting to the Head of Legal and Compliance, we conduct an annual privacy risk and impact assessment which is assessed by Telenor against a performance scorecard. Our security systems are ISO 27000 Information Security Management Systems certified to ensure robustness of our processes.

### RAISING AWARENESS

Over 60 privacy ambassadors from various functions help drive the privacy agenda within their divisions. We rolled out a mandatory e-learning information handling training to ensure all Digizens understand the importance of privacy, and to live the values of safeguarding customers' data at all times.



**RESPECTING & SAFEGUARDING CUSTOMERS' DATA**  
OUR COMMITMENT

### BUILDING LIKE-MINDED ALLIANCES

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.

### IMPROVING COMPLIANCE

Privacy by design ensures that protocols regulating the collection, use and disposal of personal data are built into all our systems and processes before it is rolled out. We tightened privacy governance and compliance in the year, and incorporated privacy by design protocol into all operational activities, and business and vendor selection processes.

### INCREASING TRANSPARENCY

We are committed to analysing customers' data to provide them with better value and relevant services with their consent. The launch of a new privacy notice ensures we are data network analysis compliant, and that we help customers understand their rights to the use of their data.

### RESPONSIBLE HANDLING OF REQUESTS

We respect the right to privacy and freedom of expression while recognising that we operate under legal provisions of the Communications & Multimedia Act 1988. In 2016, we invited the Telecommunications Industry Dialogue Group to engage regulators and industry peers on emerging issues on data privacy and rights of users.



## CONSUMER RESPONSIBILITY

Every customer interaction across key channels is rated, and detractors engaged to improve services. We want to deliver experiences that delight our customers. Every customer interaction across key channels is rated, and detractors engaged to improve services. We conduct extensive customer engagement at stores, quarterly network drive tests, and the annual Customer First Day ensures we have a constant pulse on creating experiences that delights customers.

We are members of the Communications & Multimedia Consumer Forum (CFM) which protects consumer rights by ensuring service providers adhere to the requirements of the General Consumer Code and the Internet Access Code and resolve issues within a stipulated time frame.

### ENGAGING NETWORK DETRACTORS

Our network and technical backend teams take responsibility of customers' experience by engaging and understanding the challenges of network detractors. Members of the teams volunteer to call detractors to deep dive on issues and attempt to provide resolutions. Information collated from this Network Net Promoter Score (NPS) exercise is then cross-referenced against our network performance KPIs by the network quality team.

### RESOLVING DISPUTES

Bill disputes were one of the top three detractors raised by customers across the industry. We were the first in the industry to introduce a customer guarantee to resolve a customer's bill dispute within 24 hours, or they will receive a full waiver on the disputed amount. We have seen a reduction in escalation of cases, a significant drop in repeated calls on billing, and improvement in NPS on billing adjustment.

### INNOVATING SERVICES

The MyDigi app was designed as an intuitive self-management of relevant Digi services such as bill payment, services subscription, and account status. Over 75% of the 1.6 million active users log on at least once a month, and is rated consistently as one of the Top 5 apps on Google PlayStore Malaysia. The digital Mobile Sales App (MSA) has reduced customers' average waiting and handling time at stores by 35% and 16% respectively. Average registration time is now only 20 seconds for prepaid and 3 minutes for postpaid.

“**DEMONSTRATING RESPONSIBILITY AND ACCOUNTABILITY REMAINS AT THE CORE OF BEING A SUSTAINABLE BUSINESS.**”



## SUPPLY CHAIN SUSTAINABILITY

We expect business partners to adopt our high standards of business conduct, working conditions and environmental management.

Through the Supplier Conduct Principles and the Agreement of Responsible Business Conduct, we help business partners build capacity and reduce inequalities. Our inspection teams conduct engagement, inspections, and training to ensure workers' rights are respected and safety are protected.

### DIGITISING GOVERNANCE

We completed the rollout of the Digi Permit to Work (D'PTW) app to all our main contractors and their sub-contractors. This digital location-based app has allowed us to strengthen the governance of monitoring compliance to safety requirement of workers at our base stations and technical sites. For the first time, the app allows our inspection team to have a real-time overview of when, and where our contractors and sub-contractors are working. This enables efficient deployment of inspectors to respective sites.

We conducted 984 inspections, of which 99% were unannounced. Though major non-compliance was reported in less than one per cent of inspections, we had two more cases of major non-compliance compared to last year. In 2016, we terminated eight sub-contractors and suspended three sub-contractors for failing to meet our safety standards. We saw a 40% year-on-year reduction in minor non-compliance cases.

### TRAINING

We conducted 2,050 man hours of supplier training with our contractors and sub-contractors. The training focused on safety awareness, proper skills and use of equipment, and instilling a safety culture among network rollout partners.

### PROMOTING COLLABORATION

We partnered with industry peers to conduct a baseline calibration of health and safety requirements. This baseline led to the development of a common industry safety standard, which was endorsed by five industry CEOs. This common standard will transform the industry's safety culture, allow for cost savings, and increase efficiencies for all stakeholders.

### INTERNALISING SAFETY

We apply the same high level of safety standards to our employees. Our health and safety management systems are OHSAS 18001:2007 certified, and regional health and safety committees roll out safety inspections and health programmes. Having achieved three years of zero lost time injury frequency (LTIF), we recorded our first significant employee injury in 2016. Our LTIF was 0.23\* per million hours of work.



## SAFE USE

We are committed to providing mobile connectivity safely to our customers. The scientific evidence on low risk associated with electromagnetic frequency (EMF) continues to be overshadowed by misunderstanding among general public. We support proactive engagement with stakeholders concerned about this issue and are open in how we ensure our emissions are within the prescribed levels.

In many Malaysian states, companies linked to state government are responsible for identifying sites and erecting towers. The companies work 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-ionizing 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 respond to concerns raised by communities and local authority. In 2016, together with the Malaysian Technical Standards Board, and the regulator, the industry performed a series of benchmark assessment on EMF levels at high traffic connection points.



**BUILDING FUTURE READY TALENT AND A CULTURE  
THAT INSPIRES EVERYDAY INNOVATION**

# WINNING TEAM

‘Freedom to Inspire the Next’ is our belief in creating a workplace where everyone’s voice is heard, and aspirations fulfilled.

We believe that it is this freedom that will attract and retain top talent and innovates the next generation of products and services in our drive to be our customers’ favourite partner in digital life. We are cultivating a culture of innovation 360°. Digizens participate in innovation platforms that allow them to test new products and services before scaling it up commercially. We invest in learning and development platforms to develop agile leaders and prepare all Digizens for the digital future.



## INCLUSIVE AND ENGAGED CULTURE

We promote a workplace where all employees feel a sense of belonging, everyone is respected, differences embraced, and there are equal opportunities for all. We have a strong culture that focuses on developing talent, and believe that everyone should have the opportunity to grow and inspire.

### ATTRACTING FUTURE TALENT

We created unique opportunities to accelerate learning of young talent as part of building our future talent pipeline. The CXO Apprentice Challenge attracted over 800 young adults with the unique opportunity to spend a year shadowing and being mentored by a CXO. Following a rigorous online recruitment, a workshop to observe and shortlist potential candidates, eight individuals were selected to apprentice with the respective CXOs.

### DIVERSITY IN LEADERSHIP

Women comprise 43% of our current Board of Directors, which is above the ambitions set by the Malaysian government. On average over the past three years, women represented 39% of the Digi leadership team, which comprise of CXOs and their direct reports. Today, roles traditionally held by men, such as in network and information technology, are led by women of equal capability.

The Women Inspiration Network (WIN) is a platform to strengthen the management leadership pipeline. An initial group of 20 top performing women were identified and provided with a CXO mentor. Members of WIN are provided diverse opportunities to develop, share, and network with other corporate women leaders.

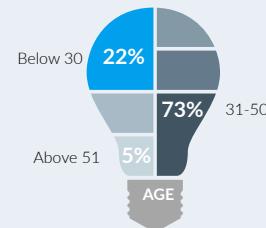
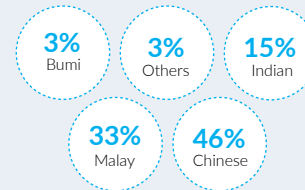
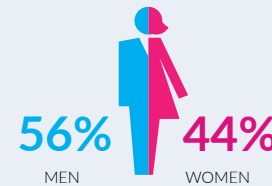
### SUPPORTING WORK LIFE BALANCE

In January 2016, we launched a six months fully paid maternity policy for all full time employees. Sixty five Digizens have gone on maternity under this new policy, and 37 have returned to their positions while the remaining are still on maternity leave.

### EMPLOYEE ENGAGEMENT INDEX

E EI measures percentage of employees committed to the organisation and willingness to apply discretionary effort in their work. Our EEI averaged 76% over the last three years, which is above the benchmark of high performing, and Malaysian companies. The results point towards a strong culture of customer centricity and higher employee net promoter score.

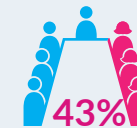
#### Diversity in the Workplace



#### Empowerment in the Workplace



**Women Inspiration Network**  
20 Top Performing Women identified & provided with CXO mentor



Women Representation in Board of Directors

#### Attracting Future Talent



**CXO Apprentice Challenge**  
8 young apprentices with respective CXO





## INNOVATION EVERYDAY

We have established a culture of everyday innovation where Digizens are provided a conducive, enabling environment to try new things. Various platforms are offered to allow Digizens to ideate, understand customer needs, validate, prototype, and pitch their ideas. Winners are given time off from their duties to dedicate time to bring their ideas to market.

### TELENOR IGNITE INCUBATOR

Team Alfredz, a team of 3 Digizens, was one of the five winners at the inaugural Telenor Ignite Incubator. Alfredz is a wireless intercom system to connect security guards with residents in high-rise condominiums and gated communities. The team is now embedded within Digi-X to further develop and commercialise their product.

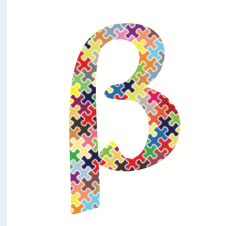


### DISRUPT @ DIGI

Over 80 Digizens formed 15 teams to create the next innovative product or service over a non-stop 30 hour event. Connect Kindie, an app to enable better communications between kindergarten teachers and parents, was selected to be commercialised. The team is now embedded within Digi-X to further develop and commercialise their product.

### BETA LABS

An intrapreneurial platform designed to harness collective validated learning through small, autonomous teams. Supported by an Innovation Catalyst, teams win approval from the monthly Beta Council to prototype and test their ideas. Thirty five ideas were submitted, and five are being beta tested with customers. One idea has garnered interest from the Marketing team, and may be turned into a Digi product.



## TRANSFORMATION CATALYSTS

We believe every Digizen should have a pathway to be part of our digital transformation. The Telenor Development Plan allows every Digizen to map their professional development and learning needs to support business goals. Through a rigorous and transparent process, high performing Digizens are identified for future leadership roles. Future leaders are exposed to regional Telenor leadership programmes to develop their potential as local leaders with global outlook.

### FREEDOM TO LEARN

We launched our new Digital D'Academy allowing every Digizen to freely access three world class online learning platforms anytime and anywhere. Ninety eight Digizens have enrolled for a six months nano degree on Udacity. Five have graduated having undergone on average of 72.4 online learning hours per nano degree. Digizens on average completed 14.2 hours of training.

### DIGITAL FUTURE

We ran two workshops to ensure every Digizen understands their role, adopt new skills, and transform their mindset to the digital future. 'Leading Digital' is a two day programme by McKinsey & Company for leaders at Digi, while 'What's your Next' is a half day workshop for all Digizens. Both workshops explains why and how the business is changing, enables Digizens to chart their next step within Digi, urgently commits to future skill, are free to challenge, and experiment with new opportunities.

### INNOVATION MINDSET

We developed a partnership with the Asia School of Business, a collaboration of the Massachusetts Institute of Technology Sloan and Bank Negara, to develop a customised programme on financial valuation on digital business modelling. The first of its kind in the region, the programme is being rolled out across Telenor business units in Asia.

In collaboration with Telenor Group and INSEAD Business School, we launched the 'Strategic Execution Programme' for all head of sections and senior experts. The six-week online course exposes leaders to the external disruptive forces and trends shaping our industry, inspires new ways of work and thinking, and instils skills to lead their teams to make the digital shift. Leaders need to demonstrate and reflect execution of the new knowledge by completing a project over three months.

### Digital D'Academy

**coursera.com**  
For Expert Certification

**udacity.com**  
Nano Degree Programs

**lynda.com**  
Learning For All

**98 Enrolled**

for a 6 months nano degree on Udacity

**72.4 Average Hours**

of online learning per nano degree

**14.2 Average Hours**

of total training per Digizen



**MINIMISING OUR ENVIRONMENTAL FOOTPRINT  
WHILE GROWING OUR NETWORK**



# CLIMATE CHANGE AND ENVIRONMENT

A mission to stabilise energy consumption in our network while increasing our coverage footprint.

In 2017, Telenor Group will formulate a new strategic climate ambition with localised climate roadmaps working towards 2030 that are aligned with the Paris Climate Agreement.

Our environment management systems are ISO 14001:2004. Our primary climate measure has been to stabilise the energy consumption in our network while increasing our coverage footprint. We disclose to the National Corporate Greenhouse Gas (GHG) Reporting Programme for Malaysia (MYCarbon), and to the Carbon Disclosure Project as part of Telenor Group



## ENERGY EFFICIENCY

In 2016, we utilised 284 GWh of energy across our operations, a 7.4% increase year-on-year. The increase in energy use is primarily from our network, which saw a 102% year-on-year growth in data traffic. Our energy intensity per RM revenue rose 19% to 0.046 kWh due to lower revenues, and our kWh per customer is above the Telenor Group average of 18.6 kWh.

Our total carbon emission is 142,835 tonnes, a 5.6% year-on-year increase, and our carbon intensity per RM value added increased 4.5% to 0.044 tonnes, while our carbon emission per customer is above the Telenor Group average of 6.3 kg CO2e.

### NETWORK

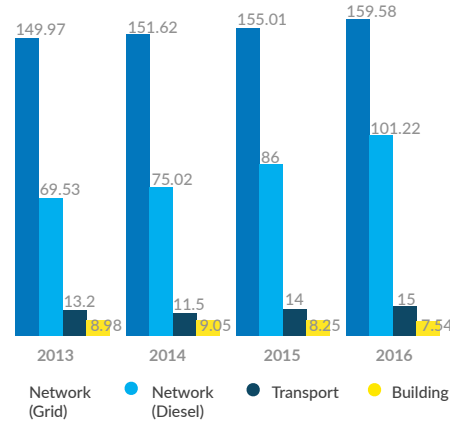
Energy used to power our network accounts for 92% of our total energy usage. Our 2017 – 2020 network energy use is forecasted to increase as we strengthen and broaden our coverage to provide better service to our customers. Emissions from generators accounted for the most significant increase of 17% year-on-year as we rolled out 4G LTE network to reach 85% population coverage, and provide rural coverage through rollout of over 100 T3 sites.

Over the years, we have invested in infrastructure and capital projects to deliver a network that is environmentally efficient. In 2016, we optimised and reduced the size of generators appropriate to its related network coverage. We rolled out a Charge Discharge Cycle Genset and Battery, which allows for reduction in diesel consumption. We installed Base Transceiver Systems in 3G equipment in all base stations to allow for more savings. We overlaid 4G LTE network cards on existing equipment to reduce the need of installing additional equipment.

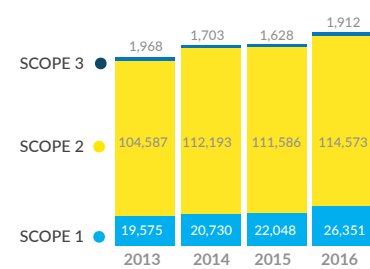
### BUILDINGS & TRAVEL

Energy used in our buildings and travel account for 8% of total energy use and has remained stable over past 3 years. We completed the renovation of D'House, which is in the process of being certified LEED Gold (Commercial Interior). As part of the certification process, we have assessed and recalibrated air-conditioning units and installed LED lightings to maximise energy savings.

TOTAL ENERGY USE BY TYPE (GWh)



EMISSION BY SCOPE ( TONNES CO2e)

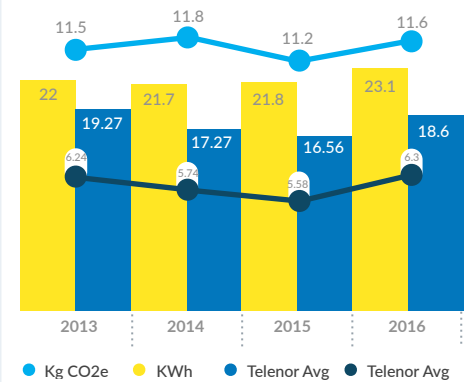


## RENEWABLE ENERGY

Green energy contributes less than 1% of energy to power our network. There was a slight reduction of renewable energy output due to vandalism at ten sites. The 64 operational sites generated an estimated 0.52GWh.

The ongoing industry proof of concept (POC) self-sustaining hydrogen fuel cell at our base station with 2G and 3G technologies, continues to operate within the established parameters and passed several stress tests. The hybrid system extracts moisture from the atmosphere and extracts hydrogen molecules, reducing carbon emissions and maintenance cost. Results from the POC will guide future energy system optimisation to fit different variations of base stations.

KWh/CO2e Per Customer



## MANAGING E-WASTE

The increasing tonnage 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.

### RECYCLING REDUNDANT EQUIPMENT

Decommissioned network equipment constitutes the largest tonnage of our e-waste generated. As we complete our network upgrade, the amount of e-waste from decommissioned network equipment has declined. In 2016, we collected only 18 tonnes of equipment, down from the peak of 343 tonnes year-on-year.

### RECYCLING MOBILE PHONES

Collection of old mobile phones constitutes a small tonnage of e-waste as there are currently no regulations on domestic e-waste in Malaysia. We offer 'take back' schemes of selected phone models and make available e-recycling boxes in all Digi stores.

The Mobile e-Waste: Old Phone New Life, is a joint recycling and awareness programme by MCMC, Malaysian Technical and Standards Forum Berhad, and industry peers. In its second year, a key initiative was a media awareness tour of a recycling centre, explaining how e-waste is recycled and the potential dangers if not disposed of responsibly.



**EMPOWERING SOCIETIES IN THE LOCAL COMMUNITIES  
WHERE WE HAVE A PRESENCE**

# EMPOWER SOCIETIES

We believe a connected society is an empowered society.

By leveraging on our digital ambition, we can bring many benefits to the lives of individuals and communities. Our core programmes to empower societies through safe digital participation and digital enablement are Digi's CyberSAFE™, Challenge for Change, Wanita Era Digital. We also support other digital empowerment initiatives, such as the Telenor Youth Forum, Digital Winners Asia, and Kampung Internet For All.



## SAFE DIGITAL PARTICIPATION

Over the six years of Digi's CyberSAFE™ programme, more than 100,000 students and 7,000 teachers nationwide have been trained and engaged. We have curated the nation's largest repository of information on schoolchildren's online behaviour through biennial national quantitative and qualitative surveys. We have developed a range of online resources for educators and parents to understand this issue, and how to engage their children to discuss online safety. Working with partners, this year we focused on raising the level of discussion on child online safety by broadening our reach to the wider community.

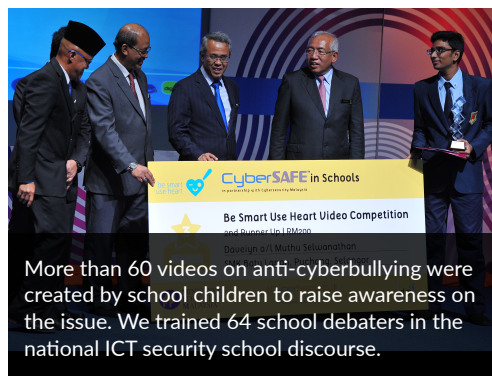


With our partners, we launched a public campaign, 'Us vs Cyberbullying, that reached over 3,000 people with the Mayor of Petaling Jaya.



Together with UNICEF Malaysia, we organised the first ever Digi CyberSAFE™ Digital Citizen Camp in D'House. Held over 3 days 2 nights, this educational and interactive camp was aimed at building capacity of young ambassadors who would instil digital citizenship among their peers.

Digi's CyberSAFE™ Champion, Philip Ling, was awarded the Cybersafe Professional 2016 by Cybersecurity Malaysia, an agency under the Ministry of Science, Technology and Innovation. The award recognises an individual's contribution and commitment to Malaysia's cyber and information security.



More than 60 videos on anti-cyberbullying were created by school children to raise awareness on the issue. We trained 64 school debaters in the national ICT security school discourse.




Partnering with UNICEF, The Star R.AGE and Women:girls, we kicked off the 'ReplyForAll' public townhall to trigger a conversation on online child sexual exploitation and the call to action for anti-grooming laws in Malaysia.




# EMPOWER THROUGH DIGITISATION

We look to work with partners who have the vision of how digital services can bring meaningful impact to their communities. With our partners, we developed scalable solutions which underscore our vision to leverage digital connectivity and services for good.



The Digi Family Safety app, allows a subscriber to keep track & connect in real time with up to seven family members. The app allows customers to create a geo-fence alert, check-in upon arrival, parental control on time and apps used, and to remotely lock and erase information on a stolen phone.



Family Location

Geo Fencing

Check Ins

Notifications

Panic Alert

Parental Control

Phone Security



**CREATING A DIGITAL IDENTITY**  
 In partnership with the United Nations Global Compact (UNGC) Malaysia, we developed an app to support the rollout of Blunumbers, a free self-generated registry of basic information volunteered by farmers and agri-suppliers to identify themselves in the supply chain. Businesses will be able to tap into this big data repository for analytics, connect deeper into their supply chain, and to evidence impact.



[www.asuhan.my](http://www.asuhan.my)

**ACCESSING SAFER CHILD CARE**  
 Working alongside Childline Malaysia & the Association of Registered Childcare Providers Malaysia, we developed asuhan.my to help families identify & review over 3,000 child care centres registered under the Child Care Centre Act 1984. It identifies care centres that are not registered with local authorities, provides an avenue to report suspected abuse, and locate the nearest support systems.



**ENHANCING LEARNING OF SIGN LANGUAGE**  
 Eddy, an edutainment app which intends to gamify the learning of sign language emerged as the winner of Digi Challenge for Change 7. Eddy utilises 3D animation, localised content and games to make learning sign language easier and more fun for everyone. The Eddy team won a RM50,000 cash prize, and an additional RM70,000 from Digi and Agensi Inovasi Malaysia as they meet development milestones over the next six months.

**DigiCFC**  
 Digi Challenge For Change

**WIN**



**CONVERTING IDEAS > IMPACT**  
 GRAND PRIZE WINNER



**WOMEN EMPOWERMENT**  
 Wanita Era Digital project reached out to rural and urban poor communities to engage women and to close the gender digital divide. The programme equips women with basic internet and e-commerce skills, and online safety awareness.



**DIGITISATION FOR PEACE**  
 Nora Nabila Ahmad Sabri and Alina Amir represented Malaysia at the annual global Telenor Youth Forum, in partnership with Telenor and the Nobel Peace Center. Themed "Digitalisation for Peace", the forum engaged inspiring youths to tackle social challenges with the use of digital solutions.



**VASE**

Market research on-demand

An on-demand market research solution that allows businesses to validate their assumptions and get back accurate consumer insights from their 70,000 people database.

Stage: Pre-Seed  
 Country: Malaysia  
 Website: www.vase.ai

**REGIONAL EXPOSURE FOR STARTUPS**  
 Vase, a market research startup, represented Malaysia at the Digital Winners Asia Conference, Telenor's first regional start up event. Aimed at breaking down borders to access new markets, startup teams competed to pitch for NOK100,000 of initial expansion funds.



DATA  
REPORT SCOPE  
GRI

## Responsible Business

	Unit	2014	2015	2016
<b>Anti-Corruption</b>				
Material cases of corruption	Number	1	0	1
<b>Supply Chain Sustainability</b>				
Signed Agreement of Business Conduct <sup>1</sup>	Number	63	120	119
Self Assessment Risk indicator	%	37	55	55
Inspections conducted	Number	421	887	984
Incidents of major non-compliance <sup>1</sup>	Number	-	8	10
Incidents of minor non-compliance <sup>2</sup>	Number	-	154	92
Contractors suspended <6 mths	Number	-	1	3
Contractors terminated	Number	2	7	8
Fatalities <sup>3</sup>	Number	1	1	0
Supplier training	Hours	2,000	2,500	2,050
% of contracts <USD250,000 meeting sustainability criteria	%	100	100	100

## Climate Change & Environment

	Unit	2014	2015	2016
<b>Energy Consumption</b>				
Total direct energy used*	GWh	86.53	100.98	116.75
Network	GWh	75.02	86.30	101.22
Fleet	GWh	11.46	14.57	15.49
Buildings	GWh	0.05	0.11	0.04
Total indirect energy used*	GWh	160.61	163.26	167.08
Network	GWh	151.62	155.01	159.58
Buildings	GWh	8.99	8.25	7.50
Total energy consumption*	GWh	247.14	264.24	283.83
Energy intensity*	KWh/RM revenue	0.035	0.038	0.046
Energy use per end use customer	KWh/customer	21.7	21.8	23.1
Solar power generated (Network)*	GWh	0.57	0.60	0.52
<b>Carbon Emissions</b>				
Total Scope 1 emissions*	Tonnes CO <sub>2</sub> e	20,730.78	22,048.25	26,351.00
Network	Tonnes CO <sub>2</sub> e	19,629.00	21,036.45	25,430.15
Fleet vehicles	Tonnes CO <sub>2</sub> e	1,099.36	995.78	918.70
Building	Tonnes CO <sub>2</sub> e	2.42	16.02	2.15
Total Scope 2 emissions*	Tonnes CO <sub>2</sub> e	112,193.76	111,586.39	114,572.97
Network	Tonnes CO <sub>2</sub> e	105,886.18	105,925.71	109,475.06
Buildings	Tonnes CO <sub>2</sub> e	6,307.58	5,660.68	5,097.91
Total Scope 3 emissions*	Tonnes CO <sub>2</sub> e	1,703.47	1,627.91	1,911.55

<sup>1</sup> Major non-compliance includes climbing base station without a Work At Height Permit, safety harness, safety shoes, and child labour on site

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

<sup>3</sup> Fatalities of any worker of contractors or sub contractor

\* Deloitte PLT has provided a limited external assurance of select indicators presented in this section of the Annual Report. The limited external assurance opinion can be found on page 153 to 155 of the Digi.Com Berhad Annual Report 2016.

## Climate Change & Environment

	Unit	2014	2015	2016
<b>Carbon Emissions</b>				
Air travel	Tonnes CO <sub>2</sub> e	978.11	1,394.21	1,344.11
Leased vehicles	Tonnes CO <sub>2</sub> e	725.36	233.70	567.44
Total carbon emissions*	Tonnes CO <sub>2</sub> e	134,628.01	135,262.55	142,835.52
Carbon efficiency*	Tonnes CO <sub>2</sub> e/Per RM value add	0.039	0.045	0.048
Carbon emission per customer	Kg CO <sub>2</sub> e/customer	11.8	11.2	11.6
<b>Other environment indicators</b>				
E-waste collected	Tonnes	3,338	343	18
Municipal waste	Tonnes	337.51	333.65	308.17
Water consumption	m <sup>3</sup>	90,821	111,054	118,865.67

## Winning Team

	Unit	2014	2015	2016
<b>Gender</b>				
Male	Numbers	1,216	1,174	1,140
Female	Numbers	922	907	902
Total	Numbers	2,138	2,081	2,042
<b>Race</b>				
Bumi	%	-	-	3
Malay	%	-	36	33
Chinese	%	-	45	46
Indian	%	-	15	15
Others	%	-	4	3
<b>Age</b>				
< 30	%		17	22
31 – 50	%		82	73
>50	%		1	5
<b>Other indicators</b>				
% of women in leadership <sup>4</sup>	%	37	34	40
Employee Engagement Index (EEI) Score <sup>5</sup>	%	76	76	76
Lost Time Injury Frequency <sup>6</sup> *	No/Million hrs	0	0	0.23
% of employees under bargaining agreement	%	-	31	33
Average total training hours <sup>7</sup> *	Hours			14.2
Employees that completed the "TDP DIALOGUE" and follow-up <sup>8</sup>	% of employees	88	93	50
Turnover (Male)	Numbers	213	168	192
Turnover (Female)	Numbers	163	117	147

<sup>4</sup> Based on CXO minus 2 level managers only. Does not include specialist.

<sup>5</sup> 2015 EEI score was recorded as 80% based on aggregated 7 questions result. For comparable result to 2016 EEI score, we have aggregated 2015 EEI score based on aggregated 5 questions which is 76%

<sup>6</sup> LTIF is based on 9 working hours x actual working days in a year (minus leave and public holidays) x number of employees

<sup>7</sup> 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, softskills complete and completed) are based on system. Online training on Lynda 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).

<sup>8</sup> In previous year, all employees had to complete their review and dialogue by 31 Dec. The TDP process for YE2016 has changed to align with Telenor Group. For 2016, the TDP dialogue has to be completed end of March 2017.

# REPORT SCOPE

Our 2016 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, 2016.

## SCOPE

This sustainability report covers the entire operations of Digi Telecommunications Sdn Bhd for 1 Jan – 31 Dec 2016. We have published an annual sustainability report since 2010. Since 2011, we have obtained Limited Assurance on our Sustainability Reports. We have chosen to use the Global Reporting Initiative (GRI) Guidelines as the basis of reporting and have adopted the GRI 4.0 (Core) for this report.

The report brings together our sustainability initiatives, including current and future directions. It is intended to be useful to all our stakeholders – our customers, employees, shareholders, communities as well as being a communication tool to various interested parties about our approach to the social, environmental and economic aspects of our business.

## REPORTING PERIOD

This is an annual report which covers the period from January 1, 2016 to December 31, 2016 (Fiscal Year 2016). Unless otherwise stated, all data is as at 31 December 2016. We are committed to continuing our reporting journey, and expect to publish a sustainability report biennially.

Our report content has been prepared in accordance with GRI 4.0 core guidelines. We referred to the principles for defining report content when planning our report. For selected performance indicators that have been historically tracked, we have included data from the past three years.

## REPORTING PRINCIPLES

Our Sustainability Report is developed in accordance with the Digi Standard Operating Policy and Procedures on Sustainability Reporting. The policy and procedures aim to provide guidance on the scope and boundaries of reporting, roles and responsibilities, internal control processes, and definitions for all reported parameters. They are consistent with the Telenor Group Non-Financial Reporting Procedures and other established reporting standards such as the Global Reporting Initiative 4.0 Guidelines, Greenhouse Gas Emissions Protocol, Carbon Disclosure Project and the UN Global Compact.

## 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. Table as shown on the right.

## AUDIENCE AND ACCESSIBILITY

This report is made available on our corporate website. The report has been written for the interest of investors, regulators, current and potential employees. We have made a conscious decision not to print a report as part of our environmental commitment to reduce our printing.

## COMPLETENESS: ASPECTS AND BOUNDARIES

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

## GRI TABLE

GENERAL STANDARD DISCLOSURES			
DMA and Indicators		Compliance	Cross reference or direct answer
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organisation	Full	<a href="#">CEO's Message</a> <a href="#">Chairman's Statement</a>
<b>Organisational Profile</b>			
G4-3	Name of the organisation	Full	<a href="#">About Our Disclosure</a>
G4-4	Primary brands, products and services	Full	<a href="#">Management Discussion and Analysis</a>
G4-5	Headquarters location	Full	<a href="#">Notes to Financial Statement</a>
G4-6	Countries of operation	Full	Digi only operates in Malaysia.
G4-7	Nature of ownership and legal form	Full	<a href="#">Notes to Financial Statement</a>
G4-8	Markets served	Full	<a href="#">Management Discussion and Analysis</a>
G4-9	Scale of the organisation	Full	<a href="#">Management Discussion and Analysis</a>
G4-10	Organisation's workforce	Full	<a href="#">Winning Team</a>
G4-11	Total employees covered by collective bargaining agreements	Full	33% of employees are covered by collective bargaining agreement as at 31 Dec 2016.
G4-12	Organisation's supply chain	Full	<a href="#">Ethics and Compliance</a> <a href="#">Telenor Impact Report</a>
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	<a href="#">Code of Conduct</a> <a href="#">Climate Change and Environment</a>
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives	Full	<a href="#">About Our Disclosure</a> <a href="#">Sustainability Governance</a> <a href="#">Sustainability</a>
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.

DMA and Indicators		Compliance	Cross reference or direct answer
<b>Identified material aspects and boundaries</b>			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Full	<a href="#">Annual Report 2016</a>
G4-18	Process for defining report content and the Aspect Boundaries	Full	<a href="#">Materiality</a>
G4-19	Material Aspects identified in the process for defining report content	Full	<a href="#">Materiality</a>
G4-20	Aspect Boundary within the organisation	Full	<a href="#">About Our Disclosure</a>
G4-21	Aspect Boundary outside the organisation	Full	<a href="#">About Our Disclosure</a>
G4-22	Restatements of information provided in previous reports	Full	<ul style="list-style-type: none"> <li>Carbon efficiency changed to millions tonnes CO2/ value add.</li> <li>2015 EEI was recorded as 80% based on aggregated results of seven questions. For comparable results to 2016 EEI, we have aggregated 2015 EEI based on aggregated results of five questions which is 76%</li> </ul>
G4-23	Significant changes from previous reporting in the Scope and Aspect Boundaries	Full	There is no change from previous report
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups engaged by the organisation	Full	<a href="#">Stakeholders</a>
G4-25	Basis for identification and selection of stakeholders with whom to engage	Full	<a href="#">Stakeholders</a>
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Full	<a href="#">Stakeholders</a>
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	<a href="#">Stakeholders</a>
<b>Report Profile</b>			
G4-28	Reporting period	Full	<a href="#">About Our Disclosure</a>
G4-29	Date of most recent previous report	Full	<a href="#">About Our Disclosure</a>
G4-30	Reporting cycle	Full	<a href="#">About Our Disclosure</a>
G4-31	Contact point	Full	<a href="#">About Our Disclosure</a>
G4-32	GRI content index	Full	This page
G4-33	External assurance	Full	<a href="#">Assurance Statement</a>
<b>Governance</b>			
G4-34	Organisation's governance structure	Full	<a href="#">Statement on Corporate Governance</a>
<b>Ethics &amp; Integrity</b>			
G4-56	Organisation's values, principles, standards and norms of behaviours	Full	<a href="#">Statement on Corporate Governance</a> <a href="#">Ethics and Compliance</a>



SPECIFIC STANDARD DISCLOSURES			
Material Aspects	DMA and Indicators	Compliance	Comments
<b>Economic</b>			
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 <a href="#">Financial Summary: Statement of Comprehensive Income Telenor Impact Report</a>
	G4-EC2	Full	Financial implications and other risks and opportunities for the organisation's activities due to climate change <a href="#">CEO's Message Climate Change and Environment Telenor Group's Carbon Reporting Notes to Financial Statement: Employee Benefits, Profit Before Tax, Defined Benefit Plans.</a>
	G4-EC3	Full	Coverage of the organisation's defined benefits plan obligations
	G4-EC4	Full	Financial assistance received from government <a href="#">Statement of Cash Flow</a>
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 <a href="#">Management Profile Winning Team: Inclusiveness</a> 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 <a href="#">Our Present Telenor Impact Report Empower Societies</a>
	G4-EC8	Full	Significant indirect economic impacts, including the extent of impacts <a href="#">Ethics &amp; Compliance Telenor Impact Report</a>
Procurement practices	G4-EC9	Full	Proportion of spending on local suppliers at significant locations of operation <a href="#">Telenor Impact Report</a>
<b>Environmental</b>			
			Management approach <a href="#">Climate Change and Environment</a>
Energy	G4-EN3	Full	Energy consumption within the organisation <a href="#">Climate Change and Environment</a>
	G4-EN4	Full	Energy consumption outside the organisation <a href="#">Climate Change and Environment</a>
	G4-EN5	Full	Energy intensity <a href="#">Climate Change and Environment</a>
	G4-EN6	Full	Reduction of energy consumption <a href="#">Climate Change and Environment</a>
Water	G4-EN8	Full	Total water withdrawal by source Data: <a href="#">Climate Change and Environment</a> <i>Our water is from the local municipal.</i>
Emissions	G4-EN15	Full	Direct GHG emissions (Scope 1) <a href="#">Climate Change and Environment</a>
	G4-EN16	Full	Indirect GHG emissions (Scope 2) <a href="#">Climate Change and Environment</a>
	G4-EN17	Full	Other indirect GHG emissions (Scope 3) <a href="#">Climate Change and Environment</a>
	G4-EN18	Full	GHG emissions intensity <a href="#">Climate Change and Environment</a>
	G4-EN19	Full	Reduction of GHG emissions <a href="#">Climate Change and Environment</a>

Material Aspects	DMA and Indicators	Compliance	Comments
Effluents and waste	G4-EN23	Full	Total weight of waste by type and disposal method Data: <a href="#">Climate Change and Environment</a>
Products and Services	G4-EN27	Full	Initiatives to mitigate environmental impacts of products and services, and extent of impact <a href="#">Climate Change and Environment</a>
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 2016
Transport	G4-EN30	Full	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce <a href="#">Climate Change and Environment</a> Transportation accounts for less than 3% of Digi's total CO <sub>2</sub> emissions, and does not have significant impact.
Suppliers environmental assessment	G4-EN32	Full	Percentage of new suppliers that were screened using environmental criteria <a href="#">Supply Chain Sustainability</a> 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 2016
Environmental Grievance Mechanisms		Full	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance None reported in 2016
<b>Social</b>			
<b>Labour practices and decent work</b>			
			Management Approach <a href="#">Our Approach to Sustainability Ethics and Compliance Winning Team</a>
Employment	G4-LA1	Partial	Total number and rates of new employee hires and employee turnover by age group, gender and region Data: <a href="#">Winning Team</a>
	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 <a href="#">Supply Chain Sustainability</a>
	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 <a href="#">Transformation Catalyst</a>
	G4-LA10	Full	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings <a href="#">Transformation Catalyst Innovation Everyday</a>

Material Aspects	DMA and Indicators	Compliance	Comments
	G4-LA11	Full	<u>Winning Team</u> 50% as at 31 Dec 2016. There is a change to the timeline of the annual performance review from 31 December 2016, to 31 March 2017 to align with Telenor Group.
Diversity and equal opportunity	G4-LA12	Partial	<u>Directors Profiles</u> <u>Inclusive and Engaged Culture</u>
Equal remuneration for women and men	G4-LA13	Full	Digi practices equal opportunity for salaries and remuneration for equal skills
	G4-LA15	Full	<u>Supply Chain Sustainability</u>
Labour practices grievance mechanisms	G4-LA16	Full	There were none filed in 2016
<b>Human rights</b>			
			<u>Management Approach</u>
			<u>Sustainability Governance</u>
Investment & Procurement Practices	G4-HR1	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	Partial	<u>Supply Chain Sustainability</u>
Non-discrimination	G4-HR3	Full	There were no incidents of discrimination in 2016. We are committed to promoting equal opportunity
Freedom of association and collective bargaining	G4-HR4	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	Full	Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clause on child labour.  In 2016, there were two cases of underage workers (between 15-18 years old) in our supply chain. We terminated one contractor and suspended another for 6 months.
Forced or compulsory labour	G4-HR6	Full	Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which includes forced labour
Security Practices	G4-HR7	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	Full	<u>Governance:</u> <u>Human Rights Risk Assessment</u>

Material Aspects	DMA and Indicators	Compliance	Comments
Supplier Human Rights Assessment	G4-HR10	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	Full	<u>Ethics and Compliance</u>
Human Rights Grievance Mechanism	G4-HR12	Full	There has been no grievance filed in 2016
<b>Society</b>			
			<u>Management approach</u>
			<u>Safe Use Empower Societies</u>
Local communities	G4-SO1	Partial	<u>Ethics and Compliance</u> Digi assesses its operational impact on communities, and carries out relevant engagement to address concerns of local authorities and communities.
Anti-corruption	G4-SO3	Full	<u>Anti-Corruption</u>
	G4-SO4	Full	<u>Anti-Corruption Code of Conduct</u>
Compliance	G4-SO8	Full	Digi was fined RM720,000 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	Full	<u>Supply Chain Sustainability</u>
Grievance mechanisms for impacts on society	G4-So11	Full	There were no cases filed in 2016.
<b>Product responsibility</b>			
			<u>Management approach</u>
			<u>Consumer Responsibility</u>
	G4-PR1	Partial	<u>Safe Use Empower Societies</u>
	G4-PR2	Full	There were no cases filed in 2016.
Product and service labelling	G4-PR5	Full	<u>Consumer Responsibility</u>



**YOU HAVE REACHED  
THE END OF OUR REPORT**

Please direct your enquiries or feedback to

**Ms Quah Yean Nie**  
Head of Communications & Sustainability  
[sustainability@digicom.my](mailto:sustainability@digicom.my)  
03 5721 1800

**Digi.Com Berhad** (425190-X)  
Lot 10, Jalan Delima 1/1  
Subang Hi-Tech Industrial Park  
40000 Shah Alam, Selangor  
T 03 5721 1800  
W [www.digi.com.my](http://www.digi.com.my)

part of  telenor  
group



LET'S  
INSPIRE