Transforming to Deliver
Internet for All

Contents

About DiGi

DiGi provides mobile voice and internet services. It is committed to driving Malaysia's growth by building a mobile internet environment that enables connectivity, creates socio-economic development, and helps businesses grow. DiGi continues to be a game-changer for the Malaysian telecommunications industry, with a solid history of product and service innovation, and is a leader in driving progressive and responsible business practices.

- **49%-owned by Telenor Group**
- **Listed on Bursa Malaysia**
- **Close to 10.0 million customers**
- **RM5.9 billion revenue**
- **~RM32 billion market capitalisation**
- **2,077 employees**
- **95% 2G and 54% 3G population coverage**

DiGi is committed to building a connected Malaysia by driving access to the internet for all Malaysians. We believe the key to accelerating adoption is best expressed in our *Internet for All* mission. This 2011 Sustainability Report captures our focus on driving responsible business practices and standards that will guide us on our journey towards this aspiration.

Transforming to Deliver
Internet for All

Transforming to Deliver
Internet for All
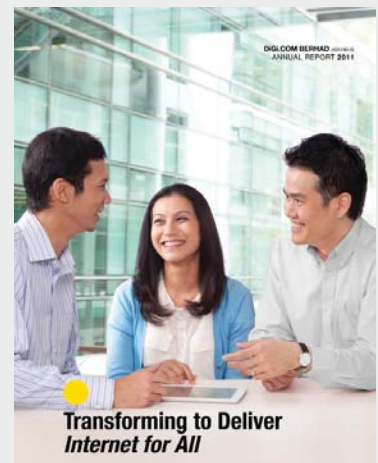
About this Report

This is our third Sustainability Report (SR) and the third Communication on Progress (COP) since becoming a signatory to the United Nations Global Compact in September 2008. Our last Sustainability Report was published in May 12, 2011. This year's SR is to be read and referenced with DiGi's Annual Report 2011 for a more comprehensive view of the company's overall financial and non-financial performance.

Scope
The report covers DiGi.Com Berhad and its subsidiaries. It does not include outsourced activities, joint ventures and suppliers.

We have attempted to report on all issues that are material to our business, covering social, environmental and economic aspects.

Reporting period
This report, which is produced annually, covers the period from January 1, 2011 to December 31, 2011 (Fiscal Year 2011). For selected performance indicators that have been historically tracked, we have included data from the past two years.

Audience and distribution
This report is distributed to all shareholders and key stakeholders including industry groups, business partners, government and regulatory officials, media and the community. It is also available in CD format and downloadable from www.digi.com.my.

New approaches
Based on feedback received on our previous SRs, we have implemented a few new approaches towards improving the overall reporting quality. These include:
- A set of Standard Operating Policy and Procedures (SOPP) for Sustainability Reporting which guides our reporting process.
- Obtaining independent assurance from PricewaterhouseCoopers (PwC) for selected KPIs in this report.
- Obtaining independent assurance from PwC for our Global Reporting Initiative (GRI) application level.
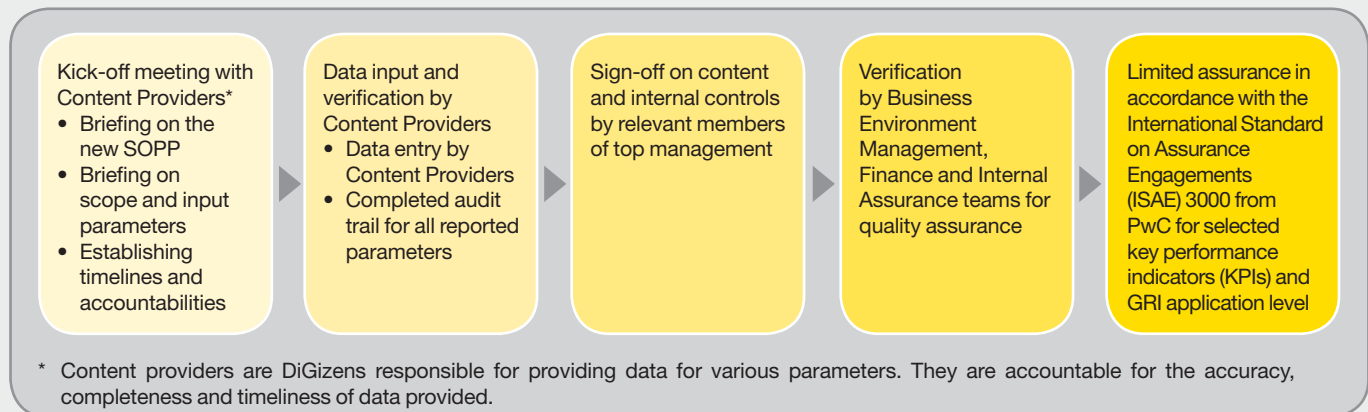- Glossary at the end of this report which provides definitions for industry-specific terminologies.

Sustainability Reporting Standard Operating Policy and Procedures
This year's SR was developed in accordance with our newly established Standard Operating Policy and Procedures on Sustainability Reporting (SR SOPP). The SR SOPP aims to provide guidance on the scope and boundaries of reporting, roles and responsibilities, internal control processes, and definitions for all reported parameters. Our intention is to streamline the scope of reporting, and enhance the quality and accuracy of reported information. The SR SOPP is consistent with the Telenor Group's Non-Financial Reporting Procedures, and other established sustainability reporting standards such as the GRI, Carbon Disclosure Project and the UN Global Compact.

Enquiries or feedback
Please direct your enquiries or feedback to:
Sumitra Nair (sumitran@digi.com.my)

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

Kick-off meeting with Content Providers*	Data input and verification by Content Providers	Sign-off on content and internal controls by relevant members of top management	Verification by Business Environment Management, Finance and Internal Assurance teams for quality assurance	Limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000 from PwC for selected key performance indicators (KPIs) and GRI application level
• Briefing on the new SOPP • Briefing on scope and input parameters • Establishing timelines and accountabilities	• Data entry by Content Providers • Completed audit trail for all reported parameters			

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

Message from the CEO

Chief Executive Officer

Henrik Clausen

At the heart of our Sustainability strategy is our focus on building a connected Malaysia by driving demand for the internet, and building a stronger, wider network to cater to this demand. We believe the key to accelerating adoption is best captured in our *Internet for All* mission, which underpins DiGi's transformation agenda to become a strong internet business in the coming years.

This aspiration requires a keen focus on efficiency and responsible business standards. Our sustainability efforts are integrated across our business in three focus areas, namely Empowerment Through Connectivity, Ethical and Responsible Business, and Climate Change and Environment.

Internet for All driving Empowerment Through Connectivity

We are building a strong data network, and enabling access to mobile internet services by offering customers the right combination of devices, value pricing, and the best usage experience.

Our *Tomorrow Network* will be LTE-equipped and ready to serve fiber-like speeds to upcoming LTE mobile devices, with larger capacity, more consistent speeds, and the ability to deliver the best mobile internet experience. The modernisation exercise is currently underway, and will be completed by 2013.

As part of our efforts to provide a more wholesome internet experience, we launched the DiGi CyberSAFE Programme, which is aimed at driving awareness on this subject amongst children, parents and teachers from more than 200 schools around the country.

We continue working with the community through programmes such as the DiGi Challenge for Change (reaching the close of our 3rd edition), which is aimed at working with communities and groups to jointly address social needs, and the DiGi WWWoW Awards - Malaysia's first ever 'by the people, for the people' internet awards, celebrating the achievements of ordinary Malaysians online.

Ethical and Responsible Business

We strive to conduct our business in an ethical and responsible manner, by ensuring high standards of corporate governance across our value chain, addressing health and safety risks, and by continuously responding to consumers and expectations relevant to our industry.

DiGi is part of an industry-led initiative to raise awareness on the issue of Radio Frequency (RF) emissions from mobile phones and transmission sites, and as a company we strive to be compliant to the highest international safety standards in our network.

I am pleased to report that our efforts in corporate governance have been recognised for the second year by the Minority Shareholders' Watchdog Group who accorded DiGi the Distinction Award in the Malaysian Corporate Governance Index.

Over the course of the last year, we have also put in place a holistic human resource transformation programme that will drive us towards our aspiration of becoming 'Best on People'. We aim to do this by creating an engaging and supportive work culture and environment, most attractive development across all levels, and competitive and performance-based rewards for all our employees. Through this, we want to make DiGi one of Malaysia's most preferred employers, with an engaged, motivated, and highly competent workforce.

Climate Change and Environment

As a telecommunications operator, our biggest impact on climate change arises from energy consumption. In 2011, we achieved a 33% CO_2 reduction, compared to our business-as-usual projections made in 2008 when we launched our Deep Green programme. We hope to narrow the gap to our 50% reduction ambition, once we complete our ongoing network modernisation programme.

Managing our climate impact demands high quality and accurate data monitoring and reporting. I am pleased to report that DiGi was rated the top company in Malaysia in the UK-based Carbon Disclosure Project (CDP) 2011, which is the world's largest repository of self-reported Green House Gas emissions and energy data of major corporations.

Improving disclosure standards

As a signatory to the UN Global Compact, we actively address all key sustainability aspects across our value chain, and continuously seek to improve the disclosure of our sustainability performance. This year, we have obtained an independent assurance from PwC for our GRI application level B+, and selected KPIs in our Sustainability Report.

Last but not least, I would like to acknowledge and thank all DiGizens, our partners and friends for their efforts and support to DiGi's sustainability agenda. I hope you find this Sustainability Report informative and useful.

Henrik Clausen
Chief Executive Officer

Our Vision:

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

Our Mission:

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

Our Approach to Sustainability

We constantly review our approach to ensure that key sustainability challenges impacting our business and society are addressed across our value chain. DiGi's Corporate Responsibility approach is aligned to Telenor Group's CR Strategy, Bursa Malaysia's CSR Framework, the United Nations Global Compact Principles, and Malaysia's national aspirations to extend the benefits of telecommunications and the internet to all Malaysians.

We recognise that stakeholder engagement and our external business environment play a significant role in influencing our sustainability agenda. Hence, in 2011, we renamed our Corporate Responsibility department to Business Environment Management to better reflect the expanded focus in the area.

Stakeholder engagement is core to our Sustainability agenda

Our stakeholders comprise all those who have an interest in our business and long-term sustainability, and we actively engage them to obtain feedback on material issues that are of shared interest.

Stakeholders	Key topics	Engagement platforms
Government and Regulators	• Digital inclusion • Network coverage • Regulatory issues • Consumer interests • Technology transfer • Nation building	• Regular reports and information sharing • Participation in government programmes and initiatives • Public private partnership initiatives • Secondment of DiGi's senior staff to government bodies
Telecommunications Industry	• Digital inclusion • Regulatory issues • Consumer interests	• Industry forums and meetings
DiGizens (our employees)	• Conducive work environment • Career development opportunities • Compensation • Health, Safety, Security and Environment (HSSE) • Code of Conduct • DiGi values	• Annual employee engagement survey • Intranet • CEO's emails to employees • Townhall meetings
Customers	• Quality of service • Network coverage • Affordable products and services	• DiGi outlets • Customer service channels e.g. online customer service, 24-hour helpline • Social networking sites e.g. Facebook (FB) and Twitter
Media	• DiGi's business strategy and financial results • Digital inclusion • Consumer interests	• Regular media interviews • Media events • Formal and informal meetings • Media familiarisation trips/visits
Community partners and industry groups	• Digital inclusion • Climate change • Corporate governance • Consumer interests • Youth and talent development	• Business and industry forum meetings • Meetings with relevant NGOs • Community engagement programmes
Business partners and Suppliers	• HSSE • Supply chain governance	• Product and solution presentations • Annual self assessment questionnaires • Site inspections • Training for suppliers
Investors and Stock Analysts	• Business performance and outlook	• Local and overseas non-deal roadshows • Management Access Day • Corporate presentations • Analyst briefings

Material issues identified through these engagements are integrated into our corporate strategy and initiatives, which are encapsulated in our three broad Corporate Responsibility pillars of **Empowerment Through Connectivity**, **Ethical and Responsible Business**, and **Climate Change and Environment**. These have been our key focus areas since 2009, which we continue to refine and strengthen in line with the dynamic nature of our business environment.
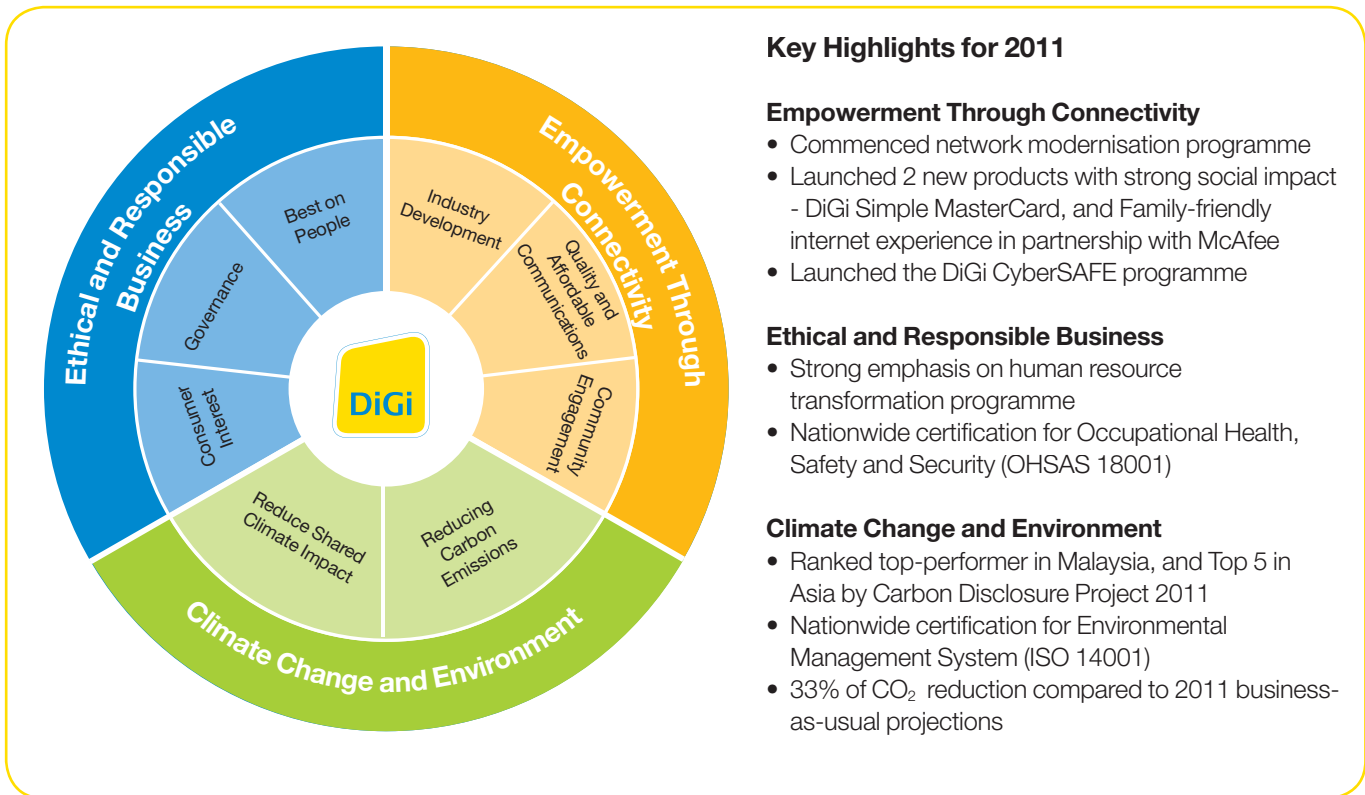
Key Highlights for 2011

Empowerment Through Connectivity
- Commenced network modernisation programme
- Launched 2 new products with strong social impact - DiGi Simple MasterCard, and Family-friendly internet experience in partnership with McAfee
- Launched the DiGi CyberSAFE programme

Ethical and Responsible Business
- Strong emphasis on human resource transformation programme
- Nationwide certification for Occupational Health, Safety and Security (OHSAS 18001)

Climate Change and Environment
- Ranked top-performer in Malaysia, and Top 5 in Asia by Carbon Disclosure Project 2011
- Nationwide certification for Environmental Management System (ISO 14001)
- 33% of CO_2 reduction compared to 2011 business-as-usual projections

Empowerment Through Connectivity

With our strong track record, we are able to harness our core competencies to accelerate efforts to bridge the digital divide, which is reflected in the company's mission to deliver *Internet for All*.

Ethical and Responsible Business

We practice high corporate governance standards across our engagements with all key stakeholders. Further, our governance framework emphasises the need for all DiGizens to embrace and live the DiGi values of Keep Promises, Make it Easy, Be Respectful and Be Inspiring.

As a responsible employer, we also strive to be a company that provides the best for our employees. Our 'Best on People' aspiration is to create an engaging and supportive work culture and environment, most attractive development at all levels, as well as competitive and performance-based rewards for all DiGizens.

Climate Change and Environment

As a telecommunications operator, our biggest impact on climate change arises from energy consumption. Therefore, a key focus in managing our carbon footprint is improving energy efficiency. At the same time, we remain committed to addressing broader climate change and environmental impacts across our business.

Empowerment Through Connectivity

Students at the DiGi CyberSAFE Programme

UN Millennium Development Goal 8:

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

As one of the leading mobile internet providers in Malaysia, we continue to harness our core competencies and strong track record in the industry to accelerate efforts to bridge the digital divide.

Quality and Affordable Communications

Building the digital infrastructure for the future
We are the first Asian operator within the Telenor Group to build a fully Long-Term Evolution (LTE)-equipped network, targeted for completion by 2013. The advent of LTE technology (or fourth generation mobile services – 4G) will play a significant part in driving Malaysia's future growth, especially given the massive move to data traffic that is influencing the socio-economic structure of Malaysia. 4G is a major milestone for the local telecommunications sector, and an exciting experience for users as it would enable the kind of rich applications currently enjoyed by fixed broadband.

As the demand for data grows, we have to enhance our network which escalates capital requirements and operating costs. From an environmental perspective, a bigger network footprint equals higher energy consumption, greater use of land and other natural resources, and construction material. To achieve better capital and operational efficiencies, as well as address related environmental impacts, we embarked on an in-depth infrastructure sharing with Celcom-Axiata, another player in the Malaysian telecommunications industry. Most importantly, this initiative will benefit customers through better prices and quality of services. We are currently in the pilot phase and scheduled for a nationwide rollout within the next 2 to 3 years.

Driving internet uptake amongst local communities
The internet must be delivered in a relevant, convenient and affordable manner to allow Malaysians of all walks of life to reap its benefits. Our approach to drive internet uptake can be seen on several fronts.

We offer a wide range of affordable and relevant price plans to suit various needs and have also launched several products that have strong positive social impact such as the DiGi Simple MasterCard and Family-friendly internet experience in partnership with McAfee.

DiGi Simple MasterCard - The 1st telco-branded prepaid and secure cashless payment card. The Simple Card provides access to cashless payment solutions for consumers who do not have credit facilities with financial institutions. It also enhances financial safety for migrant and low-income workers, by reducing risks associated with carrying cash. The card also helps in managing family finances, especially for families with college-going children where parents can now provide a prepaid card to limit the spending of their children.

Family-friendly internet experience with McAfee – A parental filter solution that is offered as an optional product bundling at a much discounted price to all our broadband customers. With this offering, parents can protect their children from exposure to inappropriate web content and reduce risks of online threats such as cyber-bullying, identity theft, cyber-stalking, cyber-grooming and pornography.

Apart from our customers, we have also reached out to all Malaysians through numerous initiatives. Our objective is to show how the internet can be used in a positive and enriching manner.

DiGi WWWoW awards: A collaboration with Google, MSN, Yahoo!, Flickr, Mudah.my, Nuffnang, Astro TV, Hitz.fm, Era.fm and several other brands to celebrate ordinary Malaysians' extraordinary creativity, ideas and innovation in the digital space.

October TwtFest: DiGi hosted the world's largest ever tweet-up, a gathering for people who are connected via Twitter. A total of 2,288 tweeters put Malaysia in the Guinness Book of World Records.

Dear Malaysians: A Merdeka-Malaysia Day inspired movement on FB to encourage respect, goodwill and forgiveness amongst Malaysians.

Terima Kasih Malaysia MyPhone Shorties: A mobile short film competition where citizens including the Prime Minister, used their mobile phones to record what they were most thankful about as Malaysians.

In addition, we continue to support the government's initiatives to promote the use of internet amongst local communities by participating in various initiatives and events led by the Malaysian Communications and Multimedia Commission (SKMM) as well as other federal and state government agencies.

Under SKMM's Universal Service Provision (USP) programme to extend broadband penetration to underserved communities, we launched our 14th Community Broadband Center (CBC) in Sematan, Sarawak. We also set up mini-CBCs in Johor, Pahang, Melaka, Terengganu, Kelantan and Sarawak.

Our CBC locations
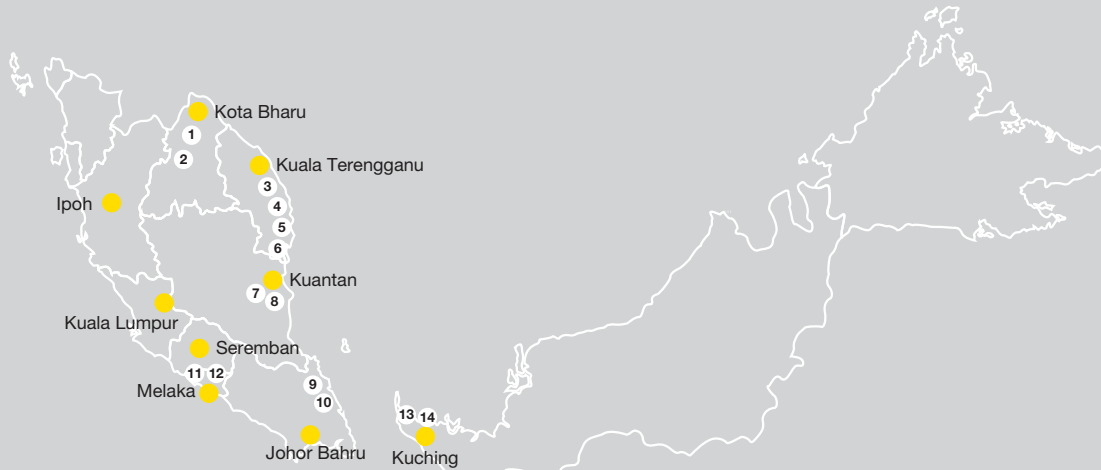
1	Felda Kemahang 3 Tanah Merah	8	Kampung Ubai, Kuantan
2	Kampung Gual Ipoh,Kusial, Tanah Merah	9	Kampung Teriang Besar, Mersing
3	Kuala Berang, Hulu Terengganu	10	Felda Tenggaroh 3, Mersing
4	Kampung Bukit Diman, Ajil	11	Kampung Umbai, Jasin
5	Taman Semarak Binjai, Kemaman	12	Kampung Sg Rambai, Jasin
6	Pasir Gajah, Kemaman	13	Lundu, Sarawak
7	Kampung Pandan, Kuantan	14	Sematan, Lundu, Sarawak

Industry Development

As a key player, we recognise our responsibility to support the development of the local telecommunications industry by leveraging on our global capabilities to drive Malaysia's transformation into a digital society.

In 2011, DiGi continued delivering innovations in mobile internet products and services such as the first telco-branded prepaid payment card as well as the first machine-to-machine Mobile Virtual Network Operator (MVNO).

In addition, we are a founding member of various key industry forums governed by the Communications and Multimedia Act 1998 (CMA) that encourage and facilitate self-regulation. Through our active participation, we hope to contribute towards raising the overall standard of the Malaysian telecommunications industry.

Besides these, we aspire to raise the bar on key sustainability and industry issues by hosting regular workshops with various regulatory and industry bodies on global best practices on issues such as Spectrum Re-farming and LTE implementation. Together with the EU Malaysia Chamber of Commerce and Industry (EUMCCI), we coordinated several panel discussions for the Information and Communications Technology (ICT) industry to discuss opportunities arising from the Economic Transformation Programme (ETP) and mobile internet.

Community Engagement

Our efforts in community investment go beyond a traditional philanthropic model to strategically deploy our resources, either through technology or our people. We seek to catalyse mobile and internet-based innovations that can bring about positive and meaningful changes for all Malaysians. We do this by engaging youth to be part of the solution, as they are the foundation of the nation's future. Over the years, we have carried out numerous community programmes that have reached out to some of the most underserved communities, such as urban poor, disabled, rural communities, single mothers, and children under protection.

DiGi is an active member of the following industry forums:

- **Malaysian Technical Standards Forum Berhad**
  Initiates and facilitates the development of technical codes, standards, and guidelines on operations, safety and interoperability

- **Malaysian Access Forum Berhad**
  Oversees the Access Code, a voluntary code, which serves as a guide for members of the industry, and makes recommendations to the SKMM on services and facilities to be included in, or removed, from the Access List

- **Consumer Forum**
  Aims to protect the rights of consumers within the multimedia and communications industry

Our programmes engaged approximately 300 communities in 2011
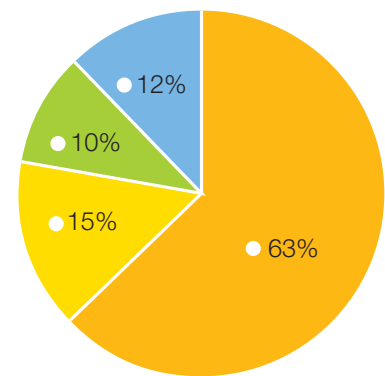
- Schools — 63%
- NGOs — 15%
- Universities — 10%
- Underprivileged — 12%

DiGi Challenge for Change

The DiGi Challenge for Change (C4C) is a competition that engages students from universities and colleges in Malaysia to work on solutions that benefit society. The competition was first launched in 2009 and quickly gained traction in driving greater social awareness amongst students across the country.

2009
- Discovering sustainable energy solutions for rural communities
- Established a micro hydro dam for the community of Lumpagas, Sabah

2010
- Sustainable business ideas for CBC
- Clean technology innovations
- The winner of the Clean Tech secured a top 5 spot in the Global Clean Tech Open in San Jose, CA

The programme has grown since it was first launched in 2009.

	2009	2010	2011
Participating Institutions of Higher Learning	8	13	23
Submissions	15	76	117
Participants	60	92	512
Finalists	6	20	13
Industry and NGO participants as mentors and judges	8	16	90
DiGi Mentors	18	20	25

In its third edition, the C4C Social Venture Competition 2011, invited teams of university students to come up with mobile or internet-based social ventures to address social, economic or environmental issues amongst underserved communities.

We ran 'Startup Weekend' sessions across the country in order to allow more students and local communities to participate and benefit from the programme. Finalists were provided with seed funding, internet access and mentoring by DiGi employees as well as a diverse team of industry experts and NGOs. The students' ideas addressed a wide variety of issues, including healthcare, literacy, job creation, environment and youth volunteerism.

The competition is supported by the Ministry of Information, Communications and Culture and the Ministry of Higher Education. MSC Malaysia, Microsoft Malaysia, ZTE Corp., Jobstreet and Youthworks Asia were national corporate partners in this initiative. For more information about C4C3, please visit www.digi.com.my/whatshot_v3/c4c/landing.do

Startup Weekend is an event that provides networking, resources and incentives for budding entrepreneurs to go from idea to launch. For more information: www.startupweekend.org

"We see tremendous value coming from DiGi and all their corporate partners through the DiGi Challenge for Change in Kuantan, in driving social entrepreneurship development among our students in the Eastern region."

YB Dato Hj Shakar Hj Shamsuddin
Chairman of Information, Science, Technology and Innovation Committee, Pahang

"The C4C Programme is a great platform as it combines technology, social entrepreneurship and university students in one cool programme. The students get to experience entrepreneurship, bring value to the underserved community and power up their ventures via ICT technology. Simply awesome!"

Khairul Mazwan Ibrahim Pati
MSC Malaysia

"The impact on what one person can do for a community is often forgotten. It's wonderful that there are organisations that work hard to instill this noble cause amongst young people. The effort by DiGi through their Startup Weekend programme is truly commendable."

Maclean Patrick
Barefoot Mercy, Kuching

"It has been a very good journey for all the students, as well as lecturers and mentors who spent their weekend here. Now that the two regional finalists have been selected, it will be interesting to see them implement their ideas."

Prof. K Sudesh Kumar
Director of Industry Network Unit, Universiti Sains Malaysia

"The entire journey since becoming a finalist has been a whirlwind experience; my learning curve has shifted tremendously. Starting up a business is not as easy as it sounds. Talking about it is one thing, but actually doing it, "wow", that's an entirely different story. I believe this is what C4C is all about. It's about turning innovative ideas into reality by encouraging young student entrepreneurs to think about how to fulfil both market and society's needs. This is in line with the theme of C4C's dream and aspiration for its participants to go out into community and make a difference."

Faiz Effendi
Universiti Tun Abdul Razak

DiGi CyberSAFE Programme

While much has been done to accelerate internet adoption as a tool of empowerment, we recognise that misuse of the internet can pose risks to children. This can be seen in the significant increase in incidences of cyber-crimes targeting children, for example, bullying, stalking, grooming, identity theft and pornography.
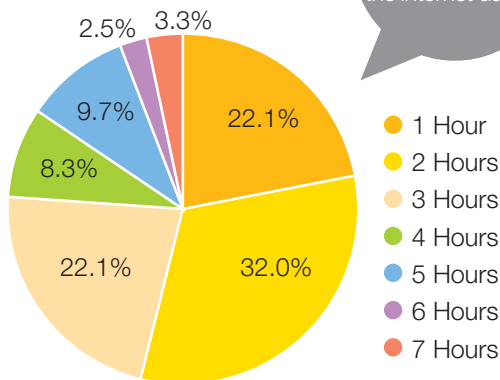
In response to this, we launched the DiGi CyberSAFE Programme (DCP) to raise awareness amongst children, parents, teachers and guardians on creating a safe and family-friendly internet experience. The programme takes a comprehensive approach in addressing this issue through the following key components:

- Awareness sessions at schools and CBCs around the country
- A guidebook for parents and guardians on how to create a safe internet environment. The guide can be downloaded at www.cybersafe.my/dcp
- Supported by Childline Malaysia – Call 15999 or email talktous@childlinemalaysia.org

This programme is jointly undertaken with the Ministry of Education, CyberSecurity Malaysia and Childline Malaysia; and supported by the Ministry of Women, Family and Community Development and SKMM. Since the launch of the programme, we have reached out to 30 schools and more than 500 children, teachers and parents.
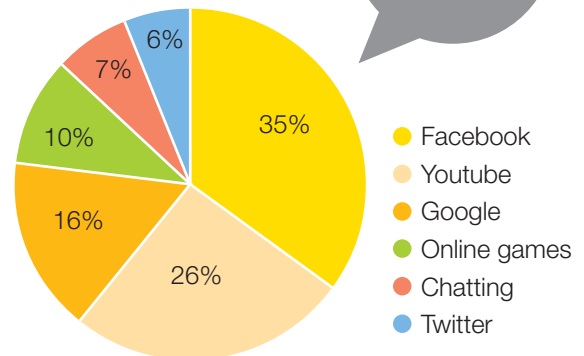
Hours Spent on Internet

76% of students spent 1-3 Hours on the internet daily

2.5% 3.3%
9.7%
8.3%
22.1%
22.1%
32.0%

- 1 Hour
- 2 Hours
- 3 Hours
- 4 Hours
- 5 Hours
- 6 Hours
- 7 Hours

Favourite Sites

61% of students actively 'facebook' and 'youtube'

6%
7%
10%
35%
16%
26%

- Facebook
- Youtube
- Google
- Online games
- Chatting
- Twitter

"I would like to thank DiGi and CyberSecurity Malaysia, our smart partners, for taking the initiative to widen the reach of this CyberSAFE programme across Malaysia. This is indeed a good example of smart partnership between public and private sectors in handling issues of national interests."

YB Dr. Haji Mohd Puad Zarkashi
Deputy Minister of Education II

"We are very pleased to collaborate with DiGi in this smart partnership to scale up our efforts in elevating the awareness on cyber security and internet safety amongst the students, teachers as well as parents across the country. This is indeed a good example of how we have effectively worked together with the private sector and collectively championed a critical issue which is currently affecting the nation."

Lt Col (R) Prof Dato' Husin Jazri
CEO, CyberSecurity Malaysia

"With the exponential progress made in the information and communications technology (ICT), it is difficult for some to imagine a world without mobile phones, tablets, computers, internet, e-mail, digital books, Twitter and Facebook. In addition, the time spent by users, including children, staying connected to the cyber world has increased remarkably over the last decade. As such, the DiGi CyberSAFE programme is timely to equip children with sufficient knowledge to be "street-wise" in the ever-challenging virtual space."

Harjeet Singh Hardev Singh
Deputy Secretary General (Strategic) Ministry of Women, Family and Community

Other community highlights

DiGi Sekolahku Berbakat
320 schools participated in this talent competition which encourages students to express themselves in a fun and creative way.

Partnership with eHomemakers
We are supporting eHomemaker's, a social enterprise, to improve communications with its network of micro enterprises and NGOs via a mass messaging solution.

Computers and internet connectivity for the underpriviledged
We invested over RM150,000 to provide computers with internet connection to 31 orphanages and community rehabilitation centers for the disabled.

Ethical and Responsible Business

DiGi Rocks Penang

In the Workplace

A big part of being a responsible company is to ensure that we have a highly engaged, motivated and committed workforce. Since 2010, DiGi has incorporated the goal to be 'Best on People' as part of our strategic ambitions.

Based on feedback from our employees, and an extensive review of our human resource processes, we have commenced a holistic human resource transformation programme that will drive the company towards becoming 'Best on People'. This aspiration is built around the philosophy of creating an engaging and supportive work culture and environment, most attractive career development at all levels, as well as competitive and performance-based rewards.

'Best on People' Value Proposition

An engaging and supportive work culture and environment	Most attractive development at all levels	Competitive and performance-based rewards
• Best performing company in the industry • Culture that stimulates high performance • Open working environment to encourage collaboration	• Defined career path for all • Targeted coaching and development platforms • Career and development opportunities in DiGi and Telenor Group	• Clear job roles and expectations • Competitive salaries benchmarked against the best in the industry • Strong link between performance and rewards

Various initiatives have been put in place throughout 2010 and 2011 to strengthen this proposition.

2010
- Streamlined development process which integrates business goals, professional development goals, capability assessments, succession planning and employee engagement survey
- Strategic assessment of skills and leadership capabilities
- Leadership development programmes to drive a performance-driven and values-based culture

2011
- Reviewed and updated all job descriptions
- Strengthened salary and job grading structures
- Defined career development paths for future growth
- Competitively benchmarked salary and rewards structure, based on performance and capabilities
- Refreshed workplace

'Best on People' Indicators

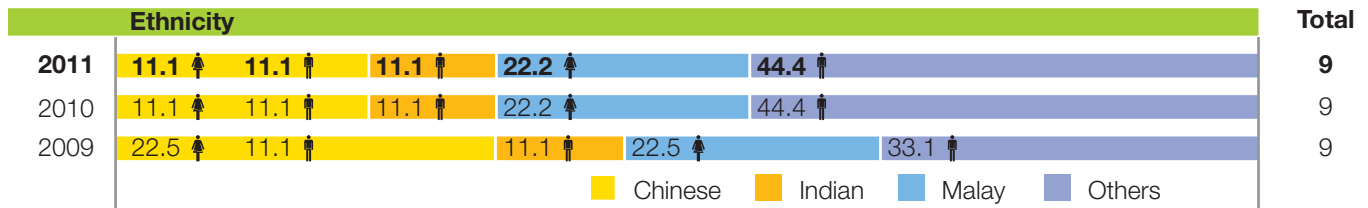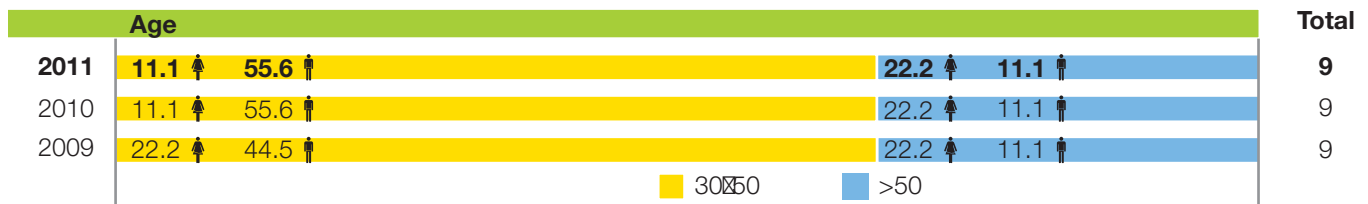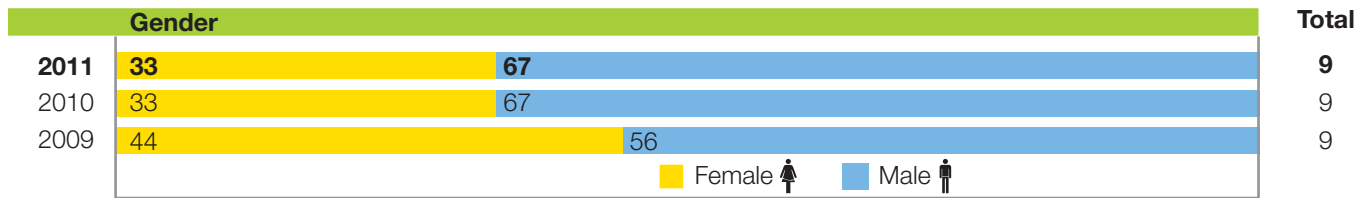| Initiatives	2011	2010	2009	Commentary
Employee Engagement Survey: Participation Level (i) Employee Engagement Index (ii) Leadership Profile	91% 68% favourable 77% favourable	90% 67% favourable 76% favourable	90% 73% favourable 76% favourable	Annual survey that measures the level of employee engagement. The results form the basis of planning people development initiatives
DiGizens participated and completed Telenor Group development programmes	17	3	3	Development programmes are offered to employees who have been identified as potential leaders
Training hours completed	42,969 hours*	23,686 hours	41,775 hours	We have reviewed the scope and definition of this parameter and restated the 2010 data *Verified by PwC*
Employees with documented development plans	74%	69%	54%	One-to-one sessions between manager and employee to discuss and agree on business and development goals

Other People Indicators

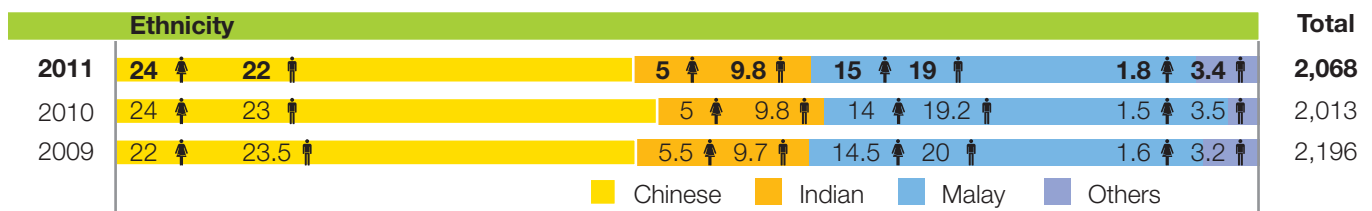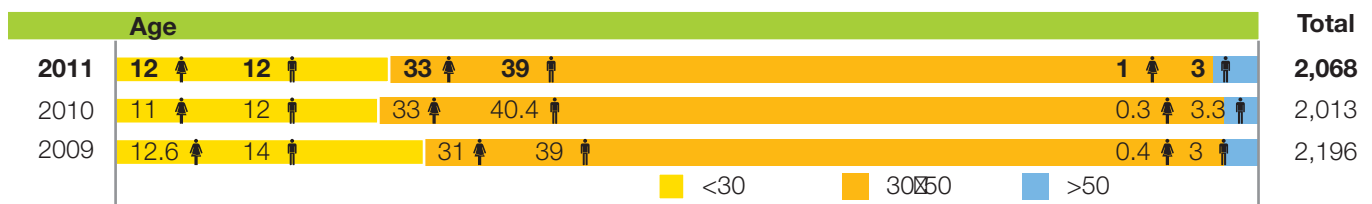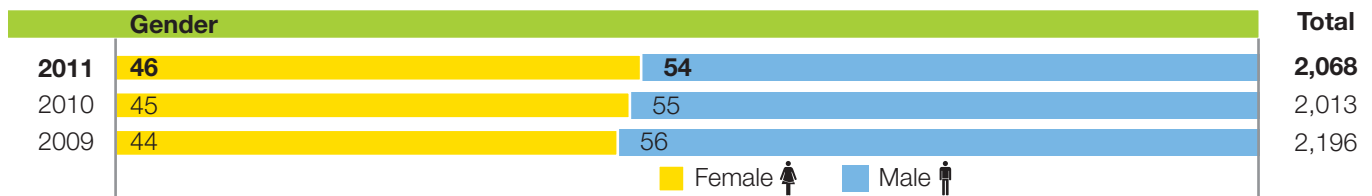| Indicator	2011	2010	2009	Commentary
Employees with disabilities	10	11	10	We have reviewed the scope and definition of this parameter and restated 2010 data
Interns hired	70	45	47	Increase is attributed to key transformation projects that provide more internship opportunities
Employees on paternity leave	74	NA	NA	Data not available for 2009 and 2010
Employees on maternity leave	72	71	NA	Data not available for 2009
Employees on extended maternity leave	57	39	NA	Extended maternity leave of up to 4 months is offered to all new mothers. The first 2 months is on full salary, while the optional 3rd and 4th month is on half salary
Employees leaving the company	69	371	NA	Data not available for 2009

Diversity Indicators

Top Management %

Gender		Total
2011	**33** Female / **67** Male	**9**
2010	33 / 67	9
2009	44 / 56	9

Legend: ▮ Female ♀ ▮ Male ♂

Age		Total
2011	**11.1** / **55.6** / **22.2** / **11.1**	**9**
2010	11.1 / 55.6 / 22.2 / 11.1	9
2009	22.2 / 44.5 / 22.2 / 11.1	9

Legend: ▮ 30≤X≤50 ▮ >50

Ethnicity		Total
2011	**11.1** / **11.1** / **11.1** / **22.2** / **44.4**	**9**
2010	11.1 / 11.1 / 11.1 / 22.2 / 44.4	9
2009	22.5 / 11.1 / 11.1 / 22.5 / 33.1	9

Legend: ▮ Chinese ▮ Indian ▮ Malay ▮ Others

Staff %

Gender		Total
2011	**46** Female / **54** Male	**2,068**
2010	45 / 55	2,013
2009	44 / 56	2,196

Legend: ▮ Female ♀ ▮ Male ♂

Age		Total
2011	**12** / **12** / **33** / **39** / **1** / **3**	**2,068**
2010	11 / 12 / 33 / 40.4 / 0.3 / 3.3	2,013
2009	12.6 / 14 / 31 / 39 / 0.4 / 3	2,196

Legend: ▮ <30 ▮ 30≤X≤50 ▮ >50

Ethnicity		Total
2011	**24** / **22** / **5** / **9.8** / **15** / **19** / **1.8** / **3.4**	**2,068**
2010	24 / 23 / 5 / 9.8 / 14 / 19.2 / 1.5 / 3.5	2,013
2009	22 / 23.5 / 5.5 / 9.7 / 14.5 / 20 / 1.6 / 3.2	2,196

Legend: ▮ Chinese ▮ Indian ▮ Malay ▮ Others

Malaysia's 100 Leading Graduate Employers in 2011

DiGi was the winner in the Telecommunication sector category. 12,000 graduates from private and public universities participated in this survey for a period of 6 months ending August 2011.

DiGi ROCKS PENANG

Engaging DiGizens on our transformation journey

We organised a company-wide participation in the Penang Bridge International Marathon, to engage and prepare DiGizens for our business transformation journey. Our intention was to get DiGizens to make small, positive changes to their lifestyle even as we embarked on making big, positive changes to our business.

Raising the Bar on Corporate Governance and Ethics

Long-term stakeholder interest is best served by ensuring that effective risk and governance processes are in place. Mapping both financial and non-financial risks is important to ensure shareholder value and enhanced stakeholder trust. We are guided by our governance framework, called the 'DiGi Way' which encapsulates our Code of Conduct, company values, and various other policies and procedures that govern various activities across our value chain.

Initiatives	2011	2010	2009	Commentary
Employees trained in 'DiGi Way'	257	988	134	In 2010, 'DiGi Way' was introduced and communicated to a larger number of employees 2011 data reflects training given to new hires only, as part of the induction programme
Employees trained in Code of Conduct	502	2011	231	We have redefined and restated this parameter to include all employees who have read, understood and agreed to the terms of our Code of Conduct 2011 data reflects acceptance by new hires only

Updated policies and procedures issued in 2011

Donations and Charitable Gifts Policy
- Closer alignment to DiGi's mission of delivering *Internet for All.*
- To address emergency relief situations.
- Details the evaluation criteria, forms of donations, eligibility of beneficiaries and approval process.

Supply Chain Business Assurance SOPP
Updated to strengthen our supply chain governance.

HSSE Procedures
Updated to include legal requirements, control of records and general HSSE operational control procedures.

DiGi was awarded the Distinction Award in the **Malaysia Corporate Governance Index 2011** by the Minority Shareholders Watchdog Group

Health and Safety is a key priority

We continue to build HSSE awareness via briefings, online learning as well as various health and wellness initiatives at our workplace. As part of our continuous improvement efforts, we extended the OHSAS 18001 certification for Occupational Safety and Health Management to our nationwide operations.

HSSE Indicators

Initiatives	2011	2010	Commentary
Awareness and Training			
Employees and in-house contractors in awareness programmes	1,938	753	We have reviewed the scope and definition of this parameter and restated the 2010 data
Employees and in-house contractors trained	215	283	We have reviewed the scope and definition of this parameter and restated the 2010 data
Committee			
Management representatives	5	5	NA
Employee representatives	9	8	NA
Steering Committee Meetings	2	2	We have revised the definition in 2011 to include only meetings chaired by CEO
KPIs			
Total Recordable Injury Frequency (TRIF) *Number of cases in 1 million work hours*	0.41	0.56	NA
Lost Time Injury (LTI) *Number of cases in 1 million work hours*	0.31*	0.42	*Verified by PwC*
Sickness Absence Frequency *Percentage*	0.53	0.50	We have reviewed the scope and definition of this parameter and restated the 2010 data
Work Related Fatalities *Number*	0	0	NA

Note: HSSE data was not tracked in 2009, hence not reported.

Policies and procedures that address key Sustainability topics

Policies and Procedures	Objective and Scope
Internal Corporate Governance	
• Code of Conduct • Anti-Corruption Policy and Procedures • Gift and Business Courtesies Policy • Donations Policy • Sponsorship Policy • Procurement Policy and Procedures • Intellectual Property Management Procedures	Provides guidance on ethical and responsible behavior in all our engagements with key stakeholders in terms of internal conduct, anti-corruption, procurement processes, intellectual property, gifting, donations and sponsorships. This includes not extending sponsorships or donations to any political parties.
HR Development	
• Internship Policy • People Policy • Resourcing Policy • Rewards Policy • DiGi Development Process	Governs various aspects of people management activities.
Personal Data Protection	
• Privacy Policy for Customers • Internal Data Protection Procedure	Established formal and proper processes to protect the privacy of individuals' personal data. This applies to employees, customers, suppliers and other parties who are part of DiGi's business activities.
HSSE	
• HSSE Policy • HSE Management System Manual	Covers HSSE aspects and impacts, targets, compliance management, internal controls, internal audits, management review and reporting.
Supply Chain Management	
• Agreement of Responsible Business Conduct – includes Suppliers Code of Principles • Supply Chain Business Assurance Policy	Covers the expected conduct from suppliers and contractors on issues relating to Human Rights, HSSE, Labour Standards including Freedom of Association and the Right to Collective Bargaining, Forced Labour, Child Labour, Non-Discrimination, Employment Conditions, as well as Prohibited Business Practices including Corruption, Gifts, Hospitality and Expenses, Business Courtesies, Money Laundering and Competition Regulations and Laws.

DiGi's Merdeka 2011 Advertisement

In the Marketplace

Managing our supply chain

Over the last 3 years, we have systematically improved our supply chain management to address both upstream and downstream supply chain risks.

2009
- Introduced the Supplier Code of Principles (SCP) which encompasses HSSE, Ethics and Labour Standards, and Prohibited Business Practices e.g. corruption and money laundering. The Code was communicated to all suppliers.
- Conducted site audits to a pilot group of high risk suppliers.

2010
- Embedded SCP into the Agreement for Business Conduct (ABC), mandatory for all suppliers.
- Introduced annual self assessment process for all vendors who signed the ABC to ensure compliance to the SCP and identify long-term supply chain risks.
- Commenced training on HSSE and SCP.

2011
- Extended the ABC and related governance processes to all parties that have a direct contractual obligation with DiGi including dealers and distributors. 98%* of all 933 suppliers have signed up, with remaining 2% in progress.
- Rolled out site inspections to all high risk suppliers including dealers and suppliers with substantial contractual value. These comprised 16% of all suppliers who have signed the ABC. Major findings involved 14% of inspected suppliers.
- One-on-one follow-up sessions are conducted to guide suppliers in rectifying gaps that are identified during the self assessment or site inspections.

  * Verified by PwC

Excellent Customer Experience (ECE)

The interests of our customers are our top priority, and is demonstrated in our 'Always the Smarter Choice' customer promise. We deliver this by continuously pushing for the best customer experience across our value chain.

The ECE index is developed by an independent Market Research company, which calls over 1,000 DiGi customers on a quarterly basis to obtain feedback.

Customers are asked to rate their experience on a scale from -100 to 100 where 100 is the top-score across various touch points. Questions for each touch point have a different weightage based on importance rated by customers.

Scores are then aggregated to provide an overview of customer experience.

ECE Indicator

Q4 ECE Index	2011	2010	2009	Commentary
Postpaid	50.39	55.7	NA	In 2010, the index was a combination of post and prepaid.
Prepaid	69.38			
				2009 data is not comparable due to changes in the index methodology.

Strong stand against spam

To curb the growing number of unsolicited SMS marketing blasts and scams, we have implemented several anti-spam initiatives, such as traffic filters, international spoof blocking and reporting mechanisms.

Given our strong reach to the Malaysian public via our customer base, we occasionally support public service announcements, primarily on issues of national importance, for example Nur Alert, a government-led initiative to spread information as fast as possible to help trace missing children. This is the only exception that we make to our otherwise firm stand on anti-spamming.

Addressing concerns about Radio Frequency (RF) emissions

Concerns regarding the health risks posed by RF emissions arising from mobile phones and transmission equipment have occasionally led to local communities demanding for telecommunications towers to be dismantled. Based on research monitored by the World Health Organisation, there is no conclusive evidence to-date about such risks.

Nevertheless, as part of our commitment to monitoring ongoing research and dialogue in this area, we co-founded an industry-led initiative in 2011 to create awareness and clarify perceptions about health and safety issues in relation to telecommunications structures.

On a company level, we strive for compliance with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) standards for devices and telecommunications equipment. We also continue to monitor concerns and views relating to RF and where necessary, our internal RF Response Team investigates and takes necessary corrective measures.

Key initiatives to-date by the RF Industry Task Force :
- RF testing at 52 locations as identified by the Penang Electro Magnetic Fields Protection Alliance
- RF Awareness Dialogue with Penang State Assemblymen, Members of Parliament and State Counselors
- RF Awareness Public Forums in Penang, Kuala Lumpur, Negeri Sembilan, Melaka and Johor reaching out to more than 700 members of the public

Personal data protection

We are taking steps to ensure readiness for the recently enacted Personal Data Protection Act 2010. An audit was performed on all only data collected on our employees, customers and suppliers. This was to ensure that only business relevant information is retained. We also continue to strengthen our policies and procedures around information security. Our privacy policy can be found on our website: http://www.digi.com.my/support/general/privacy.do

Compliance to relevant laws, regulations and codes

We adhere to all laws, regulations and codes relevant to our business, including those provided for under the Communications and Multimedia Act 1998 (CMA).

Indicator	2011 Performance
Anti-competitive behaviour	No legal action for anti-competitive behaviour. The Communications and Multimedia industry is governed by competition regulations under the CMA1998, and therefore, the Competition Act 2010 is not applicable to DiGi.
Compliance with laws and regulations	No fines were imposed on DiGi for non-compliance with laws and regulations.
Compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life-cycle	There were no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life-cycle.
Compliance with regulations and voluntary codes concerning product and service information and labelling	There were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.
Compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	DiGi is governed by the Advertising Code which is under the purview of the Advertising Standards Authority Malaysia and there were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications.
Compliance with laws and regulations concerning the provision and use of products and services	No fines were imposed on DiGi for non-compliance with laws and regulations concerning the provision and use of products and services.
Compliance with environmental laws and regulations	No fines were imposed on DiGi for non-compliance with laws and regulations concerning environmental laws and regulations.

Climate Change and Environment

DiGi Technology Operations Centre

As a telecommunications operator, our biggest impact on climate change results from energy consumption and a key focus in managing our carbon footprint is to improve energy efficiency. At the same time, we remain committed to addressing broader climate change and environmental impacts across our business.
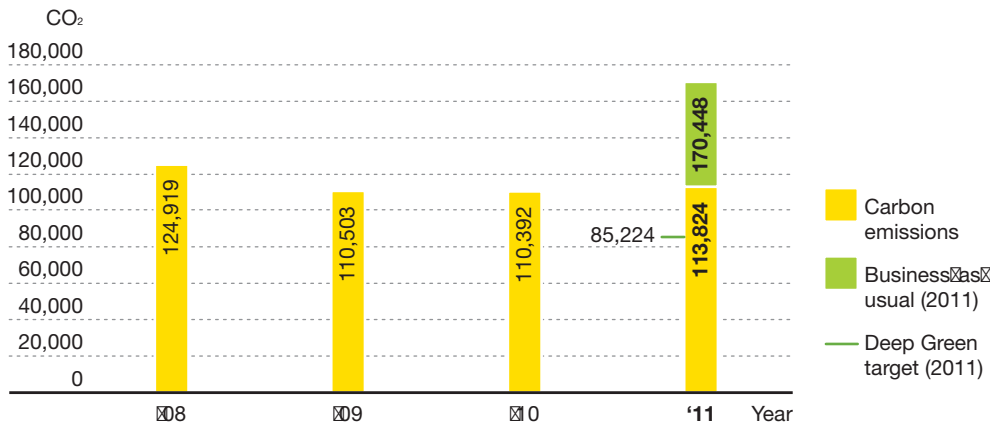
Reducing carbon emissions

In 2008, we launched our Deep Green programme where we set an ambitious target of halving our business-as-usual carbon emissions by the end of 2011. To-date, we have achieved a 33% reduction through various energy efficiency initiatives across our network, buildings and transportation.

Our telecommunications network consumes more than 80% of our total energy requirements and is a key driver to managing our climate impact. In 2011, we embarked on a network modernisation initiative which involves a holistic network swap that will result in substantial energy efficiency, and accordingly narrow the gap in achieving our ambition.

UN Millenium Development Goal # 7: Ensure Environmental Sustainability

Carbon emissions

CO_2

Legend:
- Carbon emissions
- Business-as-usual (2011)
- Deep Green target (2011)

Notes:
- *Business-as-usual refers to projected CO_2 emissions if no energy efficiency initiatives had been undertaken*
- *2008-2010 data has been restated based on the current conversion factor for country emissions*

Energy consumption

GWh

Legend:
- Direct energy
- Indirect energy
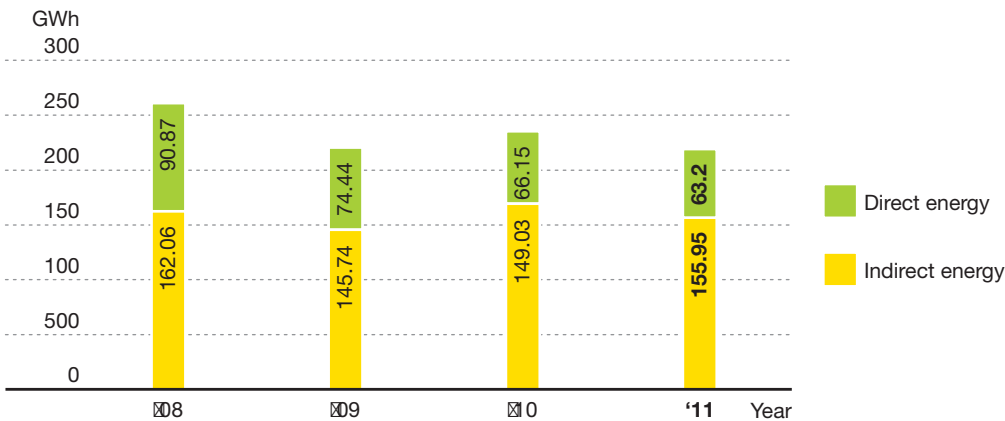
Notes:
2008-2010 data has been restated based on the new Telenor Group guidelines that were issued in Dec 2011. Restatements include estimated electricity consumption for leased sites

Climate Change Indicators

Indirect Energy

	2011	2010	2009	2008	Commentary
Electricity					
GWh	155.95*	149.03	145.74	162.06	Increase due to deferments in network modernisation initiative.
Giga Joules	561,420	536,508	524,664	583,416	*Estimated based on prevailing applicable tariff rates for electricity charges during the year.*
CO_2 tonnes	97,531	93,203	91,146	101,354	** PwC verified 147.38GWh for network electricity consumption.*

Direct Energy

	2011	2010	2009	2008	Commentary
Diesel					
Mil Litres	5.28	5.55	6.27	7.24	Decrease due to conversion of generators to grid electricity. Efforts were partly negated due to floods in the Eastern region resulting in a six-fold increase compared to average consumption.
Giga Joules	204,545	214,881	242,743	280,548	
CO_2 tonnes	14,073	14,784	16,701	19,302	*Estimated based on rated capacity of generators at 75% load.*
Petrol					
Mil Litres	0.33	0.45	0.45	1.04	Decrease due to continuous monitoring and enhanced fleet management process. Consists of petrol from fleet and generators.
Giga Joules	116,326	157,477	156,967	363,518	
CO_2 tonnes	774	1,048	1,044	2,419	
LPG					
LPG Litres	9,820	7,313	N/A	N/A	Increase due to higher number of employees dining in-house.
CO_2 tonnes	0.03	0.02	N/A	N/A	
Giga Joules	0.246	0.364	N/A	N/A	

Other Indirect Emissions

Indicator	2011	2010	2009	2008	Commentary
Mileage					
Mil km	4.55	4.88	6.16	6.04	Represents mileage claims by employees. Improved due to carpooling and use of tele-conferencing solutions.
CO_2 tonnes	819	879	1,108	1,086	
Flights					
Mil km	5.14	3.81	3.88	5.83	Increase attributed to higher number of business flights within the region .
CO_2 tonnes	628	478	504	758	

Reducing shared climate and environmental impact

To further internalise environmental sustainability across the organisation, we extended our ISO14001 certification for environmental management system to our operations nationwide. This addresses environmental aspects that go beyond climate change, to include water, waste and paper reduction.

At the same time, we work with external stakeholders to reduce their climate change and environmental impact in their engagements with us. With customers, we have focused on reducing paper billing and encouraging handset recycling. To-date, we have converted 72% of our postpaid subscribers, thus resulting in reduced consumption of paper, and equipped all our DiGi centers with handset recycling bins.

As part of our green procurement efforts, we implemented an environment-friendly recycling process for electronic waste generated from our ongoing network modernisation project. We also harnessed the potential of the internet to reduce the impact resulting from conventional activities across various industries. Examples include our mobile insurance and online music services.

Environmental Indicators

Indicator	2011	2010	2009	2008	Commentary on Performance (2011)
Water					
m^3	76,969	49,000	49,000	49,000	Main water source is from the municipal water supply.
Number of buildings	35	55	46	35	*2011 data estimated based on the prevailing average cost per unit of consumption for year. Prior to 2011, data was estimated based on manual meter readings.*
E-waste					
Total (tonnes)	346.22*	N/A	N/A	N/A	Represents the total obsolete electrical and electronic equipment, including those generated by our ongoing network swap. ** Verified by PwC*
Recycled (tonnes)	100.15	N/A	N/A	N/A	Represents the amount of obsolete electrical and electronic equipment that was recycled. *Estimated based on e-waste data compiled from consignment notes from the vendor.*
Recycled waste (tonnes)	4.80	10.00	13.60	0.16	Reduced as DiGizens found other recycling options closer to their homes. *Prior to 2011, DiGizens were encouraged to bring their recyclable waste to the office.*
Waste to landfill (tonnes)	0.45	0.25	0.25	0.24	Increase due to the clearing of archived items from one of our warehouses.
Paper consumption (mil sheets)	1.25	1.70	1.70	2.40	Decrease due to internal control initiatives. Represents amount of paper purchased.
Spills (number of times)	0	0	1	N/A	Decrease due to stringent HSSE procedures. *We have reviewed the scope and definition of this parameter and have restated the 2009 data.*

Recognition for our sustainability efforts

1. Asian Sustainability Ratings 2010 by Asian Sustainability Rating ™
- No.1 Telecommunications company in Malaysia
- No. 2 Overall in Malaysia

2. Malaysia's 100 Leading Graduate Employers 2011 by GTI Media
- Winner, Telecommunication Sector Category

3. Malaysia Corporate Governance Index 2011 by the Minority Shareholders Watchdog Group
- Distinction Award

4. Asia's Best Companies 2011 by Finance Asia
- No. 4 Best Corporate Social Responsibility Category
- No. 5 Best Corporate Governance Category
- No. 9 Best Managed Company Category

5. Billion Ringgit Club 2011 by the EDGE Malaysia
- Top 10 CSR Company of the Year

6. Carbon Disclosure Project Report 2011 by the Carbon Disclosure Project
- No. 1 Malaysia Category
- No. 5 Asia Category (excluding Japan, India, China and Korea)

Performance at a glance

2011 Targets	2011 Initiatives	2012 Targets
Empowerment Through Connectivity		
Digital inclusion		
• Leverage on our core competencies of delivering mobile and internet communications to enable positive social change. • Provide relevant online services and capacity building initiatives for our CBC communities.	• Commenced network modernisation programme. • Implemented various customer-facing initiatives to drive internet adoption and bridge the digital divide. • Launched our 14th CBC in Sematan, Sarawak, with enhanced e-learning services, as well as cybersafety and blogging workshops.	• Continue network modernisation initiatives. • Strengthen our mobile internet proposition to further drive uptake. • Support SKMM's coverage and USP initiatives to enhance digital inclusion.
Community engagement		

• Engage youth, employees and partners to unearth innovative solutions that leverage on the power of mobile and internet to bring positive changes to society.
• Launch the 3rd edition of C4C focused on developing mobile and internet technologies to benefit underserved communities.
	• Launched 3rd edition of C4C
	  ◦ Engaged >500 students, 23 IHLs and 90 partners.
	  ◦ Core theme of using mobile internet to address underserved communities.
	• Launched the DiGi CyberSAFE Programme.
		• Complete the national finals for the 3rd edition of C4C
		• Launch the 4th edition of C4C with continued focus on the enabling effect of mobile internet technologies.
		• Extend DiGi CyberSAFE Programme to more than 200 schools, 5000 parents, teachers, children, and guardians, and our 14 CBC communities.

Ethical and Responsible Business		
People development		
• Accelerate people development plans to drive excellent performance and leadership.	• Reviewed and updated all job descriptions. • Strengthened salary and job grading structures. • Defined career development paths. • Competitively benchmarked salary and rewards structure, based on performance and capabilities. • Refreshed workplace.	• Strengthen channels for employee feedback. • Develop stronger performance, development and competency management processes. • Competitive and performance-based rewards. • Continue upgrading workplace.

2011 Targets	2011 Initiatives	2012 Targets
Governance		
• Strengthen ethical standards of behaviour through measures that ensure greater consistency and accountability. • Stronger focus on personal data protection.	• Updated policies and procedures on Sustainability Reporting; Donations and Charitable Gifts; Supply Chain Business Assurance and HSSE. • Consumer Protection initiatives to address RF, personal data protection and spamming.	• Review and update governance framework. • Continue focus on ECE and consumer protection issues.
HSSE		
• Obtain nationwide certification for OHSAS 18001.	• Achieved nationwide certification for OHSAS 18001.	• Cultivate a proactive HSSE culture amongst DiGizens.
Supply Chain Management		
• Extend ABC to all parties that have a contractual obligation starting with SMEs that have dealerships.	• ABC extended to all parties that have a direct contractual obligation with DiGi including dealers and distributors.	• Extend the scope of monitoring processes to sub-suppliers via inspections and awareness programmes.
Climate Change and Environment		

• Achieve 50% CO_2 reduction compared to 2011 BAU baseline.
• Upgrade our network with modern and energy efficient equipment.
• Obtain nationwide certification for ISO14001.
	• Achieved 33% CO_2 reduction compared to 2011 BAU baseline due to deferments in network modernisation.
	• Embarked on a holistic network modernisation initiative which will result in substantial energy efficiency.
	• Achieved nationwide certification for ISO 14001.
		• Drive greater energy efficiency to narrow the gap to our 50% CO_2 reduction ambition through:
		  • Network modernisation initiative targeted for completion by 2013
		  • Reduction of diesel consumption in off-grid sites via renewable solar energy, and conversion to grid electricity
		  • Efforts to reduce air-conditioning requirements in our network

GRI scorecard

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
PROFILE				
Strategy and analysis				
	1.1	Statement from the CEO about the relevance of sustainability to the organisation and its strategy	• Message from the CEO	Y
	1.2	Description of key impacts, risks and opportunities	• Message from the CEO • Our Approach to Sustainability • Performance at a glance	Y
Organisational Profile				
	2.1	Name of organisation	• Front cover	Y
	2.2	Primary brands, products, and/or services	• About DiGi • About this Report	Y
	2.3	Operational structure of the organisation	• Annual Report: Corporate Structure	Y
	2.4	Location of organisation's headquarters	• Back cover	Y
	2.5	Number of countries where the organisation operates	• About DiGi	Y
	2.6	Nature of ownership and legal form	• About DiGi • Back cover	Y
	2.7	Markets served	• About DiGi	Y
	2.8	Scale of reporting organisation (including employees, assets, sales and products)	• About DiGi	Y
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	• Annual Report: Chairman's Statement, 2011 Highlights	Y
	2.10	Awards received in reporting period	• Recognition for our sustainability efforts	Y
Report Parameters				
Report Profile	3.1	Reporting period	• About this Report	Y
	3.2	Date of most previous report (if any)	• About this Report	Y
	3.3	Reporting cycle (annual, biennial, etc.)	• About this Report	Y
	3.4	Contact point for questions regarding the report or its contents	• About this Report	Y
Report Scope and Boundary	3.5	Process for defining report content	• About this Report • Our Approach to Sustainability	Y
	3.6	Boundary of the report	• About this Report	Y
	3.7	State any specific limitations on the scope of boundary of the report	• About this Report	Y
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability	• About this Report	Y
	3.9	Data measurement techniques and the bases of calculations	• Ethical and Responsible Business - In the marketplace • Climate Change and Environment • Our Approach to Sustainability	Y

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
	3.10	Explanation of the effect of any restatements of information provided in earlier reports and reasons for them	• Ethical and Responsible Business - In the workplace; Raising the Bar on Corporate Governance and Ethics • Climate Change and Environment	Y
	3.11	Significant changes from previous reporting periods in the scope of boundary, or measurement methods applied in the report	• About this Report • Ethical and Responsible Business Practices - In the workplace	Y
GRI Content Index	3.12	Table identifying the location of the Standard Disclosures in the report	• GRI scorecard	Y
Assurance	3.13	Policy and current practice with regard to seeking external assurance for the report	• Assurance	Y
Governance, Commitments and Engagement				
Governance	4.1	Governance structure of the organisation	• Annual Report: Board of Directors; Corporate Governance Statement	Y
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	• Annual Report: Directors' Profiles	Y
	4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	• Annual Report: Directors' Profiles	Y
	4.4	Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body	• Annual Report: Corporate Governance Statement • Our Approach to Sustainability	Y
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance	• Annual Report: Corporate Governance Statement • Ethical and Responsible Business- In the Workplace	Y
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	• Annual Report: Corporate Governance Statement	Y
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	• Annual Report: Corporate Governance Statement	Y
	4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	• Our Approach to Sustainability • Ethical and Responsible Business - Raising the bar on Corporate Governance and Business Ethics • Annual report: Corporate Governance Statement	Y
	4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with international standards, codes of conduct and principles	• Annual Report: Corporate Governance Statement	Y

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
	4.10	Processes for evaluating the highest governance body's own performance	• Annual Report: Corporate Governance Statement	Y
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	• Annual Report: Corporate Governance Statement • Empowerment Through Connectivity-Community engagement • Ethical and Responsible Business - Raising the bar on Corporate Governance and Business Ethics	Y
	4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	• About this Report • Message from the CEO • Our Approach to Sustainability	Y
	4.13	Membership in associations	• Empowerment Through Connectivity - Industry development	Y
Stakeholder Engagement	4.14	List of stakeholders	• Our Approach to Sustainability	Y
	4.15	Basis for identification and selection of stakeholders with whom to engage	• Our Approach to Sustainability	Y
	4.16	Approaches to stakeholder engagement	• Our Approach to Sustainability	Y
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded	• Our Approach to Sustainability • Performance at a glance	Y
Economic Performance Indicators				
Management Approach			• Our Approach to Sustainability • Empowerment Through Connectivity	
Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	• Annual Report: Group Financial Summary, Statements of Comprehensive Income • Empowerment Through Connectivity - Community engagement	Y
	EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	• Message from the CEO • Climate Change and Environment	P
	EC3	Coverage of the organisation's defined benefit plan obligations	• Annual Report: Notes to the Financial Statements	P
	EC4	Significant financial assistance received from government	• Annual Report: Statements of Cash Flows • About DiGi	Y
Market Presence	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		N
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation		N

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation		N
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	• Empowerment Through Connectivity - Quality and Affordable Communications • Empowerment Through Connectivity - Community engagement	Y
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	• Our Approach to Sustainability • Empowerment Through Connectivity • Empowerment Through Connectivity - Community engagement	P
Environmental Performance Indicators				
Management Approach			• Our Approach to Sustainability • Climate Change and Environment	
Materials	EN1	Materials used by weight or volume	• Climate Change and Environment - Reducing carbon emissions	P
	EN2	Percentage of materials used that are recycled input materials		N
Energy	EN3	Direct energy consumption by primary energy source	• Climate Change and Environment - Reducing carbon emissions	Y
	EN4	Indirect energy consumption by primary source	• Climate Change and Environment - Reducing carbon emissions	Y
	EN5	Energy saved due to conservation and efficiency improvements		N
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	• Climate Change and Environment - Reducing carbon emissions	P
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	• Climate Change and Environment - Reducing carbon emissions	P
Water	EN8	Total water withdrawal by source	• Climate Change and Environment - Reducing shared climate and environmental impact	Y
	EN9	Water sources significantly affected by withdrawal of water		N
	EN10	Percentage and total volume of water recycled and reused		N
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		N
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		N
	EN13	Habitats protected or restored		N
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		N

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		N
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight	• Climate Change and Environment - Reducing carbon emissions	Y
	EN17	Other relevant indirect greenhouse gas emissions by weight	• Climate Change and Environment - Reducing carbon emissions	Y
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	• Climate Change and Environment - Reducing carbon emissions	Y
	EN19	Emissions of ozone-depleting substances by weight		N
	EN20	NO, SO, and other significant air emissions by type and weight		N
	EN21	Total water discharge by quality and destination		N
	EN22	Total weight of waste by type and disposal method	• Climate Change and Environment - Reducing shared climate and environmental impact	Y
	EN23	Total number and volume of significant spills	• Climate Change and Environment - Reducing shared climate and environmental impact	Y
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	• Climate Change and Environment - Reducing shared climate and environmental impact	P
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		N
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	• Climate Change and Environment - Reducing shared climate and environmental impact • Performance at a glance	P
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category		N
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	• Ethical and responsible business – In the Marketplace	Y
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	• Climate Change - Reducing carbon emissions	P
Overall	EN30	Total environmental protection expenditures and investments by type		N

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
Labour Practices and Decent Work Performance Indicators				
Management Approach			• Our Approach to Sustainability • Ethical and Responsible Business - In the Workplace	
Employment	LA1	Total workforce by employment type, employment contract, and region, broken down by gender	• Ethical and Responsible Business - In the Workplace	P
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region		N
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		N
Labor / Management Relations	LA4	Percentage of employees covered by collective bargaining agreements		N
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements		N
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programmes	• Ethical and Responsible Business - Raising the bar on corporate governance and business ethics	P
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	• Ethical and Responsible Business - Raising the bar on corporate governance and business ethics	P
	LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases		N
Training and Education	LA9	Health and safety topics covered in formal agreements with trade unions		N
	LA10	Average hours of training per year per employee by gender, and by employee category		N
	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	• Ethical and Responsible Business - In the Workplace	P
	LA12	Percentage of employees receiving regular performance and career development reviews by gender		N
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	• Ethical and Responsible Business - In the Workplace • Annual Report: Board of Directors	Y
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		N
Employment	LA15	Return to work and retention rates after parental leave, by gender	• Ethical and Responsible Business - In the Workplace	P

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
Human Rights Performance Indicators				
Management Approach			• Our Approach to Sustainability • Ethical and Responsible Business – In the Marketplace; Raising the bar on corporate governance and business ethics	
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening		N
	HR2	Percentage of significant suppliers, and contractors, and other business partners that have undergone human rights screening, and actions taken	• Ethical and Responsible Business – In the Marketplace	Y
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	• Ethical and Responsible Business - Raising the bar on corporate governance and business ethics	Y
Non-discrimination	HR4	Total number of incidents of discrimination and corrective actions taken		N
Freedom of Association	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights		N
Bargaining Child Labour	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	• Ethical and Responsible Business – In the Marketplace	Y
Forced and Compulsory Labor	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	• Ethical and Responsible Business – In the Marketplace	Y
Security Practices	HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations		N
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken		N
Assessment	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		N
Remediation	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		N

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
Society Performance Indicators				
Management Approach			• Empowerment Through Connectivity • Ethical and Responsible Business - In the Marketplace; Raising the bar on corporate governance and business ethics	
Community	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	• Empowerment Through Connectivity	P
Corruption	S02	Percentage and total number of business units analysed for risks related to corruption		N
	S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	• Ethical and Responsible Business - Raising the bar on corporate governance and business ethics	P
	S04	Actions taken in response to incidents of corruption		N
Public Policy Behaviour	S05	Public policy positions and participation in public policy development and lobbying		N
	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country		Y
Anti-competitive	S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	• Ethical and Responsible Business – In the Marketplace	Y
Compliance	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	• Ethical and Responsible Business – In the Marketplace	Y
Community	S09	Operations with significant potential or actual negative impacts on local communities	• Ethical and Responsible Business – In the Marketplace	Y
	S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	• Ethical and Responsible Business – In the Marketplace	Y

Aspect	GRI Ref.	Description	Where it appears in this report	Extent of indicator disclosure
Product Responsibility Performance Indicators				
Management Approach			• Ethical and Responsible Business – In the Marketplace	
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		N
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	• Ethical and Responsible Business – In the Marketplace	Y
Product and Service Labeling	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements		N
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	• Ethical and Responsible Business – In the Marketplace	Y
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	• Ethical and Responsible Business – In the Marketplace	Y
Marketing Communication	PR6	Programme for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	• Ethical and Responsible Business - In the Marketplace	Y
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	• Ethical and Responsible Business – In the Marketplace	Y
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		N
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	• Ethical and Responsible Business – In the Marketplace	Y

Assurance
Independent Assurance Report

To Management of
DiGi Telecommunications Sdn Bhd

We have been engaged by DiGi Telecommunications Sdn Bhd ("DiGi") to perform an independent limited assurance engagement on selected Sustainability Information ("Selected Information") as reported by DiGi in the Sustainability Report for the year-ended 31 December 2011 ("Sustainability Report 2011").

Management's Responsibility

Management of DiGi is responsible for the preparation of the Sustainability Report 2011 in accordance with the Reporting Principles for Defining Content stated in the Global Reporting Initiative ("GRI") G3.1 Sustainability Reporting Guidelines:
- Materiality
- Stakeholder Inclusiveness
- Sustainability Context
- Completeness

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report 2011 and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Sustainability Report 2011.

Our Responsibility

Our responsibility is to report on the Sustainability Report 2011 on the subject matter based on our work performed. We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

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

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Subject Matter

The Selected Information for the year ended 31 December 2011 on which we provide limited assurance consists of:

- The nature and extent of DiGi's application of the Reporting Principles for Defining Content as stated in the GRI G3.1 Sustainability Reporting Guidelines;

- The management and reporting processes with respect to the preparation of the following five (5) Selected Information marked with an asterisk (*) in the Sustainability Report 2011: number of suppliers signed onto Agreement for Business Conduct (ABC), network electricity consumption, total amount of obsolete electrical and electronic equipment, lost-time injury frequency (LTIF) and employee training hours; and

- DiGi's declaration on the GRI Application Level 'B+' of the GRI G3.1 Sustainability Reporting Guidelines in the Sustainability Report 2011.

Criteria

- DiGi's internal sustainability reporting guidelines and procedures by which the Selected Information is gathered, collated and aggregated internally; and

- The "Sustainability Reporting Guidelines G3.1" published in March 2011 by the GRI.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquiries of personnel responsible for the preparation of the Sustainability Report 2011 regarding the process to prepare the Sustainability Report 2011 and the underlying internal control system;

- Understanding the sustainability management structure and inspection of documents regarding DiGi's sustainability strategy and stakeholder dialogue;

- Inquiries of personnel responsible for internal reporting, and data collection at the corporate level for the Selected Information;

- Inspection on a sample basis of internal documents, contracts and invoices/reports from external service providers supporting the Selected Information for completeness and accuracy;

- Reviewing the appropriateness of the management and reporting processes for the Selected Information and assessing the consolidation of data at the corporate level; and

- Assessing the GRI Application Level of the GRI G3.1 Sustainability Reporting Guidelines that has been applied to the Sustainability Report 2011 at level 'B+'.

Conclusion

Based on our limited assurance engagement, in all material respects, nothing has come to our attention that causes us to believe that:

- The Sustainability Report 2011 has not been prepared in accordance with the Reporting Principles for Defining Content as stated in the GRI G3.1 Sustainability Reporting Guidelines;

- The Selected Information has not been fairly stated in accordance with DiGi's internal sustainability reporting guidelines; and

- DiGi's declaration on the GRI Application Level is not applied properly in accordance with the GRI G3.1 Sustainability Reporting Guidelines at level 'B+'.

Other matters

This report is issued for the sole purpose for inclusion in the Sustainability Report 2011 and should not be used or relied upon for any other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
23 March 2012

Glossary

2G services
Voice and data services being provided using our GSM network (operating in 900MHz and 1800MHz bands)

3G services
Voice and data services being provided using our WCDMA network (operating in 2100MHz band)

Community Broadband Centre (CBC)
A project under the USP programme to bridge the digital divide. It provides collective community internet access to underserved areas identified under the USP programme. Each CBC is equipped with IT equipment including personal computers connected to the internet to allow rural communities to enjoy the benefits of the internet as enjoyed by those living in urban areas.

Infrastructure sharing
Initiative to share the use of towers, fiber optic facilities and also network capacity between two telecommunication companies.

**Mini Community Broadband Center
(Mini CBC)**
A project under the USP programme to bridge the digital divide. Mini CBCs are located within Information Department offices all over the country and cover communities living nearby. Each mini CBC is equipped with 5 personal computers and internet access.

Mobile Virtual Network Operator (MVNO)
A mobile phone operator that does not own key network assets such as spectrum and telco towers. Instead these assets are leased from other mobile network operators.

Universal Service (USP)
USP is an obligation imposed by Malaysian Government upon incumbent telecommunication operators which supports the development and usage of communication services in underserved areas and communities. The USP programme ensures that areas otherwise left behind in telecommunications development are given attention and enjoy the same facilities as those found in urban areas.

Underserved Areas
As defined by SKMM, any area:
• Where the penetration rate for broadband subscribers in Malaysia is below the national broadband penetration rate or where broadband access services are insufficient.
• Where the Public Switched Telephone Network (PSTN) subscribers penetration rate is 20% below the national PSTN penetration or where PSTN services are insufficient.
• With a population density of 80 persons per square kilometer or less, and where public cellular services are insufficient.

part of telenor group

DiGi

**Always the
smarter choice**