



YOUR FAVOURITE DIGITAL PARTNER

2015 Sustainability Report



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.

We work to ensure that the principles found in the Telenor Way, the values of empowerment and engagement, the freedom to inspire others, and respecting rights of stakeholders is present in our operations.

Visit www.digi.com.my/sustainability
to view the online version of this report.



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GRI REPORT

CEO'S STATEMENT

Welcome to our report on sustainability. We hope the information here provides insights and inspiration on what it means for us to conduct business in a responsible manner.

Principles in sustainability are core to the way we operate. We've over the years continued to maintain the highest ethical standards in our business conduct, transparent and fair in our customer offerings, and prioritise safety and lives of workers across our value chain. We've also continued to invest in programmes that empower societies by enabling positive use of the internet to nurture digital communities' that will help shape Malaysia's transformation into a high income nation.

One of our main focus areas during the year was to ensure adherence to international standards of safety across our supply chain. We've increased unannounced inspections and taken stern actions on contractors who neglect our safety policy. We've also initiated an industry wide collaboration and look forward to implement a common safety standard for the industry in 2016.

Within our organisation, we continue to nurture a strong culture around inclusiveness, customer centricity, innovation 360, and performance. We are focused on creating a workplace that promotes equal opportunity for all, and to have a workforce that is as diverse as our customers. It is our passionate talent who are empowered to contribute ideas and opinions to inspire the next big 'anything' every day that will differentiate us and drive our digital transformation.

Our ambition to enable access to all Malaysians has encouraged us to expand our community outreach programmes to advance the unserved and underserved communities by empowering them with the power of the internet. Through our Empower Societies initiatives, we

continue to discover inspiring digital innovators, empower social purpose organisations, connect the unconnected, and promote safe use of internet among children. In early 2016 we launched Wanita Era Digital to help women enhance their digital fluency and capitalize on the opportunities from bringing their businesses online. We've also made a commitment to the global GSMA Connected Women initiative to increase our women internet subscribers by 5% to 47% by 2020.

In expanding our business to serve our growing customer base of 12.3 million, we've placed equal emphasis on balancing consumption to moderate our operational impact on the ecosystem and climate. During the year we accelerated rollout of our LTE network, doubling our footprint to serve growing demand for quality high-speed internet on our widest 4G LTE network. While this brought about higher energy intensity, the higher cost per kilowatt is temporary and we expect sequential improvements in our energy intensity over the years as we gain better leverage from having more Malaysians benefiting from being connected to our high speed LTE network on the go.

As our business evolves, so will our priorities in delivering on a sustainable operation to ensure relevance. Moving forward we will build on the foundation of our core principles through continuous engagements with our people, customers, shareholders, analyst and regulators in enhancing our accountability and helping nurture a robust ecosystem towards delivering on our long-term ambition of empowering more Malaysians through use of the internet, to be our customer's favourite partner in digital life.

Albern Murty
Chief Executive Officer



OUR 2020 AMBITION

We are future-proofing our business to transform beyond a traditional mobile connectivity

Customers' Favourite Partner in Digital Life

With this pace of change expected to remain significant, we are future-proofing our business to transform beyond a traditional mobile connectivity in the daily, digital lives of our customers.

 <p>Loved by Customers</p> <p>Providing high quality, user friendly and personalised customer propositions and experiences</p>	 <p>Engaging Digital Products</p> <p>Delivering intergrated digital services and experiences through strong digital positions and ecosystem</p>	 <p>Winning Team</p> <p>Building future ready talents, and a culture that inspires every day 360° innocation</p>	 <p>Most Efficient Operator</p> <p>Driving profitable growth by optimising the way we work, and ensuring future-proof operating models</p>
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Key to being a trusted, credible partner to our growing 12.1 million customers is the way we do business, and this is guided by the Telenor Way. The principles and values connect us with 13 other business units in the Telenor Group. This guides how we work as Digizens together with our partners, stakeholders, and shapes our decisions and actions.

Keep Promises

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

Make It Easy

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

Be Respectful

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

Be Inspiring

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

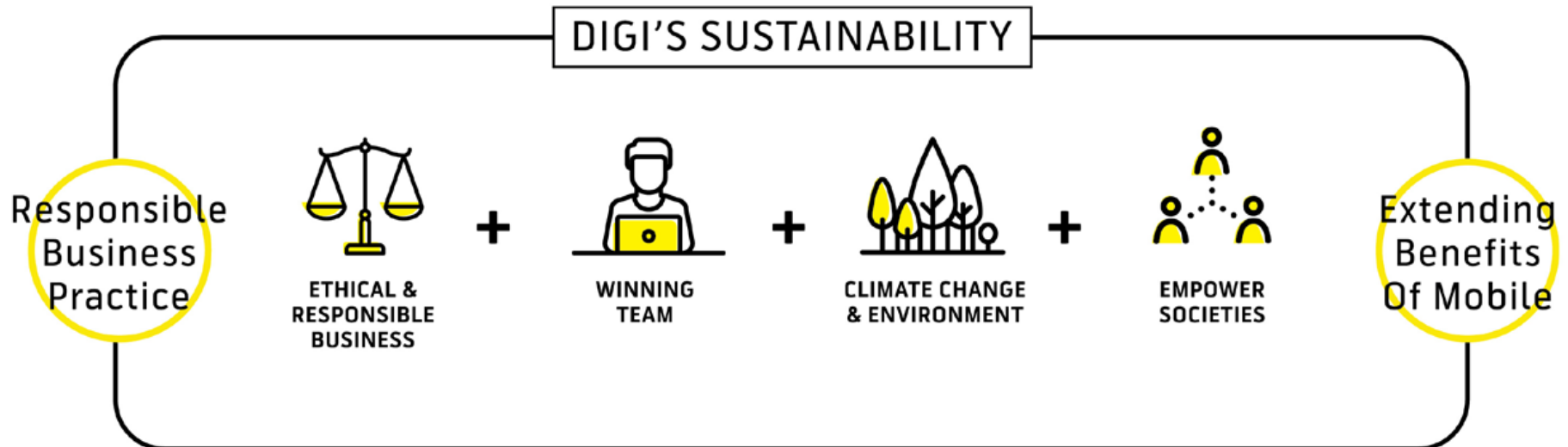
SUSTAINABILITY IN DIGI

Our sustainability strategy is driven by Telenor Group's twin pillars of responsible business practice and extending the benefits of mobile. Aligned to the principles and values of Telenor Way, United Nations Global Compact, and the United Nations Guiding Principles for Business and Human Rights, our sustainability strategy aims to bring shared values and create an empowered society through our day-to-day interaction with business partners and stakeholders.

Sustainability is embedded in our way of work through high standards of governance across our entire operations. We promote responsible business practices across our supply chain, foster a highly engaged workforce to create a winning team, and manage environmental impacts.

By engaging our stakeholders, we extend the benefits of mobile internet to all. Through the seven initiatives of Empower Societies, we connect the unconnected communities across different segments of society, empower them with knowledge, and enrich their lives through a world of opportunities. We have aligned our initiatives with selected United Nation Sustainable Development Goals especially where we are able to exert influence and bring about change through our business.

Our sustainability initiatives are recognised by external and independent stakeholders. We remain a constituent company of the Bursa Malaysia FTSE4Good Index, which comprise of companies assessed to have high sustainability disclosure.



SUSTAINABILITY GOVERNANCE

Our way of work embeds high standards of governance across our entire operations.

Telenor Group is one of the world's fastest growing providers of mobile communications services. Operating in 13 markets across Europe and Asia, Telenor aims to maximise the impact of communication services by creating shared value for society and business.

Our sustainability strategy is driven by Telenor Group's twin pillars of responsible business practices and extending the benefits of mobile connectivity. Aligned to the principles and values of Telenor Way, United Nations Global Compact, and the United Nations Guiding Principles for Business and Human Rights, our sustainability strategy aims to create shared values and catalyse an empowered society through our day-to-day interaction with business partners and stakeholders.

At Digi, sustainability is under the responsibility of the CEO's division, and managed by the Head of Communications & Sustainability. Guidance on the governance and management of sustainability across divisions is provided in a comprehensive set of policies which is part of the broader Digi Governance Programme.

An Ethics & Sustainability Forum meets monthly to monitor issues and the progress of initiatives, and reports to the management team. Selected sustainability performance indicators are monitored and reported quarterly to Digi Board of Directors and Telenor Group Sustainability.



Digi Board of Directors

Oversee Digi's Sustainability Performance



Digi Sustainability Team

- Formulate sustainability strategy, policies and goals
- Monitor and facilitate adherence to the sustainability policy
- Facilitate and support divisions to meet sustainability goals
- Conduct sustainability awareness and engagement activities
- Sustainability performance reporting



Telenor Group Sustainability

- Setting KPIs and alignment
- Quarterly reporting of supply chain KPIs
- Annual non-financial reporting



Digi Management Team

- Oversee sustainability related risks and progress of non-financial KPIs
- Responsible for sustainable business policies



Divisions

- Day to day management of sustainability risks and issues
- Own and ensure compliance of relevant sustainability related policies

OUR BUSINESS ECOSYSTEM

In Malaysia today, smartphone ownership stands at 71%, totaling 18 million mobile internet users*. As smartphones become increasingly affordable, wireless network more ubiquitous, and digital services intrinsic to our daily lives, mobile internet will be at the heart of the new digital ecosystem.



Internet For All

We design and offer affordable data services and devices to enable easy entry points for everyone to enjoy the benefits of the internet. We serve a diverse 12.1 million subscribers, with close to 62% on internet devices. More than 59% of our subscribers are smart phone users.



Empower Societies

We deliver seven programmes which commits to enable the internet for all communities to inspire a better Malaysia. The programmes help more segments of society to benefit from being connected to the internet. We also manage over 100 internet centres which provide basic access and internet skills training to underserved rural and urban communities.



Widest LTE Network

A network of over 6,000 towers and 6,400 km of fibre allow our subscribers to enjoy the nation's widest LTE network. We deliver quality, high-speed Internet on-the-go that reaches 71%* of population coverage.



Digital Services

We deliver integrated digital services and experiences through strong digital products and ecosystem. We look to develop new verticals in financials, content and IoT to complement our current portfolio of integrated digital services in communication, storage, music, video, games.



Multiple Touch Points

We provide over 15,000 touch points for subscribers to easily engage and transact with our brand ambassadors. With the MyDigi self-serve app, we are empowering our customers to have more control over managing their accounts.



Valued Suppliers

Over 1,000 suppliers are registered to deliver the infrastructure and services across our value chain. All suppliers sign up to the Supplier Conduct Principle which commits them to uphold and respect core labour, environmental, and anti-corruption standards.



Efficient Operation

We drive profitable growth by optimising the way we operate to allow us to invest time and energy in improving customer experience. We look to transform our network and IT operating models by building an ecosystem that is open, agile and intelligent.



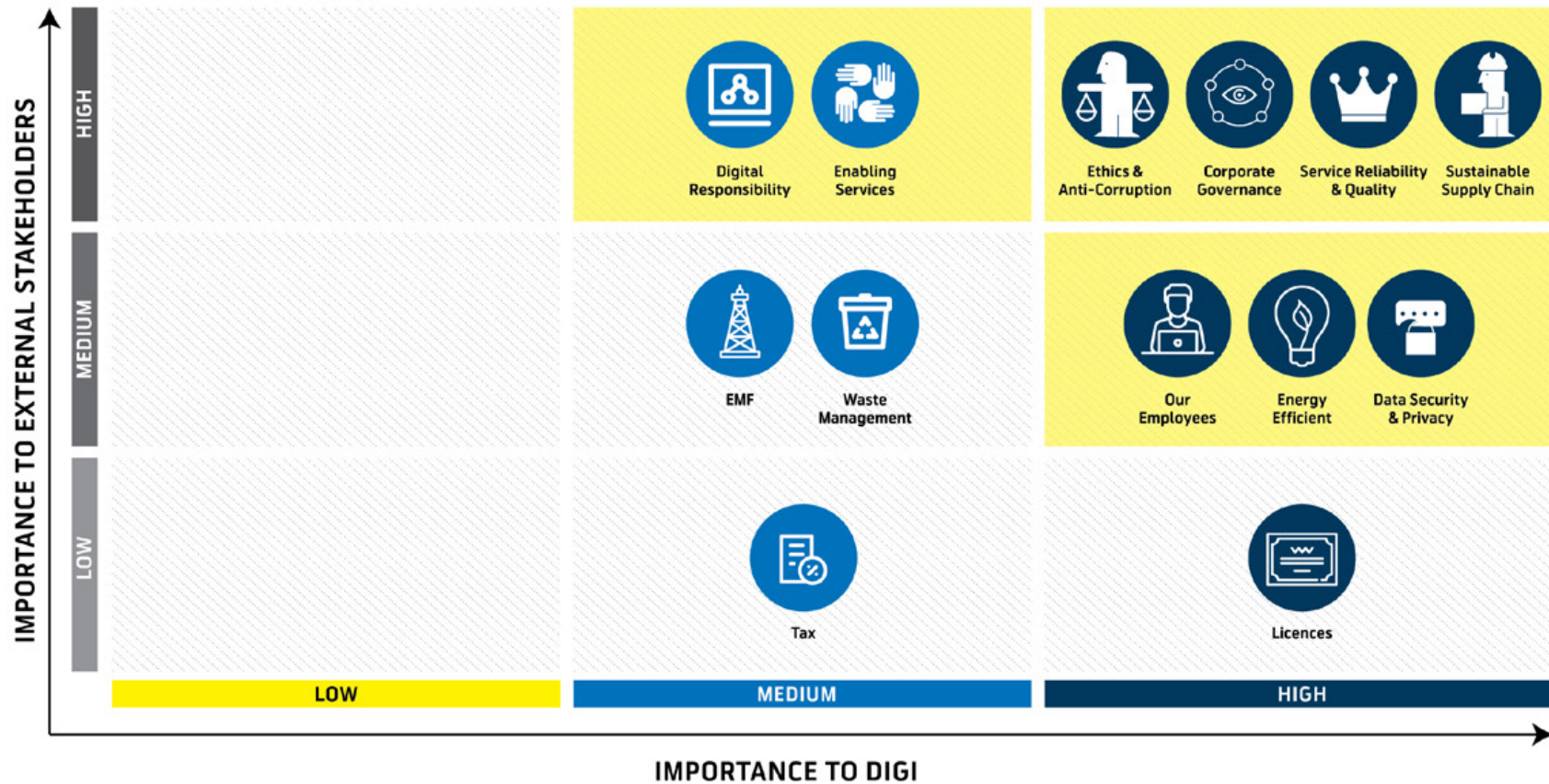
Winning Team

More than 2,000 passionate and engaged Digizens from 12 nationalities based in six regions to deliver services that is loved by customers. We drive a culture that allows them the freedom to inspire the next.

MATERIALITY MATRIX

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 material 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. In 2015, our materiality matrix was further refined by raising our priority on ethics and anti-corruption.



OUR STAKEHOLDERS



MEET THE STAKEHOLDERS

A range of platforms to keep a constant pulse on concerns and issues of stakeholders

We have embedded a range of platforms to keep a constant pulse on concerns and issues of stakeholders. By understanding expectations and responding to concerns, we aim to deepen stakeholder's trust in us. The following table provides a list of our key stakeholders, the engagement platforms, and some of the key issues addressed.



REGULATORS

Engagement Platforms

- Industry meetings
- Regular reports and information sharing
- Participation in government programmes
- Public-private partnership initiatives

Issues

- Network rollout
- Spectrum allocation
- Affordability of internet
- Quality of calls
- Quality of calls
- Supporting national digital innovation agenda

How We Addressed

We rolled out the nation's widest LTE network, and partnered government agencies to drive digital innovation among social purpose organisations through Challenge for Change



CUSTOMERS

Engagement Platforms

- Digi retail outlets
- Customer Service channels (online customer service, 24-hour helpline)
- Social media e.g. Facebook and Twitter
- Net Promoter Score
- Consumer Forum Malaysia

Issues

- Network coverage and service quality
- Waiting time at store
- Bill shocks from third party content providers
- Barred accounts with Credit Reporting Agency CTOS

How We Addressed

We conduct a range of quarterly customer engagement activities to stress test our service quality. We reviewed and terminated third party content providers due to their failure to meet our standards.

As a responsible business, we invest our energy in understanding and responding to expectations of stakeholders.



EMPLOYEES

Engagement Platforms

- Best on People Council
- Digi Telecommunications Sdn Bhd Employee Union
- Annual Employee Engagement Survey
- Internal communications
- Quarterly Employee Townhall meetings & leadership forums
- Individual development plans

Issues

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

How We Addressed

Our ongoing robust employee engagement programme across the region have seen a 4% increase in engagement scores.



BUSINESS PARTNERS

Engagement Platforms

- Annual Self-Assessment Questionnaires
- Site inspections and audits
- Training for suppliers

Issues

- Health and safety in supply chain
- Mitigating non-compliance in supply chain
- Anti-corruption and business integrity

How We Addressed

We conducted information sharing and training with business partners and increased compliance audits to ensure they meet our supplier standards.

Terminated six sub-contractors for failure to adhere to safety standards.



INVESTORS & ANALYSTS

Engagement Platforms

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

Issues

- Corporate strategy and financial performance
- Fair and transparent rewards
- Corporate governance and compliance

How We Addressed

We conducted quarterly briefings to analysts and investors on business performance and strategy



MEDIA

Engagement Platforms

- Media interviews & events
- Formal and informal briefings
- Media familiarisation visits

Issues

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

How We Addressed

We conducted regular media engagements to provide updates on business performance and strategy, products and services, and address issues of customers' concerns



COMMUNITY & NGOS

Engagement Platforms

- Engagement with business and industry forums
- Engagement with NGOs
- Connecting unconnecting communities

Issues

- Leveraging mobile technology on meeting local social needs and issues
- Concerns of safe internet use by young children

How We Addressed

Consolidated seven key programmes under Empower Societies



Our values of being responsible and ethical are deeply embedded in how we do business. We recognise that as a leading corporate citizen, we need to continuously set leadership benchmarks in demonstrating our convictions at upholding these values.

CORPORATE GOVERNANCE



We uphold high standards of corporate governance in compliance with national laws, listing requirements of Bursa Malaysia, and as a licensed operator. Our governance framework outlines our corporate values, codes of conduct, governing policies and procedures.



Strong Integrity Culture

A business ethics and integrity survey by a subsidiary of Transparency International on Digi's found a high perception of strong ethical culture, good awareness of integrity guidelines, and high likelihood to report misconduct among employees and vendors. Action plans have been developed for our leadership team to address five areas of concerns raised in the survey findings.



Extending Integrity Due Diligence

Suppliers within parameters deemed as high risk, were required to provide information on their integrity protocols and systems. Suppliers found to have integrity systems below our expectations were engaged, and the Supplier Conduct Principles and contractual obligations reinforced.

RECOGNITION FOR STRONG PERFORMANCE ON TRANSPARENCY



Excellence Award for ESG Practices

MSWG-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2015



Winner, Ethics and Sustainability Category

Telenor Group Awards 2015



Runner-Up, Best Sustainability Report Category

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015



Top 10 Constituents with recognised corporate responsibility practices

FTSE4Good Bursa Malaysia Index 2015

RESPONSIBLE SUPPLY CHAIN



We extend our responsible and ethical values to suppliers and business partners through the Supplier Conduct Principals and the Agreement of Business Conduct. Our focus is to ensure suppliers meet core International Labour Organisation standards in their work place, and safety of workers among critical suppliers working on our sites.



Digitising Safety

The 'Digi Permit To Work' mobile app enabled our teams to have an overview of sites under construction, and empowered our main contractors to share the responsibility for health and safety. Sub-contractors used the app to verify that they have safety gears and permits before they begin work on a site.



Improving Safety Performance

With safety officers deployed to our regions, we doubled the number of inspections. We conducted 887 site inspections, of which over 90% were unannounced. Major non-compliance was found in 1% of inspections, while minor non-compliance was found in 16%, a year on year reduction of 16% and 25% respectively.



Zero Tolerance

We rolled out a safety handbook and equipment to our field force teams, conducted 2,500 contractor training hours and organised our first engagement forum with management of contractors. Six contractors were terminated due to non-compliance with our health and safety policy. We regret to report one fatality of a worker from a third tier supplier.



Developing Common Standards

We initiated a meeting with three other operators to explore adoption of common standards and sanctions for contractors in health, safety, security, and environmental requirement; and to conduct joint inspections. An agreement to develop a common platform for training and certification as an initial partnership will be rolled out in 2016.



Strengthen Information Security

We completed Phase 3 implementation of ISO27000 Certification for Information Security compliance, ensuring that our systems and processes are increasingly robust. Privacy is designed into the core of all our products and services.



Code Of Conduct For Third Party Content

An audit against MCMC's Mandatory Standard of Mobile Content Services resulted in the suspension of 29 short codes, four termination of our third party content providers. We improved our customer's experience by enhancing their control in enrolment and termination of third party services and piloting an enhanced authentication process.



Making It Easy

Project Digi Easy was launched and we reviewed our customer's physical, psychological and emotional experience at every service touch point, and implemented 17 ideas inspired and prioritised by customers, which includes introduction of the MyDigi app, and a reduction in store average waiting time among others.



Instilling Culture Of Privacy

We endeavored to instill a culture of respecting privacy from the first day of employment for every Digizen. We also worked and communicated with our vendors and developers to ensure they adhere to high levels of data and personal integrity. This culture is enforced through legal obligations and regular audits.

CONSUMER INTERESTS



As we strive to be our customers' favourite partner in digital life, we must ensure their rights and privacy are not compromised. Through multiple channels of engagement, we have a deeper understanding of their expectation of Digi as a provider of choice.

WINNING TEAM



We are building future ready talents and a culture that inspires everyday innovation. Supported by more than 2,000 Digizens from 12 nationalities, we are cultivating an agile mindset that is devoted to learning new skills and gaining new exposure to successfully drive our continued business transformation.

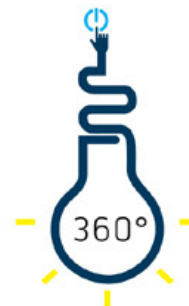
CULTURE OF 360° INNOVATION

Freedom To Inspire The Next

Freedom to Inspire the Next encapsulates the experience and culture felt by employees working at Digi. We enabled this value proposition by committing to an open, supportive and nurturing workplace. Every employee's voice is heard, and individuals feel empowered to contribute ideas and opinions no matter their standing to inspire the next big 'anything' for Digi.

Digitising The Workspace

We enabled an easier and hassle free workspace by digitising processes and engagement channels, in line with our move to digitise our business. Digizens now provide feedback, stay updated on Telenor news, submit claims, induct new talent, and apply for leave through a slew of new Digi mobile applications on their devices.



DEVELOPING TALENT

We are building a sustainable leadership pipeline that thrives in a fast evolving market environment. Local talents are nurtured into global leaders through a series of programmes with renowned global institutions to provide differentiated exposure.

Freedom To Grow

The Telenor Development Plan process allows every Digizens to map their professional development and learning needs to support business goals. Following a conversation with their manager three times a year, 93%* of Digizens completed their Telenor Development Plan. All internal job opportunities are offered to Digizens to provide them the freedom to grow and gain new experiences.

Leadership Pipeline

Through a rigorous and transparent process, high performing Digizens are identified annually for future leadership roles. Future leaders attend regional Telenor leadership programmes and interact with regional business units to develop as local leaders with global outlook.

Enriching Mobility Assignments

High performing Digizens are given the opportunity to take up mobility assignments within Telenor Group's global network of businesses across 13 markets.

93%
of Digizens
completed
their Telenor
Development
Plan

PROMOTE LEARNING

Digizens are given the freedom to leverage on a range of learning opportunities. Every division has a training programme and core competencies roadmap. We place an emphasis on programmes that enhance knowledge and capabilities through project assignments, networking and guided learning.

BEYOND DIVERSITY

Diversity, coupled with inclusivity, creates an empowered workforce. We are an equal opportunity employer, committed to creating a culture that values, support and respects inclusivity of all Digizens. We believe the diversity of talent, culture, experience, thoughts, and values creates an environment where innovation thrives.

Launch Of D'academy

We launched an online learning platform offering over 1,500 titles for self-learning based on development needs and interest. Modules on leadership, personal effectiveness, technical and functional knowledge are available to Digizens anytime, anywhere and at their own pace.



1,500
Self-learning
Modules

Review Training Providers

We conducted an assessment of all classroom based training and conducted a refresh to ensure the quality of our training providers. On average, 21 hours of classroom based training were undertaken by employees.



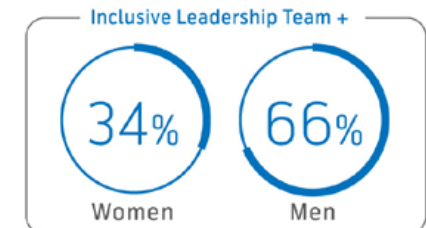
21 hours of training

Workforce Diversity



Gender Diversity In Leadership

We adopted a Board Diversity Policy and launched the Women Inspirational Network (WIN) in an ongoing effort to support development, growth and retention of more women leaders. WIN will support professional development of leaders through exposure and engagement with inspirational women, and mentorship by management.



+ Leadership team includes women in senior management team, and all Heads of Departments, Units or Sub-Sections.

Supporting Families

We implemented a six month fully paid maternity policy as we strive to be the best employer for working mothers. The policy took effect on 1 Jan 2016.

STRONG ENGAGEMENT

Regular Engagement

Quarterly meetings were held between management with the Digi Telecommunications Sdn Bhd Employees Union (DGEU) and The Best on People Council. It provides a formal channel for consultation and collaboration on policies and strategies, to ensure a balance between safe guarding employee welfare and driving productivity.

Improved Engagement Score

Time invested by management to meet, explain, and respond to concerns of employees has resulted in an Employee Engagement Score of 80%.



Knowledge Of Rights

We assisted the DGEU leadership team with organising workshops and trainings to understand the role and responsibility of union representatives. We also organised a workshop, facilitated by UNI Malaysia Labour Centre, to develop a smart partnership strategy between management and the union moving forward.

Customer First Culture

Over 40 engagement activities were organised to create more awareness, and trigger more conversations with customers and dealers. In addition to our annual flagship Customer First Day, Digizens participated in network drive tests, went undercover as mystery shoppers, spent a day@contact centre, and actively reported network performance through the D'Network buddy app.



CLIMATE: ENERGY EFFICIENCY

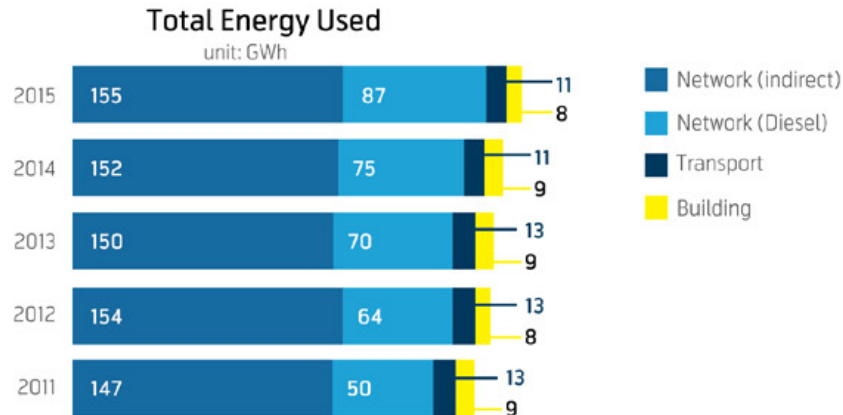
The use of energy is our largest impact on the environment. Having mapped and understood our energy use, we have progressively invested in energy savings in various aspects of our operations over the past three years to increase efficiency and reduce our carbon footprint.

Network Electricity

We utilised 261.5 GWh* of electricity, a 5.8% year-on-year increase in overall use. Our largest consumption of electricity is in our network, which accounts for over 90% of total energy used. As we rolled out more 4G sites, we saw a 6.6% increase in energy use for our networks. Portable generators used to run base stations have seen an increase of 15.8% in diesel use for our network.

Continued Investments In Efficiency

Electricity consumption for building operations and transportation remained stable. We expect further energy savings upon completion of the refurbishment at D'House in 2016, which will meet Leadership in Energy and Environmental Design certification.



*Ernst & Young LLP reviewed and verified this data.

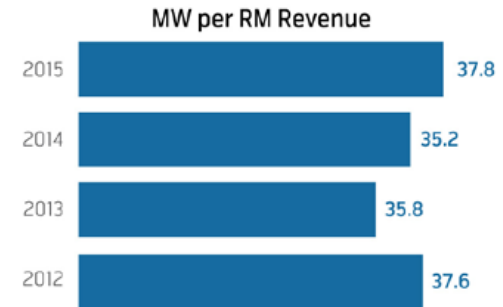
ENERGY EFFICIENCY

Testing New Technology

A proof of concept (POC), funded by a grant from the Green Technical Working Group under the Malaysia Technical Standard Forum Berhad, is underway using a modified hybrid hydrogen fuel cell system which extracts water from the atmosphere, and converts hydrogen to power for the base station. A three years return of investment is expected from reduction in cost from diesel use, field logistics, site vandalism, and diesel pilferage.

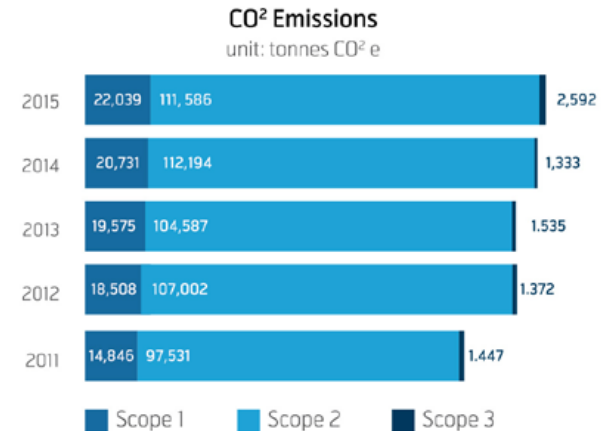
Higher Energy Intensity

Our energy intensity increased by 7.4% to 37.82 MW per RM revenue. This first upsurge in two years did not meet our reduction target. We expect to improve energy intensity as 4G LTE expansion stabilises and new data services are monetised.



Carbon Footprint

Our overall Greenhouse Gas (GHG) emission and carbon intensity remained stable with an increase of 1.5% at 136,217** tonnes CO₂e, and 19.7kg per RM value added. The lower percentage growth compared to overall GWh consumption is attributed to a 2.1% reduction in emission factor of Malaysia's grid electricity. Our largest GHG emission is from Scope 2, purchased electricity from grid, which accounts for 83% of total emissions.



Carbon Efficiency

unit: kg CO₂ e per RM value added



+ Our boundary for GHG reporting only covers emissions from Digi Telecommunications Sdn Bhd. Emissions from our network, which accounts for our largest emissions, operate under this company. It does not include subsidiaries, outsourcing services or joint ventures.
*Ernst & Young LLP reviewed and verified this data.

ENVIRONMENTAL SUSTAINABILITY

We support the environmental sustainability efforts of our stakeholders related to mobile devices and technology equipment. As mobile services advance, we support our stakeholders to leverage these innovations as an enabler of environmental change.

Recycling E-waste

We collected 343 tonnes of decommissioned electronic equipment. In compliance with Telenor Group's requirement on e-waste management, these were reused, recycled or disposed through licensed vendors. We achieved an e-waste recycling rate of 75.8%.

Recycling Handphones

We participated in the "Old Phone, New Life" industry recycling programme to recycle one million phones. Handphones were collected in recycling boxes deployed to our stores and NGO partners. We will be introducing a phone trade-in programme to encourage customers to recycle their old phones in the coming year.

Enabler Of Change

We provided internet-enabled Lenovo Android tablets to 20 youths in Sabah to participate in the UNICEF Voices of Youth Climate Change Digital Mapping project. By documenting and reporting climate change and environmental challenges in their respective communities, Malaysian youths joined their peers from around the world and contributed to discussions at the Climate Change Conference (COP21) and 11th Conference of Youth.

Raising Awareness

In our seventh year of partnership with WWF Malaysia, we sponsored 200 customers to participate in the global 'Earth Hour' movement to raise greater environmental awareness. We also introduced a prototype solar powered charging station which is able to charge up to 16 mobile phones and four tablets after five hours of solar charging.



Recognition For Transparency In Carbon Reporting

Excellence Award, Top Performer for the National Corporate Greenhouse Gas (GHG) Reporting Programme for Malaysia (MYCarbon), MYCarbon Awards 2015



**EMPOWER
SOCIETIES**



Empower Societies is our commitment to enable more digital communities across Malaysia. Through seven flagship initiatives, we reach out to different communities to help more segments of society benefit from being connected.

CyberSAFE™

in partnership with Cybersecurity Malaysia

Digi CyberSAFE aims to nurturing a safer internet all by building digital resilience and fostering responsible digital citizenship among Malaysian children. In our fourth year, Digi CyberSAFE has reached out to over 100,000 students. Partnering with Cybersecurity Malaysia, the Ministry of Education, UNICEF and Childline, we discovered deeper insights into issues and challenges faced by children and their parents through research. Through this initiative, we have also established stronger relationships with partners to enhance digital resilience. Ultimately, we were enabled to develop tools for stakeholders to engage with children.



Outcome:



338 teachers
18,279 students
EMPOWERED



18,000 students
216 schools
SURVEYED



30,000
Parental Guidebook
DISTRIBUTED

- Empowered 338 teachers, and 18,279* students in 221 schools.
- Published 'CyberSAFE™ in Schools 2015 Survey' from insights of more than 18,000 schoolchildren in 216 secondary schools nationwide over a period of seven months.
- Findings provided deeper understanding of prevalence of school children to access sites that propagate hate, self-harm, weapons, drugs and suicide. Mitigation strategies to be developed to build stronger digital resiliency.
- Published and distributed over 30,000 Parental Guidebook in partnership with Telenor Group and UNICEF, to support parents on conversations with children on safe, responsible online practices, and digital citizenship.
- Conducted a one day workshop on "Child online safety training" in partnership with Protect & Save the Children, and supported by the Royal Malaysian Police.



Digi Challenge For Change partners with social change makers to enable innovative internet solutions that create sustainable, inclusive socio-economic impact for communities. The organisation engages Malaysian social purpose organisations to innovate digital solutions that addresses a social issue they champion. We develop scalable and sustainable solutions using internet-enabled technology, thus creating positive social impact by piloting the project in two communities.

Outcome:

- Dialogue in the Dark & Genashtim’s proposal of a social enterprise virtual call centre operated by visually impaired individuals or persons with disability (PwD) was the winner of DigiCFC 2015.
- The platform will upskill individuals and provide accessibility for sustainable livelihood by participating in the economy.
- The team won a matching grant of RM250,000 and mentorship by programme partners.

Partners:

- National Blue Ocean Strategy (NBOS) Social Public-Private Partnership initiative led by Agensi Inovasi Malaysia (AIM),
- Public Private Partnership Unit (UKAS)
- The Ministry of Communications and Multimedia.



Digi WWWoW Internet For All Awards recognises Malaysians that use the internet for good to increase online creativity and entrepreneurship. In its fifth year, the theme was 'Taking Ideas Further', which attracted more than 750 entries across eight categories, with over 14,000 votes cast.

Outcome:



Partners:

- KFIT
- Zalora
- Christy Ng
- UBER
- Exponential
- Sizmek
- TMT
- MobMe Asia
- EcoKnights
- Doghouse 73 Pictures
- UNICEF



Wanita Era Digital empowers women through greater internet adoption and education on basic internet skills. In Malaysia, an estimated 6 million* women remain unconnected to the internet. In January 2016, we launch Digi Wanita Era Digital with a commitment to reach out to 5,000 women in our first year.

Our Pledge:

5,000
women



5,000 women empowered and inspired through greater internet adoption nationwide through the year.

Partners:

- The Ministry of Communications and Multimedia (KKMM)
- The Malaysian Communication and Multimedia Commission (MCMC)
- The National Council of Women's Organisations' (NCWO)



Digi Kampung Internet For All, solely powered by Digi, aims to enable connectivity via mobile internet and WiFi, and make it easy to own smart devices for the rural and remote communities.

Outcome:

3,500
villagers



In December 2015, we launched our second Kg IFA at Kampung Chenderong Batu, Kelantan! The initiative connected another 3,500 villagers via mobile internet.



Digital:Winners



Digital Winners is a global platform for Malaysian technopreneurs to meet leaders and innovators in media, technology and communications to gain insights on digital innovations. We had a two day gathering of leaders and innovators in media, technology and communication in Oslo, Norway. From the gathering, Cytron Technologies' was chosen to represent Malaysia in the 'Best App in Asia' competition. Cytron Technologies are developers of an educational robotics kit, aimed to assist students and enthusiasts in robotics education.



Telenor Youth Forum is a global platform, gathering youths for a global dialogue and sharing forum on increasing the role of digital and mobile technology in transforming societies. Over three years, six Malaysian youths have gone to Oslo, Norway to drive conversations on our collective global digital future.

With the theme 'Knowledge For All', Heidy Quah and Adley Chan were selected to represent Malaysia at TYF 2015. Heidy founded 'Refuge for the Refugees', an NGO looking to create a self-sustaining community-based education programme to empower underprivileged communities. Adley sought to create an inclusive peer learning community by connecting children from rural and urban areas to enable cross-border sharing of knowledge and learning.



GENERAL STANDARD DISCLOSURES		COMPLIANCE	CROSS REFERENCE OR DIRECT ANSWER
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organisation	Full	Annual Report, Chairman and CEO Statements
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	Full	About our disclosure
G4-4	Primary brands, products and services	Full	Annual Report. Management Discussion & Analysis
G4-5	Headquarters location	Full	Annual report: Notes to financial statement
G4-6	Countries of operation	Full	Digi only operates in Malaysia.
G4-7	Nature of ownership and legal form	Full	Annual report: Notes to financial statement
G4-8	Markets served	Full	Annual Report. Management Discussion & Analysis
G4-9	Scale of the organisation	Full	Annual Report. Management Discussion & Analysis
G4-10	Organisation's workforce	Full	Winning team
G4-11	Total employees covered by collective bargaining agreements	Full	31% of employees as at 31 Dec 2015 is
G4-12	Organisation's supply chain	Full	Ethical and Responsible Business
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	Climate Change & Environment
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives	Full	About our disclosure
G4-16	Memberships of associations and national/ international advocacy organisations	Full	Digi as part of Telenor Group is an active participant in GSMA, the global association for mobile operators. Digi is a signatory to the UN Global Compact and a member of the Malaysia Compact.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Full	Annual Report 2015
G4-18	Process for defining report content and the Aspect Boundaries	Full	Materiality
G4-19	Material Aspects identified in the process for defining report content	Full	Materiality
G4-20	Aspect Boundary within the organisation	Full	About our disclosure
G4-21	Aspect Boundary outside the organisation	Full	About our disclosure
G4-22	Restatements of information provided in previous reports	Full	There is no restatement
G4-23	Significant changes from previous reporting in the Scope and Aspect Boundaries	Full	There is no change from previous report
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	Full	Stakeholder engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	Full	Stakeholder engagement
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Full	Stakeholder engagement
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	Stakeholder engagement

REPORT PROFILE				
G4-28	Reporting period		Full	About our disclosure
G4-29	Date of most recent previous report		Full	About our disclosure
G4-30	Reporting cycle		Full	About our disclosure
G4-31	Contact point		Full	About our disclosure
G4-32	GRI content index		Full	This page
G4-33	External assurance		Full	Annual Report: Assurance statement
GOVERNANCE				
G4-34	Organisation's governance structure		Full	Annual Report: Governance
ETHICS & INTEGRITY				
G4-56	Organisation's values, principles, standards and norms of behaviours		Full	Annual report: Governance Responsible & Ethical

SPECIFIC STANDARD DISCLOSURES				
MATERIAL ASPECTS	DMA AND INDICATORS		COMPLIANCE	COMMENTS
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	Direct economic value generated and distributed	Full	Annual report: Financial summary; statement of comprehensive income.
	G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Full	CEO's message; Climate Change and Environment; Telenor Group's Carbon Reporting.
	G4-EC3	Coverage of the organisation's defined benefits plan obligations	Full	Annual report: Notes to financial statements. Employee Benefits, Profit Before Tax, Defined Benefit Plans.
	G4-EC4	Financial assistance received from government	Full	Annual report: Statement of cash flow.
Market presence	G4-EC5	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	Proportion of senior management hired from the local community at significant locations of operation	Full	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	Development and impact of infrastructure investments and services supported	Full	Annual report: Our present Empower Societies
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	Full	Responsible & ethical Empower societies
Procurement practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Partial	Annual report: Our present

ENVIRONMENTAL				
		Management approach		Climate Change & Environment
Energy	G4-EN3	Energy consumption within the organisation	Full	Climate Change & Environment
	G4-EN4	Energy consumption outside the organisation	Full	Climate Change & Environment
	G4-EN5	Energy intensity	Full	Climate Change & Environment
	G4-EN6	Reduction of energy consumption	Full	Climate Change & Environment
Water Emissions	G4-EN8	Total water withdrawal by source	Full	Climate Change & Environment Our water is from the local municipal.
	G4-EN15	Direct GHG emissions (Scope 1)	Full	Climate Change & Environment
	G4-EN16	Indirect GHG emissions (Scope 2)	Full	Climate Change & Environment
	G4-EN17	Other indirect GHG emissions (Scope 3)	Full	Climate Change & Environment

ENVIRONMENTAL					
Water Emissions	G4-EN18	GHG emissions intensity	Full	Climate Change & Environment	
	G4-EN19	Reduction of GHG emissions	Full	Climate Change & Environment	
Effluents and waste	G4-EN23	Total weight of waste by type and disposal method	Full	Climate Change & Environment	
Products and Services	G4-EN23	Total weight of waste by type and disposal method	Full	Climate Change & Environment	
Compliance - Environmental	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Full	There was no case of non-compliance in 2015	
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	Full	Transportation accounts for less than 3% of Digi's total CO2 emissions, and does not have significant impact. Climate Change & Environment	
Suppliers environmental assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Full	Digi evaluates current and prospective suppliers to identify risks of violation of Supplier Conduct Principles, which includes clause on precautionary precaution.	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Full	None reported in 2015	
Environmental Grievance Mechanisms		Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance	Full	None reported in 2015	
SOCIAL LABOUR PRACTICES AND DECENT WORK					
		Management Approach		Our approach to sustainability, Winning Team, Ethical & Responsible Business.	
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Partial	Winning team	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Partial	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	Minimum notice period regarding significant operational changes, including whether it is specified in collective agreements.	Full	Digi gives one month notice to inform all employees of operational changes that result in loss of employment.	
Occupational health and safety	G4-LA5	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	Partial	Winning team	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender	Full	Ethical & Responsible Business	
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Full	Digi organises education, training, counselling, prevention and risk control programmes related to outbreaks.	
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	Full	Health and Safety covers all employees regardless of union membership.	
Training and education	G4-LA9	Average hours of training per year per employee per gender, and by employee category	Full	Winning team	
	G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Full	Winning team	
	G4-LA11	Percentage of employees receiving regular performance and career development review	Full	Winning team	
Diversity and equal opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Partial	Annual Report: Directors Profiles Winning team	
Equal remuneration for women and men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Full	Digi practices equal opportunity for salaries and remuneration	
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Full	Ethical & Responsible Business. Digi evaluates current and prospective suppliers to identify risks of violation of the SCP.	
Labour practices grievance mechanisms	G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	Full	There were none filed in 2015	

HUMAN RIGHTS				
MATERIAL ASPECTS	DMA AND INDICATORS		COMPLIANCE	COMMENTS
		Management Approach		Ethical & Responsible Business
Investment & Procurement Practices	G4-HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Full	All significant investment agreements are subject to the terms of our Supplier Conduct Principles which has adopted UN Guiding Principles on Business and Human Rights.
	G4-HR2	Total hours of employees trained on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	Partial	Ethical & Responsible Business Corporate governance
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	Full	Code of Conduct None in 2015. We are committed to promoting equal opportunity
Freedom of association and collective bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Partial	Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clause on freedom of association
Child labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Partial	Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clause on child labour
Forced or compulsory labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Partial	Digi evaluates current and prospective suppliers to identify risks of violations of Supplier Conduct Principles, which include clause on forced labour
Security Practices	G4-HR7	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Partial	All security personnel have been trained in basic health, safety, and security as part of the requirements of the Supply Chain Sustainability
Assessment	G4-HR9	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Partial	Digi assess its operations for risks for violations of our code of conduct and Supplier Conduct Principles, and the UN Guiding Principles on Business and Human Rights. Ethical & Responsible Business Supplier Conduct Principles
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Full	Digi evaluate its operations for risks of violations to our code of conduct, Supplier Conduct Principles, and UN Guiding Principles of Business and Human Rights.
	G4-HR11	Significant suppliers and contractors that have undergone screening on human actions taken	Partial	Ethical and Responsible Business
Human Rights Grievance Mechanism	G4-HR12	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Full	There has been no grievance filed in 2015
SOCIETY				
		Management approach		Our approach Empower Societies Ethical & Responsible Business
Local communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Partial	Ethical & Responsible Business Digi assesses its operational impact on communities, and carries out relevant engagement to address concerns of local authorities and communities.
Anti-corruption	G4-SO3	Percentage and total number of business units analysed for risks related to corruption	Partial	Ethical & Responsible Business Code of Conduct
	G4-SO4	Communication and training on anti-corruption policies and procedures	Full	Code of Conduct Ethical & Responsible Business
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Full	Digi was fined in total RM235,000 by the Malaysian Communications and Multimedia Commission for breaching the Mandatory Standards for Quality of Service and Guidelines on Regulations of End Users of Prepaid Public Cellular Services.
Supplier assessment for impacts on society	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Full	Ethical & Responsible Business
Grievance mechanisms for impacts on society	G4-SO11	Number of grievances about impact on society filed, address, and resolve through formal grievance mechanisms.	Full	There were no cases filed in 2015.

PRODUCT RESPONSIBILITY

MATERIAL ASPECTS	DMA AND INDICATORS		COMPLIANCE	COMMENTS
		Management approach		
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvements.	Partial	Ethical and Responsible Business Empower Societies
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Full	There were no cases filed in 2015.
Product and service labelling	G4-PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Partial	Ethical & Responsible Business

A black and white photograph of four young adults (three women and one man) gathered around a tablet, smiling and looking at the screen. The man is in the center, leaning over the tablet. The woman on the left is wearing a hijab. The woman on the right is wearing a lace top. The background is dark and out of focus.

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

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