



EMPOWERMENT THROUGH CONNECTIVITY

SUSTAINABILITY REPORT

Approach

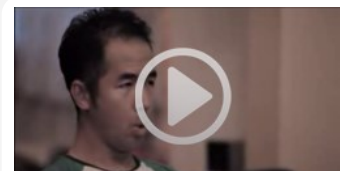
We are committed to bringing the *Internet For All Malaysians*. Through innovative partnerships, we offer the most affordable internet access, enable online creativity, stimulate development of local talent and digital content for everyday Malaysians, and remain committed to empower safe internet use.



Christian Thrane - DiGi's Chief Marketing Officer, shares our approach to Empowerment Through Connectivity.

Quality and Affordable Communications

In line with our *Internet For All* mission, 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 of mobile internet.



Watch a video by Adam, a DiGi customer who is an active advocate of the empowering effect of the internet.

Strengthening our Telecommunications Infrastructure

Building our Tomorrow Network

Digi has invested RM904 million in Capex to strengthen its infrastructure capabilities. This has allowed us to expand our 3G population coverage to 86%, and 2G population coverage of 95.37%

In 2014, we rolled out our new LTE. We have increased our fibre network to more than 4,700km. Our LTE network has reached nine markets centres in Klang Valley, Penang, Kampar, Johor Bahru, Kuching, Kuantan, Tawau, Labuan and Miri.

Network Sharing

Network sharing is a growing industry initiative among telco operators to bring the benefits of mobile communication and importantly. This will significantly enhance our ability to deliver affordable and high-quality internet connectivity to more Malaysians. Through an industry agreed methodology, the common sharing unit (CSU) was developed to monitor the extent of sharing between companies. Through decommissioning of common sites, it allows for greener telecommunication with less base stations and generators



needed to power our networks.

Together with Celcom, we have signed a long term collaborative deal with Telekom Malaysia (TM) to secure faster access to fibre infrastructure, for future network capacity demands. This formed an important part of the ongoing network collaboration between Digi and Celcom to roll out more than 10,000 km of fibre nationwide, and provided a good platform to capitalise on built and shared infrastructure synergies, optimize costs, and avoid infrastructure duplications. Importantly, this will significantly enhance our ability to deliver affordable and high-quality internet connectivity to more Malaysians in the coming years.

Having shared tower infrastructure, the initiative has extended to other common infrastructure such as cabins, E1 transmission capacity, fibre, generators sets, and cost sharing of electrification of rural sites. Future sharing initiatives may include security guards to patrol high potential vandalism sites or fibre routes, and sharing of rooftop sites.

Universal Service Provision

Last year, we launched the first Kampung Internet For All (Kg IFA) in Kg Gong Chengal, Kemaman, Terengganu. Digi's Kg IFA brings high-speed internet access to local communities in rural areas, and enables connectivity via WiFi and mobile internet, anywhere and anytime, as long as they are within the vicinity of the village. We plan to progressively rollout Kg IFA for communities nationwide in 2015.

We continue to support the government-led initiatives to extend mobile and broadband services to underserved communities. In 2014, Digi established an additional ten 1Malaysia Internet Centres (PI1M). We currently support 34 PI1Ms across Malaysia, with plans to bring the benefits of PI1Ms to another 30 rural and 40 urban poor communities in 2015

We are exploring initiatives that would enable each of our centres to be sustainable. We have begun pilot project in 6 PIMs to include retail touch points, support Digital entrepreneurship training for SMEs and online education opportunities for young adults.

<u>Initiative</u>	<u>Outcome</u>
• Telephony conversion	Converted 2,500 fixed to mobile lines.
• Wireless Village	Provided collective wireless broadband access to 340 villages.
• Upgraded 2G to 3G sites	Provided collective wireless broadband access to communities within the vicinity of the 311 upgraded sites.
• 1Malaysia Internet Centers	Established 34 centers to date. An additional 30 rural and 40 urban poor centres to be commissioned progressively.
• WiFi 1Malaysia	Provided collective wireless broadband access to more than 100 identified common public areas and tourist hotspots

DiGi-managed 1Malaysia Internet Centers	
1 Kg. Pandan, Kuantan, Pahang	18 Kg. Tg. Genting, Johor
2 Kg. Ubai, Kuantan, Pahang	19 Felde Lepar Hilir, Pahang
3 Pasir Gajah, Kemaman, Terengganu	20 Kg. Seri Damai, Pahang
4 Taman Semarak Binjai, Kemaman, Terengganu	21 Bukit Kuang, Terengganu
5 Kg. Umbai, Jasin, Melaka	22 Kg. Geliga, Terengganu
6 Kg. Sg Rambai, Jasin, Melaka	23 Kg. Belimbing, Kelantan
7 Kg. Teriang Besar, Mersing, Johor	24 Kg. Chawas, Kelantan
8 Felde Tenggaroh 3, Mersing, Johor	25 Kg Duyong Melaka
9 Lundu, Sarawak	26 Kelebang Besar Melaka
10 Kuala Berang, Hulu Terengganu	27 Kg Parit Salleh Ros Batu Pahat Johor
11 Kg. Bukit Diman, Ajil, Hulu Terengganu	28 Sg. Nibong Batu Pahat Johor
12 Felde Kemahang 3 Tanah Merah Kelantan	29 Kg Banggol Setiu Terengganu
13 Kampung Gual Ipoh Kusial Tanah Merah Kelantan	30 Kg Fikri Setiu Terengganu
14 Sematan Sarawak	31 Kg Padang Tok La Pasir Mas Kelantan
15 Kg. Masjid Baru, Melaka	32 Tendong Pasir Mas Kelantan
16 Bandar Baru Merlimau, Melaka	33 Sg Petai Pasir Putih Kelantan
17 Felde Nitar 2, Johor	34 Balai Tok Janggut Pasir Putih Kelantan

* Centers that were built and launched in 2012.

Driving Uptake Amongst Local and Underserved Communities

We offer a wide range of convenient, relevant and affordable products and services that suit various customer needs. Several of these products have a strong positive social impact for customers.

Case Study

Sendmoney

DiGi partnered with Maybank Berhad to offer an over-the-counter remittance service that allows Malaysians and migrants alike to remit cash to nine Asian countries. This service provides DiGi and non-DiGi customers a convenient and safe way of remitting cash to key destinations in Asia, and particularly benefits



a significantly large migrant community by providing them with an additional option for secure cash remittance. In addition, the service is also useful to Malaysian customers who have domestic helpers or children studying in these countries. [Click here to read more.](#)

Case Study

Discounts for Persons-With-Disabilities (PWD)

DiGi introduced a special RM10 discount off monthly bills for Postpaid or Postpaid broadband services for all Persons-With-Disabilities on top of other promotional rebates offered. [Click here to read more.](#)



Case Study

BEST Club

DiGi Best Club offers our customers from Indonesia, Bangladesh, India, Nepal, Myanmar and China the opportunity to enjoy more rewards while connecting to their families in their home country. The Club allows these customers to stay connected to home with regular news and entertainment updates from their respective countries.



Case Study

Pakej Komunikasi Belia & Start Tablet Promotion

DiGi launched a holistic, nationwide drive of government's Pakej Komunikasi Belia initiative, enabling more youths to own entry-level smartphones by redeeming RM200 rebate from retail stores nationwide.

We also enabled more Malaysians to 'Start' their first internet experience and enjoy a rich mobile internet lifestyle, with an affordable tablet plan bundled with a free 7" Start Android tablet at only RM45 per month.

Industry Development

We recognise the immense positive role internet plays in enabling society. We support Digital Malaysia in driving innovation that mobile internet brings enabling a greater society.

Policy Development

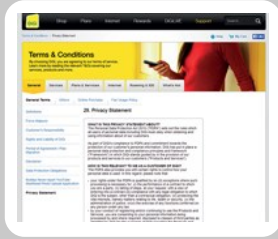
We are a founding member of the following industry forums governed by the Communications and Multimedia Act 1998 (CMA). These forums encourage and facilitate self-regulation of the industry.

- [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 Malaysia Communications and Multimedia Commission (MCMC) 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.

Through our active participation, we contribute towards raising the overall standard of the Malaysian industry, as well as advocating the development of consumer and business-friendly policies. In 2014, the telecommunications industry forums addressed several key issues that were of interest to Regulators, the industry and consumers. These included [spectrum management](#), [mobile termination rates](#), [accounting separation](#) and [Radio Frequency emissions](#).

We also seconded several senior DiGi employees to the Performance Management and Delivery Unit (PEMANDU), a unit in the Prime Minister's Office, to support national transformation initiatives.

Personal data protection Act (PDPA)



This year, we deepened our focus in building compliance towards the PDPA 2010, and securing the personal information of the 11 million customers in our base. We established a new, comprehensive set of compliance principles, frameworks and initiatives, adding to the existing information Security Management programme that addresses broader issues of information management and security across the Organisation.

DiGi's Privacy Statement is now accessible to customers via our website and online customer service site, and physical copies are also made available upon request. We have also introduced the Personal Information Notice and Data Protection Clause to protect existing new and potential DiGi employees, requiring individuals to consent and acknowledge the ways in which the Company will keep and use their personal data in accordance to the Act.

Product Innovations

With just over 56% of our subscribers online, we recognise the potential to bring more subscribers to enjoy the internet. With our partners, we continue to develop innovative packages to bring the power and enjoyment of the internet to the fingertips of subscribers.

- First in the world to launch a plan with YouTube giving customers options to buy access for 50 cents per day.
- First in Malaysia to provide continued unlimited Opera Mini access after exceeding quota in Internet plans to continue basic access.
- SK2 and Pakej Mampu Milik smartphone bundles targeted at increasing Internet for All in rural areas. Bundles with Free Digi Easy Prepaid and 1-year free internet (250MB/mth) and 1GB of Prepaid Broadband for RM25 respectively.
- First in Malaysia to launch a dedicated app for Ring Back Tones
- First in Malaysia to launch streaming service (Play) & MP3 downloads (Pluz) to distribute local content
- No. 1 in market in distribution of smartphones with data included
- Weekly plans with unlimited social messaging from RM3



Capability Development

DiGi Challenge For Change programme

Digi Challenge for Change (DigiCFC) season five focused on discovering and developing innovative Malaysian centric mobile applications. More than 2,500 ideas were crowdsourced during the ideation phase across the social categories of Connected Citizens, Health and Wellness, Learning and Edutainment, Discovering Culture, and a special Digizen's choice category. Winning ideas from each of these categories were selected and used by over 200 mobile developers to develop 56 full-fledged mobile apps.

Digi provided go-to-market support for the four winning apps by making them available on our app store, promoting them to our customers at retail outlets and social media platform, and through established partnerships with the Economic Transformation Programme (ETP), the National Digital Economy Initiative (Digital Malaysia), Google Malaysia and Microsoft Malaysia, 1Malaysia for Youth (iM4U) and the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU).

As part of the programme, the winning team had the opportunity to gain international exposure by representing Malaysia at the Digital Winners Conference Summit in Oslo, hosted by Telenor Digital. The conference presented thought leadership and networking opportunities with 300 top global executives and entrepreneurs in media, technology and communications sectors.



"I believe the internet brings positive changes to Malaysians particularly in connecting relevant content, convenience and economic opportunities to Malaysians of all walks of life. Programmes like Challenge for Change help promote local content development, which is a key component in this value chain. I am pleased to see DiGi taking an active role in driving internet usage through mobile apps and nurturing an inclusive app ecosystem that encourages innovation."

YBhg Datuk Che Azemi Haron
Deputy Secretary-General of the Communications and Multimedia Ministry, on behalf of Minister YB Dato' Sri Ahmad Shabery Cheek.



"At Google we celebrate proposals and ideas that address a problem, suggest a radical solution that could work, and use some form of breakthrough technology to make it happen. In the same shared spirit, we're grateful to DiGi for involving us in an initiative that pools Malaysian ideas and gives it room to flex and develop, which also lets us to get closer to our local users and developers."

Sajith Sivanandan
Country Manager, Google Malaysia

Evolution of DiGi Challenge For Change

2012

- Focused on crowd-sourcing ideas for mobile applications that can bring Malaysians together.
- Winning ideas to be developed into mobile applications by Malaysian mobile app developers.
- Winning apps to be marketed to our customers
- Opened to all Malaysians.

2013

- Invited Malaysians and local app developers to ideate and build innovative community-centric mobile apps that bring Malaysians together for positive change.
- Strengthened the Challenge by refining the categories into four categories: Learning & Edutainment, Health & Wellness, Discovering Culture, and a new category called Connected Citizens for mobile app ideas that facilitate the delivery of public services.
- Created focused development session for the Ideation phase, #IDEAJAM, an 'idea hackathon' that served as checkpoint for participants to refine their ideas with input and insights from industry experts and partners.

Participation	2009	2010	2011	2012	2013
Institutions of Higher Learning	8	13	23	50	8
Submissions	15	76	117	1,977	2,537
Workshop Participants	60	92	512	1,243	707
Finalists	6	20	13	26 ¹	20 ³
Industry and NGO Partners	8	16	90	5	6
Employees engaged ²	18	20	25	50	40

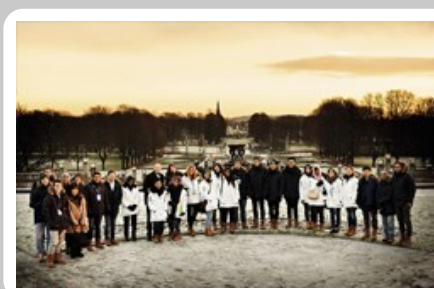
Notes:

1. Refers to finalists for Phase 1 of the programme, i.e. finalists for the best ideas. Phase 2 will take place in 2013.
2. From 2009 to 2011, employees were engaged as mentors to coach finalist teams comprising university students. In the 2012 programme, employees were engaged as participants in an internal version of the DiGi Challenge For Change competition.
3. Refers to finalists for Phase 1 of DiGi CFC 5, i.e. finalists for the best ideas. Phase 2 will place in 2014.

Telenor Youth Summit

Digi ran a challenge to select two youths to represent Malaysia at the Telenor Youth Summit in Oslo. Christine Cheah and Yong Wei Shian won with their respective ideas to connect cancer patients to virtually support each other, and channeling unconsumed and near-expiry food from restaurants, bakeries, hoteliers and wholesalers to local soup kitchens.

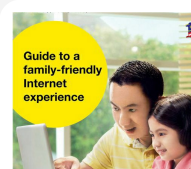
Interaction at the Summit with youths from 12 other Telenor business units provided learning and collaborative opportunities to extend the impact of their mobile internet initiatives. They were enlightened by global leaders and technical experts, and inspired by an ending events leading up to the Nobel Peace Prize. Digi will continue to support these inspired ideas through relevant market and stakeholder engagement opportunities.



Community Development

Our efforts in community development go beyond a traditional philanthropic model to strategically deploy resources, either through technology or our people. We focus on creating a safer internet for children, and supporting nation-building initiatives in communities which are relevant to our business.

This year, we reached out to more than 900 communities comprising schools, universities, non-governmental organisations and underprivileged groups including



[Click here to download our free guidelines to Safe Internet](#)



Safe Internet for Children

2013

In 2013, we deepened our efforts on raising awareness and creating safe online experiences with students through DiGi's CyberSAFE in Schools Programme. The focus this year was on developing trusted ambassadors who are able to influence students' appreciation of cyber safety, and we trained 459 ICT and digital library teachers and education ministry staff from over 450 schools nationwide. Polling views of 15,256* students in these schools, DiGi also published a comprehensive nationwide survey detailing students' level of awareness on online safety.

For its efforts, DiGi was awarded the Best Outreach Provider of the Year award for the second consecutive year in the Malaysia Cyber Security Awards 2013.



"I am proud to be an ambassador for DiGi's CyberSAFE in Schools program and commend their continued investment in our students in partnership with our teachers and education programs. I particularly commend their dedication to remaining relevant to the online issues that face our students in the internet age."

Yusnizam Mohd
Teacher & CyberSAFE Ambassador of the Year 2013
Sekolah Menengah Kebangsaan Ahmad Pekan



"Through the DiGi CyberSAFE workshops, I have heightened my awareness of the risks and how to take steps to safeguard myself and also my family on the Internet. Prior to this, I was unaware that some of these cyber crimes take place so close to home. I have also learnt new skills that I can apply as I continue to enrich my knowledge on the internet.

Thanks to DiGi, I can now continue to develop my creative thinking and pursue my personal growth in a safe and secure way."

Lievyia Amrita
Secondary School Student from Penang.

2014

In 2014, we enhanced and expanded our safe internet advocacy efforts to empower Malaysian children with strong digital resiliency skills and fostered responsible digital citizenship. Our Digi CyberSAFE™ in Schools awareness workshops reached over 38,000 secondary students and 4,100 teachers. We also trained over 130 ICT teachers as ambassadors on cyber safety awareness. We also reached out to urban poor communities with pilot CyberSAFE™ workshops for children living in People's Housing Programme or Program Perumahan Rakyat (PPR).

We published a National Survey 2014: CyberSAFE™ in Schools report, the largest national survey in the country to reveal online behavioural patterns and cyber risks of Malaysian schoolchildren. Themed Safety Net: Capacity Building Among Malaysian Schoolchildren on Staying Safe Online, the survey used inferential statistics to unearth deeper insights, and provide national level recommendations for improving capacity building in digital citizenship and ensuring a positive online experience for schoolchildren. This survey polled over 14,000 schoolchildren nationwide who participated in the CyberSAFE™ in Schools workshop.

We also widened the reach of our advocacy efforts with increased online engagement. We launched an online safety educational portal, to provide children with a fun and interactive cyber safety learning experience. The portal provides games and tips on how children can remain safe online. Our latest series of public service announcements (PSA) feature the three most common online risks faced by children – cyber-bullying, cyber-grooming and cyber-stalking. These PSAs are also made accessible across DiGi's social media channels.

We further deepened partnership engagements to advocate internet safety for children. We partnered UNICEF Malaysia, Childline Malaysia and the Association of Registered Childcare Providers Malaysia (ARCPM) to launch two campaigns, the 'My Promise to Children' and 'Stop It Now! #ENDviolence Against Children'. These campaigns promoted greater awareness on the rights of children, and on protecting and halting violence against children, particularly on the internet. DiGi's CyberSAFE™ in Schools programme is a strategic partnership with the Education Ministry, MCMC, CyberSecurity Malaysia, Childline Malaysia, and Protect and Save the Children.



Internet for the Underprivileged

We partnered local organisations and communities to extend internet services to underprivileged communities.





School in Hospital Programme: DiGi provided laptops and internet connectivity to three schools that are part of the pilot phase of this initiative which is led by the Ministry of Education and the Ministry of Health. The programme aims to provide formal education to children who are undergoing long-term treatment in hospitals.



Computer and Internet Connections for Underprivileged Children: By end 2012, DiGi had provided 75 computers with internet connectivity to 15 children's homes.



Computers and Internet Connection for Underprivileged Children: In 2013, DiGi provided 10 computers with internet connectivity to 6 orphanages in Terengganu and Kuala Lumpur.

Bringing Malaysians Together

Tapping on the positive potential of the internet, we continue to inspire and connect Malaysians with enriching and positive internet content. We celebrated with customers their love of Malaysia. We hosted the third edition of the DiGi WWWoW Internet For All Awards. In times of national tragedy, we used our capacity to connect and support.



#WELOVEMY – Inspiring Malaysia Building up to our 'Customer First' Day on 25 Sept 2014, DiGi invited customers to celebrate all things beautiful about Malaysia by sharing everything they love about our beloved tanah air; from Malaysian icons and meaningful moments to anything from the past and present that make up the love for our home.



What's Your Internet Story? With the support of Google Malaysia, DiGi launched the 'What's Your Internet Story?' campaign that aimed to reach out to the increasing number of Malaysians on the internet to uncover their experiences being connected to the Internet on the go, and how they use Google product and tools.





WWWOW Internet for All Awards Malaysia's first and only accolade recognises the achievements of ordinary Malaysians who are avid internet users. The third edition of DiGi WWWOW Internet for All Awards has helped encourage netizens to create local content, giving people more reason to use and subsequently benefit from the internet in line with our ambition of bringing Internet for All.



Support to those affected by MH370 & MH17 tragedy
DiGi offered free calls to Malaysia Airlines hotline for family and friends of passengers on board MH370 and MH17.



East Coast Flood Relief Effort DiGi organised a collection drive to assist victims of the worst floods to affect the east coast of Peninsular Malaysia. A 20 tonnes (40 feet long) trailer was packed with donated items from Digizens and the public and sent to a DiGi collection point in Kelantan for distribution.



PERFORMANCE DATA



PROGRESS VS TARGETS



VISION, MISSION AND VALUES



CEO'S MESSAGE



APPROACH



STRATEGY



FOCUS AREAS



PERFORMANCE



ACCOLADES



ABOUT THIS REPORT

- ▶ Governance
- ▶ Stakeholder Engagement
- ▶ Material Issues

- ▶ Empowerment Through Connectivity
- ▶ Ethical and Responsible Business
- ▶ Passionate Employees
- ▶ Climate Change and Environment

- ▶ Performance Indicators
 - Empowerment Through Connectivity
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 - Climate Change and Environment
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