SOCIAL AND RELATIONSHIP CAPITAL

The effects of Covid-19 pandemic continued into 2021 through waves of new virus variants. In response, the government executed more stringent measures to contain the spread of the virus, and at the same time introduced recovery strategies. This include the reopening of more economic sectors and injecting fiscal aid and stimulus to resume economic growth, aligned to the nation's larger reform and development agenda as stated in the Twelfth Malaysia Plan, 2021 – 2025 (12MP): Keluarga Malaysia (Malaysian Family) to develop a 'Prosperous, Inclusive and Sustainable Malaysia'. As a connectivity provider, Digi is equally committed to the national agenda via our promise to empower societies and reduce inequalities. This purpose is embodied through our Yellow Heart commitment to operate responsibly for the collective well-being of our customers, societies and the environment.

Mapping to Our Strategy and Material Matters   R3 R4 R1 G3   (Please refer to pages 38-40 on detailed description of our Material Matters)

Key Inputs

Sustainable and **trusted** brand

Purpose-driven initiatives **contributing to the SDGs**

Responsible Business culture

Robust and **transparent** governance systems

Positive relationships and partnerships with customers, suppliers, business peers, UN agency, NGOs, regulators and the government

Key Activities

➢ Geared up expansion of new network sites and service quality

➢ Accelerated businesses and SME digitalisation

➢ Empowered youth and educators with future skills learning

➢ Built capacities for young people to create a safer internet space

➢ Conducted scam awareness campaigns with customers

➢ Strengthened human rights, business ethics and corporate governance

Outcomes

➢ Empowered societies through nation building initiatives

➢ Enhanced commitments for a digitally inclusive and resilient Malaysia

➢ Reinforced strong governance and robust internal controls

➢ Adapted to current and new regulations of our digital ecosystem

➢ Improved human rights due diligence across our value chain and protected right to freedom of association

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Challenges in securing the capital

➢ Uncertainties due to the pandemic, adherence to regulatory compliance, digitalisation and shifting consumer behaviours have accelerated the demands for Digi as a connectivity provider to deliver on its purpose and maintain a positive relationship with all stakeholders

Outlook - Our continuous focus:

➢ Support the socio-economic recovery of underserved communities
➢ Improve accessibility and enabling digital adoption nationwide
➢ Develop the next generation with skills for an accelerated digital future
➢ Instill strong values and controls associated with Digi products and services
➢ Engage stakeholders and raise standards of our operations and supply chains

Our detailed performance and outcomes created are further deliberated on the following pages.

SOCIAL AND RELATIONSHIP CAPITAL

Empowering societies through nation building initiatives

As a responsible corporate citizen, Digi implemented and supported various initiatives to help the *rakyat* weather through difficult times.

Yellow Heart Education Data Packages

Alongside the CERDIK initiative by the government, Digi provided discounted data packages for more than 11,000 students from low-income households.

Supporting the Covid-19 Task Force and Frontline Hospitals

Digi zero-rated calls to critical service hotlines including Covid-19 websites, screening and admitting hospitals (as endorsed by the Ministry of Health) and telehealth providers such as DoctorOnCall. We sponsored devices with connectivity to the National Rapid Response Task Force (GKVSTF) for contract tracing management, and to multiple frontline hospitals to support the needs of patients in Intensive Care Units and for counselling services.

Covid-19 Response and Recovery

Contributed more than RM 1.5 million to communities, comprising free connectivity at *Program Perumahan Rakyat (PPR)*, free calls to helplines, and RM 750,000 channeled via our NGO partner, MERCY Malaysia to support on-going Covid-19 response and recovery efforts.

Floods Relief and Recovery Efforts

➢ Provided prepaid subscribers with free internet

➢ Pledged up to RM500,000 via aid agencies

➢ Total of 140 employees supported with hotel accommodation, financial aid and home/vehicle repairs

➢ Rallied up efforts to restore disrupted sites and initiated employee volunteerism to support communities, including recovery of affected Digi retail stores

Gearing up for a stronger digital nation

Digi continuously monitors our network capabilities to provide consistent and high-quality digital connectivity to meet customers' expectations.

We initiated a nationwide campaign *#BuatLebihL4Gi* to drive awareness for customers to adopt 4G, coupled with affordable device plans to drive greater adoption.

Accelerating businesses and SME digitalisation

Business and digital solutions to fast track business growth
Providing customised connectivity and managed services for business transformation.

MYDigital SME Programme
Conducted webinars on the topic of e-commerce and cyber security with solution partners.

7
Episodes

> 150,000
Views

PENJANA SME Digitalisation Grant
~9,000
Businesses benefited

#KamiCareMBiz programme
Offered over RM 500,000 worth of digital solutions and mobile plans to help local micro and small business owners go digital.

Empowering educators and youth for the future

Future Skills For All (FS4A)

Micro:bit, robotics and programming
34,582*
Students and teachers enrolled up to 31 December 2021

#BOLEHCODE national coding movement
> 3,000
Students participated

> 350
Schools reached

For more information on FS4A, visit futureskills.moe-dl.edu.my

* Number of FS4A enrolment up to 31 December 2021 has been independently assured by KPMG PLT

How We Create Value

A decade-long commitment for safer internet

Digi celebrated the tenth anniversary of its flagship Safe Internet programme in conjunction with the International Safer Internet Day (SID) on 9 February. We launched the Yellow Heart Safe Internet portal, a one-stop repository of educational material to equip Malaysians with skills to be more resilient and responsible online citizens. For more information, visit safeinternet.my.

Life under Covid-19 Digital Well-being Research
Close to 1,800 students participated
Partnering Sunway University to gather insights to guide future planning to improve children's online learning and experiences.

Advocating for a safer internet
In collaboration with like-minded partners we participated in several engagement platforms comprising online webinars and panel sessions to drive greater advocacy and awareness on the topic of child online safety.

Five regional-level safe internet workshops were conducted during the #mydigitalmaker Virtual Fair 2021.

Series of virtual workshops with subject matter experts organised by UNICEF and R.AGE to discuss about healthy relationships, including cyber-grooming. The workshops registered over 950 participants.

Collaborated with Ai Talent on a series of workshops on safe internet with children. More than 100 short awareness videos were created by the children.

Dedicated virtual hotlines to help volunteers and counsellors provide emotional support and counselling services during Covid-19.

'Championing Child Rights In The Digital Age' is a dialogue on protecting children's rights in Malaysia's digital transformation journey.

Limiting operational risks through responsible supply chain management

All new suppliers will be screened and assessed based on their financial performance, background and historical records. Digi mandates for all its suppliers to sign on the Agreement of Responsible Business Conduct (ABC) so as to ensure they meet our standards and requirements in areas of Health, Safety and Security (HSS), ethical conduct, human rights and environmental management.

179*
New suppliers who signed the ABC
(FY2020: 130)

2,099
Total suppliers who have signed the ABC to date
(FY2020: 1,920)

From the inspections carried out, non-compliances were identified on matters-related to health and safety, prohibited business practices, human rights, environment, cyber security and breach of regulatory compliance. We required suppliers to develop corrective action plans based on the outcome of the inspections conducted. Suppliers who fail to meet the minimum requirements will be given time to work on the corrective action plan, failing which will result in serious consequences such as suspension or even termination.

Number of inspections conducted			Number of findings		Number of suppliers terminated
Unannounced	Announced	Total	Major	Minor	
509	**1**	**510**	**16**	**45**	**2**
(FY2020: 463)	(FY2020: 48)	(FY2020: 511)	(FY2020: 5)	(FY2020: 194)	(FY2020: 3)
(FY2019: 429)	(FY2019: 30)	(FY2019: 459)	(FY2019: 9)	(FY2019: 203)	(FY2019: 1)

Total supplier training hours

We conducted periodical trainings to advocate on best practices including laws and regulation on HSS and human rights aspects. In 2021, **5,635 training hours were recorded**. The increase in training hours for 2021 was partly attributed to the mandatory supplier training assessment implemented towards mid last year.
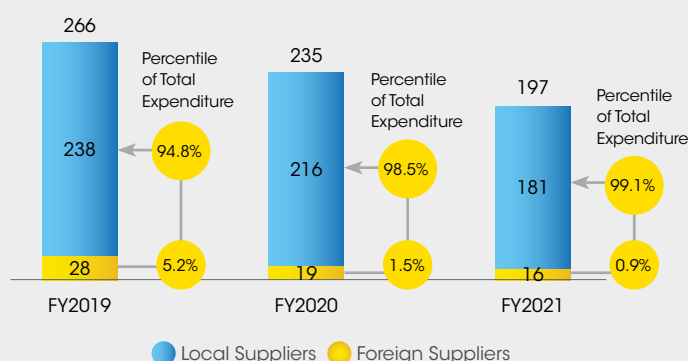
5,635
training hours
(FY2020: 2,426)
(FY2019: 2,594)

Promoting sustainable local procurement

As part of responsible sourcing practices, Digi promotes local procurement to reduce our carbon miles and to support the local economy. The spending percentile breakdown of local and foreign suppliers is shown below.

Number of suppliers appointed

	FY2019	FY2020	FY2021
Total	266	235	197
Local Suppliers	238	216	181
Foreign Suppliers	28	19	16
Percentile of Total Expenditure (Local)	94.8%	98.5%	99.1%
Percentile of Total Expenditure (Foreign)	5.2%	1.5%	0.9%

● Local Suppliers   ● Foreign Suppliers

* Number of new suppliers signing Digi's ABC FY2021 has been independently assured by KPMG PLT

SOCIAL AND RELATIONSHIP CAPITAL

Limiting operational risks through responsible supply chain management (Continued)

Remote inspections as a way forward

Due to travel restrictions, we piloted an initiative to perform inspections virtually by deploying video cameras on site. The Supply Chain Sustainability (SCS) team was able to track and monitor site work through this deployment. A total of three Tier-1 suppliers has implemented the usage of cameras (236 units deployed in total) on sites that they are responsible for.

Introduction of Digi Knowledge Assessment Tool (DKAT)

DKAT is a standalone web solution to assess suppliers on their training knowledge after they undergo Digi's training or courses on topical issues and technical competencies. Certification of completion is issued to suppliers completing the assessments for the assigned modules.

Reinforcing our commitment for business continuity

Digi is accredited with BCMS ISO 22301:2019 by the British Standards Institution (BSI). This requires Digi to implement, maintain and improve the management system to timely protect, mitigate and recover from disruptions.

This reinforces our commitment to deliver reliable products and services to our customers, business partners, and stakeholders, in assurance that Digi has adopted the best practices and processes to mitigate disruptions in business.

Emphasising strong governance and robust internal controls

Strengthening compliance way of work and mindset

Governance Unit
- Review and implement Digi's policies and manuals under the Governance Work Programme (GWP) 2021, where the framework for governing documents were simplified
- Compliance case management and analytics

Risk and Monitoring
- Conduct Compliance risk assessment and monitoring activities for second line of defence (privacy, supply chain, legal and procurement)
- Conduct Integrity Due Diligence (IDD) background check on all high-risk business partners
- Bribery risk assessment workshops for all Heads of Departments to analyse divisional risk registers and establish a portfolio view of corruption risks at enterprise level

Knowledge Unit
- Compliance capacity building for all employees through awareness and training programmes including Speak Up Campaign, Anti-Corruption Day, Responsible Business Summit, and targeted training such as Anti-Money Laundering
- Digi's Anti-Corruption Day is held annually on 9 December in recognition of International Anti-Corruption Day. Company-wide trainings and awareness were carried out to educate employees and to reinforce our zero-tolerance policy towards corruption

Other Initiatives
- Implementing the ISO 37001: Anti-Bribery Management System standards to improve the organisation's culture of integrity, governance and anti-corruption, reputation and the commitment of its top management and governing body
- ISO 37001 workshop were conducted with all the Head of Departments to identify risk of corruptions in their respective departments
- Appointment of Compliance monitor in each division to promote better governance across the business
- Formation of Governance Risk and Compliance (GRC) committee to deliberate significant GRC matters and subsequently formulate appropriate responses to address them

Integrity Hotline

A confidential channel to report concerns and raise questions about possible breaches of Digi's Code of Conduct, including relevant laws, regulations and Governing Documents. Visit telenorgroup.integrityline.com

24 hours/7 days a week	For all employees, suppliers, stakeholders and general public	Can opt to remain anonymous throughout the process

100%
Acceptance rate by Digizens on the Code of Conduct 2021

92%
Agree that Digi's compliance initiatives help them better understand the Code of Conduct
Pulse Survey 2021 (87% Digizens participated)

100%
Completion rate of Digi's Anti-Corruption e-Learning module on Telenor Academy

SOCIAL AND RELATIONSHIP CAPITAL

Adherence to existing and emerging regulatory requirements

Regulatory Compliance

Digi complies to regulatory requirements and supports the Malaysian Communications and Multimedia Commission (MCMC) to monitor and track progress against on-going initiatives such as JENDELA and compliance to all Mandatory Standards under MCMC's purview. We drive greater accessibility and affordability through network expansion, industry collaboration, and product and service offerings.

Pusat Ekonomi Digital Malaysia (PEDi)

The Universal Service Provision (USP) programme aims to expand network infrastructures to underserved areas to close the digital divide. The programme includes operating PEDi internet centres across Malaysia for facilitating internet access, e-learning, digital skills and digital entrepreneurship upskilling for local communities. Since 2021, digital entrepreneurial programmes were conducted for SMEs. Digi operates 132 PEDi nationwide.

Consumer Complaint Handling

Managing consumer complaints on network performances is a key measurement in the national JENDELA initiative. Digi actively resolves such complaints lodged through MCMC's Aduan portal and progress are tabled fortnightly at MCMC's JENDELA Implementation Committee (JIC). The committee reviews the progress and development of all plans within the JENDELA initiative.

Total Complaints Resolved by Digi (%)

JIC #17/2021	95.43%
JIC #18/2021	92.76%
JIC #19/2021	94.69%
JIC #20/2021	94.48%

The above results were measurements taken in Q4 2021.

Advocating for Consumer Safety Against Scams

Digi supported MCMC on a crime prevention awareness campaign for consumers to recognise and report tactical scams via phone calls, SMS and Transaction Authentication Codes (TAC). This complements Digi's Yellow Heart Scam awareness campaign.

DID YOU KNOW?

Malaysians have lost more than RM750mil to scams in the last 3 years.

Upholding human rights and protecting freedom of association

Digi is committed to respecting human rights as set out in the The United Nations Guiding Principles on Business and Human Rights (UNGPs). We integrate human rights aspects within our operations and conduct a Due Diligence exercise every alternate year to assess and mitigate any forms of human right risks in our value chain. The 2021/2022 assessment covered 19 material areas (e.g. Workers Wellbeing and Safety, Working Environments, Working Conditions, Modern Slavery, Digital Inclusion and Literacy, Corruption and Bribery, Collective Bargaining and Freedom of Association, Environmental and Infrastructure Impacts, etc) under the purview of 12 departments in Digi.

Advocacy of Human Rights in Digi

8th July 2021
RESPONSIBLE BUSINESS SUMMIT
Staying ahead in the digital age.

Making Business & Human Rights a Way of Work

HUMAN RIGHTS

Anita Marie Gilje Househam
Telenor Group

➢ Conducted a capacity building workshop on 'Making Business and Human Rights a Way of Work' for employees during the annual Responsible Business Summit

➢ Digi's Code of Conduct (Code) adheres to the UNGPs and the International Labour Organisation (ILO) standards

➢ Human Rights principles are integrated into the Agreement of Responsible Business Conduct (ABC) to ensure strict adherence by Digi's suppliers and business partners

In 2021, Digi engaged with key stakeholders from International Labour Organisation (ILO), UNICEF and IO Foundation on the topic of Human Rights

Freedom of Association

Digi employees are represented by the Digi Telecommunications Sdn. Bhd. Employees Union (DGEU) and the Best on People Council (BOPC). Both entities are formed via democratic process by election of representatives across Digi.