

Sustainability Report



Digitally empowering communities

Strategy and approach

Our business plays a vital role in helping our customers take advantage of new technologies that can empower them in the digital world. At Maxis, sustainability means being future ready in our business and bringing about positive changes to the communities we operate in. As a digital enabler, we are in the best position to do this. We see our success as closely tied to how we help them thrive in this environment.

The CEO leads and drives our sustainability agenda. He reports on progress and key developments to the Board. To ensure direct oversight on key strategic areas, the CEO meets with key divisions and project teams on a weekly and monthly basis. The management team is also present in these meetings to ensure that the teams execute initiatives successfully and targets are met. Additionally, we announce our financial and operational performance results to the public on a quarterly basis.

Scope

This sustainability report provides detailed disclosure of management of our key sustainability matters for the financial year ended 31 December 2017. Maxis is a Malaysian-based company and therefore this report covers our operations in Malaysia. In selecting the content for this sustainability report, we have followed Bursa Malaysia's Sustainability Reporting Guide and the GRI-G4 guidelines.

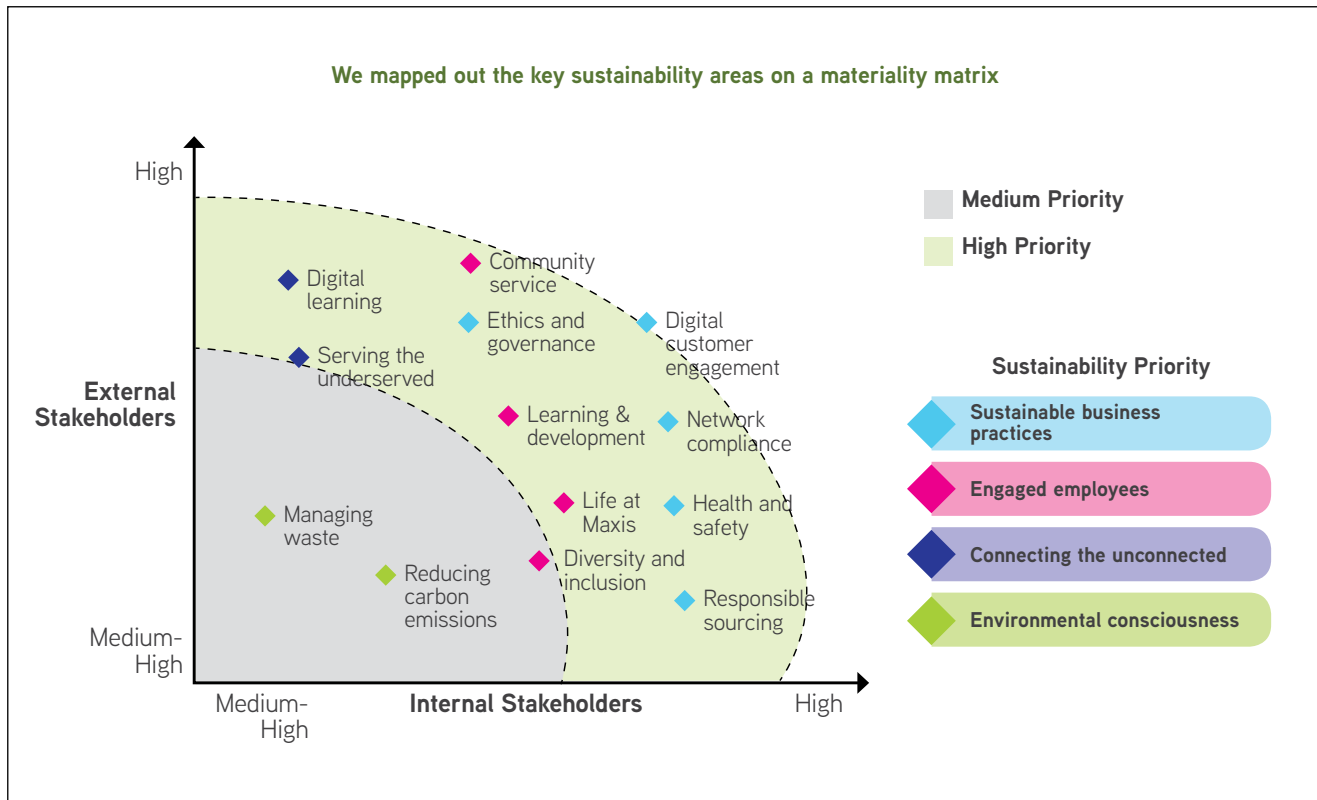
Understanding what matters to us

We use a comprehensive materiality assessment to identify priority areas based on the business strategy outlined in our rolling plan. This was formulated using insights gained from market research, alongside reviews of key concerns from our customers, regulators and employees. This section provides a better understanding of how we approach areas which are important to our sustainability- from how we support and empower our customers to how we make Maxis a great place to work, and how we connect with communities.



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We mapped out the key sustainability areas on a materiality matrix



Digitalisation of our business

By the end of 2018, most of our core and supporting business processes will be fully digitalised. Our focus is to deliver the best digital experiences to our customers. Initiatives implemented in 2017 include:

Channel digitalisation

Through digitalisation, our customers are gaining greater control of their accounts and services. They can decide how, when and from where they interact with us via mobile applications and other self-serve options.

- **MyMaxis App:** Customers can manage their account and data allocation, access and pay bills, as well as enjoy a whole suite of Maxis deals such as in-dining, travel, entertainment, health, beauty offers and shopping. Our Hotlink RED app allows our prepaid customers to top-up their balance instantly, purchase attractive data passes with a single touch and check their balance. These apps currently have over 3.0 million active users. We have also expanded our livechat support to 24 hours and enabled it on the MyMaxis App.

- **Business Solutions showcase at Maxis Centres nationwide:** Making it easier for our business customers to purchase Enterprise solutions. They can also access and manage their business accounts under a single, secured platform at their convenience through their online ONEBusiness Hub account.
- **MyMaxis Biz App:** Making the Maxis experience simple so that our business customers can access details of their data and call usage, amount due, PUK code and rate plan at their convenience. The app also gives them access to the MyMaxis Deals and rewards.
- **Hotlink HERO Dealers App:** Supporting our dealers by helping them register prepaid lines, perform reloads, purchase Mobile Internet passes, as well as provide upsell and cross sell recommendations during top-up. The app allows our dealers to activate a new registration in less than two minutes. This enabled us to reduce our physical top-up ticket distribution as it is now digitalised.



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Digitalisation of our procurement operations

We have embarked on the journey to digitalise our procurement operations. We aim to be fully digital in the way we interact and transact with our suppliers. In December, we successfully implemented the first phase of this journey to migrate data to the new platform and manage procurement workflow - from sourcing to contracting suppliers.

Through digitalisation, we are automating processes for greater efficiency, increased quality, cost savings, and more sustainable business practices.

Network compliance

All our base station sites are designed and built in compliance with guidelines set by the Malaysian Communications and Multimedia Commission (MCMC), local councils and international bodies. Our own site implementation guidelines set consistent

standards in five key areas: legal compliance, environmental impact, Radio Frequency (RF) emissions, site planning and selection, and health and safety. So far, tests conducted by the Malaysian Nuclear Agency have been consistent in recording that none of our base stations or equipment has in any way exceeded radiation guidelines. The standards and guidelines also apply to our contractors and their sub-contractors, from the planning and acquisition of sites to the construction and maintenance of base stations.

Health & safety

Our employees and partners are assured of a safe working environment through our Health, Safety and Environment Management System (HSEMS). While the HSEMS serves as a point of reference, additional measures have been taken to cultivate a safety-first culture through various initiatives.

There were no fatalities in 2017.

HSE-related activities/initiatives carried out in 2017

Business

4WD Defensive Driving Training (DDT) to equip field operation drivers with proper understanding of 4WD pick-up truck handling. This also assesses the drivers' ability to drive defensively to avoid accidents.

Installation of eight units of Automated External Defibrillators to treat sudden cardiac arrests in selected office locations.

Working-At-Height (WAH) training - for operation employees who are working-at-height on sites. This covers safe work techniques for rooftops, towers, monopole or similar structures using the pre-installed fall arrest system and the use of work restraints.

Partners

WorkSafe training programmes

Half-yearly audits of contractors

Quarterly communication sessions with our 79 main-contractors' Safety and Health Officers

57



Safety Briefing/ Training

750

Workforce Participation/ Awareness Programmes



90



Safety Inspection

4

Partners Documentation Audit



Note: Audit frequency is conducted on a half-yearly basis.

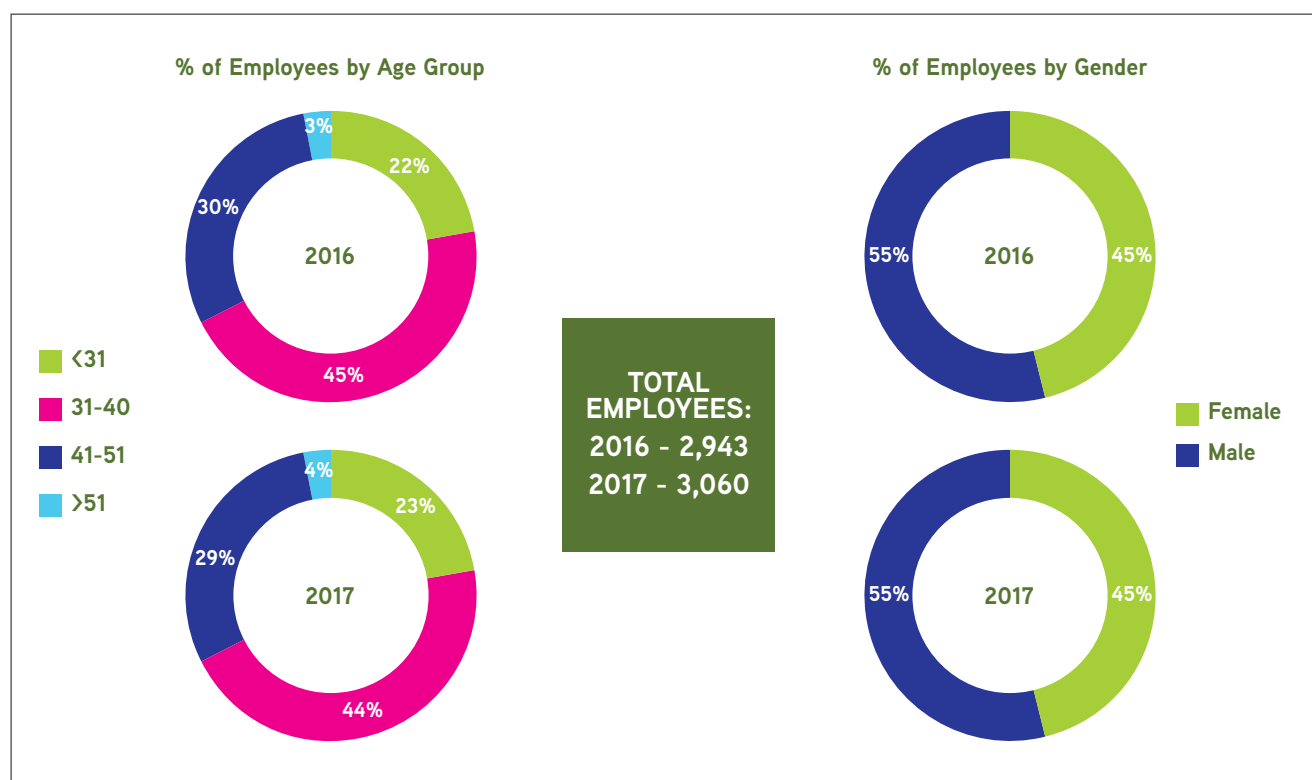


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Engaged employees

Diversity & inclusion

We believe in having a diverse and inclusive workforce. Diversity ensures that we have a breadth of skills available to our business needs and helps us to understand the needs of all our customers.



We value our multi-generational workforce. We continuously improve our talent and recruitment programmes to ensure we have the capabilities to deliver on our ambition well into the future. To attract and nurture young talents, we have the following programmes:

- **Young Talent Programmes:** Maxis Management Associate Programme (MMAP) which builds leadership skills through a challenging and fulfilling two-year assignment. Our Management Associates experience different areas of our operations while developing the necessary skillsets.
- **Advanced Talent Programmes:** For candidates with three to five years of working experience, we have the Advanced MMAP, What's Next Finance Talent, Maxis MBA Internship and Maxis Inspire programmes. These programmes are aimed at giving industry exposure, mentorship by Maxis leaders and the opportunity to participate in our digitalisation journey.

Further details of the programmes are available at <http://www.maxis.com.my/en/about-maxis/maxis-career.html>

We continue to benchmark our compensation and benefits regularly to ensure competitive and fair package for our employees. This year, we added a new benefit for employees who are adopting infants – a trend which we noted is becoming more common. To make a real positive impact on peoples' lives, we now allow for 30 days of fully paid or 60 days of half paid leave for female employees who adopt an infant while male employees are entitled to seven days of fully paid leave.



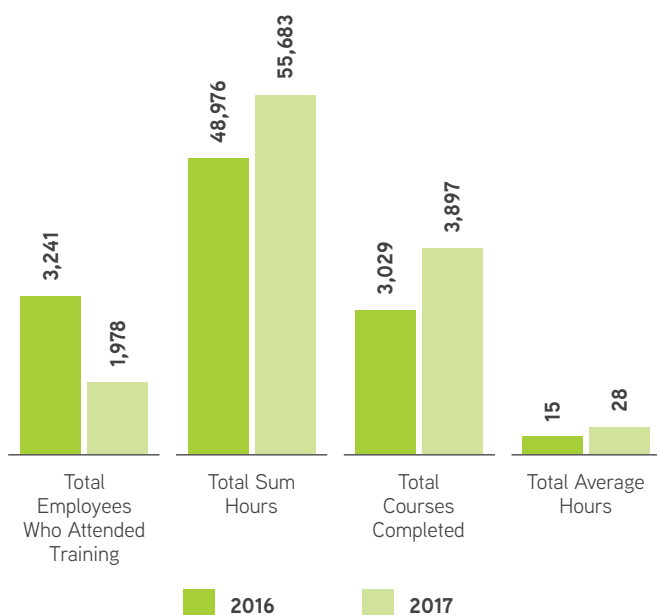
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Learning & development

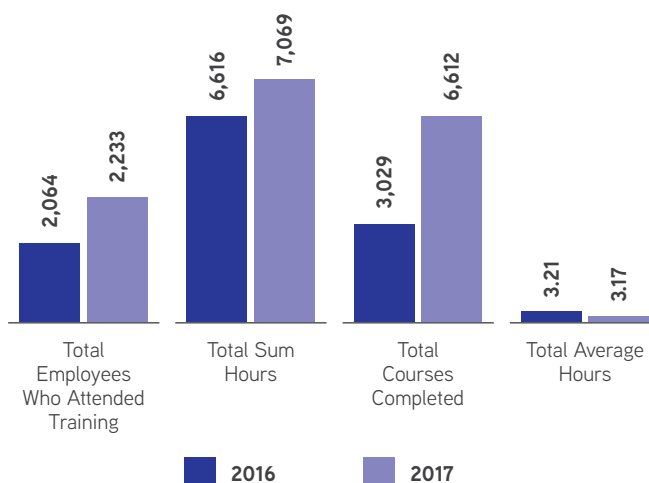
We continue to push our “I Grow” agenda, where we encourage our employees to develop and grow their career. A core part of the agenda is “Learn Anytime, Anywhere” where we provide a wide variety of digital learning solutions. These solutions are complementary to our other training offerings such as classroom training at the Maxis Academy and training by external providers.

A key priority in 2017 was making sure that all the digital learning platforms we have at our disposal such as the “Lynda” digital video learning platform from LinkedIn, “Harvard ManageMentor” from Harvard Business Publishing, the “Learning Management System” from Net Dimensions and “SmartUp” from SmartUp Inc., are fully utilised by our employees. Apart from ensuring that we get the best returns on our investment, this also formed part of our strategic thrust to ensure that our employees are ready for the full digitalisation of our Company.

2017 Classroom Training Hours



2017 Online Training Hours



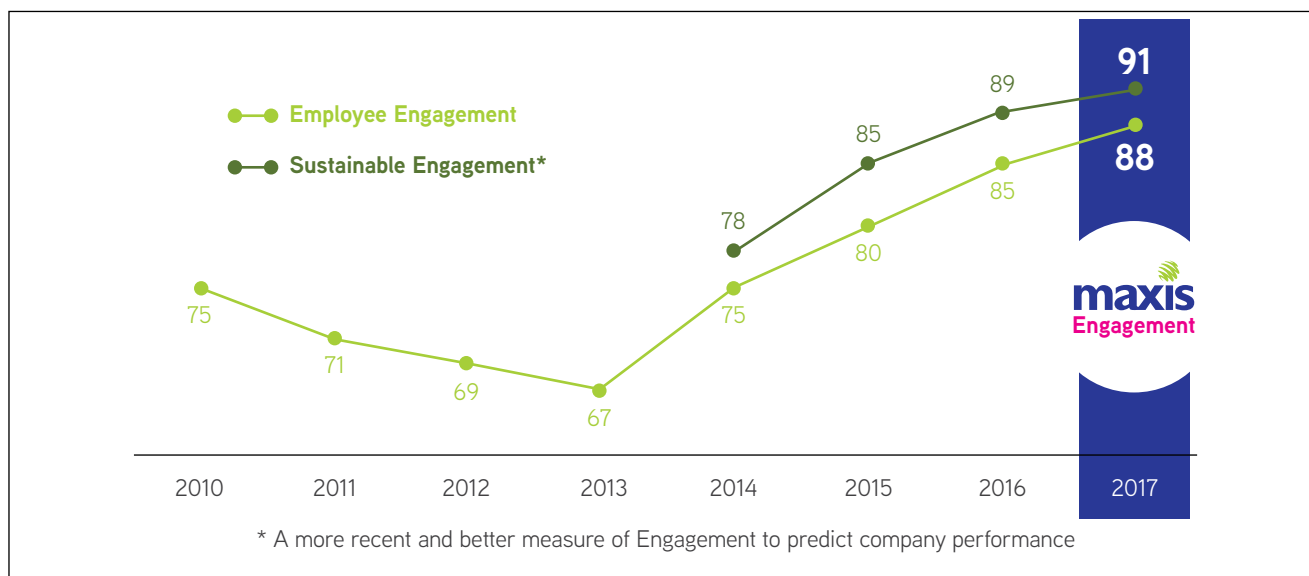
Ensuring #lifeatmaxis is great

We believe happy employees lead to happy customers. Our focus this year has been to drive a digital mindset among our employees. New initiatives that we implemented include exposing our employees to the latest technology innovations, getting them to use big data to create new revenue or customer experience opportunities through a hackathon and organising sharing sessions by key influencers in the digital space.

We kept our employees highly engaged by continuing to promote a vibrant internal communications via Yammer, having regular townhall meetings and introducing new activities into #FitterFasterStronger, our all-year holistic well-being programme. Our annual Voice of Maxis survey which monitors the overall health of our employee engagement, has been on an uptrend and in 2017, it was the highest ever recorded for Maxis. Our scores outperformed similar engagement metric scores of over 150 Malaysian companies, as well as those of global telcos.



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Connecting the unconnected

Empowering communities with digital learning

Our Maxis eKelas programme, an after-school learning initiative, brings digital learning closer to the community. Leveraging on technology and the Internet, the eKelas programme aims to improve the academic performance of students in rural communities. Its focus is on three subjects - Science, Mathematics and English for Form 1, 2 and 3 students. eKelas offers a combination of live tutorials, group learning and interactive digital content which is in line with the Malaysian School Syllabus. The programme is delivered at Pusat Internet

1Malaysia (PI1Ms), which are community broadband centres that serve as digital hubs for communities in underserved areas.

More than 2,400 students are already benefitting from the live tutorials delivered at 20 PI1Ms nationwide under Maxis' care. We took another leap by launching the eKelas portal, a cloud-based resource of learning content, where students can take charge of their learning and at the same time discover how to learn collaboratively. With the launch of the eKelas portal, our ambition is to expand eKelas in phases to an additional 25 locations, making it a total of 45 PI1Ms nationwide with at least 10,000 students accessing the portal by the end of 2018.



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Serving the underserved

We work closely with MCMC to provide broadband connectivity to underserved communities. Through 118 P11Ms under Maxis' care nationwide, we play a key role in facilitating the adoption of ICT and digital lifestyle. We have installed and deployed 528 WiFi Komuniti locations nationwide to ensure that there is wireless broadband access for the rural population.

We participated in the TIME 3 initiative, where we built mobile tower and base station infrastructures in underserved areas. Under this initiative, we provided 2G and 3G services at 1,551 underserved locations nationwide. Our services are made available to surrounding communities within these underserved areas through Domestic Roaming and Radio Access Network (RAN) sharing with other service providers.

Giving back to the community

We recognise that giving back is also an important part of how we make a difference to the community. This is why we encourage our employees to volunteer their time, energy and skills. In 2017, we had 11 major activities where 300 employees came together to clock 2,400 volunteer hours. Our employees volunteered for eKelas, our digital learning programme as facilitators and tutors as well as in our festive Corporate Responsibility (CR) initiatives.

Keeping people connected during a flood is an important part of helping the community. We support the state Governments by providing hotline numbers and sending emergency alerts via SMS to affected customers. As a post flood initiative, we helped affected communities to rebuild their lives. This year, we helped to clean a school in Tasek Gelugor, Penang and also distributed school uniforms to students in Rantau Panjang, Kelantan.



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Environmental consciousness

Energy use and efficiency within our network

We have improved our energy usage over the years by implementing various energy efficiency initiatives at our base stations and Technical Operations Centres. In 2017, our Average Energy Consumption per base station reduced further by 3% even as the size of our network increased in response to customer data demand. We achieved this reduction by changing our 2G radio to compact 2G and 3G radio, converting our BTS cabins to outdoor cabinets, installing free cooling systems, energy-efficient air-conditioners and LED lighting, and installing high capacity solar panels at some of our remote BTS.

Consequently, by undertaking these energy efficiency initiatives, we have kept our CO₂ emissions at a relatively steady level even as our network expanded.

Reducing our total carbon emissions

We are always looking at how we can mitigate the impact of our business operations' on the environment. Besides keeping a close eye on our consumption of electricity and fuel, we are also mindful of the generation of greenhouse gas (GHG) emissions associated with our operations.

We completed major renovations at three of our offices and one of our warehouses in 2016. As a result, we recorded a reduction of 34% in power consumption. In 2017, we successfully maintained our power consumption with a marginal reduction of 0.018% compared to the year before.

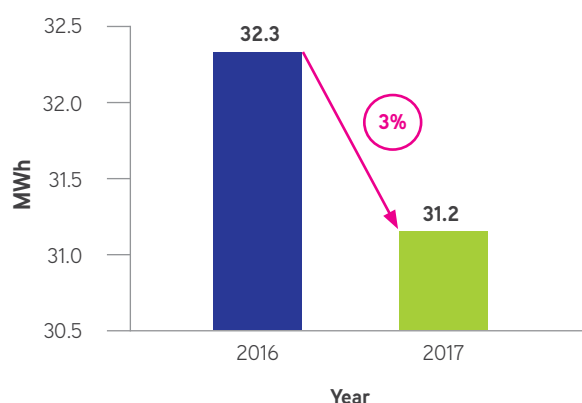
Waste management

We are always looking for new ways to improve our waste management from two operational perspectives; office waste and mobile e-waste.

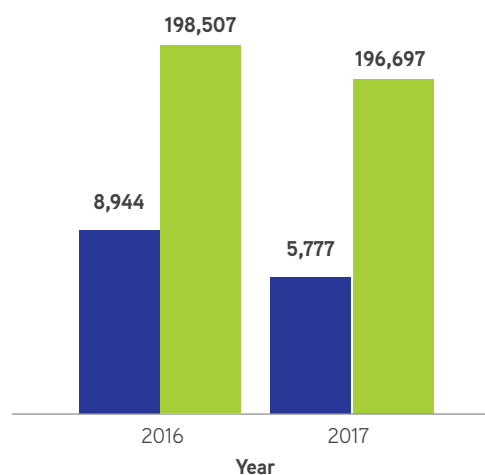
Office waste

We are now in our second year of partnership with Pertubuhan Kebajikan Masyarakat Melalui Kitar Semula (CRC) to recycle our office waste. Funds collected from our recycling efforts were donated to charity.

Average Energy Consumption per Base Station (MWh/Base Station)



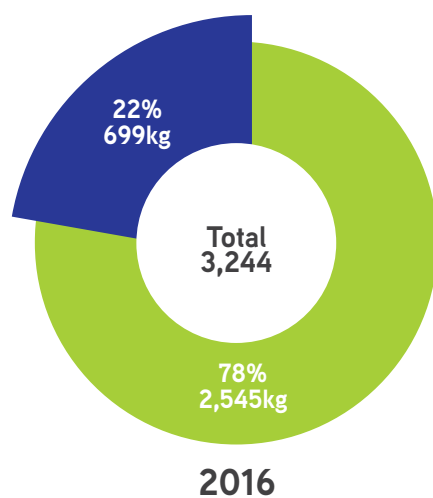
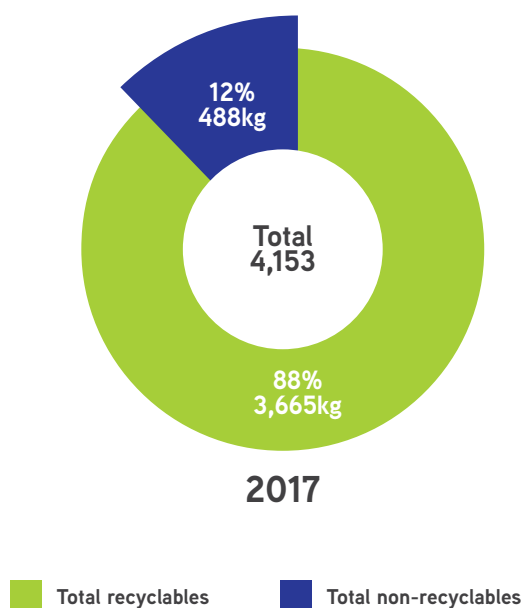
Our CO₂ Emissions (CO₂ tonnes)



- Scope 1 emissions are direct emissions from owned or controlled sources
- Scope 2 emissions are indirect emissions from the generation of purchased energy

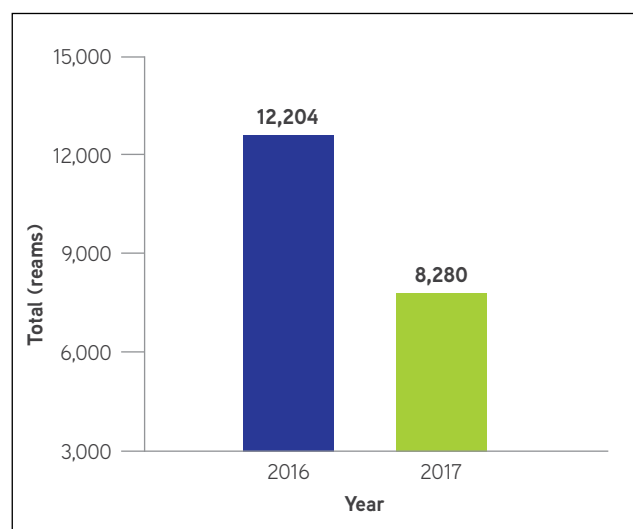
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Waste collection at Maxis



As our business expands, our increasingly digital working environment is showing continuous improvement in paper usage. In 2017, we reduced our usage by a third.

Paper use at Maxis



Mobile e-waste at Maxis Retail Stores

Our three key initiatives in our mobile e-waste recycling programme are:

- Provision of e-waste bins at various Maxis Centres nationwide and selected P11Ms;
- Participation in International Recycling Day where Maxis employees gave away their mobile e-waste; and
- Interactive sessions with members of the public on the importance of recycling mobile e-waste in a safe manner.

To encourage customers to drop their mobile e-waste into our collection boxes, we gave a promotional discount of 20% on selected mobile accessories in our Maxis Centres. We collected 211 units of mobile phones and 196.6kg of e-waste as of December 2017.



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Commitment to operate responsibly and ethically

What we do matters, but so does how we work. The MaxisWay sets out the way we work, which is to always be positive, passionate and collaborative. Our MaxisWay values, together with our “Code of Business Practice”, define the mindset and behaviour that we expect from our employees. We have also extended the Code of Business Practice to our vendors across our extensive supply chain. Apart from looking at improving processes and cost efficiency, we have included environmental performance in supplier selection during the Request for Information (RFI) process as well.

Engaging our stakeholders

Regular engagements with our stakeholders help us identify key issues, risks and opportunities which are important to them and critical to our long-term sustainability.

Key Stakeholders	Key Engagement Areas	Methods of Engagement	Frequency
Customers  1	• Network provision • Solutions offerings • Customer service • Data security protection	• Maxis centres and stores, and roadshows • Maxis website and social media platforms • Customer service platforms • Net Promoter Score (NPS)	Monthly, quarterly, annually & as required
Employees  2	• Working culture • Training and development • Salaries, rewards and incentives • Performance review • Diversity and inclusion	• Engagement events • Voice of Maxis survey • Quarterly leadership survey • Yammer social media site • Internal intranet page	Monthly, quarterly, annually & as required
Shareholders & Investors  3	• Financial performance • Dividend payout • Strategy and vision	• Annual Report • Quarterly investor report • Annual General Meeting • Analysts and investor meetings • Maxis website's investor relations page	Annually, quarterly & as required
Government & Regulators  4	• Spectrum management • Universal Service Provision (USP) • Strategic industry development • Collaboration in national agenda	• Regular reports • Formal meetings on progress and agenda • Participation in events	Ongoing
Suppliers & Partners  5	• Onboarding programme • Relationship management • Business collaboration	• Formal and informal meetings • Exchange in products and services	Ongoing