

Intellectual Capital



Intellectual Capital

Our approach

Guiding Factors

Material Matters

G1

G2

G3

EC1

S1

S5

Strategic Pillars



UNSDGs



CelcomDigi remains competitive by having diversified and reliable product portfolios. We are committed to advancing service innovations beyond connectivity to enrich our customers' expanding digital lifestyle needs. Our long-standing commitment to operating responsibly and our values and robust internal controls resulted in strong ESG performance, as benchmarked by independent rating agencies and sustainability indices.

We have a greater role to play in advancing the nation towards being digitally competent, in safeguarding and strengthening our network by deploying advanced cybersecurity tools, and in continuing to advocate for safe internet practices to protect our customers from emerging cybersecurity threats.

Key inputs in 2023

- New CelcomDigi brand proposition focusing on digitalisation, innovation, and trust
- Unified range of customer-focused connectivity and digital solutions
- Strategic partnerships to accelerate innovation and develop tech ecosystem
- Robust governance policies
- Comprehensive data protection and security governance

Outputs

- Advancing our reputation as a trusted brand
- Leading all segments with enhanced 4G, 5G, and home & fibre offerings
- Enabling digital inclusion for underserved communities
- Accelerating business and SME digitalisation
- Pursuing strategic partnerships for new growth opportunities
- Strong governance and robust internal controls
- Tightening data protection and cybersecurity controls

Looking ahead

We will continue to curate products and services that offer best-value deals and bundles for all segments and walks of life. To drive uptake of 5G technology across Malaysia, we will develop inclusive and affordable bundled plans to cater for a wider group of customers and to address industry-specific needs. In parallel, positive customer experiences and engagements will strengthen CelcomDigi's brand affinity.

- Introduce affordable and inclusive products and services
- Drive uptake of 5G, AI, and emerging technologies to address industry-specific needs
- Advance data protection practices to safeguard customers against cybersecurity threats
- Complete Privacy Control Framework implementation for all high-risk data processing functions

Intellectual Capital

Advancing our reputation as a trusted brand

Our new CelcomDigi brand reflects the company's aspiration to be our customers' and the nation's trusted partner in innovation and digitalisation. It builds on our brand spirit – 'Creating a world inspired by you' – to embody three fundamental principles: dynamism, passion for customers, and excellence.



Corporate brand
introduced 19 October 2023



Putra Brand Awards | The People's Choice
Gold (Celcom) and Silver (Digi) for Communication Networks



MSA Awards
1 Silver and 1 Bronze

Our consistent performance in embedding ESG practices in our business and raising standards in Malaysia has enhanced our reputation as a responsible business leader. This is a reflection of our stakeholders' continued confidence in our ability to create shared value for the long-term. This year, we established our ESG strategy to sharpen our focus on material matters that will improve our sustainability performance towards securing a sustainable future.



FTSE4Good

Bursa Malaysia Index
Member of ESG indices
Within the Top 25 percentile



SUSTAINALYTICS
a Morningstar company

ESG Risk Rating
Ranked
Low-Medium Risk



MSCI ESG Rating
Ranked A



The Edge Malaysia ESG Awards 2023
Gold Award for Telecommunications
& Media Sector

Leading all segments with enhanced 4G, 5G, and home & fibre offerings

- Enhanced 4G and 5G offerings for all segments - on-the-go, at home, and roaming services bundled with digital services, and other value-added services
- Greater 5G-enabled connectivity experiences, with unified CelcomDigi Postpaid 5G and high-speed internet passes with 5G for value-seeking customers
- Best fibre-mobile convergence offers and simplified customer experience, with add-on home entertainment, gaming, smart home IoT, digital, and home security services

**20.6
Million**

Total Subscribers

131,000
**Fibre & Wireless
Subscribers**

**CelcomDigi 5G
High-Speed
Internet Passes**

**CelcomDigi 5G
Home WiFi**
for unlimited wireless 5G broadband

**CelcomDigi Unlimited
5G Internet
Roaming Passes**

1st in Malaysia
Fibre-to-the-Room (FTTR)
packages

**CelcomDigi
Postpaid
5G**



Read more about our customer experience management in Manufactured Capital, page 64.

Intellectual Capital

Enabling digital inclusion for underserved communities

We are expanding our portfolio of affordable connectivity and device bundles to ensure access for all, in collaboration with the industry and the government.

Pakej Rahmah

affordable bundles with 5G-enabled devices

Pakej Mega Jimat

mobile offering programme with device

Pakej Perpaduan (Prepaid)

with 6-months validity for senior citizens, PWDs, veterans, B40 families, and youths

Fibre broadband

(30mbps) for only RM69/month in Sabah

Easy360

device installment or ownership programme

Accelerating business and SME digitalisation

CelcomDigi continues to deliver new and innovative products and services catering to MSMEs and SMEs, and large enterprises to further digitalise their operations. Our extensive range of offerings enables businesses to integrate digital solutions across different aspects of their operations, and leverage new technology innovations to accelerate their overall productivity.

- Enhanced portfolio of connectivity solutions for businesses with Fibre-to-the-Office (FTTO), Fixed Wireless Access (FWA), supported by new CelcomDigi Postpaid 5G packages
- Broadened range of digital solutions in Fixed Mobile Convergence, Cloud, Software-as-a-service, IoT and M2M, and Cybersecurity, to drive business digitalisation for enhanced operational efficiency
- Developed new 5G, robotics, and AI solutions to enable digital transformation of enterprises across different industry sectors
- Increased SME awareness on digitalisation benefits, and drove thought leadership on emerging technologies with strategic partners to inspire industry-scale transformation
- Facilitated the deployment of the PENJANA Digitalisation Grant and Geran Digital PMKS Madani (GDPM) to help SMEs fast-track their digitalisation journey

Highlights of new business digitalisation and innovation initiatives in 2023

DHL initiates Malaysia's first 5G-powered Artificial Intelligence (AI) Autonomous Inventory Management System,

supported by CelcomDigi's 5G connectivity and 4G LTE network

MY5G CEO Series

to accelerate 5G adoption across businesses by providing insights to industry captains on advantages of 5G, robotics, and AI-powered tech

MY5G SME Digital Workshops

and over 250 other engagements with Malaysian businesses

Pursuing strategic partnerships for new growth opportunities

CelcomDigi is in a good position to attract partnerships with local and global technology companies to invest and drive digitalisation, innovation, and sustainable growth.

In 2023, we established the CelcomDigi Innovation Centre with the aim to create value to the core, leveraging local and global partnerships to bring in the best of 5G, AI, and IoT technology. Our aim is to catalyse and nurture a knowledge-based workforce, in line with Malaysia's digital aspirations. Local digital startups will also be able to benefit from the platform to enhance their technology and innovation capabilities. CelcomDigi will invest up to RM250 million over five years in the Innovation Centre, in order to keep Malaysia at the forefront of the global digital evolution.

Intellectual Capital

Pursuing strategic partnerships for new growth opportunities (Continued)

We initiated four partnerships in the year to explore innovations in the areas of Metaverse, 5G, AI, and green technology.



Exploring future internet technology with SK Telecom, South Korea's leading wireless telecommunications operator, to develop Malaysia's first operator-led mobile Metaverse platform leveraging 5G and AI capabilities



Driving green technology adoption with Yinson Holdings Berhad, a global energy infrastructure and technology company, to develop innovative electric vehicle (EV) services and infrastructure for Malaysian consumers, driving EV and green energy adoption in the country



Developing immersive learning solutions with VIRNECT, a Korea-based technology company that specialises in the development and commercialisation of industrial extended reality (XR) solutions, to explore experiential learning and education with certification for students using Metaverse, for Malaysian universities



Co-creating IR4.0 solutions with leading global technology giants, SoftBank Corp and Sumitomo's SC-NEX, leveraging AI, robotics, and analytics solutions to accelerate the digitalisation of Malaysian enterprises

Strong governance and robust internal controls

Governance is vital in fostering a culture of integrity, ethical behaviour, and professionalism to ensure business excellence. Our policies are aligned with applicable laws and regulations, and corporate governance best practices, fundamental for sustainable value creation for all stakeholder groups.

Code of Conduct

- Outlines the obligations and principles of operating the business responsibly, built upon best practices brought forward from Celcom and Digi.
- Sets our expectations for employees to behave transparently and honestly in aspects of anti-corruption and conflicts of interest, among other matters.
- All policies and manuals, as approved by our Board, are aligned with the requirements prescribed by the Code of Conduct.

Whistleblowing Policy

- Outlines the procedures for employees to report incidents of misconduct in violation of our governance policies, including our Code of Conduct and Anti-Corruption Policy.

Compliance Programme

- A programme designed to safeguard and strengthen integrity within the organisation, in alignment with the standards and requirements of the Guidelines on Adequate Procedures, published by the Prime Minister's Office of Malaysia.

We remain committed to continuously uphold high corporate ethics and integrity standards.



Read more about our business governance policies at <https://corporate.celcomdigi.com/company/governance>.

Intellectual Capital

Strong governance and robust internal controls (Continued)

Consistently improving the monitoring of governance risks across our value chain

- Harmonised Anti-Corruption Risk Registers from Celcom and Digi and identified the top 10 potential corruption risks
- Monitored our activities for the second line of defence (for business partner management, and sponsorship and donation processes)
- Assessed corruption risks on all business partners via the Coupa Risk Assess platform to effectively manage our supply chain risks
- All CelcomDigi business partners are required to sign the Agreement of Responsible Business Conduct (ABC) which includes anti-corruption clauses and requirements
- Periodic Corruption Risk Assessment conducted based on the requirements of the Code of Conduct and Anti-Corruption Policy



Read more about our OneCompliance programme in 'Statement on Risk Management and Internal Control', page 118.

Tightening data protection and cybersecurity controls

As digital interactions become more essential to our daily lives, customers are increasingly concerned about data protection and cybersecurity risks. We strive to strengthen our internal controls, cultivate a responsible business culture through employee education on good data and security stewardship, elevate industry practices, and public awareness on this topic.

As a responsible business, we ensure continuous compliance with legal and regulatory requirements by regularly reviewing our data protection policies and practices, and are committed to making sure our customers' privacy rights are always respected.

Our Data Protection Practices

CelcomDigi is responsible for ensuring customers' personal data is processed according to our Privacy Notice(s) and applicable laws.



Data Collection

CelcomDigi collects your personal data to improve on our services to you.



Data Access

Access to personal data within systems or applications is restricted to authorised employees only.



Data Security

CelcomDigi ensures your personal data is safe and secure at all times.



Data Sharing

Sharing of personal data is only limited to our approved business partners to fulfil the provision of our services.



Data Retention & Deletion

CelcomDigi does not store your personal data longer than necessary.



Individual Rights

Customers have the right to access and correct their personal data, as well as opt out from receiving marketing messages.

In 2023, we developed several controls and guidelines to manage personal data more effectively:

- Privacy Control Framework, which is in compliance with the requirements of the Personal Data Protection Act and best practices in collecting, processing, and storing data
- Privacy Incident Management Manual, Incident Response Team (IRT), and Crisis Management Team (CMT) to assess and manage incidents systematically
- Periodic cybersecurity risk assessments conducted with compliance checking according to ISO27001 standards
- Roundtables and forums involving multi-industry data professionals on the scope of privacy challenges in the digital age, AI governance, compliance, and human rights

Intellectual Capital

Tightening data protection and cybersecurity controls (Continued)

Active engagements with our Stakeholders

We recognise the importance of continuous engagement with employees, government agencies, the private sector, industry partners, and the media to keep ahead of the development of data protection efforts and share best practices in raising standards within the sector. These engagements also help in constructing better policy-making and collective actions.

85% of Privacy Control Framework implemented for high-risk data processing functions

Over **700** employees and **450** customer care agents trained on the Privacy Control Framework

Data Breach and Ransomware Crisis simulation to measure preparedness to respond and take corrective action



Convened our inaugural Trust Circle forum, connecting privacy and data protection experts from multi-sectors including regulators, telecommunications, banking and finance, energy, and academic institutions. Discussions encompassed emerging macro trends in privacy laws and data governance strategies to create a trusted ecosystem for Malaysians.



CelcomDigi in partnership with the CEO Action Network organised a forum on 'Trust and Cybersecurity' for all its members. We shared our approach of equipping the nation towards better digital competencies, building resilient network and systems to safeguard our business and customers from emerging threats.



Hosted a fireside chat with the Malaysian International Association of Privacy Professionals (IAPP) at its KnowledgeNet Meeting 2023. Panelists discussed the potential amendments to Malaysia's PDPA 2010 and changes that will reshape the framework of data privacy in the country.



Participated in a roundtable organised by Taylor's Law School discussing the emergence of AI and data risks as an increasing theme in Malaysia and ASEAN, and the need to regulate digital laws with uniformity between countries.



Read more about our stakeholders in Key Relationships, pages 45 to 47.

Business Continuity Management System (BCMS)

We implement robust BCMS practices to ensure operational reliability and to strengthen our ability to deliver products and services credibly to our customers even during unforeseen disruptions to the business. Our practices have been accredited in accordance with internationally recognised standards such as the BCMS ISO22301:2019 of the British Standards Institution (BSI) in 2021. We continuously undertake the required audits to maintain the accreditation on an annual basis.