

SUSTAINABILITY  
REPORT 2010/2011



**10**

**SCHOLARSHIPS  
TO CHILDREN  
OF EMPLOYEES**

**54%**

**OF BASE STATION SITES  
SHARED WITH  
OTHER OPERATORS**

**461 NEW IDEAS  
GENERATED**

**MAXIS MOBILE CONTENT  
CHALLENGE**

**13.7%**

**IMPROVEMENT IN  
ENERGY EFFICIENCY**

**CORPORATE  
NATIONHOOD  
AWARD**

**CORPORATE NATIONHOOD  
INITIATIVES AWARD 2010**



# TOP 5

## BEST MOBILE OPERATORS

### WORLD COMMUNICATION AWARDS 2010

## ASIA'S BEST EMPLOYER BRAND AWARD

EMPLOYER BRANDING INSTITUTE,  
CMO ASIA & STRATEGIC PARTNER  
CMO COUNCIL 2010

# 69

## SCHOLARSHIPS TO DESERVING MALAYSIANS

# 1,500

**SCHOOLS**

# 8,500

**STUDENTS**

## MAXIS CYBERKIDS PROGRAMME



At Maxis, our focus is on making a **positive impact**, harnessing leading-edge technology and innovation to create value for the economy, society and environment in which we operate.

# TODAY

Malaysia's leading mobile communications service provider

# TOMORROW

The nation's premier integrated communications service provider

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## MESSAGE FROM THE CHAIRMAN

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**Maxis has long been moving away from the traditional philanthropic approach to social responsibility, and over the past years, we have invested significantly in community development initiatives, particularly those addressing access to technology for marginalised communities. Our new strategy goes much further and links our CR efforts to our main business objectives.**

I am pleased to introduce Maxis' inaugural Sustainability Report, which also marks a new era for Corporate Responsibility (CR) at Maxis, with a CR Strategy which has a sharper focus, form and structure.

Maxis has long been moving away from the traditional philanthropic approach to social responsibility, and over the past years, we have invested significantly in community development initiatives, particularly those addressing access to technology for marginalised communities. Our new strategy goes much further and links our CR efforts to our main business objectives.

Embedding CR in our organisation is essential. Just as risk management needs to be inculcated into every employee to help identify risk, each employee must also learn to make the right and responsible choices and to identify opportunities for Maxis to make a positive contribution.

I see public reporting on our CR as an essential part of being a responsible business. Not only does it articulate what we have achieved and document our performance, but more importantly, it highlights the gaps and our ambitions for improvement. I view this report as aspirational. We are at the beginning of a more structured approach to CR and we still have much work ahead. Through our new CR Strategy, Maxis is now ready to make commitments and will be setting milestones and long-term targets within our three focus areas: Developing and enriching lives, Creating a great place to work and Advocating environmentally friendly practices.

Today, many stakeholders demand a strong CR performance from organisations and now pay particular attention to environmental, social, and governance issues. As international businesses increasingly look for access to global capital markets, we have to take note of this, and seek to meet requirements for greater disclosure.



Maxis Chairman meets with students from Asean countries who attended the ASEAN Cyberkids Camp in Cyberjaya.



Maxis employees visited the Ampang Old Folks Home to share the joy of Chinese New Year.

However, Maxis' commitment to CR is not, and should not be driven by external forces, but be driven by the desire to be a great company on all fronts.

We want to remain a leader in our sector, and we believe that this mantle comes with an obligation to show responsible leadership in all areas. We have long been a champion of good employment practices, talent management and community investment. I am proud of these efforts, and I am pleased that we are now focusing on the challenge of climate change and resource-efficiency. These are key issues for Malaysia and leading businesses must contribute where they can. I also believe that a national business champion such as Maxis has to set an example in areas such as good corporate governance. Additionally, we should look to engage our suppliers in embracing responsible and ethical business practices.

The benefits of integrating CR into our business processes may not be immediately quantifiable in monetary terms, but it is an essential part of being a leading modern business. "Trustworthy" is one of our core values and I believe that in order to deliver continuous growth, Maxis needs to build partnerships and maintain the trust of stakeholders in our workplace, in our communities and in our marketplace. I believe that such trust can only be maintained through honest engagement, transparent reporting and robust commitments. With this report, I believe we are taking an important step in meeting the expectations of those looking to us for honest and ambitious leadership.

**Raja Tan Sri Dato' Seri Arshad Uda**  
Chairman

## MESSAGE FROM THE CEO

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I look forward to a journey which sees Maxis partner with stakeholders to deliver services and technology to enrich peoples' lives, safeguard our natural resources and contribute solutions to the challenges facing our nation and our planet. A positive journey beyond voice, and beyond telecoms.



Welcome to Maxis' inaugural Sustainability Report. This report is a major milestone, not just in terms of accountability and transparency in the life of a corporation, but also as a big step forward in broadening our approach to Corporate Responsibility (CR).

We are experiencing a unique period in the history of our industry, where rapid changes in technology are moving us "beyond voice", and even "beyond telecoms". We are moving towards a time where mobile data and technology are changing lives and breaking down geographical distances. Maxis' networks are connecting people who traditionally were marginalised by geographical, educational or economic barriers. 'Bridging this digital divide' has been the cornerstone of our initiatives so far. We will continue this focus, but we are now ready to apply our technology to even wider issues.

Since our inception, Maxis has been deeply embedded in Malaysian society: Our customers and our employees are also our communities, our suppliers and our investors. Their success is therefore our success. We are now focusing on this reciprocity through a greater focus on innovations which help our nation develop to its full potential and addresses major national challenges. Over the past year, we have increased access to education in remote areas, and seen the first remote surgeries trialled. With such initiatives, we are working towards a future where technology will ensure that no child, man or woman is without an education, access to health or future opportunities, regardless of background or location.

We have taken great strides forward in our Cyberkids programme, which has been one of our most successful initiatives to date, and we have demonstrated that through creating comprehensive community investment programmes, rather than stand-alone projects or pure philanthropic gestures, business can be an agent for social impact and positive change.





Maxis received the Honourable Mention award at the Prime Minister's Corporate Social Responsibility Awards ceremony attended by the Prime Minister of Malaysia, YAB Dato' Seri Mohd Najib bin Tun Haji Abdul Razak.



Maxis CEO, Sandip Das (second from right) addressing the audience as a panel speaker at a sustainability conference in Malaysia.

Of course, technology cannot solve every challenge. Throughout our operations, we must strive to reduce our footprint on the environment. We need to reduce our carbon footprint, and have already taken the first steps to do so. We live in a country abundant in natural resources which we must look after. We have to protect our forests, but also ensure that we can replace natural habitat where it is lost. Over the coming years, we will expand our efforts to address indirect environmental impact through our supply chain, and on the reduction of waste.

Our contributions to the development of Malaysia must also go beyond paying statutory levies and the jobs we provide. We have to address long-term strategic issues affecting the nation's ability to grow. We are proud that Maxis is taking an active role in stemming the brain drain, which poses a threat to our progress as a society. Our scholarships, aimed at our employees' and customers' children, are designed to encourage young Malaysians to reap experience abroad, then come back to share those experiences and contribute to the future of our nation.

I am encouraged by what we have already achieved at Maxis, but still feel the work is just beginning. Over the last six months, Maxis has begun to 'join the dots' between our commercial and CR activities. In the past, we were active in an enormous amount of community and environment-related activities, but they were possibly reactive and sometimes disconnected from our core values.

To be an agent for change, CR cannot be a hobby, an indulgence or a philanthropic whim. We have an obligation to contribute to the development of the society we live in; history will not forgive us if we do not, because we are in a technology business where we can impact development significantly and swiftly. Our biggest challenge in the years to come will be to ensure that we embed and institutionalise CR in everything we do, and always assess whether it has maximum positive impact.

I believe that we are approaching a time where reciprocity between society and business is becoming crucial. We live off each other. I do not see a trade-off between being a profitable business and being a responsible business. Our industry is one with constant change and fierce competition, and it can be tempting to focus on short-term profits, over long-term investment. However, I believe that to succeed, we need to be more than good – we need to be great at everything we do, and we can only do that in a partnership with communities, business partners and employees. I look forward to a journey which sees Maxis partner with stakeholders to deliver services and technology to enrich peoples' lives, safeguard our natural resources and contribute solutions to the challenges facing our nation and our planet. A positive journey beyond voice, and beyond telecoms.

**Sandip Das**  
Chief Executive Officer

## WHO WE ARE

**Maxis Berhad (Maxis) is an integrated communications service provider in Malaysia with 14.1 million mobile subscriptions. As an industry pioneer, Maxis has led the Malaysian market in offering innovative mobile products and services since our inception in 1995.**



We provide full coverage to markets across Malaysia, including Peninsular Malaysia, Sabah and Sarawak (both in Malaysian Borneo). Together with our subsidiaries, Maxis provides a full suite of communications services on multiple platforms to meet the growing needs of individual subscribers, families, small and medium enterprises, large corporations and the Malaysian Government.

Maxis was listed on the Main Market of Bursa Malaysia Securities Berhad in November 2009.

As an industry pioneer, Maxis has led the Malaysian market in offering innovative mobile products and services since our inception in 1995. We were the first to launch 3G services, Maxis3G, in March 2005. In 2006, we were among the first mobile service providers to use HSDPA, a high-speed feature of the 3G network. In 2009, we were the first to introduce HSPA+, the latest advancement in 3G/HSPA network capabilities, to enhance the delivery of wireless broadband services to the market.

Maxis was also the first telecommunication service provider to introduce a range of smartphones to Malaysia including the BlackBerry and the Apple iPhone. In 2010, we set an industry milestone by building the largest 3G network with 76 per cent population coverage and by signing the landmark High Speed Broadband Access ("HSBA") agreement with Telekom Malaysia Berhad as well as the infrastructure share agreement with Tenaga Nasional Berhad. As at 30 June 2011, our 3G footprint coverage was at 81 per cent of the country's population.

In comparison with global mobile operators, Maxis is a leading provider of non-voice services, with 42.7 percent of total mobile revenues derived from such services and with 7.5 million active mobile internet users.

Our partnerships with leading global content and applications companies such as Western Union, PayPal and the Barclays Premier League, are central to the delivery of the leading-edge services that our customers have come to expect. Our activities also contribute towards building a local content eco-

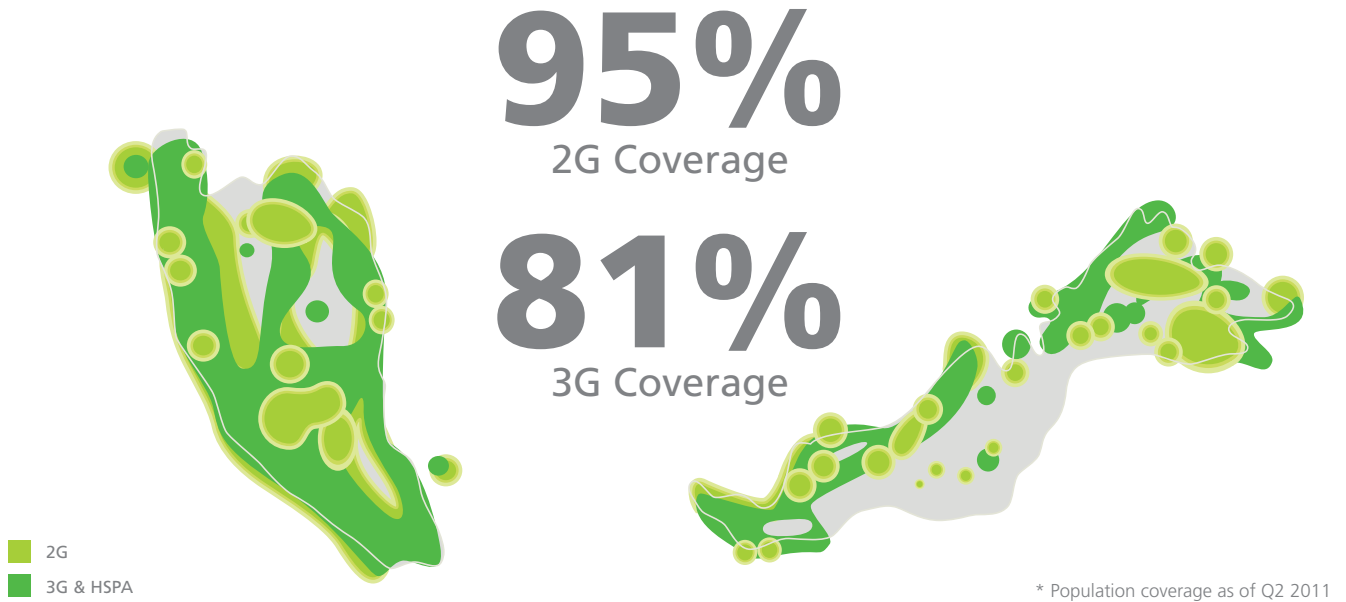
system to encourage the growth of the Malaysian content industry. Maxis' track record of enabling innovation, delivering excellent customer experiences and adding value to stakeholders has earned us recognition over the years. In 2010, Maxis was one of five finalists in the Best Mobile Operator category at the World Communication Awards, being the only Malaysian company to be nominated for this prestigious award. Maxis also won Asia's Best Employer Award 2010 from Singapore's Employer Branding Institute.

Our organisation is built around our values, which are "creative, simple, trustworthy and brave" and our vision, which shapes everything we do:

"To bring the future to our customers' lives and businesses, in a manner that is simple, personalised and enriching, by efficiently and creatively harnessing leading-edge technology and delivering a brand of service experience that is reliable and enchanting."

We employ 3,345 people full time, over 80 per cent of whom are graduates and professionals.

**LARGEST HIGH SPEED NETWORK FOOTPRINT**



**OWNERSHIP**

based on the Record of Depositors as at 30 June 2011

The 10 largest shareholders of Maxis are listed below.

Name	Number of Shares Held	%
Maxis Communications Berhad	5,250,000,000	70.00
Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund	365,577,700	4.87
Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	322,000,000	4.29
Kumpulan Wang Persaraan (Diperbadankan)	158,679,800	2.12
Amanahraya Trustees Berhad Amanah Saham Malaysia	109,000,000	1.45
Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	84,325,000	1.12
Amanahraya Trustees Berhad Amanah Saham Didik	59,313,600	0.79
Cartaban Nominees (Asing) Sdn Bhd Exempt AN For State Street Bank & Trust Company (West CLT OD67)	48,897,500	0.65
Amanahraya Trustees Berhad As 1Malaysia	48,129,000	0.64
Valuecap Sdn Bhd	46,853,600	0.62

## WHO WE ARE

### CORPORATE STRUCTURE



100%	Maxis Mobile Sdn Bhd	100%	Maxis Mobile (L) Ltd
100%	Maxis Broadband Sdn Bhd	100%	Maxis Online Sdn Bhd
100%	Maxis International Sdn Bhd	100%	Maxis Asia Access Pte Ltd
100%	Maxis Mobile Services Sdn Bhd		
75%	Advanced Wireless Technologies Sdn Bhd	100%	UMTS (Malaysia) Sdn Bhd
100%	Maxis Collections Sdn Bhd		
100%	Maxis Multimedia Sdn Bhd		

"We have to clearly articulate the value drivers and the impact of our CR initiatives to ensure all our stakeholders understand the importance of these initiatives."

**Nasution Mohamed,**  
Chief Financial Officer



Note: The above structure represents Maxis Berhad and its subsidiaries, collectively referred to as "Maxis" or "the Group".

### FINANCIAL HIGHLIGHTS

	FIRST HALF OF 2011 RM Million	2010 RM Million
Revenue	4,291	8,869
EBITDA	2,196	4,416
Profit from Operations	1,623	3,343
Profit Before Tax	1,498	3,132
Profit for the Financial Period/Year	1,092	2,295
Total Equity	8,004	8,667
Total Assets	18,653	18,225
Total Borrowings <sup>^</sup>	6,171	5,497
Financial Ratios:		
EBITDA Margin	51.2%	49.8%
PBT Margin	34.9%	35.3%
PAT Margin	25.4%	25.9%
Interest Cover Ratio	11.1	13.9
Earnings per ordinary share (sen):		
– Basic	14.5	30.6
– Fully diluted	Not applicable	Not applicable

<sup>^</sup> Includes deferred payment creditors, loan from a related party, borrowings and derivative financial liabilities (net)

<sup>1</sup> RM is Malaysian Ringgit.

## AWARDS AND RECOGNITION

Over the last year, Maxis was very proud to receive recognition and awards in a wide range of categories:

<b>Award Title</b>	<b>Prize/award category</b>
<b>World Communication Award (2010)</b>	Top five best mobile operators
<b>Corporate Nationhood Initiative Award (2010)</b>	Corporate Nationhood Award
<b>The EDGE</b>	Billion Ringgit Club 2010
<b>National Award for Management Accounting – NAFMA</b>	Excellence Award 2010
<b>11th CCAM Prestige Award (2010)</b>	Corporate Social Responsibility Award
<b>CMO Asia Awards for Excellence in Branding &amp; Marketing</b>	Asia's Best Brand 2010
<b>PC.com Product Awards (2010)</b>	Best Postpaid Telco Best CSR
<b>SMI &amp; SME Worldwide Network</b>	Communications Service Provider of the Year
<b>Reader's Digest Trusted Brand Award</b>	Phone Service (Fixed Line/Mobile)
<b>11th CCAM Excellence Awards (2010)</b>	Gold Award – Best In-House Contact Centre (Above 100 seats) in Malaysia Gold Award – Best CRM Programme Implementation (Open) in Malaysia Silver Award – Mystery Shopper Results In-House Contact Centre Silver Award – Best Contact Centre Professional (Above 100 seats) Bronze Award – Best Contact Centre Team Leader (Open) Bronze Award – Best Contact Centre Professional (Above 100 seats) Bronze Award – Best Contact Centre Support Professional (Above 100 seats)
<b>Computerworld Malaysia's 4th Customer Care Awards (2010)</b>	Telecommunications services
<b>"thebrandlaureate" The Grammy Awards for Branding</b>	Speciality Awards Best Brands in Brand Communications 2009-2010
<b>Malaysian HR Awards (2010)</b>	Gold Award – HR Innovation
<b>Malaysia's 100 Leading Graduate Employers (2010)</b>	Most Popular Graduate Employer (Telecommunications)
<b>Asia's Best Employer Brand Award (2010)</b>	Employer Branding Institute, CMO Asia & Strategic Partner, CMO Council
<b>Asia HRD Congress (2010)</b>	Contribution to HR Community Award for Outstanding Contribution to Human Capital Development
<b>South East Asia HR Excellence Awards</b>	Employer of the Year 2010
<b>Putra Brand Awards (2011)</b>	The People's Choice Brand of the Year The People's Choice Gold Communication Networks
<b>Global Telecoms Business (GTB)</b>	Innovation Awards Winner 2011
<b>Frost &amp; Sullivan</b>	Malaysia Excellence Awards 2011 Mobile Service Provider of the Year
<b>Game Axis Malaysia Survey 2010</b>	Editor's Choice Awards Favourite Mobile Game Telecommunications Provider

CCAM – Contact Centre Association of Malaysia  
CMO – Chief Marketing Officer  
CRM – Customer Relationship Management  
CSR – Corporate Social Responsibility  
HRD – Human Resource Development  
KLIF – Kuala Lumpur Islamic Finance Forum  
SME – Small and Medium Enterprise  
SMI – Small and Medium Industry

# CORPORATE GOVERNANCE



Overwhelming attendance by shareholders at the Maxis Annual General Meeting.

The Board of Directors of Maxis Berhad ("The Board") is the highest governing body at Maxis Group, and is responsible for guiding and leading the Group's strategy. The Board is committed to upholding the highest standards of corporate governance as expressed in the Principles of and Best Practices in Corporate Governance set out in the Malaysian Code on Corporate Governance.

The Board acknowledges the corporate governance tenets of transparency, accountability, integrity and corporate performance as the prerequisites of a responsible corporate citizen.

## BOARD BALANCE AND INDEPENDENCE

The Board has ten members, comprising an Executive Director (who is also the Chief Executive Officer) and nine Non-Executive Directors. The Chairman and three other Non-Executive Directors are independent, and hence fulfil the prescribed requirements for one-third of the membership of the Board to be Independent Board Members. The Board comprises members from Malaysia, the UK, Saudi Arabia and India, with a range of diverse professional backgrounds and experience in the areas of telecommunications, information and technology, entertainment, finance, business, general management and strategy.

## BOARD INVOLVEMENT IN CORPORATE RESPONSIBILITY

The presence of the Independent Non-Executive Directors is essential to provide unbiased and independent opinions, advice and judgements to ensure that the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account. The Independent Non-Executive Directors thus play a key role in corporate accountability.

The Board has been directly involved in the commissioning, review and approval of Maxis' Corporate Responsibility (CR) Strategy, and the outcome of the strategy process was presented and discussed with the Board in Q3 2011. The Board is also instrumental in guiding and approving CR initiatives related to our practices in the marketplace such as key risk management and infrastructure improvement, as well as in the workplace such as

**The Board acknowledges the corporate governance tenets of transparency, accountability, integrity and corporate performance as the prerequisites of a responsible corporate citizen.**

“Corporate Responsibility is an embedded principle within Maxis, to ensure consistency of staff behaviour across Maxis.”

“When we engage in corporate responsibility initiatives, we have to be clear of what is our key objective and what is the linkage to our business.”

**Chow Chee Yan**  
Senior Vice President,  
Internal Audit



succession planning and management appointment. In 2010, a Vice President for Corporate Affairs was recruited and her remit includes guiding Maxis' strategy on CR. Corporate Affairs is responsible for providing an annual plan for CR practices and initiatives in the community and the environment to the Board. This will be enhanced into a quarterly update in 2012.

#### REMUNERATION AND KPIs

The Board's remuneration package includes fees and benefits-in-kind. For employees, including Executive Directors, Maxis operates a bonus scheme which is dependent on the level of profits against targets, together with an assessment of each individual's performance. At senior management level, remuneration is linked to CR performance in positions where CR activities are primary to the job description. In addition, as part of Maxis' CR Strategy, CR KPIs for further functions will be developed by year-end 2012.

#### ANTI-CORRUPTION

We want to contribute to a society in which business transactions are fair and where all can compete transparently. As the industry leader, we understand that we have to set an example. Maxis has a zero-tolerance policy to bribery and corruption. Our “Maxis Code of Business Practice” outlines our position for all Maxis employees regarding anything that could be construed as corruption. The Code recognises that some gestures, such as gifts and hospitality, may be considered a ‘norm’ in business, but also clearly defines what is, and is not, acceptable. Specifically this includes:

- Non-acceptance of business courtesies, such as cash, cash equivalents, gifts, meals, tickets, and passes.
- Gifts exceeding RM250 (about USD80) in value must be declared to the Office of Business Practice.
- Recurring gifts from the same party are not considered a business norm.
- A Gift Declaration Form for all employees to use.

The Code of Business Practice also applies to vendors, contractors and temporary employees.

To ensure awareness and compliance, employees are asked to review and sign the Code of Business Practice annually. We have a whistle-blower procedure which includes a 24-hour ethics hotline and a dedicated ethics email address. We also provide employees the choice of bringing up any issues with their own manager or with a dedicated Office of Business Practice.

#### ANTI-COMPETITIVE BEHAVIOUR

In 2012, the Malaysian government will introduce a new Malaysian Competition Act. At Maxis, we are already well prepared to meet the requirements of this legislation.

# MISSION AND STRATEGY FOR CORPORATE RESPONSIBILITY

We see Corporate Responsibility (CR) as an integral part of our corporate mission to become the nation's premier integrated communications service provider. We are committed to growing a sustainable and innovative business that creates value to our stakeholders by effectively managing the economic, social and environmental impact of our operations.

## CORPORATE RESPONSIBILITY FRAMEWORK







"We have been working hard to increase our site and infrastructure sharing, increased our usage of solar hybrid renewable technologies and delivered innovative cabin designs to enhance energy conservation on sites."

**Mark Dioguardi,**  
Joint Chief Operating Officer



"Business has a responsibility beyond to those for its shareholders; a responsibility to a broader community that includes its key stakeholders: customers, employees, NGOs, government - the people of the communities in which it operates. As a technology company, we view the needs of the communities that we serve as opportunities to develop ideas, to find and serve new markets, and to solve longstanding issues. And we know that it is in our best interests to contribute to the sustainability of these communities."

**Suren Amarasekera,**  
Joint Chief Operating Officer

## **MAXIS' CORPORATE RESPONSIBILITY FRAMEWORK**

Given this context within our corporate strategy, in 2011 we reviewed our existing activities and identified new initiatives to create a CR strategy with three pillars: Developing and enriching our community, customers and partners, Creating a great place to work; and, Advocating environmentally friendly practices.

Maxis' CR initiatives are governed by our CR Philosophies, which prescribe that the initiatives are aligned to our Corporate Strategy and CR Mission and create value to all our stakeholders. That is, the initiatives must have a positive impact that can be shared across Maxis, our stakeholders and the nation.

### **Developing & Enriching Our Community, Customers & Partners**

Being a customer-focused organisation, with a large and complex supply chain, we are uniquely positioned to touch the lives of many people. Our ambition is to make this contact an

enriching experience for everyone. Simply by providing telecommunication connectivity to remote and rural communities, we can drastically improve people's lives. But our reach goes further than that. We can offer better products and services to customers who have a choice of service providers. We can build and develop the communities in which we operate, through our Cyberkids Programme initiatives and scholarships. And, we take very seriously our responsibility to positively influence our supply chain so that it is healthier, safer and more sustainable.

### **Creating a Great Place To Work**

At Maxis, we have always said that our employees are critical to our success. We regard leadership as an essential part of our business, especially to fulfil our goals to be the premier integrated communications service provider in Malaysia. Therefore, we invest significantly in leadership development and training, as well as nurturing the talent of our employees. We value the diversity that colleagues bring, with individuals able to see things

with different perspectives and fresh ideas. We have measures in place to ensure that our workplaces embrace this diversity. We think also that it is important to get the fundamentals of employment right: health and safety, and benefits and rights.

### **Advocating Environmentally Friendly Practices**

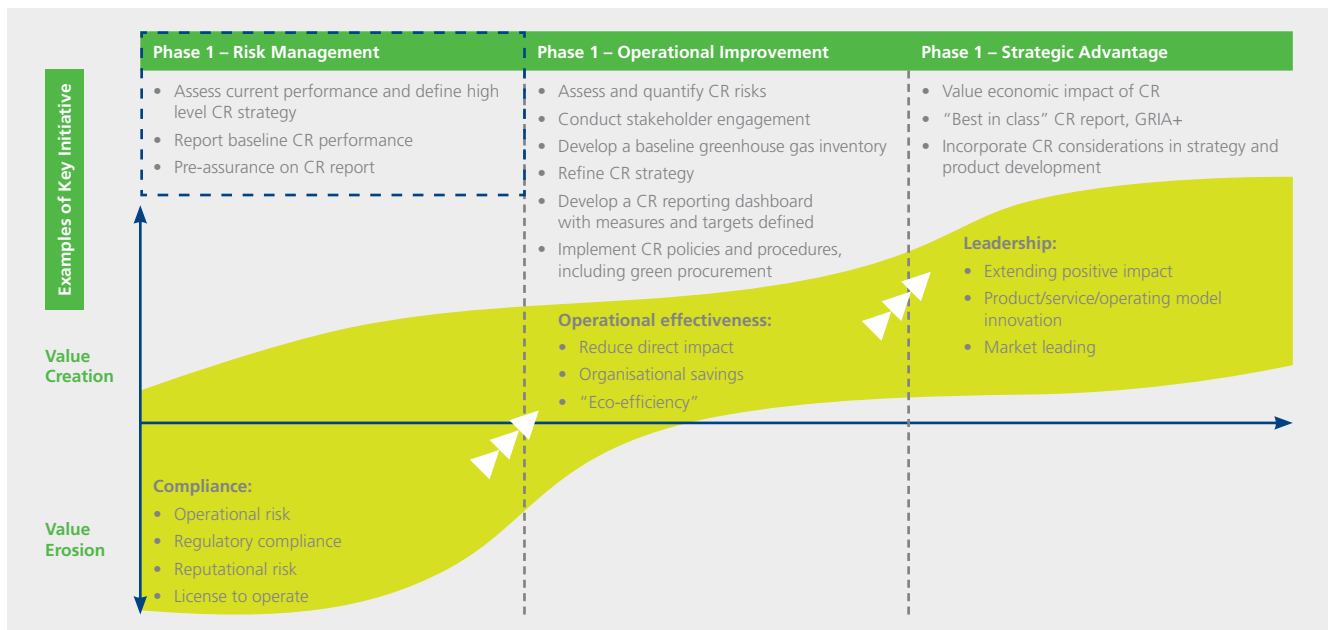
Our sector is evolving rapidly and a significant challenge for us is to keep ahead of the technology curve, whilst understanding and evaluating the sometimes unknown impacts of new products and services. We have to balance the demand for innovation with the responsibility to do no harm. In addition, we are committed to driving efficiencies in our operations in order to reduce our carbon footprint and to manage waste effectively. We also want to advocate this to our partners and customers.

## MISSION AND STRATEGY FOR CORPORATE RESPONSIBILITY

### Creating a CR Roadmap

We are taking a phased approach to achieve best-in-class CR practices in the Company. We recognise that this is a journey, and we are committed to further improve ourselves in becoming a more responsible company. We have a roadmap in place to guide us in our improvements.

We aim to create value and impact for Maxis, by adopting a clear set of guiding principles, a link to our brand, and embedding our values throughout the organisation. This gives us a strong platform to move forward with our CR agenda and puts CR at the very heart of whatever we do.



### ALIGNING CORPORATE RESPONSIBILITY TO COMMERCIAL STRATEGY

We believe that to be successful, such a commitment to CR must be closely aligned to our corporate strategy. We are guided by our CR Mission to “harness leading-edge technology and innovation to create value for the economy, society and environment in which we operate.” Thus, we must look within this mission to find the opportunities to become more sustainable.

By harnessing leading-edge technology, we can leverage our core business to provide innovative technology solutions which address the nation’s connectivity needs. This can take many forms and our aim is to innovate in such a way that we can touch and improve lives that might not be normally included in mainstream technology developments. As a corporate citizen of Malaysia, we are well placed to understand the needs of both urban and rural populations.

At the heart of any great business is the aim to create value. Maxis is no different and we strive to have a positive tangible impact on our stakeholders, whilst creating lasting value. This means that we balance business objectives with an awareness of employees’, customers’ and communities’ needs.

We are committed towards managing our “triple bottom line” – that is, the economic, societal and environmental impacts that an organisation can create through our service offerings and practices. In considering these wider impacts, we can manage our business more sustainably and build long-term trust with our stakeholders.

Another important aspect of our approach to business is that we aim to create value for all our stakeholders in everything we do. This broad consideration for our stakeholders means that we engage them and are aware of their needs and expectations.

# ENGAGING OUR STAKEHOLDERS

**POSITIVE  
IMPACT**

Maxis is in the business of communications, and we place great emphasis on dialogue and engagement with all our stakeholders. In developing our Corporate Responsibility (CR) strategy, we recognised the need to evolve and structure our stakeholder engagement further, and ensure the better integration of external feedback into our business strategy and CR activities. We have developed a roadmap for engagement, which will ensure that we understand and address key stakeholder issues over the coming years.



## IDENTIFYING STAKEHOLDERS AND KEY CONCERNS

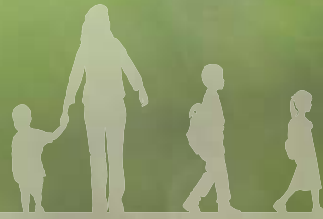
As a first step, we have been mapping our key stakeholders, and outlining existing topics of engagement, as well as key areas for future engagement. This table will be used to structure our stakeholder engagement programme in 2012.

Stakeholder Group	Methods of engagement	2012 engagement areas
<b>Government</b>	Compliance – with relevant rules and regulations, formal meetings, briefings and submission of report on our performance and progress updates	<ul style="list-style-type: none"> <li>• Bridging digital divide</li> <li>• Development of the InfoComms sector</li> </ul>
<b>Shareholders &amp; Investors</b>	Annual General Meeting / Extraordinary General Meeting, formal meetings, quarterly announcement of financial results, investors briefing, feedback via website	<ul style="list-style-type: none"> <li>• Profits and dividends</li> <li>• Responsible business</li> </ul>
<b>Customers</b>	Surveys and market research, focus groups, feedback management	<ul style="list-style-type: none"> <li>• Quality and coverage</li> <li>• Security protection</li> <li>• Inclusivity</li> <li>• Innovative offerings</li> </ul>
<b>Employees</b>	Consultative groups and focus group meetings, employee engagement activities, employee satisfaction survey, performance appraisal, training and development	<ul style="list-style-type: none"> <li>• Workplace inclusivity</li> <li>• CR involvement</li> <li>• Training and development</li> <li>• Health &amp; wellness</li> </ul>
<b>Local Communities</b>	Community engagement through CR initiatives, partnership with <i>Suruhanjaya Komunikasi dan Multimedia (SKMM)</i> or <i>Kementerian Penerangan, Komunikasi dan Kebudayaan (KPKK)</i> on broadband community centres, ICT training / briefing for community groups	<ul style="list-style-type: none"> <li>• Education</li> <li>• Community support</li> </ul>
<b>Suppliers &amp; distributors</b>	Procurement management, training and communication	<ul style="list-style-type: none"> <li>• Supplier development – Sustainable supply chain</li> </ul>
<b>Media &amp; public</b>	Media engagement activities including briefings, interviews, updates, educational briefings	<ul style="list-style-type: none"> <li>• All of the above</li> </ul>



**POSITIVE  
IMPACT**





From creating a great place to work, enhancing the quality of our services and reducing our environmental impact to improving the lives of communities through education opportunities, contributions to the underprivileged and social partnerships, Maxis strives to enrich the lives of all Malaysians.

# ENRICHING LIVES

# DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS

Maxis depends on communities for our success. They are our customers, our suppliers and our employees.



"Maxis has done a lot of corporate responsibility initiatives but we have now started to 'join the dots' and take a more structured approach to delivering our efforts across our profit, people and planet dimensions."

**Mariam Bevi Batcha,**  
Vice President, Corporate Affairs

We believe that by supporting access to technology and by helping to build skills throughout Malaysia, we are supporting national development at all levels.

## ACCESS TO NETWORK AND TECHNOLOGY

As a technology-based company, our education initiatives for the community use ICT as the key enabler to bring development and a better standard of living to the community at large. We aspire to equip underserved communities with the technological skills that will help them meet the demands of a rapidly evolving world. With our programmes, we aim to develop knowledgeable, skilled and innovative human capital, and encourage lifelong learning, to contribute towards the nation's vision of driving a knowledge-based economy.

We believe that by bridging the digital divide, and by helping to build skills throughout Malaysia, we help develop Malaysian citizens, and at the same time foster a larger market and labour pool. We have an all-encompassing approach to technology access, by reaching out to geographically remote areas and targeting groups who, due to disability, age or economic status, have been excluded from the information society. We understand that skills are as important as physical infrastructure, and ensure that an element of education is always included.



**DEVELOP & ENRICH OUR COMMUNITY, CUSTOMERS & PARTNERS**

Access to Network & Technology	Enriching & Responsible Products & Services
<ul style="list-style-type: none"> <li>• <b>Support ETP<sup>1</sup> to “increase coverage, affordability and quality” of communication</b> by leveraging on emerging technologies                             <ul style="list-style-type: none"> <li>- <b>Expand network coverage</b> to rural areas and East Malaysia</li> <li>- <b>Develop initiatives to improve overall affordability</b> of communication and broadband services especially to special groups (e.g. minors, retirees, low income group, and the disabled)</li> </ul> </li> <li>• <b>Leverage on the power of internet and ICT</b> to increase access to knowledge, resources and new opportunities for the community and youth.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Minimise the impact of EMF<sup>2</sup> emissions</b> <ul style="list-style-type: none"> <li>- <b>Engage in dialogue</b> with local communities &amp; authorities</li> <li>- <b>Develop initiatives to monitor and reduce EMF</b> emissions of network equipment</li> </ul> </li> <li>• <b>Engage customers to identify and address issues in a timely and effective manner</b> to increase customer loyalty and identify opportunities to develop relevant service offerings</li> <li>• <b>Uphold stringent controls and educate customers on data security issues</b>, to protect customers’ privacy and data</li> <li>• <b>Ensure responsible delivery of customers content and marketing</b> to prevent circulation of negative and insensitive materials</li> <li>• <b>Develop innovative solutions</b> to go to market</li> <li>• <b>Support development of the industry</b></li> </ul>
Scholarships, Sponsorships & Community Development	Sustainable Supply Chain
<ul style="list-style-type: none"> <li>• <b>Promote education through scholarships, learning programmes, and technology</b> (e.g. remote learning applications, mobile libraries, online classroom) aligning to the nation’s goals and the UNMDG<sup>3</sup></li> <li>• <b>Support the social needs of the underprivileged</b> (e.g. low income earners, single parents and people with disabilities) through monetary contributions, volunteerism and humanitarian efforts, and the provision of access to basic amenities</li> <li>• <b>Improve the health, livelihood and wellness of the public</b> through Maxis’ programmes, service offerings or social partnerships with credible organisations</li> <li>• <b>Support development of local communities</b> by encouraging local hiring, local procurement and development of local content</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ensure ethical sourcing and green procurement</b></li> <li>• <b>Incorporate good CR practices into supplier and dealer standards and contracts</b>, and assessing them against these preset sustainable criteria</li> <li>• <b>Implement a structured and robust vendor management programme</b> to engage and develop vendors, suppliers and dealers through training, incentives, communications, ethical standards etc to help them operate and grow in a sustainable manner</li> </ul>

<sup>1</sup> Economic Transformation Programme

<sup>2</sup> Electromagnetic field

<sup>3</sup> United Nations Millennium Development Goals

## DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS



Maxis volunteers training rural youths on the use of computers and internet services for education and knowledge.



Maxis offered a special discounted iPhone plan to members of the Malaysian Association of the Blind.

**Our network, the largest in the country, is the backbone of Maxis, giving us an extensive footprint for mobile technology and value added services as well as for fixed and wireless broadband.**

### Providing Access to Underserved Communities in Geographically Remote Areas

In 2010, Maxis invested more than RM80 million in network coverage, widening our footprint over remote areas of Sarawak, enhancing network quality in towns and suburbs in Sabah, and expanding broadband coverage to industrial and commercial areas in north Borneo, which is an underserved frontier.

Our network, the largest in the country, is the backbone of Maxis, giving us an extensive footprint for mobile technology and value added services as well as for fixed and wireless broadband.

During 2010, Maxis invested RM1.44 billion to build upon the significant modernisation first begun in 2009, expanding the reach and capacity of our networks and support infrastructure.

A total of 720 2G base stations were rolled out with special emphasis on the East Coast, Sabah and Sarawak,

thereby increasing mobile coverage to 94.5 per cent of the population. In addition, over 1,260 3G base stations were rolled out nationwide, resulting in 4,654 3G sites with the entire footprint now enabled for High Speed Packet Access ("HSPA"). This focus on network expansion resulted in the largest 3G footprint that covered 76 per cent of Malaysia's population as of the end of 2010, up from 57 per cent at the end of 2009 and with enhanced coverage over secondary and tertiary towns. The capacity of our wireless data network increased to 6.8 Gbps.

In 2011, Maxis continued to extend and improve coverage in Peninsular Malaysia, Sabah and Sarawak by looking into improving network coverage, speed and capacity. Overall, our capital expenditure was RM482 million in the first half of 2011. Wireless broadband speed and coverage was further improved with HSPA+ coverage expanded to over 3,100 sites in total and continued deployment of 3G on 900MHz to extend indoor coverage and increase speed. As at end of June 2011,

our 3G coverage was at 81 per cent of the population.

Maxis actively participates in bidding for the Universal Service Provision ("USP") projects, an initiative of the Malaysian Government to promote the widespread availability and usage of network services and applications services. The Government does this by encouraging the installation of network facilities and the provision of network services and applications services in underserved areas and/or for underserved groups within the community. One such project under the USP is the Community Broadband Centre ("CBC"). The objective of CBC is to develop and implement a collaborative programme that will have a positive social and economic impact on the community. The CBC also serves as the platform for human capital development and capacity-building through dissemination of knowledge via means of access to communications services. The facilities installed for CBC may further be used in training of the local community to learn basic





Maxis offers scholarship for Excellence to deserving Malaysians at leading universities locally and abroad.

"A lot of CR initiatives are taken by Maxis because they make good business sense."

**Stephen Mead,**  
Senior Vice President,  
General Counsel



computer and ICT skills, to provide access to distance learning, employment opportunities, human resource development, and small-business ventures, amongst others. Maxis has been awarded a number of such CBC sites in underserved rural communities which are fully utilised to meet the aspirations of the Government.

The CBC sites awarded to Maxis include eight sites in Sarawak and two in Kedah.

#### Access for the Visually Impaired

Beyond our commercial roll-out, we also made the effort to increase accessibility and affordability to minority communities. We offered a significant discount off the iPhone™ 3GS' retail price with a sign-up to a Maxis iValue plan for the visually-impaired. Seventy members of the Malaysian Association of the Blind were included in our promotional campaign. By making the iPhone™ 3GS affordable and accessible, we enabled this community to experience the device's built-in features, such as its voiceover function,

digital compass and a visual impairment-friendly Global Positioning System programme with local maps, all of which proved particularly useful to them.

#### Maxis Integrated Partner in Education

In 2011, UCSI University and Maxis teamed up to offer university students high-speed internet access. Under the partnership, Maxis will provide high speed internet to the university and become one of the university's industrial partners. The partnership will enable students to interact with their lecturers outside the normal classroom setting, combining the usual face-to-face learning with online delivery.

#### Maxis Cyberkids: Education Initiatives to Bridge the Digital Divide

The Maxis Cyberkids Programme is a community project by Maxis to spread ICT knowledge in support of the Government's call to bridge the digital divide in Malaysia. It started as a short-term rural schools outreach project for schoolchildren and teachers,

and evolved to incorporate a five-day residential ICT training programme at different venues across Malaysia and a comprehensive series of activities based on the "explore-learn-innovate-propagate" approach.

The project was rolled out as a joint effort with *Kementerian Penerangan, Komunikasi dan Kebudayaan* (KPKK) in 2002. Since then, a total of 8,485 students and teachers from 1,446 schools all across Malaysia have benefitted from 104 Maxis Cyberkids Camps. In 2010 alone, the Maxis Cyberkids Camp reached out to a total of 56 schools.

We support the programme through a combination of cash, expertise, in-kind donations and employee volunteering. In 2010, our expenditure for all Cyberkids programmes was RM2.1 million and a further RM112K for the first 6 months of 2011, and just over 300 employee days in the 18 months to June 2011.

## DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS



Maxis Mobile Content Challenge Winners receiving their prizes from the Deputy Minister, KPKK, Datuk Joseph Salang (second from left).

Given its effectiveness, the Maxis Cyberkids Camp is now being showcased at the ASEAN level, starting in 2008 to include students from the region.

The long-term sustainability of the programme is ensured through the ecosystem that we have built around the Maxis Cyberkids Programme, including:

### **The Maxis Cyberkids National Challenge**

The Maxis Cyberkids National Challenge (MCNC) is a national contest that provides opportunities to promote projects featured during the camps. The MCNC is part of the framework of Maxis Cyberkids Programme. It is developed as a platform to sustain continuous learning and a tool to gauge the commitment of schools and participants that have been chosen to participate in a Maxis Cyberkids Camp. It offers the following activities: a Cyberkids Club for members; the propagation of IT learning to other schools via a Cyberkids "Train the

Trainer" programme; and, a platform for school and personal blog sites, by both Cyberkids members and Club members. In 2010, we were delighted to see 56 projects submitted.

### **Maxis Cyberkids Portal**

Maxis Cyberkids Portal (<http://maxis cyberkids.my>) is a social networking site and exclusive portal for participants to keep abreast of the latest ICT developments after the Camp. Since the launch of the Maxis Cyberkids portal in 2007, the numbers of the guests and members viewing the portal peaked in the month of July 2010, with almost 500,000 pages viewed. As with any social networking site, members of the site produce their own content, with 663 blogs created as of 2010; this will continue, as it is self-generating and the growth is organic.

### **ASEAN Cyberkids Camp**

Given its effectiveness, the Maxis Cyberkids Camp is now being showcased at the ASEAN level, starting in 2008 to include students from the region. In 2010, 91 students and teachers from 10 ASEAN member countries and Sri Lanka attended the Camp.

Apart from reaching out to the community to bridge the digital divide, the Maxis Cyberkids Camp is also very much aligned to the 1Malaysia concept. To this end, various activities have been incorporated to the Cyberkids programme with the objective to:

- Encourage multi-racial and multi-cultural participation (such as through the learning modules)
- Create platforms for interaction and networking (for example, through camp activities and the Maxis Cyberkids Portal)



Maxis bagged the Corporate Nationhood Initiatives Award for 2010 in recognition of its contribution to national unity, integration and 1Malaysia.



Maxis CEO, Sandip Das presenting Hari Raya money packets to under-privileged communities at the Maxis Hari Raya Open House.

- Incorporate 1Malaysia nation building elements. This has impacted Cyberkids participants from 2010 onwards in various ways e.g. use of the 1Malaysia logo in the Maxis Cyberkids Portal and various programme collaterals; competition for the Cyberkids to create their own statements about 1Malaysia via the portal; incorporation of the 1Malaysia concept in their project submissions etc.
- Foster a greater sense of national unity and pride (e.g. through the singing of *Negaraku* before programme sessions, incorporation of 1Malaysia values in participants' pledge and the introduction of traditional games into team building exercises)

#### Mobile Content Challenge

Launched in 2007 in collaboration with KPKK and *Suruhanjaya Komunikasi dan Multimedia Malaysia* (SKMM), the programme targets young

“entrepreneurs” by helping them develop innovative content, applications and services. Since 2007, the programme has seen the participation of over 60 Malaysian Institutions of Higher Learning and received 461 ideas submission.

In 2010, the Mobile Content Challenge supported these winners to fast-track their innovation into becoming new businesses. 32 teams from past winners and participants participated and 5 teams were recognised as new entrepreneurs.

#### Maxis Scholarship for Excellence

We award fully-fledged post-graduate scholarships to deserving Malaysians at leading universities in the UK and USA, and undergraduate scholarships to children of employees and post-paid subscribers. For 2010 up to June 2011, we have committed RM11.1 million to 69 recipients.

#### Corporate Donations

Although our main focus is to build long-term programmes, we also award some donations on an ad-hoc basis. In 2010 up to the first half of 2011, Maxis donated RM641K to charities, Non Governmental Organisations, associations and as sponsorships. Our donations are focused on five pillars: charitable; business; community development; economic; and basic human needs.

#### Employee Volunteerism

The Maxis Volunteer Brigade encourages employees to identify with community service for which they can volunteer their time. Our activities aim to foster closer relationships with the local community and contribute towards improving the social and economic status of under-privileged communities. In 2010 and the first half of 2011, 800 Maxis volunteers clocked in approximately 7,000 volunteer hours.

## DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS

Maxis is always looking for ways in which technology can help improve lives – serving specific customer needs.



### ENRICHING AND RESPONSIBLE PRODUCTS AND SERVICES

Maxis' customers are our lifblood: we have 14.1 million subscriptions (as at 30 June 2011), which gives us the largest mobile customer base in Malaysia. We do not take this position for granted and we highly value our customers. This section of our Sustainability Report outlines just some of the initiatives which make Maxis the telecommunications company of choice for Malaysia. We have provided details below on our innovations to enhance products and services, customer service, product and service labelling, marketing communications, customer privacy, and compliance – all of which epitomise our drive to enrich and provide responsible products and services.

#### Serving Community Needs

Maxis is always looking for ways in which technology can help improve lives – serving specific customer needs.

**Maxis 1 Store:** An application store to meet the needs of customers and content developers. It provides professional and amateur Malaysian content developers with an easy-to-use platform and tools for application development for local and global markets. Available for over 100 types of mobile devices and spam free applications.

**Maxis-PayPal:** PayPal is one of the first online payment services ever to be introduced and is best known for its collaboration with eBay. Maxis customers are now able to use the PayPal service to pay for their mobile, data and content charges as well as buy movie tickets.

**Finder301:** It is the first location - based mobile directory in Malaysia, available on all phones. Through this initiative, Maxis customers can access and share information on the closest service points nationwide including product and emergency services.

**Unity:** Unity is a first for Malaysia, providing unified communication services including mobile centrex, mobile phone conferencing and unified messaging. Unity is currently being used to facilitate diary arrangements for the Malaysian courts, to prevent delays and backlogs. It has enabled court registrars and lawyers to communicate more efficiently, thereby reducing waiting time and travelling costs and improving the overall efficiency of case management by the courts.

**mZakat:** The giving of alms to charity falls under one of the five pillars of Islam; this is known as Zakat. Maxis has enabled this donation to be made via SMS for Zakat Fitrah, thus enabling Malaysian Muslims (more than 60 per cent of the Malaysian population) to conveniently honour this practise during the Ramadan month. We have also set up an alert for Buka Puasa (breaking of fast) during Ramadan.



“The Corporate Responsibility Strategy is aligned to our company strategy. It is a key area of focus within Maxis and we advocate it also with our partners.”

**Ebru Dorman,**  
Vice President, Strategy



**Support for pilgrims:** Maxis collaborated with Saudi Telcom Prepaid to offer cheaper call packages and International Direct Dialing (IDD) to pilgrims performing the Haj (the fifth pillar of Islam, which is a pilgrimage to Mecca in Saudi Arabia).

**Remittances by SMS:** In 2009, a partnership with Western Union pioneered international money transfers in Malaysia, enabling customers to use their mobile phones to make transfers abroad. This service is of particular significance to Malaysia’s almost two million foreign workers, who can now make regular remittances without leaving their place of work.

**COMBATING IDENTITY THEFT AND ENHANCING SECURITY**

Maxis Secure Campaign is a suite of services that enables customers to protect their data and devices. Maxis is the first communications provider in Malaysia to offer customers protection against key security threats which can potentially affect them, such as the loss or theft of their devices, the loss of personal data and threats from malicious software (Malware) and Trojans (destructive programmes that masquerade as benign applications). Apart from Anti-Theft, the other services offered under the umbrella of the Maxis Secure Campaign are the Complete Phone Back Up, Anti-Virus, Internet Security and Remote Surveillance services.

The Maxis Anti-Theft service is the latest innovation anchoring the Maxis Secure Campaign. Mobile security is a growing concern as smartphones have become more prevalent and ubiquitous, and are no longer limited to just being tools for voice calls. The service aims to guard potentially sensitive data in mobile devices from falling into the wrong hands by allowing customers to remotely lock, wipe (that is, to delete sensitive information from the mobile device) and track their mobile device over the internet or via SMS in case of loss or theft of their devices.

Maxis’ Complete Phone Back Up services provide an insurance against the loss of important data whether through human error, technological malfunction or loss of device. It allows customers to back up data such as SMSes, contacts, pictures, videos and calendars, and retrieve them when needed. The backed up data can then be viewed and managed on the web.

To protect customers from Malware or Trojan threats, Maxis offers the Maxis Anti-Virus for both devices and Personal Computers (“PCs”). For mobile devices, the Anti-Virus is an application that protects mobile phones from malicious viruses, worms and Trojans.

PC users can utilise the Maxis Internet Security application which protects customers’ PCs from virus attacks and provides browsing protection so that users are warned before they visit a compromised website.

Maxis’ Remote Surveillance also gives added assurance to customers and acts as a safety precaution where crime rate is a concern. The latest in mobile security, it offers the freedom to view ‘LIVE’ video images captured from installed cameras or closed circuit television (CCTV) systems.

## DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS



"We should not do something that is 'off tangent' and should always link our corporate responsibility efforts to our business."

**Sophia Lim Chooi Kuan,**  
Senior Vice President,  
Sales and Services



**Customers are our lifeblood at Maxis, but equally important are our other business partners. We strive to have ethical, transparent and fair relationships with them.**

### Customer Privacy

We have an ICT Policy, which aims to provide adequate and effective safeguards to ensure information confidentiality, integrity and availability. This policy covers all aspects of ICT security and control. It comprises high-level statements used to control and protect all hardware and software resources. Policy provision also applies to personnel, systems and processes.

In addition, our Code of Business Practice, which applies to all employees, specifies our expectations and standards for data protection and confidentiality. We have a structured ranking system for data confidentiality, reflecting the care that must be taken with sensitive information. Within this system, all customers' and employees' information is strictly private and confidential.

### Product And Service Labeling and Marketing Communications

Since 2008, Maxis has been a signatory to the Content Code of the Communications and Multimedia Content Forum of Malaysia. The Code sets our guidelines and procedures for good practice and standards of content disseminated to audiences by service providers in our industry in Malaysia.

### Concerns Over Electromagnetic Fields and Positioning of Base Stations

All mobile communication relies upon an extensive network of fixed antennas, or base stations, relaying information with radiofrequency (RF) signals. Maxis has 7,261 base stations (stand-alone 2G and 3G sites) and 10 Telecoms Operations Centres spread around Malaysia.

Maxis complies with guidelines set by the Malaysian regulatory authorities such as the SKMM and the Ministry of Housing and Local Government governing the installation of telecommunications towers and base stations. These conform to

international standards. To aid public understanding on tower safety, we share independent reviews by panels of experts commissioned by recognised health agencies on our website from time to time. The vast majority of experts have concluded that RF signals have no adverse impact on human health and the environment. The World Health Organisation's (WHO) position is that "there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects<sup>11</sup>".

Nevertheless, some communities and organisations situated near our base stations have expressed concerns about the health impacts of proximity to RF signals. We take such concerns very seriously, and have a structured process and engagement programme to address such concerns. This programme relies on a combination of dialogue, scientific evidence and awareness-raising, often with the inclusion of local authorities. In most cases, we are able to alleviate the concerns of complainants through such engagements.

### ENGAGEMENT AND CONTRIBUTION TO PUBLIC POLICY

As a leader in the Malaysian Information and Communications Technology (ICT) sector, Maxis has dialogues with a wide range of policy-making bodies and is actively engaged in national technology and telephony policy.

Maxis is on the Board of Councillors of the Communications and Multimedia Consumer Forum of Malaysia (CFM), as Chairman. The CFM is a multi-stakeholder

organisation promoting industry self-regulation and consumer rights protection.

We are also on the Board of Directors of the Access Forum under SKMM (MAFB), which is an industry forum dealing with access and interconnection issues in Malaysia.

In addition, we are also on the Board of Directors of Technical Forum (MTSFB), which deals with the establishment and maintenance of the standards, technical codes, network interoperability and operation issues. Finally, we participate in the SKMM Content Forum, governing

content and addressing content related issues disseminated by way of electronic networked medium.

Maxis is the Secretary of the Persatuan Pengendali Internet Malaysia, which manages the Malaysian Internet Exchange ("MyIX"). MyIX was set up in September 2006 to keep Malaysian internet traffic local, with the cooperation of local Internet Service Providers (ISPs) to promote and allow direct connectivity amongst the local ISP fraternity. MyIX is managed by elected representatives of local Malaysian ISPs.

However, listening to communities and respecting their concerns is part of our precautionary approach, so where engagement is not successful, we have had to drop some locations from our network. We do this with great regret, as we believe that the real advantages of better connectivity far outweigh the perceived health impacts on RF signals, which are unfounded in science.

### Sustainable Supply Chain

Customers are our lifeblood at Maxis, but equally important are our other business partners. We strive to have ethical, transparent and fair relationships with the various organisations we do business with, and with those who influence our business environment – such as governments and trade bodies.

At the heart of Maxis' ethical business practices lies the Maxis Code of Business Practice. It serves to document our expectations of employees, vendors/suppliers and external parties to do business in a manner that is efficient, effective and fair. It also serves to assist employees to live up to the Company's

high ethical business standards, to provide guidance on the way employees conduct themselves when dealing with parties doing business with the Company, to ensure compliance to the established governance policies and practices, and to define the manner in which all employees should conduct themselves at or outside their work place while performing their daily duties for Maxis.

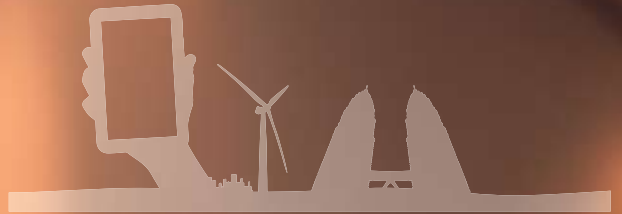
### Vendor Development Programme

We also put in place processes and guidelines to ensure those doing business with us meet our expectations. We introduced a Vendor Development Programme in 2004 to ensure that local contractors have the requisite capacity and capability to deliver and succeed in a competitive environment. From only 18 vendors at the outset, we have now registered 137 vendors who have cumulatively benefitted from our vendor programme at the end of June 2011.

<sup>11</sup> <http://www.who.int/mediacentre/factsheets/fs304/en/index.html>







Our success is achieved through our people which is why we are committed to building an environment where everyone can succeed, grow and be transformed into leaders regardless of their background; which also leads to how we can be responsible business partners, respectful to our customers as well as a positive influence on the business environment in which we operate.



# INSPIRING PEOPLE

# CREATING A GREAT PLACE TO WORK

We hope to create a great place to work where we continue to build a team of individuals who are empowered to lead, thereby building an institution of talent.



To continue to be a leader in our sector, we need to develop leaders within our organisation. We can only achieve our vision if our workforce possesses the right skills, has a clear understanding of our goals and targets and feels committed to achieving those objectives. At Maxis, we are fortunate to have some of the best people in Malaysia working with us and we demonstrate our respect to them by investing in them, their training and their development.

We hope to create a great place to work where we continue to build a team of individuals who are empowered to lead, thereby building an institution of talent. We build on this aspiration by striving towards four key objectives:

- Maxis becomes an institution of talent and provides our people an environment for development and growth in a culture that is premised on leadership attributes
- Maxis becomes a place where great people meet, where they share a deep sense of belonging and understanding, and where talent is liberated and appreciated

- Maxis improves the work satisfaction and productivity as well as the work-life balance and wellness of our employees
- Maxis creates an agile and competent workforce that is equipped with the latest skills and right aptitude to face the challenges of our fast-paced industry and collective future.

We operate in a highly competitive labour market, and employ a relatively young workforce - 31.5 per cent of our employees are below the age of 30. We know that especially this segment, "Generation Y", is looking for challenges, flexibility and shared values as part of their employment. We are therefore committed to building an environment where everyone can succeed and grow, regardless of background. Our CR Framework highlights aspects which we believe contribute to an ethical, diverse and healthy workplace.



# POSITIVE IMPACT



Internal awareness programme to encourage workplace diversity.



“The value of CR needs to be embedded into the organisation and must be clearly defined. This can be supported through communication and cultural transformation programmes.”

“Good CR has a key role to play in attracting talent in a highly competitive industry.”

**Kala Kularajah Sundram,**  
Chief Talent Officer

## CREATE A GREAT PLACE TO WORK

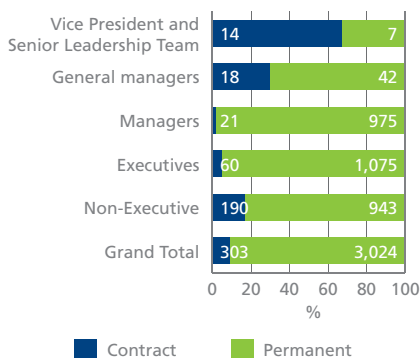
Inclusive workplace	Training & Development
<ul style="list-style-type: none"> <li>• <b>Encourage workplace diversity</b> to foster creativity and to attract talent pool with diversified experience and skill sets which will create a competitive edge for Maxis                             <ul style="list-style-type: none"> <li>- <b>Take into consideration special needs of minority employee group</b></li> <li>- <b>Promote balanced and diverse composition of employees</b> at management and working level in terms of gender, age, ethnicity, competency etc.</li> </ul> </li> <li>• <b>Engage employees through continuous communication</b> across multiple platforms to identify and address their key concerns, and consider their views when developing Maxis’ strategy and plans</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Contribute to the Government’s aspiration to improve human capital capabilities</b> within the communication, content and infrastructure (CCI) sector</li> <li>• <b>Foster a high-performing, happy and creative workforce</b> to:                             <ul style="list-style-type: none"> <li>- Support the attraction and retention of talent</li> <li>- Enhance effectiveness of workforce</li> </ul> </li> </ul>
Health & Safety	Benefits & Rights
<ul style="list-style-type: none"> <li>• <b>Uphold strong health, safety and security standards</b> within Maxis’ areas of operations, whether it is within Maxis’ premises or offsite to reduce opportunities for health or safety hazards, and prevent workplace fatalities</li> <li>• <b>Promote the physiological and psychological wellness</b> of Maxis’ staff through effective communications to create awareness on health issues and preventive measures</li> <li>• <b>Internal activities to improve health</b> of employees and their families e.g. free health checks, personal health portal, gym subsidy</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Provide flexible workplace arrangements</b> and benefits to cater to the different needs of each employee                             <ul style="list-style-type: none"> <li>- Ensure transparent and clear communication of employee benefits entitlement</li> </ul> </li> <li>• <b>Practice anti-discrimination and provide equal opportunities to all staff</b> by ensuring fair and transparent treatment, and performance management practices                             <ul style="list-style-type: none"> <li>- <b>Implement procedures and channels</b> for whistle-blowing and management of discrimination or unethical conduct in the workplace</li> </ul> </li> </ul>

## CREATING A GREAT PLACE TO WORK

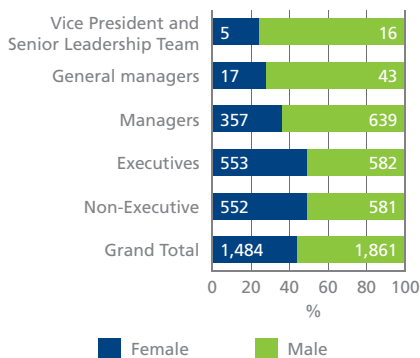
Employee engagement session with CEO to keep them aligned with the success of the organisation.



### Employees by level and contract type (total: 3,345)



### Employees by gender



### INCLUSIVE WORKPLACE

Our people are not only diverse in the experiences that they bring to Maxis, but also with respect to their ethnic and cultural backgrounds, age and gender.

We had a total of 3,345 employees as at 30 June 2011, more than 80 per cent of whom are graduates and professionals. We do not make extensive use of time-limited contracts, except for senior management positions.

We value diversity, because this ensures that we have a myriad of perspectives and skills working towards the same goal, and we believe that diversity enhances the workplace culture and broadens our labour pool. Although gender distribution for employees at Maxis is roughly equal, we are similar to other Malaysian companies, where there is an imbalance of gender in our management team. We will monitor improvements in this area, and as part of our CR strategy, we will be developing a more comprehensive strategy to ensure that we remain a preferred employer and identify career barriers for women.

### Becoming Closer to Employees

Internal communication and employee engagement play a vital role in keeping our employees energised, aligned and fully involved in the success of the organisation. Our initiatives are delivered across various platforms such as face-to-face meetings, electronic, print and workspace. Naturally, we make the most of electronic means, which range from our popular eNEWS (our web-based employee newsletter with videos and picture galleries of recent events), the Idea Post forum (for all Maxis employees to contribute ideas to make Maxis better), and our employee email communication channels such as Mail Express and HR Express, which provide employees with up-to-the-minute news updates.

To provide us with continuous feedback on the level and quality of employee engagement, we have introduced the Voice of Maxis survey, an annual measure of employee satisfaction and engagement, conducted by a leading independent research house.



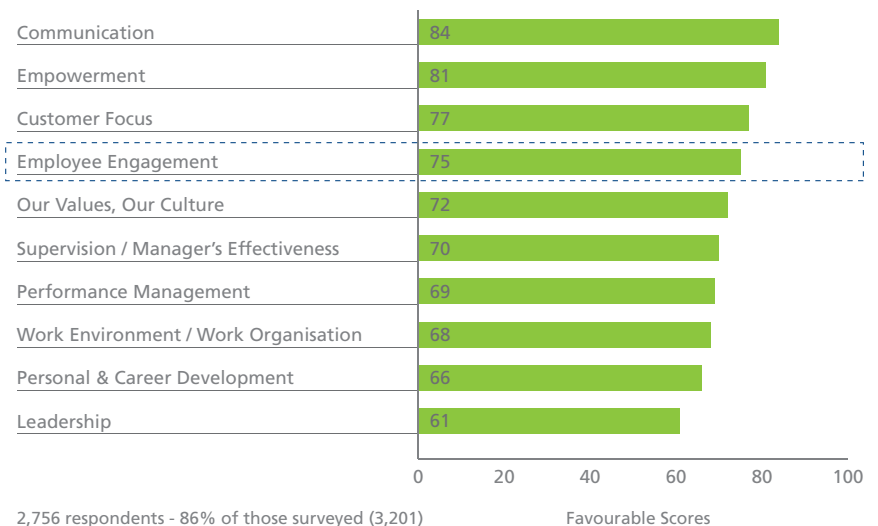
Employee and team excellence at the workplace is recognised at our annual dinner.

In 2010, we were delighted to see significant improvements across all areas, and are particularly satisfied with the high level of engagement from employees. Although there are still areas for improvement, we have maintained high levels of engagement each year compared to other local Malaysian companies as well as when benchmarked against global peers in the telecoms industry.

We recognise that the personal touch is equally important. We organise regional visits by management, CEO 'Teh Tarik' sessions and luncheons, managers' communication sessions and senior management meetings. These provide opportunities for top management to meet with employees on a regular basis and obtain direct feedback from them.

Finally, we want to ensure that working for Maxis is fun, and that we seek to engage employees and their families. We organise various engagement activities such as a "Maxis' Got Talent" talent competition, regional challenges and leisure activities, a Family Day, and an Annual Dinner for employees.

**Voice of Maxis 2010 – Results**



## CREATING A GREAT PLACE TO WORK

"In Maxis, we give without expecting something in return... that's why we promote academic excellence through scholarships but do not bond our undergraduates."

"Good CR is a strong motivator. It can lead to more engaged employees and increase productivity."

**Azmi Ujang,**  
Senior Vice President,  
Human Resources



**We are strong advocates of continuing education. In the year 2010 up to June 2011, we spent RM15.5 million on training and employee development.**

### TRAINING AND DEVELOPMENT

Few sectors are as fast-paced as the telecommunications industry. In recent years, global levels of connectivity have sky-rocketed and at Maxis we strive to stay ahead of this curve. This dynamic environment, along with a commitment to grow the talent of our team, means that Maxis invests significantly in staff development.

To ensure we remain in the race for global talent, we created the role of Chief Talent Officer in 2010 to drive talent management and nurture a pool of future leaders. In early 2011, alongside partners such as TalentCorp Malaysia, we pursued talent at the tertiary level and encouraged Malaysian professionals working abroad to return home to contribute their services to the nation.

#### Creating a Pool of Future Leaders

At Maxis, we continually create leaders from within. Such qualities need to be nurtured for us to move beyond mobile into the future of integrated play. Maxis provides various programmes towards this end:

The **Maxis Management Associate Programme** ("MAP") - A leadership-development initiative, the objective of which is to source fresh talent from top ranking global universities. In 2010, we recruited 13 Management Associates who are now part of the "feeder pool" of senior talent and who will be groomed through professional competency development and accelerated career progression over a period of two years.

#### The **Next Generation Manager Programme**

- A core leadership development programme for Maxis managers, established in 2006. It has continued to play a role in the development of our managers across the Company. For top management, we continued our partnerships with Harvard Business Publishing, IBM, and the Indian Institute of Management Ahmedabad. These collaborations enabled selected members of the Senior Leadership Team to attend executive education courses abroad, some of which were customised for our requirements.

#### The **Maxis Leadership Development Engine** ("LDE")

identifies, engages and develops a pool of future leaders carefully selected on merit. As part of our efforts to develop high potential employees, the LDE Accelerator



Selected employees who had completed the LDE Accelerator Programme receiving their certificate from Maxis CEO, Sandip Das.

Programme, which was first launched in 2009, provides our people with continuing exposure to business simulations, mastery workshops, change and transformation projects, as well as other projects of excellence.

#### **Competency Assessment or Management Appraisal Exercise**

In 2010, we introduced a management appraisal training to enable managers to assess employees' talents, strengths and needs. The aim of this process is to build the internal capabilities of managers to assess and develop their direct report staff.

#### **Lifelong Learning**

We are strong advocates of continuing education. In the year 2010 up to June 2011, we spent RM15.5 million on training and employee development.

Training and learning opportunities are provided to our people starting from the day they join the Company:

- **On-Board with Maxis** – provides new employees the opportunity to interact with senior leaders in informal settings to allow uninhibited sharing of ideas and experiences early in their work lives. The programme module includes introduction to Maxis' operations as well as hands-on experience in serving customers at call centres and retail centres. We also inculcate brand values to help them fulfil their roles as brand ambassadors.
- **The Maxis Academy** – Maxis' internal learning centre, established in 2001 in Kuala Lumpur, provides us with an accessible and stimulating learning environment with which to enhance competencies. The Academy has a busy training

calendar driven by the mission to inspire people to embrace learning. Recently, we provided a new Retail Simulation Centre with hands-on experiences to simulate retail market conditions and develop 'Go to Market' programmes that can be effectively implemented.

- **The Maxis Internship Programme** – Undergraduates from local and foreign universities join us as interns, providing us with insights into the pipeline of future leaders. Our internship programme provides practical knowledge and the opportunity to learn about high-performance organisations and the communications industry, as well as the chance to strengthen personal networks. In 2010 and up to June 2011, we supported over 290 interns.

## CREATING A GREAT PLACE TO WORK



Happy Maxis scholarship recipients showcasing their subject of interest and choice of career path.

- **Assistance Programmes to Pursue Higher Learning Opportunities** – Maxis employees have opportunities to be sponsored to pursue their further education via two avenues:

- Continuous Development Partnership Programme (“CDPP”)
  - Designed for employees interested in pursuing part-time undergraduate or postgraduate degrees. It works on a reimbursable amount basis i.e. employees shall pay the relevant programme fees and claim this back from the Company at a later date, upon successful completion of each semester. This is to ensure that the programme fully benefits employees who are truly committed to achieving their aspirations in relation to formal higher education qualifications

- The amount sponsored under this programme is up to RM 20,000 for a diploma course and up to RM40,000 for a degree / postgraduate course
- Since its inception up to June 2011, we have approved 77 CDPP applications and approximately RM0.55 million has been invested into the programme
- Further Education Scheme (“FES”)
  - Selected employees enjoy the benefit of sabbatical leave to attend graduate school to obtain professional post-graduate degrees in engineering, finance, business administration etc at top-tier global universities
  - The scopes of FES support includes full tuition fees, living allowances, air fare, medical benefits and sabbatical leave for the period of the programme

- **Maxis Scholarship for Excellence Awards**

- Scholarships are offered to the children of our employees to pursue their undergraduate studies. Eligible employees’ children are those who are pursuing a first degree in any field of study, either locally or overseas at the top 100 global universities. Since inception up to June 2011, Maxis has committed RM2.95 million to 10 employees’ children.

- **Maxis Young Achievers’ Awards Programme**

- Recognises employees’ children who have achieved outstanding results in key public examinations. This includes Primary Level Examinations, Mid-Secondary Examinations and “O” Level Equivalents. Maxis’ investment on this initiative is up to RM20,000 per annum.



## Our family friendly work environment embraces the blend of work and home life.



Maxis CEO, Sandip Das (centre) and Maxis employee volunteers celebrating Hari Raya with children from under-privileged homes.



Maxis employees celebrating the joy of the festive season in the office.

### EMPLOYEE RETENTION

In a dynamic, competitive world, employee retention is a major challenge for most organisations. As at 30 June 2011, our employee turnover rate was 11.5 per cent (187 people), of which 1.4 per cent (37 people) were contract staff and 10.2 per cent (150 people) were permanent staff. Whilst employee turnover is typically higher in service-based sectors, we have to put great efforts into ensuring that our retention rates remain high and we can continue to attract the best candidates.

### WORK-LIFE BALANCE

Some of our CR initiatives relating to workplace practices address work-life balance. For example, flexible work hours, Flexi Benefits programme and employee health and wellness programme. Our family friendly work environment embraces the blend of work and home life. To this effect, we host events (such as family days

and outings) and develop initiatives (for example, young achiever awards and scholarships for children of employees) that involve and benefit our employees as well as their families.

### BENEFITS AND RIGHTS

In addition to paying competitive salaries, Maxis offers employees a comprehensive, competitive package of benefits. In 2008, we introduced a flexible benefits system to further enhance the packages available to individuals. The Flexi Benefits allow employees to customise their own benefits package to best suit their personal and family needs using a benefit points system. Points are given to employees via Flexible Spending Account which allows employees to claim reimbursement on a list of items such as leave passage, purchase of sport equipment, medical check up and a lot more.

In addition, employees are entitled to the following standard benefits:

- Leave - Annual, Marriage, Compassionate, Medical, Maternity, Paternity and Hospitalisation
- Medical Benefits - Covers outpatient GP, outpatient specialist, hospitalisation and surgical
- Insurance Benefit - Group Term Life
- Retirement Benefit - Ex-gratia payment
- Special Price on Maxis Products - Employees are eligible to purchase devices offered by Maxis at a reduced price
- Staff Mobile Services - Employees are eligible to a rebate based on their grade in terms of usage of voice and data

## CREATING A GREAT PLACE TO WORK

We adhere to the International Labour Organisation (“ILO”) core labour standards throughout our operations.



Maxis values.

### Creating an Ethical culture

At Maxis, we believe that the skills we need to achieve organisational goals come from a broad cross section of society. This means that we must create a workplace culture which embraces diversity, respects human rights and prevents harassment. We have several policies in place which embody this philosophy.

Code of Practice on the Prevention and Eradication of Sexual Harassment was adopted by the Company in 2002, with changes made to meet the Company’s practices, nature of business, and existing reporting mechanism. Prior to 2002, workplace harassment (all forms of harassment) was categorised as major misconduct in the Company’s Disciplinary Policy.

Disciplinary and Misconducts Process Document was introduced in 1995. It outlines the process for employees and states the issues of discipline and harassment in the workplace and how to report such incidents.

Maxis Code of Business Practice serves as a guide to employees to operate in

a manner that is efficient, effective and fair. It requires employees to live up to the ethical business standards and provides guidance on how employees should conduct themselves with parties doing business with the Company, and how employees should conduct themselves while representing Maxis outside of the workplace. The Code incorporates policies on whistle-blowing, ethical business practices, contributions to political parties and vendor contracting.

### Basic labour standards and human rights

We adhere to the International Labour Organisation (“ILO”) core labour standards throughout our operations. Child labour, as well as forced and bonded labour, is prohibited in Malaysia, and is extremely rare in the formal sector. Due to the nature of our business, which requires high skill-levels throughout, we have not identified any risks in our own operations. However, we recognise that human rights and labour conditions can be compromised in our supply chain, and as part of our supplier engagement set out in our CR Strategy, we will address such issues.



Maxis employees going through a health routine as part of the Maxis employee wellness programme.

**HEALTH AND SAFETY**

Maxis regards a safe working environment as a minimum requirement and our target is zero accident rate in the workplace. We are delighted that in 2010, we achieved this.

Year	Fatalities	Total accidents	Lost time accident rate**	Severity rate***
2011*	0	0	0	0
2010	0	0	0	0
2009	0	2	0.58	11

\* as at 30 June 2011

\*\* Accidents per 200,000 working hours

\*\*\* Average number of lost days per accident

Note: All figures are for direct employees of Maxis and does not include contractors

**Safety Training**

In 2006, we introduced an Occupational Safety and Health (OSH) programme for all Maxis employees. 100 per cent of our employees participate in this programme. Some of the trainings are:

- Safety Policy
- Accident reporting policy
- Maxis Safety Orientation Programme
- First Aid and CPR training
- Working at Height training
- Defensive Driving
- Four Wheel Drive Training

We provide extensive OSH training and management processes to all our employees and contractors. Overall, 25 per cent of our staff participate in an OHS committee. Our far-reaching OHS policies and procedures include:

- OHS Manual
  - Includes OHS management system documentation, hazard prevention, performance monitoring and measurement. Through this manual, we aim to raise awareness of potential risks at work and thus reduce the accident and injury rates for our employees.

- OHS contractor safety management procedure
  - This procedure seeks to ensure all contractors conform to the Company's OHS policy and procedures.
- Contractor Safety and Health Construction Manual
  - This manual is designed to inform contractors on basic safety and health practices in the workplace and provides information on relevant laws and regulations concerning health and safety in the construction industry.

Some of our employees' and contractors' work inevitably involves working at height. The following document is specifically for these people:

- Employee Climbing Work at Telecommunication Structures outlines supervisor responsibilities in environments involving tower climbing and working at height.



**POSITIVE  
IMPACT**

**maxis**



We are constantly working hard to reduce the environmental impact of the infrastructure required to provide our services and we are already reducing our carbon footprint by using more energy efficient equipment, and reducing excesses in the supply chain as an investment to make Malaysia greener.

# LEADING CHANGE

# ADVOCATING ENVIRONMENTALLY FRIENDLY PRACTICES

Emerging technology in mobile video conferencing can help reduce travel needs, and innovations in smart networks can monitor and adapt electricity usage to reduce energy waste.



Using Maxis recycled billboard materials to produce elegant recycled bags.

Over the past decade, climate change has emerged as one of the greatest threats to humanity, affecting every community and every business across the globe.

In Malaysia, climate change is high on the national agenda; the Government has pledged to achieve up to 40 per cent reduction in carbon intensity by 2020 (compared to 2005 levels). Maxis wishes to contribute to achieving this objective. As a technology provider, Maxis relies heavily on energy to power our business and to enable our customers to use our services. We are therefore dependent on the cost of energy, as well as the ability of communities to access a stable electricity supply. At the same time, we believe that we can be part of the solution to improve energy efficiency. Emerging technology in mobile video conferencing can help reduce travel needs, and our industry is also

contributing to innovations in smart networks which monitor and adapt electricity usage to reduce energy waste.

We have started in our own back yard. Over the past two years, we have placed extra emphasis on addressing our direct operational impacts on the environment. Our strategic plan identifies three major focus areas: resource efficiency; carbon management; and waste management. So far, we have made major progress in the first two areas by mapping our major carbon impacts and developing initiatives and strategies to achieve significant reductions. We will be addressing waste management in the years ahead, where we will begin to map and address waste generated in our own operations and in our supply chain. We will also investigate how technology can assist our customers in reducing carbon emissions.



# POSITIVE IMPACT



Maxis employees in a tree planting initiative to reduce carbon footprint.

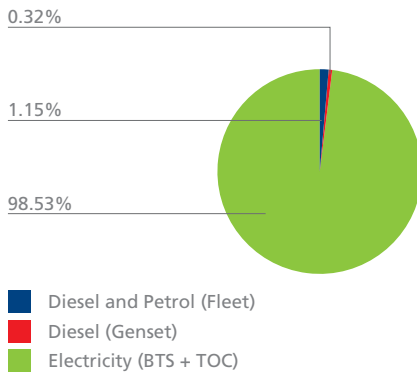
Maxis shares its telecommunication structures with other telecom operators to reduce environmental impact and cost of production.

## ADVOCATE ENVIRONMENTALLY FRIENDLY PRACTICES

Resource Efficiency	Carbon Management	Waste Management
<ul style="list-style-type: none"> <li>• <b>Optimise utilisation of resources throughout the product life cycle</b> e.g. maximise site sharing, reduce packaging volume, usage of recycled material etc. to reduce environmental impact and reduce cost of production</li> <li>• <b>Implement policies and infrastructures</b> to achieve energy efficiency and increase usage of renewable energy sources</li> <li>• <b>Develop innovative offerings</b> that promotes resource efficiency across the value chain</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Support United Nations Millennium Development Goals' ("UNMDG") green economy concept</b> through effective environmental management and investment in green technologies</li> <li>• <b>Develop internal initiatives to reduce carbon footprint</b> e.g. carbon credits, carbon incentives, carbon calculator, energy efficiency in buildings</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reduce waste of the Company's end-to-end operations</b> and advocate good practices among our suppliers and customers, promoting the concept of 'reduce, reuse and recycle'</li> <li>• <b>Minimise wastage and encourage usage of recyclable green materials</b> by embedding material management processes in product and packaging design and development</li> <li>• <b>Manage disposal of waste</b> from our operations responsibly</li> </ul>

## ADVOCATING ENVIRONMENTALLY FRIENDLY PRACTICES

**Carbon emissions (CO<sub>2</sub>e) by type**  
(Total tonnes: 164,533)



TOC – Telecoms Operating Centre,  
BTS – Base Transceiver Station

Assumptions:

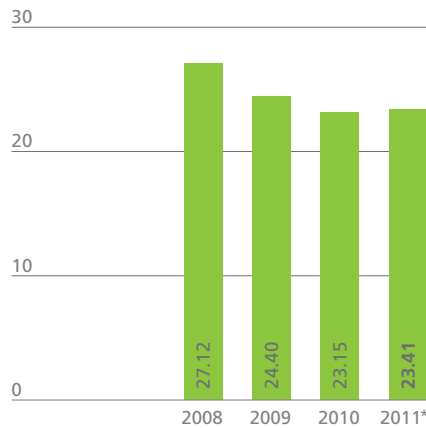
Electricity: 0.684 tonnes of CO<sub>2</sub>e/Mw

Diesels: 2.77 tonnes of CO<sub>2</sub>e/kl

Petrol: 2.3 tonnes of CO<sub>2</sub>e/kl

Data extrapolated from January-June 2011 to full year

**Tonnes of CO<sub>2</sub>e/BTS**



\* 2011 figures are extrapolated data for the first half of the year to full year

**Electricity cost per physical site**  
(at current rate of RM0.37/Kwh)



\* 2011 electricity usage extrapolated from January-June to full-year

### RESOURCE EFFICIENCY AND CARBON MANAGEMENT

In 2008, Maxis began the process of mapping our carbon footprint and seeking ways to minimise resource use, increase efficiency and reduce waste. This is not only a responsibility of any good corporate citizen, but we have also found that the efficiency gains help to reduce cost.

We have identified electricity use from base stations as our most significant direct environmental impact, and the biggest contributor to the Company's carbon emissions. In addition, we have mapped out our impacts through fleet and genset use, and have made efforts to offset our indirect emissions from land-use through an extensive afforestation partnership.

Our efforts to reduce our carbon footprint began with modernisation of our end-to-end network equipment for better energy efficiency. Our ambitious

network transformation programme resulted in replacement of key network elements with best-in-class technologies which are energy-efficient at the same time, such as 3G single radio access network and the Mobile Soft Switch system. We have also drawn on renewable energy solutions such as solar, to replace diesel powered remote base stations, and we advocated network-sharing, with approximately 54 per cent of our base station sites shared with other operators.

Through initiatives of the past two years, we achieved a 13.7 per cent improvement in energy efficiency of our operations – avoiding over four tonnes of CO<sub>2</sub> emission for each base transmitter station.

We are proud to have achieved year-on-year improvements, reducing our environmental impact. We see this as a strategic investment in making Malaysia greener, and also in our own

financial bottom line. Despite increases in electricity tariffs, we are already seeing monetary benefits. By increasing energy efficiency of our physical sites, we are saving over RM1,500 per site per annum, adding up to almost RM10 million in avoided cost, helping us absorb much of the electricity tariff increases during this period.

### MAINTAINING NATURAL FORESTS AND OFFSETTING INDIRECT EMISSIONS

A relatively minor part of our carbon emissions come from our infrastructure footprint. Although we do not place base transmission stations in high biodiversity areas, we recognise that some of our base stations will replace natural vegetation which act as a carbon sink and support biodiversity. We are currently exploring guidelines for site acquisition assessments, to ensure that we do not impose on high biodiversity areas.





Maxis senior management team leading the way in a tree planting initiative.

Our efforts to reduce our carbon footprint began with the modernisation of our end-to-end network equipment for better energy efficiency.

To ensure that our land-use is zero-net-carbon, we have implemented a tree-planting scheme in which we aim to plant over 7,000 Mahang seedlings at a 1-for-1 ratio for every base transmission station installed. The scheme is implemented in partnership with the Selangor Forestry Department, Sathya Sai Council of Malaysia and the Global Environment Centre, a Malaysia-based non-governmental organisation.

### CREATING AWARENESS AND PROMOTING GREEN BEHAVIOUR

We know that real change has to be introduced throughout our operations and that awareness is essential. We have therefore launched a variety of initiatives to encourage employees and customers to consider the environment before they act.

#### Accelerated Cost Efficiency initiative:

By installing energy saving light bulbs, reducing the number of visits to sites, introducing heat management solutions and better air conditioning, and installing dynamic radio control (TRX) power during off peak periods, we have significantly reduced the cost and environmental footprint of many aspects of our business.

**G-Tower initiative:** In 2010, we launched a strategic collaborative relationship to provide a full suite of end-to-end ICT and fixed network solutions (fixed voice, fixed data, IP services and Metro E (business Ethernet and business internet)) to tenants at the first internationally certified green building in Malaysia.

**Employee action:** We are encouraging all offices to turn off air conditioners after 6 p.m., and introduced recycling for papers and toners across the business.

**E-billing:** With 14.1 million subscriptions across Malaysia, our paper usage from monthly customer billings is both a cost and a significant environmental impact. We have therefore introduced e-billing, and are promoting this to increase uptake. RM5 waiver per month is given to customers who opt for e-billing.

**Earth Hour:** Since 2009, Maxis has participated in WWF's Earth Hour campaign, during which period all non-essential lighting and electrical equipment in Maxis offices and facilities across Malaysia are switched off for one hour.

# GRI INDEX

Our report is aligned to The Global Reporting Initiative (GRI), the leading guidelines for sustainability reporting. The GRI is a multi-stakeholder organisation, seeking to make social, environmental and governance reporting as robust as financial reporting. The guidelines contain principles and performance indicators for reporting. More than 3,000 organisations have used the guidelines to produce their sustainability reports. The latest version, G3.1 was launched in March 2011, and is used for this report.

GRI DISCLOSURE	LOCATION - SECTION	PAGE
1.1 CEO statement	Message from the Chairman	2-3
1.2 Description of key impacts, risks, and opportunities	Message from the Chairman Message from the CEO Mission and Strategy for Corporate Responsibility	2 4-5 12-14
2.1 Name of the organisation	Who We Are	6
2.2 Primary brands, products, and services	Who We Are	6
2.3 Operational structure	Who We Are	8
2.4 Headquarters location	Who We Are	6
2.5 Countries of operation	Who We Are	6
2.6 Nature of ownership and legal form	Ownership	7
2.7 Markets served	Who We Are	6
2.8 Scale of organisation	Who We Are	6
2.9 Significant changes during the reporting period regarding size, structure, or ownership	No significant changes in the reporting period	
2.10 Awards received during the reporting period	Awards and Recognition	9
3.1 Reporting period	About the Report	54-55
3.2 Date of most recent previous report	Not applicable. This is Maxis' first report	
3.3 Reporting cycle	About the Report	54-55
3.4 Contact	Maxis Sustainability Contact	59
3.5 Process for defining report content	About the Report	54-55
3.6 Boundary of the report	About the Report	54-55
3.7 Limitations of the scope or boundary of the report	About the Report	54-55
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that could affect comparability	About the Report	54-55
3.9 Data measurement techniques and assumptions	About the Report	54-55

GRI DISCLOSURE	LOCATION - SECTION	PAGE
3.10 Explanation of the effect of any restatements of information provided in earlier reports	Not applicable. This is Maxis' first report	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Not applicable	
3.12 GRI content index	GRI G3.1 Index	46-53
3.13 Policy and current practice with regard to seeking external assurance for the report	Assurance.	55
4.1 Governance structure	Corporate Governance	10
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	Corporate Governance	10
4.3 State the number of members of the highest governance body that are independent and/or non-executive members	Corporate Governance	10
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the board	Maxis Berhad Annual Report 2010 pages 101-102	
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	Remuneration and KPIs	11
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Maxis Berhad Annual Report 2010 page 89	
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	The diversity of Maxis' Board and active involvement of the CEO ensures that the company's CR performance is appropriately guided and monitored	

## GRI INDEX

GRI DISCLOSURE	LOCATION - SECTION	PAGE
4.8 Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Mission and Strategy for Corporate Responsibility	12-14
4.9 Board procedures for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Board Involvement in Corporate Responsibility	10
4.10 Processes for evaluating the board's own performance	Maxis Berhad Annual Report 2010 pages 101-102	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Combating Identity Theft and Enhancing Security Customer Privacy Product and Service Labeling and Marketing Communications Concerns over Electromagnetic Fields and Positioning of Base Stations	25 26 26 26
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Our strategic plan is based on support of the United Nation Millennium Development Goals and the priorities of the Malaysia New Economic Model	
4.13 Memberships in associations or advocacy organisations	Engagement and Contribution to Public Policy In addition, Maxis is a member of the CSR Asia Strategic Partner Programme	27
4.14 List of stakeholder groups engaged by the organisation	Partially: Where relevant, we have highlighted stakeholder engagement throughout the report. Our strategic roadmap includes a plan for structured stakeholder engagement for 2011-12. Future reports will include full reporting on this process	15
4.15 Basis for identification and selection of stakeholders with whom to engage	Partially: Where relevant, we have highlighted stakeholder engagement throughout the report. Our strategic roadmap includes a plan for structured stakeholder engagement for 2011-12. Future reports will include full reporting on this process	15
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Partially: Where relevant, we have highlighted stakeholder engagement throughout the report. Our strategic roadmap includes a plan for structured stakeholder engagement for 2011-12. Future reports will include full reporting on this process	15
4.17 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 its reporting.	Partially: Where relevant, we have highlighted stakeholder engagement throughout the report. Our strategic roadmap includes a plan for structured stakeholder engagement for 2011-12. Future reports will include full reporting on this process	15

ECONOMIC			PAGE
Disclosure on Management Approach	Core	Message from the Chairman Message from the CEO Mission and strategy for Corporate Responsibility Developing and Enriching Our Community, Customers and Partners	2-3 4-5 12-14 18-27
EC1. Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Core	Partially – Who We Are Developing and Enriching Our Community, Customers and Partners	6 18-27
EC2. Financial implications and other risks and opportunities for the organisation's activities due to climate change	Core	Advocating Environmentally Friendly Practices	42-45
EC6. Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	Core	Partially – Sustainable Supply Chain	27
EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement	Core	Developing and Enriching Our Community, Customers and Partners	18-27
Not reported - EC3, EC4, EC5, EC7, EC9			
ENVIRONMENT			PAGE
Disclosure on Management Approach	Core	Message from the Chairman Message from the CEO Mission and Strategy for Corporate Responsibility Advocating Environmentally Friendly Practices	2-3 4-5 12-14 42-45
EN3. Direct energy consumption by primary energy source	Core	Partially – Advocating Environmentally Friendly Practices	42-45
EN5. Energy saved due to conservation and efficiency improvements	Additional	Resource Efficiency and Carbon Management	44
EN7. Initiatives to reduce indirect energy consumption and reductions achieved	Additional	Partially – Maintaining Natural Forests and Offsetting Indirect Emissions	44-45
EN8. Total water withdrawal by source	Core	Our direct water usage is limited to standard office use, and we do not consider this a material issue	

## GRI INDEX

ENVIRONMENT			PAGE
EN9. Water sources significantly affected by withdrawal of water	Additional	Our direct water usage is limited to standard office use, and we do not consider this a material issue	
EN10. Percentage and total volume of water recycled and reused	Additional	Our direct water usage is limited to standard office use, and we do not consider this a material issue	
EN11. Location and size of land owned, leased and managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Core	Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact	44
EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Core	Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact	44
EN13. Habitats protected or restored	Additional	Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact	44
EN14. Strategies, current actions, and future plans for managing impacts on biodiversity	Additional	Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact	44
EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Additional	Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact	44
EN16. Total direct and indirect greenhouse gas emissions by weight	Core	Partially – Advocating Environmentally Friendly Practices We have not reported on direct emissions from office or retail operations, nor direct emissions from land-use.	44
EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved	Additional	Resource Efficiency and Carbon Management	44
EN21. Total water discharge by quality and destination		Our direct water discharge is limited to standard office use, and we do not consider this a material issue	
EN23. Total number and volume of significant spills	Core	Not material	

ENVIRONMENT			PAGE
EN25. Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Additional	Not material	
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Core	No significant fines or non-monetary sanction in the reporting period	
Not reported – EN1, EN2, EN4, EN6, EN17, EN19, EN20, EN22, EN24, EN26, EN27, EN29, EN30			
LABOUR			PAGE
Disclosure on Management Approach	Core	Message from the Chairman Message from the CEO Mission and Strategy for Corporate Responsibility Creating a Great Place to Work	2-3 4-5 12-14 30-39
LA1. Total workforce by employment type, employment contract, and region	Core	Partially	32
LA2. Total number and rate of employee turnover by age group, gender and region	Core	Partially – Employee Retention	37
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Core	Partially – Health and Safety	39
LA11. Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Additional	Training and Development	34-36
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Core	Partially – Creating a Great Place to Work Disclosure covers gender	30-39
Not reported – LA3, LA4, LA5, LA6, LA8, LA9, LA10, LA12, LA14, LA15			

## GRI INDEX

HUMAN RIGHTS			PAGE
Disclosure on Management Approach	Core	Message from the Chairman Message from the CEO Mission and Strategy for Corporate Responsibility Basic Labour Standards and Human Rights	2-3 4-5 12-14 38
HR6. Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Core	Basic Labour Standards and Human Rights	38
HR7. Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Core	Basic Labour Standards and Human Rights	38
HR9. Total number of incidents of violations involving rights of indigenous people and actions taken	Additional	We have not identified activities within our operations which may impose directly on rights of indigenous people	
Not reported – HR1, HR2, HR3, HR4, HR5, HR8, HR10, HR11			
SOCIETY			PAGE
Disclosure on Management Approach	Core	Message from the Chairman Message from the CEO Mission and Strategy for Corporate Responsibility Developing and Enriching Our Community, Customers and Partners	2-3 4-5 12-14 18-27
SO1. Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	Core	Developing and Enriching Our Community, Customers and Partners	18-27
SO5. Public policy positions and participation in public policy development and lobbying	Core	Engagement and Contribution to Public Policy	27
SO7. Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Additional	No legal actions in reporting period	
SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Core	No significant fines or non-monetary sanctions for non-compliance in reporting period	



<b>SOCIETY</b>			<b>PAGE</b>
SO9. Operations with significant potential or actual negative impacts on local communities	Core	Combating Identity Theft and Enhancing Security	25
		Concerns over Electromagnetic Fields and Positioning Of Base Stations	26
SO10. Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Core	Combating Identity Theft and Enhancing Security	25
		Concerns over Electromagnetic Fields and Positioning Of Base Stations	26
Not reported – SO2, SO3, SO4, SO6			
<b>PRODUCT RESPONSIBILITY</b>			<b>PAGE</b>
Disclosure on Management Approach	Core	Message from the Chairman	2-3
		Message from the CEO	4-5
		Mission and Strategy for Corporate Responsibility	12-14
		Enriching responsible products and services	24-25
PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	Additional	No non-compliances in reporting period	
PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Additional	No non-compliances in reporting period	
PR6. Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Core	Partially – Product and Service Labelling and Marketing Communications	26
PR7. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Additional	No non-compliances in reporting period	
PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Core	No non-compliances in reporting period	
Not reported – PR1, PR3, PR5, PR8			

# ABOUT THIS REPORT

This is Maxis' first Sustainability Report. Until now, we have published our Corporate Responsibility (CR) disclosure in our annual reports and on our website (maxis.com.my). We have opted to use the internationally-recognised Global Reporting Initiative (GRI) framework for this report because we believe it best reflects and encapsulates our commitment to CR. We believe that this report meets the requirements of GRI G3.1 Guidelines application level "B".

Our aim is to continuously review our CR performance and to publish updated data annually. Because this is our first CR report, there is no re-statement of information from previous reports, nor are there any significant changes from previous periods to report.

The data in this report were collected for the period January 2010 to June 2011. Where initiatives or data apply beyond this period, we have clearly stated this.

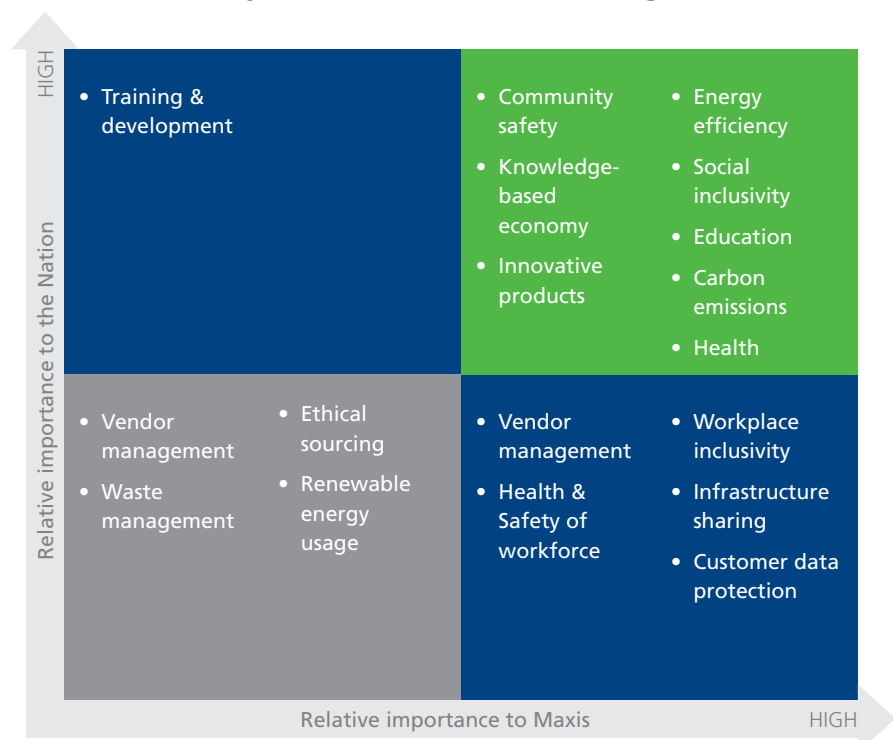
We have used the GRI G3.1 Principles as the basis for determining report content:

## MATERIALITY

In 2011, we commissioned PricewaterhouseCoopers Malaysia to assist us in developing a strategic framework for our CR efforts. Through management interviews and reviews of best practice held against the national context of Maxis' operations, we developed a materiality matrix to assist us in determining immediate priorities for action and reporting.

The areas in green are those areas which are both of high relevance to Maxis' operations, and which is highly placed on the Malaysian development agenda. These areas are the focus of the report. In addition, we are also including information in the report for areas (in blue) which are highly important to Maxis' business and internal stakeholders, and areas which have a high national priority:

### Materiality Matrix – Maxis 2011/12 Strategic Priorities



### STAKEHOLDER INCLUSIVENESS

We have conducted stakeholder engagement with Maxis' management team, by interview and team meetings. We chose this stakeholder group because the management team was involved in developing the new CR strategy for Maxis and by virtue of their positions within the organisation, they have an intimate understanding of the impacts of the business. As this is our first report, report content has not been determined in direct liaison with external stakeholders. However, we have taken into account our ongoing engagements and ongoing dialogue with stakeholders in determining report content. In future reports, we will seek the input of key stakeholders in the development of the reports.

### SUSTAINABILITY CONTEXT

Report content is prioritised based on areas deemed material for a major operator in the ICT sector in Malaysia. We have sought to include reference to national developmental and sustainability challenges throughout the report.

### COMPLETENESS

This report covers our wholly-owned operations in Malaysia, including subsidiaries in which Maxis Berhad holds a majority stake. Except where stated throughout the report, we have not excluded aspects of our operations which would have a significant impact on the content of the report. We believe that the report includes all significant actions or events in the reporting period, and that, combined with our Annual Report, includes relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental and social impacts.

### REPORTING CYCLE

Maxis is committed to report on its CR performance on a regular basis. We will determine the frequency of reporting based on stakeholder feedback from this first report.

### ASSURANCE

This report has undergone a GRI-check. For this first report, we have not sought third-party assurance. Our data will be undergoing an in-depth pre-assurance process in 2011-12, and we expect to include third-party assurance in future reports.

### DATA MEASUREMENT TECHNIQUES AND ASSUMPTIONS

All financial data is identical to that listed in the Maxis' audited Annual Report 2010. Other data presented in this report is based on internal data and is presented on a best-effort basis, and is subject to further improvement over future reporting cycles.

# GLOSSARY

**2G:** Second-generation of cellular telecommunication standards.

**3G:** Third generation of cellular telecommunication standards.

**Biodiversity:** The diversity (number and variety of species) of plant and animal life within a region.

**Climate change:** This is caused by the accumulation of greenhouse gases in the lower atmosphere, mainly due to human activities, such as the combustion of fossil fuels and deforestation.

**Digital divide:** The socio-economic gap between communities that have access to computers and the internet and those who do not.

**DC:** Direct current

**Gbps:** 1 billion bits per second

**Genset:** A genset, or distributed generator system, is an electrical generator located in proximity to the end-user rather than in a central location such as those utilised by commercial power providers.

**HSPA:** High Speed Packet Access

**ICT:** Information and Communication Technology; an umbrella term that includes any communication device or application, encompassing radio, television, cellular phones, computer and network hardware and software, satellite systems as well as various services and applications associated with them, such as video conferencing and distance learning.

**InfoComms:** Information and Communications

**Internet:** The interconnection of servers worldwide that provides communications and application services to an international base of business, consumers, education, research, government and other organisations.

**IP:** Internet Protocol; a standard that keeps track of network addresses for different nodes, routes outgoing messages, and recognises incoming messages.

**ISP:** Internet Service Provider

**KPKK:** Ministry of Information Communications and Culture.

**LAN:** Local Area Network; a short distance data communications network (usually within a building).

**Maxis or the Company:** Maxis Berhad (Company No. 867573-A)

**MyIX:** Malaysian Internet Exchange

**Network:** A group of two or more computer systems or telecommunications elements linked together.

**NGO:** Non-governmental organisation

**Non-Executive Director:** A Board Director who does not currently hold other employment in the company. Unlike an Independent Director, a non-executive can have significant financial interests or close personal ties to the company. (Source: Bursa Malaysia)

**RF:** Radiofrequency

**Server:** A shared computer on a LAN that provides services to other computers in the network.

**SKMM:** Malaysian Communications & Multimedia Commission.

**SMI:** Small and Medium Industry

**SME:** Small and Medium Enterprise

**SMS:** Short Message Services; a service whereby mobile telephone users may send text messages. In GSM systems, a text message can have a maximum of 160 characters.

**Switch:** A sophisticated computer in a telephony network or data communications network that connects networks automatically in response to signals that are carried to it.

**Telcos:** Telecommunications Company.

**USP:** Universal Service Provision; an initiative to promote the widespread availability and usage of network and/or applications services by encouraging the installation of network facilities and the provision of network and/or applications services in underserved areas.

**WAP:** Wireless Application Protocol; an open, global protocol that is designed to send web pages to wireless devices and allow users to access information instantly.

**Wireless broadband:** Broadband subscriptions for internet access on computers via wireless modems only. This does not include any internet access on mobile phone screens.

**WWF:** "World Wide Fund for Nature"; an NGO with a mission to stop degradation of the planet's natural environment.

# MAXIS SUSTAINABILITY CONTACT

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We welcome feedback on our CR reporting.

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