

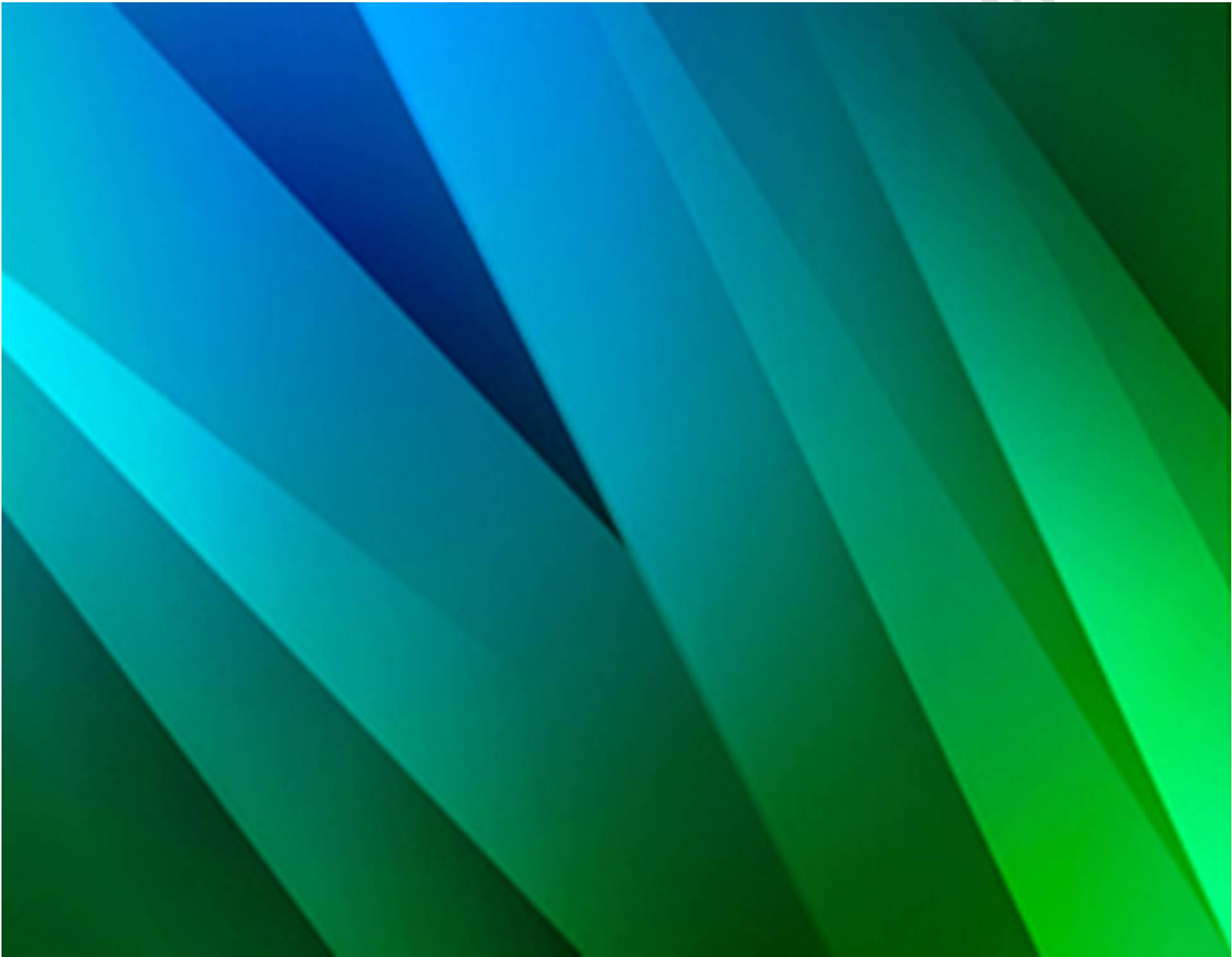


FROST & SULLIVAN  
INSTITUTE

# 2021 Frost & Sullivan Institute **Enlightened Growth Leadership Award**

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Excellence in Best Practices





## Congratulations!

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Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present Celcom Axiata Berhad (Celcom) with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes Celcom for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth over a span of their enduring association with Frost & Sullivan. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits. This recognition is also a token of our gratitude towards our clients whom we have accompanied on their journeys towards transformational growth. In this context, Celcom's recognition holds an even greater significance in reaffirming its longstanding relationship with Frost & Sullivan.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman

Frost & Sullivan and Frost & Sullivan Institute



## Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. Celcom excels in multiple criteria.



### Introduction

The Asia-Pacific (APAC) region is one of the largest telecommunication markets in the world. With the COVID-19 pandemic, remote work became the norm for people working in many different sectors. As a result, many telecommunications operators were forced to consume huge amounts of energy to meet demand. Consequently, the increase in energy consumption increased carbon emissions, thereby expanding the carbon footprint of the telecommunications industry. Also, the rapidly growing global data traffic and demand for new subscriptions will further increase energy consumption.

Nevertheless, global mobile operators' associations such as GSMA are committed to developing stringent science-based targets to limit global warming to 1.5 degrees Celsius by following the sustainable guidelines set by the Paris Agreement.

### ‘Innovating to Zero’ on Global Priorities



*“With support from the Axiata group, Celcom has developed a robust net-zero roadmap to meet the 2050 net-zero target set by the GSMA. As a part of the net-zero strategy, the company performs carbon inventory to assess various energy usage parameters, enabling it to develop company-wide targets on energy intensity, energy efficiency, and use of renewable energy solutions.*

**-Analyst, Frost & Sullivan**

The Axiata group -Celcom Axiata Berhad (Celcom) is a prominent name in the Asian telecommunications space that is driving sustainability while leading digital transformation. This leading telecommunications group strives to provide cutting-edge communication services in three key segments, which are digital telcos, digital businesses, and infrastructure. In the digital telco segment, Celcom is a major player in the telecommunications space in Malaysia. The company is committed to enhancing network quality and coverage across Malaysia and is providing value creation by addressing the environmental, social, and governance

factors for sustainable development.

With support from the Axiata group, Celcom has developed a robust net-zero roadmap to meet the 2050 net-zero target set by the GSMA. As a part of the net-zero strategy, the company performs carbon inventory to assess various energy usage parameters, enabling it to develop company-wide targets on energy intensity, energy efficiency, and use of renewable energy solutions.

Furthermore, Celcom supports vendors as well as other stakeholders to increase their capabilities and ensure sustainability across the value chain. For example, Celcom’s vendor development program (VDP) aims to develop competent suppliers that can complement the company’s ecosystem. Particularly, this program is focused on enhancing vendors’ industrial revolution 4.0 capabilities. This program supports the Malaysian government’s National Entrepreneurship Policy 2030. Besides partner programs, Celcom is committed to ensuring the health, safety, and well-being of its employees. The company holds ‘kitajagakita engagement sessions’ throughout the year to allow employees to discuss healthcare and well-being amidst the COVID-19 pandemic. The company is consistently involved in national community-building efforts to provide relief to the families and communities affected by the pandemic and natural disasters. The company donated more than RM 421,600 in food supplies, funds, and laptops to underserved communities throughout Malaysia.

Frost & Sullivan applauds Celcom’s continuous drive towards sustainability. With a robust net-zero roadmap, the company prioritizes sustainable development and excels in deploying programs that help achieve sustainable goals.

### **Growth Excellence**

Over the years, the Axiata group has profoundly transformed itself from a ‘moderate growth and moderate dividend’ investment proposition to a high dividend group. To achieve this, the group is involved in several high-level mergers and partnerships in the telecommunications space. A prominent example is the recent Celcom-Digi merger proposition, which has opened new avenues for the group to further its strategic vision and be the leading telecommunications provider in Malaysia. Celcom-Digi partnership will enable faster and more efficient deployment of fiber backhaul to base stations, and will sharply increase the readiness to deploy the fifth-generation (5G) telecom infrastructure in Malaysia. Additionally, despite the impact brought upon by the COVID-19 pandemic, Celcom’s three-year



*“Celcom-Digi partnership will enable faster and more efficient deployment of fiber backhaul to base stations, and will sharply increase the readiness to deploy the fifth-generation (5G) telecom infrastructure in Malaysia, thus making digital infrastructure more accessible to all”*

**- Analyst Full Name, Title**

transformation program and a robust go-to-market strategy, helped the company secure positive subscriber growth in 2020. Celcom gained additional 306,000 subscribers in 2020 alone, even surpassing the pre-pandemic year-on-year subscriber counts. Celcom's business strategies are well in line with the Axiata 5.0 strategy of becoming the next-generation digital champion by 2024. The company is at the forefront of 5G development and deployment by collaborating with

the Malaysian government in several 5G demonstration projects.

In 2020, the Axiata group witnessed group-wide revenue of RM 24.2 billion, where Celcom contributed an exceptional 25.7%. Despite the COVID-19 impact, the group's cost excellence program allowed RM 1.8 million worth of cost savings through more than 400 different initiatives. The group plans to expand its telco tower portfolio to a total of a remarkable 70,000 towers, which is bound to place the group among the global top five tower-infrastructure-focused companies. Currently, the group owns 22,329 towers and manages 11,258 towers in the ASEAN region alone. Besides tower infrastructure, Celcom is involved in several enterprise collaborations in major focus areas such as healthcare, education, internet of things, and ICT solutions.

Frost & Sullivan praises Celcom's robust growth strategy to lead the telecommunications space of Malaysia. The company demonstrated strong resilience in 2020 and witnessed a remarkable organic and inorganic growth, allowing it to remain dominant in the market.

### **Technology Leverage/Innovation**

The Axiata group is continually enhancing its market operations by leveraging technology. With a prominent vision to become 'the next generation digital champion by 2024', the group has developed a strong digital portfolio with infrastructure that supports digital transformation, digital analytics, and 5G growth. With strong support from the Axiata group, Celcom is continually engaged in developing 5G products and use cases and establishing strategic partnerships for innovating in the 5G space. The company is also involved in several sustainable initiatives to support green innovation. For instance, the 'Green office@celcom' initiative helped to reduce employees' carbon footprint through waste management, paperless practice, and energy-efficient fixtures, among others. Axiata group's 2020 national institute of standards and technology (NIST) maturity index stood at 3.5, which exceeded the world average of 3.2. The group also enforces group-wide minimum baseline security standard (MBSS) across its IT and telecom systems to mitigate the risk of cyber-attack and system failure.

Frost & Sullivan praises Celcom for its exceptional leverage of leading-edge technologies to accelerate digital growth and improve cyber awareness.



## Conclusion

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Celcom demonstrated enlightened growth by focusing on digital sustainability and taking significant steps to mitigate high energy consumption and achieve net-zero targets. Following the guidelines set by GSMA and the Paris Agreement, the company has developed a robust net-zero roadmap to ensure company-wide energy efficiency and the use of renewable energy solutions. Despite the COVID-19 impact on the economy and businesses, the company surpassed new subscriber counts of 2019 and achieved an additional 306,000 subscribers in 2020 alone. Celcom is at the forefront of building a robust fifth-generation infrastructure and leading the telecommunication sector transformation in Malaysia.

For its exceptional net-zero initiatives and strong overall performance, Celcom earns 2021 Frost & Sullivan Institute Enlightened Growth Leadership Award.



## What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

### Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**'Innovating to Zero' on Global Priorities:** The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

**Growth Excellence:** The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.





**Customer Value Chain:** The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

**Integrated Coopetition - Industry Partner Ecosystem:** The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

**Technology Leverage/Innovation:** The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.





## About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating, or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies and overarching mega trends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™



Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

### Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

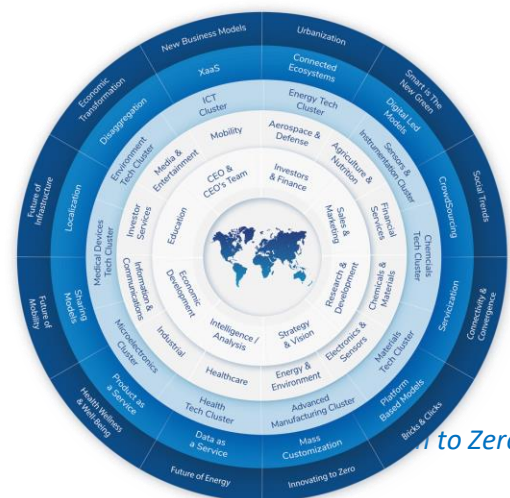
## The

## Innovation

### n Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:





- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

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