Social and Relationship Capital

SDGs impacted

Material topics included

- Enhancing customer experience and satisfaction
- Sustainable supply chain management
- Corporate citizenship and community development
- Fair marketing and advertising

Relationship with other capital

 Financial

 Intellectual

 Manufactured

We have established and fostered strong connections with various stakeholders, including customers, communities, governments, distributors and suppliers. The strength of our social partnerships and stakeholder relationships is crucial in meeting the needs of a new generation of customers.

Our relationships with stakeholders are closely tied to our commitment to provide excellent products and innovative services while upholding ethical business practices. We greatly value the networks and associations we have built over the years and continuously strive to enhance our social connections.

Customer obsession powered by technology

Customer obsession is of utmost priority to us and we are committed to transforming our services through innovative technology and digital tools, creating a seamless and delightful user experience. Our holistic approach focuses on every step of the customer journey, emphasising simplicity and efficiency across the Search-Discover-Purchase-Onboard-Experience.
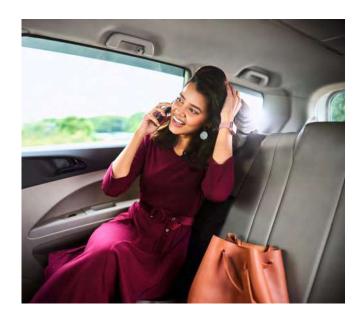
By adopting an omnichannel strategy, we enable customers to engage with us anytime, anywhere, seamlessly transitioning between channels. Through the integration of Artificial Intelligence (AI), Data Science and Generative AI, we deliver personalised services, reduce customer interactions and enhance service resilience.

We continuously invest in our network infrastructure, implementing strategic changes to future-proof our networks and ensure a superior customer experience. Our decisions are driven by a holistic Total Cost of Ownership (TCO) assessment that considers revenue, cost, experience and expertise.

Our customer data privacy policy complies with relevant laws and regulations and applies to all employees, suppliers and third parties with access to customer information. The policy is overseen by the Risk Management Committee and governed by the CISO. We respect customer consent and offer choices regarding their data. We update our privacy controls to adapt to changes in regulations and industry practices. Audits, certifications and vulnerability assessments are conducted to maintain data security. Real-time monitoring tracks data movement and instances of non-compliance are investigated and resolved promptly. Privacy Policy is available here.

▷ **Refer the 'Management Discussion and Analysis' section for more information on our strategic partnerships, new customer offerings and key initiatives.**

Transparent Communication

At Airtel, we hold transparency and honesty in high regard. We recognise that despite our sophisticated technology, unforeseen service interruptions may arise, necessitating scheduled maintenance. However, in today's interconnected world, the boundaries between peak and off-peak times have become less defined. As a proactive measure, we diligently communicate with our customers regarding planned outages and promptly send notifications in the event of unplanned disruptions caused by factors such as inclement weather. While these messages cannot completely eliminate disruptions, they provide valuable information that allows our customers to plan and adapt to a significant extent.

Social and Relationship Capital

Creating shared value for our channel partners

To create sustainable employment, we collaborate with rural entrepreneurs through our rural distribution network. Rural distributors and retailers earn a livelihood by selling our products/services. Field Sales Executives (FSEs) serve rural markets, providing local employment. Our Rural Promoter Program generates formal jobs for 10,000+ rural resources. Expand retailer presence in underserved areas, improving shop owners' earnings. With approximately 4,000 rural distributors employing 8,800+ FSEs, livelihoods are supported. We leverage digital interventions like geo-fencing and a digital ledger to enhance distribution efficiency. Quality Management Systems ensure high service standards, upheld through workshops, training and audits for channel partners.

Our Quality Management System upholds the highest standards and provides a framework for ensuring that our product and service distribution networks meet defined customer service quality benchmarks. Our extensive network of channel partners follows established standards and service level expectations throughout the value chain. To maintain customer service quality, we regularly conduct workshops and training programmes for distributors, retailers and other channel partners, in addition to performing audits.

Responsible supply chain towards a sustainable future

We prioritise responsible business practices and strong partnerships in the complex telecommunications supply chain. Our strategy focuses on enhancing customer experience, cost-efficiency and risk management through collaboration with supply chain partners. We have clear priorities including supplier capacity, delivery lead time, inventory management, scalability, sustainable practices, reliability, innovation, low-cost sourcing and geographic reach. By establishing these priorities, we partner with suppliers who enable us to operate efficiently and responsibly, staying ahead of the world. We maintain an efficient procurement process and ensure compliance with laws and regulations.

Supply chain management
Strategic priorities

1	Partnering with suppliers who provide goods/services of quality
2	Procure goods and services at competitive cost
3	Short lead time to meet business requirements
4	Strong focus on innovation and sustainability
5	Risk mitigation and agility to evolve with the dynamically changing customer needs.

302
New suppliers empanelled

97%
Share out of total procurement spent within India

The competitive advantage and market success we achieve, are greatly influenced by our strong ecosystem of partners supplying critical products and services viz. network, IT equipment and other key goods/services. Strategic Partners supply Network equipments, and Tower Companies provide the passive infrastructure which crucially supports Airtel to run network operations efficiently. In FY 2022-23, Airtel engaged with 3,591 suppliers out of which 3,462 are Indian suppliers.

Supplier category	Suppliers (Nos.)		Share (%) of procurement spent	
	Within India	Outside India	Within India	Outside India
Strategic partners (Key Active Network Equipment Partner)	7	2	95	5
Strategic partners (Tower Companies)	8	-	100	0
Critical partners	263	14	97	3
Others	3,184	113	94	6
Grand total	**3,462**	**129**	**97**	**3**

We encourage our suppliers to adhere to international sustainability standards such as ISO 14001, ISO 45001, ISO 27001 etc. Currently, more than 81% of our procurement comes from partners having at least one of these ISO certifications. We have Human Rights policy to promote human rights in our value chain. The policy provides a framework for suppliers to uphold human rights and implement practices that align with relevant labour laws, ILO Convention and Modern Slavery Laws. The Code of Conduct for Business Associates ("Code") sets out the fundamental values and integrity levels of business conduct that Airtel expects its business associates to uphold in all business relationships.

All suppliers must accept and adhere to the Code and Airtel's Human Rights Policy as contractual obligations. To foster ESG (Environmental, Social and Governance) practices throughout our value chain, we organise training and awareness sessions for suppliers and buyers covering requirements of the Code and Human Rights Policy, sustainability expectations from suppliers, Airtel's ESG Goals/Commitment and NGRBC (National Guidelines on Responsible Business Conduct) principles.

We evaluate suppliers based on ESG parameters, including environmental impact, labor practices, human rights, ethical conduct and data security. In the reporting year, 86% of our partners were self-assessed by procurement value. Furthermore, we have integrated measures into our procurement processes, such as:

- Acceptance of Code of Conduct and Human Right Policy before On-boarding
- Inclusion of reference to these policies in the suppliers contract
- Annual acknowledgement of these policies

Airtel promotes local procurement from India-based suppliers which constituted 97% of total suppliers in FY 2022-23.

Collaboration for supplier audits, corrective actions and capability building via JAC

Airtel has joined the Joint Alliance for CSR (JAC), which is a non-profit association of telecom operators domiciled in Belgium. The association aims to verify, develop, and assess the Corporate Social Responsibility (CSR) implementation across the manufacturing centres of suppliers in the Information Communication Technology (ICT) industry.

JAC members share resources and best practices to develop long term Corporate Social Responsibility implementation at different levels of the ICT Supply Chain globally. The sharing of resources and best practices does not involve the sharing of any commercially sensitive information.

Empowering communities

As a responsible corporate citizen, we are committed to contributing to both society and community development. To achieve this, we align our activities and contributions with our business purpose and values. We actively undertake community development initiatives in collaboration with diverse stakeholders through Bharti Foundation, which serves as the philanthropic arm of Bharti Enterprises.

Since its inception in 2000, the Foundation has been at the forefront of Corporate Social Responsibility (CSR) initiatives. We work closely with state governments, policymakers, NGOs, corporates and communities to realise the vision of a prosperous society. We place great emphasis on education, aiming to bring about a positive change in the lives of children from rural areas in India. In addition to this, our community development and upliftment programmes provide exposure to life skills such as communication and leadership. Through these initiatives, we strive to make a positive impact and create a better society.

▷ Refer to <u>page 62</u> of the 'Corporate Social Responsibility' section for detailed information on the positive impact that Airtel creates for the community in which it operates.