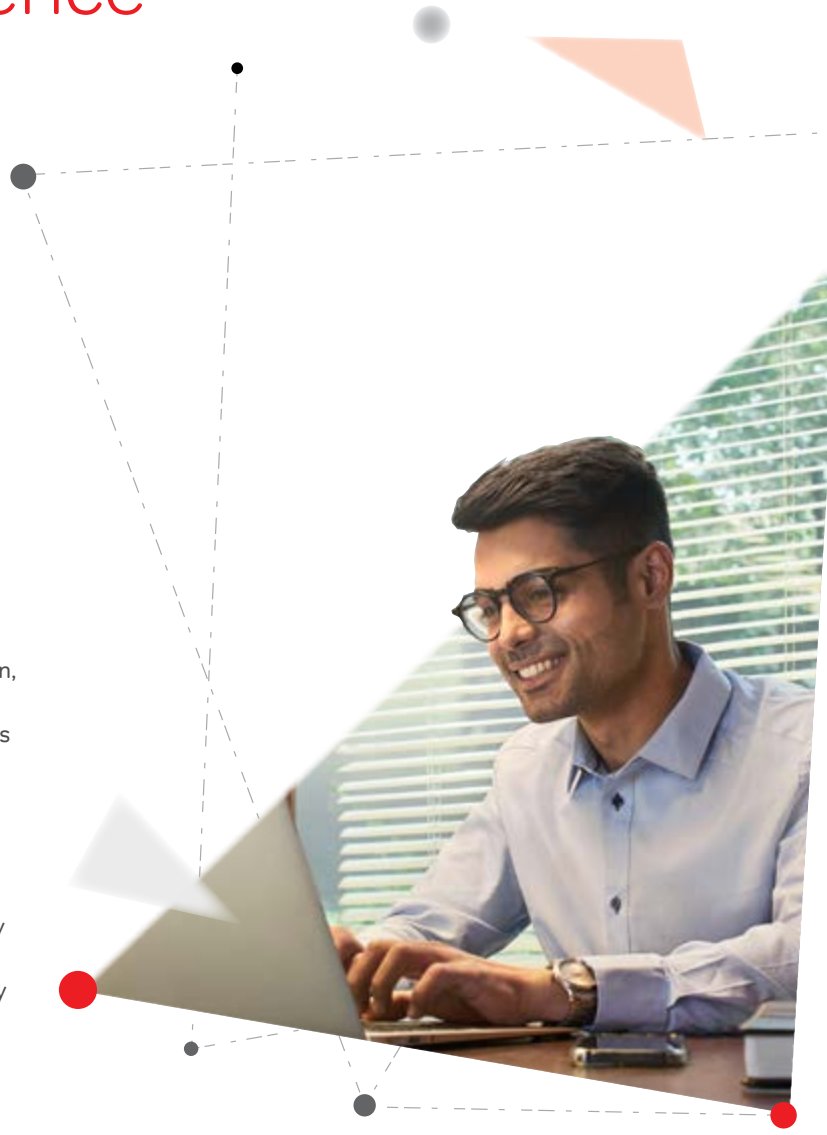


Augmenting resilience and relevance

Airtel's DNA is defined by its ability to anticipate and tap emerging trends and opportunities, design innovative offerings and create pathbreaking business and operating models. We also understand that opportunities come with associated risks and uncertainties, which may impact our growth and sustainability goals. We monitor these risks through a robust risk management framework and work relentlessly to mitigate them.

The telecom industry is characterised by growing competition, vast infrastructural requirements and ever-changing technology. Organisations are constantly looking for solutions to reduce operational risks. Risk management is critical to overall profitability, competitive market positioning, and long-term viability. There is also a need for the industry to comply with changing government regulations to maintain privacy and information security standards. The investment required to meet all these expectations is significant. It is only by transitioning risk and compliance efforts into a structured and controlled process that organisations can grow profitably and sustainably.



Responsibility and accountability

Board of Directors

An annual evaluation of the Company's risk management framework is conducted by the Board of Directors along with period evaluation and assessment by the Risk Management Committee. The Risk Management Committee formulates a detailed risk management policy and monitors the implementation of the same. The Chief Risk Officer works closely with the Risk Management Committee on an independent basis and conducts a complete review of the risk assessments and associated management action plans. The Board of Directors is the apex body that reviews critical risks and deliberates and approves action plans which can effectively mitigate those risks.

Airtel's Management

The CEOs of Airtel businesses in India, South Asia and Africa (AMB and Africa Exco) are responsible for managing the strategic risks that may impact their operations. These risks are generally identified by their Circle teams, the national level leadership and teams from the international Operating Companies. The management team draws on internal audit reports for identification of risks and scans internal and external environments for ascertaining developments that could pose material risks for the Company. Internal audit reports are also considered for the identification of key risks.

Operational Teams

The Executive Committees (EC) of Circles in India and Operating Companies from international operations manage risks at the ground level. The EC has local representation from all functions, including central functions like Finance, SCM, Legal & Regulatory and customer facing functions, such as Customer Service, Sales & Distribution and Networks. It is the responsibility of the Circle CEO or Country Managing Director to engage functions and partners to manage the risks. They are also responsible for the identification of risks and escalating it to the central teams for agreement on mitigation plans.

Enterprise Risk Management

The ERM is a clear three-step process at Airtel that includes risk identification, risk mitigation and monitoring and reporting. In the first step, a well laid criteria helps in the identification of enterprise level strategic risks that pose a significant threat to the organisation regarding business and operational continuity, brand and market perception, ability to raise resources for future expansion and adapting to radical changes in industry/technology, etc. The documentation of the top risks and their sub-risks is done, and responsibility is assigned to a risk owner.

The next step, risk mitigation, involves identification of actions to eliminate exposure to potential risks and reduce the likelihood and negative impact of such risks. Once the risks are identified, a mitigation plan is formulated. Criteria that are generally used for identifying effective mitigation plan is explained in this ERM. In the final stage, bi-annual monitoring is done by the Risk Management Committee (RMC) of key strategic risks as well as the effectiveness of the mitigation plan.

Risk identification



Risks categorisation

The global risk landscape has shifted in the last decade towards the evaluation of ESG risks. Companies need to take an active role in understanding, addressing, and reporting on ESG-related risks as they have the potential to erode brand trust and financially impact the Company. As a part of the materiality assessment process, an independent third party has evaluated the material existing and emerging risks for the industry.

Sector-specific risks across the three ESG categories include:

<p>1</p> <p>Economic & governance risks</p> <p>Encompasses all aspects that directly impact economic performance of a business, such as taxation, regulatory compliance, technological changes as well as risks arising from lack of sound governance.</p>	<p>2</p> <p>Social risks</p> <p>Risks which occur due to adverse changes in stakeholder relationships within operations and in the value chain with employees, partners, customers, vendors and suppliers.</p>	<p>3</p> <p>Environmental risks</p> <p>Risks arise on account of environmental uncertainties such as climate change or due to potential adverse impact of business on the environment.</p>
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Risk mitigation

Regulatory and political uncertainties

Volatile and uncertainty in macro-environment with geo-political tensions in India, Sri Lanka and 14 African countries.



Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues
<p>A continuous assessment is done to assess the changing political scenarios. Airtel contributed to socio-economic growth through high quality services to our stakeholders. We maintain cordial relation with the government in the countries we operate. The country MDs and CEOs carry direct accountability for maintaining neutral government relations.</p> <p>We actively work with industry bodies like CII, FICCI for espousing industry issues. The regulatory team along with legal and networks ensure compliances with prevailing regulations and laws. Airtel engages with government authorities to ensure that support by way of permissions for movement of employees and other requisites is extended by the government to facilitate uninterrupted operations and maintenance of telecom network.</p>		 	<p>Regulatory compliance</p> <p>Corporate governance & business ethics</p>

Fiercely competitive battleground

Unprecedented disruption and unfair pricing may lead to competition and may lead to erosion of revenue with loss of customers. Further the evolving customer expectations in terms of quality, variety, features and pricing pose threat to business sustainability.



Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues
<p>We are streamlining our product portfolio, reducing redundancies and eliminating unused products. In order to derive higher extraction and enhance ARPUs, we have plans with minimum recharge commitment, while keeping the affordability factor in mind. Staying ahead of the curve and future ready in terms of technology adoption of the online payment by customers. Peer market study and staying competitive in the changing environment.</p>		 	<p>Corporate governance & business ethics</p>



Economic uncertainties

Business operations might be impacted with instability in economies in our countries of operations with factors like inflation, interest rates, capital controls and currency fluctuations.

1

Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>Airtel has diversified its risks and opportunities across markets with an extensive services portfolio to widen customer base. To mitigate currency risks, we have hedging mechanisms in place to protect cash flows along with a prudent cash management policy to minimise the risks of blockages at times of capital controls.</p> <p>In addition to entering interest rate swaps to reduce interest rate risk, we have also spread our debt profile across local and overseas sources of funds to create natural hedges. Our pricing strategy is based on the principles of mark to market, profitability and affordability to protect margins.</p>			Regulatory compliance

Poor network infrastructure

Risks in network infrastructure cost due to technical failures, human errors and natural disasters. Dynamic changes in IT landscape require constant up-gradation of technologies.

1

Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>State-of-the-art network operations to monitor real-time network activity, and take proactive and immediate action to ensure maximum uptime. Shift towards in-house network planning to ensure intellectual control on architecture. Quality improvement programme in place to reduce and eliminate network risk.</p> <p>Tighter SLAs with network partners for their delivery. We also have a conservative insurance cover policy along with disaster management guidelines in place. We share infrastructure with other operators and enter into SLA-based outsourcing arrangements to ensure high quality of assets. We work with partners to enhance network availability and reduce failures, along with continuous monitoring, upgradation and automation to increase customer experience.</p> <p>Automation of operational process with a vision to move towards zero-touch operations. Upgradation of infrastructure to increase resilience. Airtel continues to work towards climate proofing the infrastructure by building geographical redundancies and resilience, multiple fiber paths for critical sites, strengthening tower infrastructure in cyclone and flood prone regions.</p>		 	Network quality, expansion and satisfaction

- Financial Capital
- Human Capital
- Manufactured Capital
- Social & Relationship Capital
- Intellectual Capital
- Natural Capital
- Emerging
- Stable

Data loss prevention

Risk of data loss can lead to accidental exposure of confidential information across all endpoint devices.



Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>We implement stringent processes and relevant technologies to ensure the privacy of personal information is maintained during its entire lifecycle through multiple policies including Bharti Airtel Information Privacy Policy (BIPP) and Data Leakage Protection (DLP) strategy.</p> <p>All our endpoints are equipped with specialised software to help monitor various channels for potential violation, alert generation and real-time action.</p> <p>A centralised team reviews the alerts and raises an incident for investigation and consequent actions. All incidents are tracked to closure in a time-bound manner. A monthly review of all incidents and their closure is conducted to regularly refine the existing policies.</p>		 	<p>Information security and customer data privacy</p>

Operating expenses

Increase in business operating expenses (new sites rollouts, capacity) and/or rate increases (inflation, Fx impacts, wage hikes, energy etc.).



Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>We have institutionalised the War on Waste (WoW) programme, an enterprise-wide cost-reduction and cost-efficiency initiative.</p> <p>Digitisation and automation with significant programmes across the board are continuously monitored through the WoW initiative.</p> <p>We have been progressively striving to keep debt at acceptable levels and continue to take decisions on inorganic sources of funding to meet the same.</p>			<p>Innovation in product and services</p> <p>Talent attraction and human capital development</p>

Network experience

Telecom companies are required to invest in innovation in line with changes in industrial landscape to provide high quality customer experience and meet the increased customer demand for a stronger and better network connectivity.



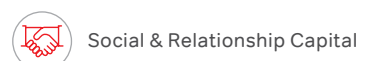
Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>Airtel has been continuously investing in innovation and network expansion to match the changes in the industrial landscape with an objective to provide high quality experience to its stakeholders and meet high customer demand for a better and stronger network quality.</p> <p>We continuously take steps to increase our backhaul readiness and capacities on sites. We are 5G ready under all aspects and has demonstrated our capabilities through various 5G trials and use cases.</p>		 	<p>Innovation in product and services</p> <p>Enhancing customer experience and satisfaction</p>



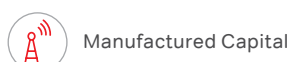
Financial Capital



Intellectual Capital



Social & Relationship Capital



Manufactured Capital



Human Capital









Natural Capital

Internal controls and processes

Any gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.






2

Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>We monitor our compliances carefully at all stages of operations to ensure compliance with all accounting, legal and regulatory requirements proactively. Besides internal audits, we have multiple other processes in place to identify and rectify deviations early enough. Internal Financial Controls and the Corporate Audit Group monitor if such controls are in place.</p>	◀▶	     	<p>Corporate governance & business ethics</p>

Digitisation and innovations

Digitisation is reshaping the telecom sector and will be a key driver for innovation, as companies compete in a digital ecosystem away from pure connectivity-based environment.



1

Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>Digitisation and automation continue to be a prime focus area for us with several initiatives constantly being undertaken to transform the core business.</p> <p>We are launching products with a focus to simplify customer experience powered by digital-first journeys based on customer segment. We are also redesigning and automating processes to be end to end digital and raise service standards and save cost.</p>	▲	    	<p>Digital inclusion and enhanced access to ICT</p>

Climate Change

Increasing carbon footprint is a serious concern which raises questions on business credibility and sustenance in the long-term.

3

Mitigation measures	Y-o-Y Risk movement	Capitals impacted	Material issues for Airtel
<p>We are cognisant of the negative impact that climate change has on our business and have identified 'Energy, Climate Change and Resource Optimisation' as one of our high-priority material issues.</p> <p>We undertake multiple initiatives to adopt green energy solutions, reduce energy consumption, create green data centres, facilitate equipment optimisation, create outdoor BTS sites, and minimise e-waste and paper waste.</p>	▲	 	<p>Climate change and carbon emissions of telecom infrastructure</p> <p>Sustainable supply chain management</p>

Read a detailed mitigation strategy on page 140 of this report.



Emerging



Stable



Curating digital experiences to deliver a riveting

customer experience

We are obsessed with our customer, and it is this obsession that has led us to continuously raise the bar on innovation so that we can deliver exceptional experiences to them and ensure greater customer lifetime value. At the centre of each innovation is our commitment to foster new connections, experiences, and possibilities for a new generation of customers.

Customer obsession as our chief differentiator

Our customer obsession is a trait that is immanent in every aspect of our operations – at customer touch points, network experience, customer-facing applications, go-to-market capabilities and stores to delivery teams of installation and fault repair. To give our customers unparalleled experience, we have been re-imagining customer journeys from an omni-channel perspective – which has led us to bring all our services under the single build of One Airtel.

Enabling an omni-channel customer experience

We have created the next-gen omni-channel experience for our customers, where today a customer can search, buy, get onboarded, experience and refer our services on any channel – be it offline or online. We have created the intelligence and tools to meet the customer requirement irrespective of the channel they choose.

This is what led us to launch Airtel Black, a dynamic and impactful convergence platform that sits on top of our billing stacks, allowing customers to bundle multiple services from Airtel in a single plan. This enables one single bill for the customer, one Customer Care number with a dedicated team of relationship managers, and priority resolution of faults and issues, in turn elevating the customer experience for our high value customers.

Our customer obsession also the reason behind Airtel's own self-optimising network which enables proactive auto optimisation of mobile networks, especially TDD (1800 MHz) to ensure that Airtel customers enjoy world-class high-speed data and voice experience.

Unleashing the power of One Airtel

Another milestone this year was retooling our organisation through two fundamental changes:

Moving away from fragmented channel organisation

The whole fragmented channel organisation was brought under one channel leadership team. Now, we have two channels serving all our consumer businesses – mass Retail channel and Direct to Customer. While enabling cost savings, the new structure has provided teams with bigger roles and has substantially simplified our interface with customers. In our Direct to Customer channel, the store is at the fulcrum of the catchment, with ownership of both commercial and residential areas.

Bringing home delivery organisation together

Now, regardless of whether it is Broadband, DTH or any other consumer business of Airtel, there is only one team that goes to the customer's home and delivers the solution. All this is powered by in-house digital capabilities – Airtel Work, a platform for any transaction or work across every part of Airtel.

On the back of our rich digital layer, digital palpates every aspect, be it in improving the customer experience, recommending an additional service, collecting payments or simply engaging. It is not only the best customer experience which is enabled by digital, but it also fires our premiumisation agenda and our Industry leading ARPU. It is the same digital experience that allows us to have low levels of churn and raise customer stickiness, directly benefiting the customer lifetime value.

Airtel Next-gen stores

