

## Operating Context

# Trends shaping our industry

In the dynamic landscape of the telecom industry, several key trends are shaping the future and presenting new opportunities and challenges for companies. From the rapid advancements in technology to evolving consumer demands and regulatory changes, telecom companies must navigate these trends to stay competitive and meet the ever-changing needs of their customers. At Airtel, we are always cognizant of these developments to ensure we stay ahead of the curve.

### Emergence of high-value customers

There has been an emergence of high-value customers in recent years, which has been revolutionising the industry. These customers contribute significantly to a company's revenue through substantial monthly spending and frequent usage of value-added services.

#### Our response

Our premiumisation strategy is centred around acquiring high-value customers by offering them bundled solutions and superior experience. Airtel Black and Family plans have played a crucial role in our success. Leveraging the convergence capabilities and the power of bundling to provide convenience and cost-effectiveness to our customers. By delivering a differentiated experience to our high-value customers, we have strengthened our premiumisation agenda and maintained a competitive edge in the market. Our continuous efforts to expand and upgrade the 4G network, along with the ongoing rollout of 5G services, have further attracted high-value customers, resulting in strong net additions and market share gains.



### Emergence of climate risks

With each passing year, temperature and pollution levels continue to rise, amplifying the risk of natural disasters. These changes also lead to anticipated shortages of water, food, and commodities, while posing a significant threat to biodiversity. To mitigate the impact of global warming and address these challenges, proactive measures are essential for all telecom companies.

#### Our response

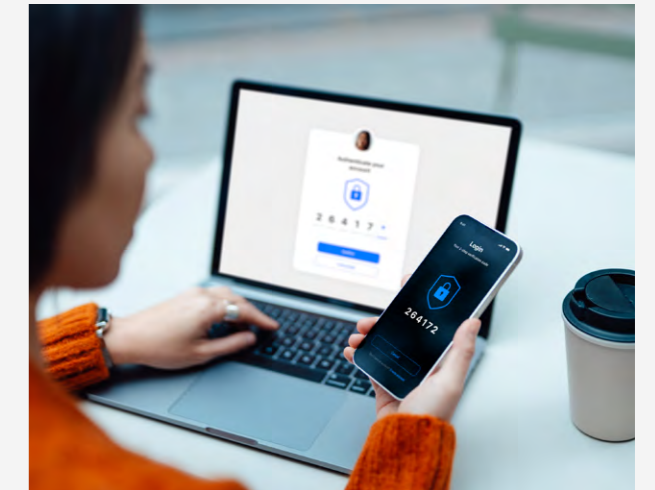
We have embarked on a transformative sustainability journey, leveraging innovation and strategic initiatives to drive positive change. At the heart of our efforts is a commitment to reduce our carbon footprint and achieving Net Zero. We are spearheading the establishment of green Data Centers, incorporating energy-efficient initiatives in our wireless network and sustainable practices. By embracing solar deployment, we are harnessing the power of renewable energy, significantly reducing our reliance on traditional power sources. We are prioritising the climate-proofing of our networks, ensuring resilience in the face of environmental challenges.

### Emergence of home entertainment

The emergence of home entertainment has revolutionised how we consume content. With high-speed internet and streaming services, people now have a wide range of options to enjoy movies and TV shows at home. Smart TVs and gaming consoles provide immersive experiences, while personalisation and shared viewing have become the norm. This trend is reshaping modern lifestyles and continues to evolve with ongoing innovation in the sector.

#### Our response

We redefined entertainment with seamless connectivity and a wide range of options through our home broadband and DTH services. Our Xstream box provides access to over 20 top OTT apps and 700 TV channels, allowing customers to toggle effortlessly between linear and digital content. We expand our home broadband coverage through home passes and reach in newer cities with LCO partnerships. This has resulted to all time high customer market share of 18.3% as of March 2023. Fixed broadband converts non-smart TVs into smart, connecting them to our integrated Xstream box with an in-built Chromecast Play. Our redefined DTH strategy offers simplified plans for transparency and convenience, fostering customer loyalty. We also improve our GTM strategy to enhance customer acquisitions.



### Emergence of cyberattacks

As digital adoption in India has surged, so has the alarming rise of cybercrime. The scale and complexity of cyber threats continue to impact essential services, businesses and individuals. Cyber criminals exploit vulnerabilities to steal passwords, data and money. Hacking, phishing, and ransomware are common cyber threats. High-profile ransomware campaigns and massive data breaches have exposed individuals and businesses to fraud.

#### Our response

We recognised the urgency to address cyber threats and protect our customers. To ensure their safety during remote work, online classes, e-commerce transactions and entertainment, we introduced the 'secure internet' service through Xstream Fiber. This service blocks malware, viruses, high-risk websites and apps in real-time. In collaboration with Kaspersky, we made it convenient for Airtel customers to purchase Kaspersky Total Security directly from the Airtel Thanks app. Our aim is to enhance cybersecurity awareness among Indian internet users and promote safe online practices. We have also pioneered various cybersecurity solutions, such as Airtel Secure, catering to the advanced needs of our business customers. Furthermore, Airtel Payments Bank offers 'Airtel Safe Pay,' India's safest mode of digital payments, to protect our customers from online payment frauds.