



# OUR SUSTAINABILITY JOURNEY

Sustainability is key to becoming a Digital Powerhouse by 2030. As a responsible company, we have always aimed to align our business with what is best for environment and society.



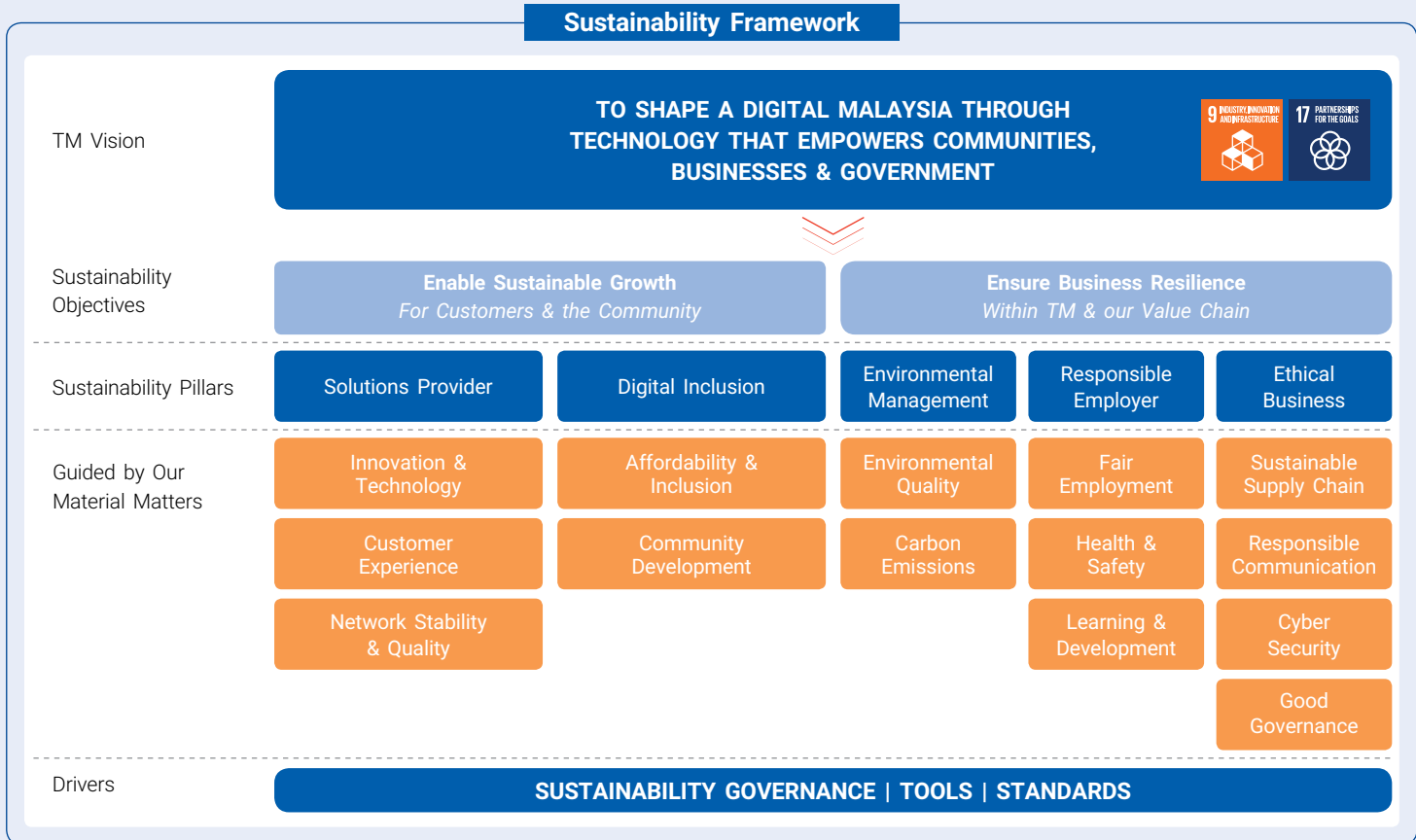


# Sustainability at TM

This year marks a significant milestone in our sustainability journey, with a strategic emphasis on integrating sustainable practices across all levels of our organisation. The endgame is for all *Warga TM* to instinctively consider the sustainability impact of their decisions and actions, thus integrating sustainability into our business strategies, operations and corporate culture.

## SUSTAINABILITY FRAMEWORK & INTEGRATION PLAN

Aligning our impacts with TM's strategic goal, we catalysed the expansion of our sustainability objectives, resulting in a refined Sustainability Framework and Integration Plan, which has been endorsed by our BOD.



The new framework, rooted in TM's vision and mission, aims to achieve two (2) strategic objectives supported by five (5) sustainability pillars:

### 1

**Enable Sustainable Growth for Customers & the Community**

**Solutions Provider**  
We employ innovative and technology-based solutions to deliver sustainable value and superior customer experiences while maintaining a stable and high quality network.

**Digital Inclusion**  
We are committed to narrowing the digital divide and fostering digital inclusion, ensuring widespread access to connectivity and the ability for everyone to enjoy digital technology

### 2

**Ensure Business Resilience within TM & Our Value Chain**

**Environmental Management**  
We actively manage our environmental impacts and resource use through mitigation and adaptation strategies, enhancing resilience to environmental and climate-related challenges

**Responsible Employer**  
We prioritise our *Warga TM*'s professional growth and personal well-being, fostering an ethical and safe workplace culture that supports their development

**Ethical Business**  
We establish trust through ethical business practices, covering sustainable supply chain, cyber security, data privacy and responsible communication to foster long-term relationships with stakeholders

The framework incorporates a systematic approach to sustainability highlighted by robust governance, clear policies, key performance indicators (KPIs), top management and board oversight and effective tools for data management. It aligns with global best practices and standards, ensuring that TM's sustainability strategy is both comprehensive and impactful.

### Sustainability Integration Plan

To advance our sustainability objectives, we have crafted a comprehensive three-year plan for sustainability integration, meticulously designed to further our goals in alignment with our core sustainability pillars. These deliverables will be implemented progressively through various stages of integration across our business operations:



Legend:

Stage	Integration Efforts
<b>Building the Foundation</b>	<ul style="list-style-type: none"> <li>Refine our baselines and target-setting</li> </ul>
<b>Early Integration</b>	<ul style="list-style-type: none"> <li>Institutionalise and integrate sustainability into policies and processes</li> <li>Integrate sustainability metrics into the KPIs of relevant members of top management</li> </ul>
<b>Scaling Up/Expansion of Integration</b>	<ul style="list-style-type: none"> <li>Build relevant sustainability competencies across various levels of employees and external stakeholders</li> <li>Improve the breadth and depth of sustainability-related data</li> </ul>
<b>Advanced Integration</b>	<ul style="list-style-type: none"> <li>Integrate relevant sustainability metrics into KPIs among a wider group of employees</li> <li>Enhance the scope of disclosures</li> </ul>
<b>Fully Integrated</b>	<ul style="list-style-type: none"> <li>Fully integrate relevant sustainability metrics into policies, processes and KPIs across various levels of employees</li> <li>Advanced disclosure of sustainability metrics</li> </ul>

# Sustainability at TM

## CONTRIBUTING TO THE SUSTAINABILITY AGENDA

We strategically align with two (2) SDGs that resonate closely with our core business functions: SDG9 and SDG17. This alignment emphasises our focus on areas where our core strengths can have the most significant impact, while still acknowledging our contributions to other SDGs.

We directly contribute to two (2) priority UN SDGs...



**SDG9:** Industry, Innovation & Infrastructure

As a leading converged telco-tech company, TM directly contributes to establishing nationwide connectivity, which is crucial for supporting industry growth, innovation and socio-economic development. This goal aligns perfectly with our mission to enhance the connectivity, coverage and innovation across the nation.

SDG Target	TM's Contribution	More Details
SDG 9.3: Increase access for small-scale industrial and other enterprises to value chains and markets	<b>Impact on MSMEs:</b> Specific contributions and value-added	page 112
SDG 9.b: Support domestic technology development	<b>Technology Supplier Contributions:</b> Engagement with high-tech, mega-tier suppliers	page 152
SDG 9.4: Upgrade infrastructure and retrofit industries for sustainability	<b>Carbon Emissions Reduction:</b> Measures and outcomes in emissions per unit of value added	page 126
SDG 9.5: Enhance scientific research and upgrade technological capabilities	<b>Research &amp; Development (R&amp;D) Expenditure:</b> Significant investments into new technology and solutions	page 100
SDG 9.c: Increase access to ICT and strive for universal, affordable Internet access	<b>Network Coverage:</b> Enhancements in fixed broadband and LTE population coverage	page 108



**SDG17:** Partnerships for Goals

Our approach to creating value involves extensive collaboration with a broad network of partners from both public and private sectors. This collaborative effort aims to advance national progress towards the SDGs, including partnering with educational institutions to boost digital skills and assisting MSMEs in their digital transformation.

SDG Target	TM's Contribution	More Details
SDG 17.6: Enhance cooperation on science, technology and innovation	<b>Broadband Subscriptions:</b> Promotion of fixed Internet broadband access	page 112
SDG 17.8: Enhance the use of enabling technology, especially ICT	<b>Internet Subscribers:</b> Expansion in the number of Internet subscribers	page 112
SDG 17.9: Support national plans to implement SDGs through capacity building	<b>Financial Assistance:</b> Investment in educational and capacity building scholarships	page 116

SDG Target	TM's Contribution	More Details
SDG 17.13: Enhance macroeconomic stability	<p><b>Macroeconomic Support:</b> Support Malaysia MADANI via digital solutions for MSME grants and affordable connectivity packages</p> <ul style="list-style-type: none"> <li>• <b>GDPM:</b> Support the dissemination and utilisation of the GDPM, a Government grant, encouraging MSMEs to adopt digital solutions</li> <li>• <b>Pakej RAHMAH Unifi:</b> Affordable mobile and broadband access for various societal groups</li> </ul>	<p>page 112</p> <p>page 112</p>
SDG 17.17: Promote public and private partnerships	<p><b>Infrastructure Partnerships:</b> Contributions to infrastructure through various projects, including POP1, POP2, PEDi, Interim School and MyGov*Net installations</p>	page 112



...and the Government's nation building agenda...

JENDELA

**Aim**

To provide wider coverage and improve the quality of broadband experience for the *Rakyat*, whilst preparing the country for the adoption of 5G technology

**Contributions**

**Phase 1 (2020 – 2022) & Phase 2 (2023 – 2025)**

- TM accounted for 81% of the 7.4 million premises provided with fibre connectivity under JENDELA Phase 1, which concluded in 2022
- By the end of 2025, TM aims to extend fibre connectivity to over 570,000 additional premises
- To date, TM has enabled 73% of premises with high-speed broadband access across Malaysia

**Malaysia Digital Economy Blueprint (MyDigital)**


**Aim:** To transform Malaysia into a digitally-driven, high-income nation and a regional digital leader

As the nation's only quad-play convergence services provider, TM plays a key role in enabling the digital economy through comprehensive fixed broadband, mobile, lifestyle services and business solutions. These services are essential for the digital transformation of Malaysian citizens, businesses and Government agencies.

**Green Technology Master Plan Malaysia**

**Aim:** To develop green technology and create a low-carbon economy by 2050

TM contributes to the Green Technology Master Plan through various initiatives, including transitioning to energy-efficient equipment and buildings, expanding renewable energy sources and improving processes to reduce travel and lower our carbon emissions.

 For more information on our energy-efficient initiatives, refer to page 126.

# Sustainability at TM

## Malaysia MADANI

**Aim:** To strengthen the core values of sustainability, prosperity, innovation, respect, trust, care and compassion in Malaysia

**TM's Contributions:**

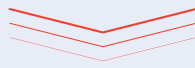
- **Geran Digital Perusahaan Mikro Kecil & Sederhana (PMKS) MADANI (GDPM):** This Government grant initiative, supported and promoted by TM, assists MSMEs in incorporating digital solutions into their business operations, thereby advancing digital inclusion.
- **Pakej RAHMAH Unifi:** Offers affordable broadband and mobile packages to increase Internet accessibility for various communities, promoting digital inclusivity.

## New Industrial Master Plan (NIMP) 2030

**Aim:** To stimulate economic growth across all states by identifying new growth areas based on each state's unique strengths

**TM's Contribution:**

- **Network & Infrastructure Expansion:** By enhancing its network and infrastructure, TM supports the growth of digital and ICT, a key sector identified in NIMP2030, facilitating the digital transformation of the Malaysian industry.
- **Enabling Other Sectors:** TM's infrastructure and services also empower other vital sectors like transportation, manufacturing and healthcare, aiding them in achieving their NIMP2030 objectives and driving overall industrial advancement.



...by focusing on our Sustainability Objectives...	...& Sustainability Pillars...	...to create sustainable value for our stakeholders...	...& our business performance...	...while indirectly contributing to other UN Global Goals...
<b>Enable Sustainable Growth for Customers &amp; the Community</b>	<b>Solutions Provider</b> See page 99 for more information	<ul style="list-style-type: none"> <li>• Enhanced digital connectivity that empowers businesses and communities</li> <li>• Innovative solutions that drive socio-economic advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in customer base through high quality service offerings</li> <li>• Increased market competitiveness and innovation leadership</li> </ul>	
	<b>Digital Inclusion</b> See page 111 for more information	<ul style="list-style-type: none"> <li>• Access to digital tools and services for underserved populations</li> <li>• Educational initiatives that improve digital literacy and skills</li> <li>• MSME digitalisation</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion into new markets by addressing the digital divide</li> <li>• Maintain our reputation as a socially responsible company</li> </ul>	
<b>Ensure Business Resilience within TM &amp; Our Value Chain</b>	<b>Environmental Management</b> See page 123 for more information	<ul style="list-style-type: none"> <li>• Reduced environmental impact through sustainable practices</li> <li>• Promotion of green technologies that contribute to planetary health</li> </ul>	<ul style="list-style-type: none"> <li>• Cost savings from energy efficiency and waste reduction</li> <li>• Ensuring compliance with environmental regulations to avoid potential fines</li> <li>• Operational resilience and business continuity</li> </ul>	
	<b>Responsible Employer</b> See page 132 for more information	<ul style="list-style-type: none"> <li>• A culture built on diversity, equity and inclusion</li> <li>• Training and development programmes that prepare the workforce for future challenges</li> <li>• Good health and well-being of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Higher employee productivity and engagement</li> <li>• Lower turnover rates and associated costs</li> </ul>	
	<b>Ethical Business</b> See page 151 for more information	<ul style="list-style-type: none"> <li>• Building trust through transparent and fair business practices</li> <li>• Ensuring sustainability of supply chains</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger stakeholder relationships and brand loyalty</li> <li>• Mitigation of legal and reputational risks</li> </ul>	

## BECOMING A SUSTAINABILITY THOUGHT LEADER

Our commitment to sustainability extends beyond our operations, aiming to shape a broader ecosystem towards sustainable development. Through active participation in networks and forums, we not only improve our own sustainability practices but also contribute to shaping the broader agenda, establishing ourselves as thought leaders in this critical area.



### CEO Action Network (CAN)



As members of CAN's Workstream 2 (Capacity Building), we participated in knowledge-sharing sessions necessary to implement sustainable practices effectively. Furthermore, during the CAN Nature Retreat in July 2023, we contributed to strategic discussions on sustainability with key stakeholders.



### United Nations Global Compact (UNGC)



Since joining the UNGC in July 2023, we have been actively incorporating UNGC principles into our operations and received recognition through UNGC Awards in several categories. These accolades highlight our dedication to sustainable supply chain management, anti-corruption measures and educational partnerships. Notably, the TM Future Skills programme, aimed at enhancing educational opportunities for teachers and students, aligns with UNGC's goals and our mission to foster sustainable development through community engagement.



### TM-UNGC Sustainability Forum



We hosted our inaugural Sustainability Forum via a partnership with UNGC. The forum, centred around leveraging digital technology for sustainable business practices, highlighted our role as a catalyst for transformative discussions on sustainability integration.



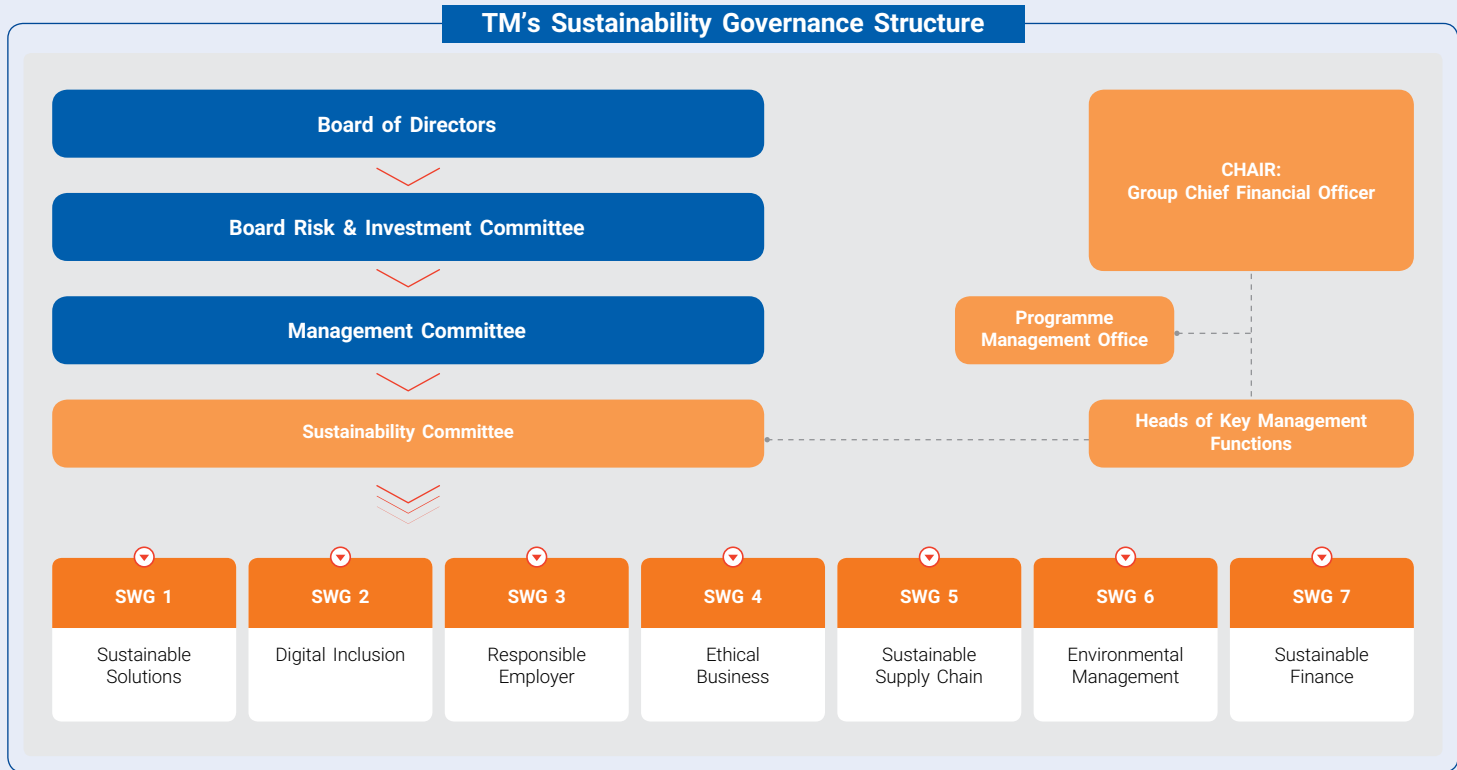
### Other Industry Sharing Sessions:

- ➔ At the Dell Technology Forum and the National Association of Women Entrepreneurs of Malaysia (NAWEM) ESG Conference 2023, we shared insights into our sustainability practices and social impact.
- ➔ The Khazanah Sustainability Circle featured TM presenting findings from our TCFD report, focusing on climate risk management.
- ➔ The Malaysia Digital Expo and the MCMC Digital Outlook Series served as platforms for TM to discuss the integration of sustainability in digital technology and outline our strategic journey.
- ➔ We moderated a session on ESG partnerships at the 8th Selangor Smart City & Digital Economy Conference, focusing on stakeholder engagement for sustainable outcomes.

# Sustainability Governance

## GOVERNANCE STRUCTURE

Over the years, we have developed a strong governance framework for sustainability, ensuring decisions and actions are guided by clear, strategic oversight. In 2023, this governance was further reinforced by introducing TM's Sustainability Roadmap for 2024-2026, the endorsement of a newly structured Sustainability Committee and the establishment of seven (7) Sustainability Working Groups (SWGs).



## Roles & Responsibilities

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Provides strategic direction for TM's sustainability efforts</li> <li>Approves sustainability targets and monitors progress</li> <li>Integrates material sustainability matters into TM's vision, mission and strategies</li> </ul>
<b>BRIC</b>	<ul style="list-style-type: none"> <li>Reviews sustainability strategies and targets prior to decisions made by the BOD</li> <li>Oversees the progress of Board-approved strategies and targets</li> <li>Incorporates sustainability considerations, including climate-related issues, into committee discussions</li> </ul>
<b>Management Committee</b>	<ul style="list-style-type: none"> <li>Implements Board-approved sustainability strategies and targets, including climate-related targets</li> <li>Allocates responsibilities, KPIs and resources for achieving targets</li> <li>Proposes adjustments to sustainability strategies and targets to the BOD as needed</li> </ul>
<b>Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Oversees the progress of TM's sustainability targets within stipulated timelines</li> <li>Appoints SWG members from divisions and/or subsidiaries most relevant to each sustainability target</li> <li>Make recommendations to the Management Committee and, if necessary, to relevant Board Committees</li> </ul>
<b>SWGs</b>	<ul style="list-style-type: none"> <li>Implements SWG-related tasks according to targets and KPIs</li> <li>Reports and recommends actions to the Sustainability Committee</li> <li>Regularly updates the Sustainability Committee on the status of various initiatives and targets</li> </ul>

### Integration of Sustainability into Board Governance

At TM, sustainability is integral to the Board's agenda, with a dedicated chapter in the Board Charter titled "Strategy Towards Promoting Sustainability". This ensures sustainability considerations are embedded in all Board discussions and decisions. Additionally, sustainability features prominently on the BRIC agenda, highlighting its importance across all areas of Board deliberation.

The BRIC, led by its Chairman, is tasked with managing climate-related risks, which are reviewed quarterly. At the management level, oversight of our carbon reduction targets is shared between the GCFO and Chief Network Officer (CNO), with responsibilities cascading across all relevant managerial tiers.

Physical climate risks fall under the purview of the Group Risk Management function and are managed across various functions in the organisation.

## SUSTAINABILITY RISK MANAGEMENT

TM's sustainability risk management, guided by the Group Risk function, incorporates sustainability risks, including climate-related risks, within our overarching ERM framework to ensure alignment with our sustainability goals.

 For more information on our risk management, please refer to page 51 and 218.





## POLICIES, GUIDELINES & CERTIFICATIONS

Our approach to sustainable and ethical business practices is underpinned by a comprehensive framework of policies, guidelines and certifications designed to ensure integrity, transparency and accountability in every aspect of our business. These policies apply to all TM activities and extend to our business relationships, providing a consistent standard of conduct across our operations.

In early 2024, we developed and published our Sustainability Policy, which aims to affirm the strategic importance of sustainability to TM and provide guidance to all parties in our value chain on how to conduct business responsibly while creating long-term value for our stakeholders. The policy, anchored on TM's vision and mission, reinforces our commitment to sustainability principles as guided by local and international best practices and standards, such as the Bursa Malaysia Sustainability Guidelines, SDGs, the Paris Agreement and the Ten (10) Principles of the UNGC.

## SUSTAINABILITY-RELATED POLICIES

### General policies:

-  TM Sustainability Policy
-  TM Sustainability Framework & Roadmap
-  TM Code of Conduct & Business Ethics (CBE)
-  TM Anti-Corruption Guide (ACG)



Scan here to view TM's Policies.

Material Matters	Policies & Guidelines
<b>Innovation &amp; Technology</b>	<ul style="list-style-type: none"> <li>• TM Business Initiative Governance Framework Policy</li> <li>• Product Creation Framework</li> <li>• TM Intellectual Property Manual</li> <li>• TM Procurement Level of Authority (LoA) Policies</li> <li>• First-Tier Financial Limit of Authority</li> </ul>
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>• Digital Channel – General Handling Process</li> <li>• TM Assurance Policies &amp; Guidelines</li> <li>• TM Complaints Process</li> <li>• TM BCM Framework (TM BCM)</li> <li>• DRP &amp; Business Process</li> </ul>
<b>Network Stability &amp; Quality</b>	<ul style="list-style-type: none"> <li>• TM Assurance Policies &amp; Guidelines</li> <li>• TM BCM</li> <li>• DRP &amp; Business Process</li> <li>• Mandatory Standard of Quality of Service (MSQoS)</li> </ul>
<b>Affordability &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>• TM Business Initiative Governance Framework Policy</li> <li>• Product Creation Framework</li> <li>• TM Procurement LoA Policies</li> </ul>
<b>Community Development</b>	<ul style="list-style-type: none"> <li>• TM Group Communication Policy – Corporate Responsibility &amp; Donations Administration</li> <li>• YTM Trust Deeds &amp; Supplementary Policy</li> </ul>
<b>Environmental Quality</b>	<ul style="list-style-type: none"> <li>• Facilities Management Environmental Policy</li> </ul>
<b>Carbon Emissions</b>	<ul style="list-style-type: none"> <li>• Facilities Management Environmental Policy</li> </ul>

# Sustainability Governance

Material Matters	Policies & Guidelines
<b>Fair Employment</b>	<ul style="list-style-type: none"> <li>• HR Policy</li> <li>• TM Performance Management Framework</li> <li>• Performance Improvements Plan (PIP)</li> </ul>
<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>• Low-Risk Rating by 2025 Roadmap</li> <li>• TM's Occupational Safety and Health Management System (OSHMS)</li> <li>• Hazard Identification Risk Assessment Risk Control (HIRARC)</li> <li>• OSHE Policy</li> </ul>
<b>Learning &amp; Development</b>	<ul style="list-style-type: none"> <li>• Training Effectiveness Framework (Kirkpatrick Training Evaluation)</li> </ul>
<b>Sustainable Supply Chain</b>	<ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Procurement Ethics</li> <li>• Green Procurement Guidelines</li> <li>• BVDP</li> <li>• Sustainable Supply Chain Roadmap</li> </ul>
<b>Responsible Communication</b>	<ul style="list-style-type: none"> <li>• TM Group Communication Policy</li> </ul>
<b>Cyber Security</b>	<ul style="list-style-type: none"> <li>• TM Cyber Security Framework</li> <li>• TM Cyber Security Baseline</li> <li>• TM Information Security Policy</li> <li>• TM Data Privacy &amp; Protection Policy (TMD3P)</li> <li>• TM Business Continuity Management</li> <li>• TM Corporate Crisis Management Plan</li> <li>• TM Corporate Security Policy</li> </ul>
<b>Good Governance</b>	<ul style="list-style-type: none"> <li>• TM Integrity Pact Version 2.0</li> <li>• TM Corporate Compliance Policy</li> <li>• TM Sponsorship Management (TM SMG) 4.0</li> <li>• TM Complaints Management Process Manual</li> <li>• Grievance Procedure Process</li> <li>• Whistle-blowing Policy</li> </ul>

# Impact Scorecard

- About TM
- Words From The Leaders
- Value Creation Story
- Our Business
- » Our Sustainability Journey
- Our Governance
- Other Information

## Solutions Provider →



Improved Net Promoter Score (NPS) to **46** (2022: 39)



Achieved **95.4%** for Unifi Mobile network reach (2022: 80%)

## Digital Inclusion →



**73%** premises enabled with high-speed Internet (2022: 69%)

**More than 110,000** community members reached through social impact programmes (2022: >47,000)



## Environmental Management →

Reduced water consumption by **26.7%** (2022: 19%)



Achieved a **22% reduction** in Carbon emissions (2022: 16.7%)

## Responsible Employer →

**32%** of women in senior management positions (2022: 31%)



Achieved **32.7% reduction** in overall accident cases (2022: 5.2%)

## Ethical Business →

Maintained **zero (0)** cases of data loss (2022: 0)



**100%** of misconduct reports resolved (2022: 100%)





# Enable Sustainable Growth for Customers and the Community

The future is unequivocally digital, shaping economies, societies and the very fabric of our daily lives. Aligned with our PWR 2030 vision, TM's sustainability objective of "Enabling Sustainable Growth for Customers and Community" underscores our dedication to integrating digital advancements with sustainable practices.

## SUSTAINABILITY PILLARS:

- Solutions Provider (*page 99*)
- Digital Inclusion (*page 111*)

# 01 Solutions Provider



TM is at the forefront of nation building, utilising technology and innovation to address complex challenges. A study of 167 cities revealed that those excelling in Sustainable Development Goals (SDGs) achievement are also leaders in technology, data and partnerships application, mirroring TM's strategy as a solutions provider. This forward-thinking approach not only addresses societal and environmental issues but also prioritises customer-centric solutions tailored to diverse and evolving needs. Committed to driving a Digital Malaysia, we focus on delivering technological advancements that empower society, businesses and Government to create a sustainable future.

### Material Matters

**M1** Innovation & Technology  
*(page 100)*

**M2** Customer Experience  
*(page 103)*

**M3** Network Stability & Quality  
*(page 108)*

# Innovation & Technology



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Innovative & smart solutions
- ➔ Sustainability-related solutions
- ➔ Utilisation of emerging technologies



## WHAT IS OUR APPROACH

TM is dedicated to harnessing the power of emerging technology to research, develop and innovate solutions that contribute towards a more sustainable Malaysia. Through collaborations with both private and public sectors, we aim to introduce industry-relevant smart solutions that are commercially viable and scalable.

### TM R&D FOCUS AREAS



➔ Academic Research (Fundamental)



➔ Co-Creation Projects (with Industry)



➔ Industry Research (Exploratory)



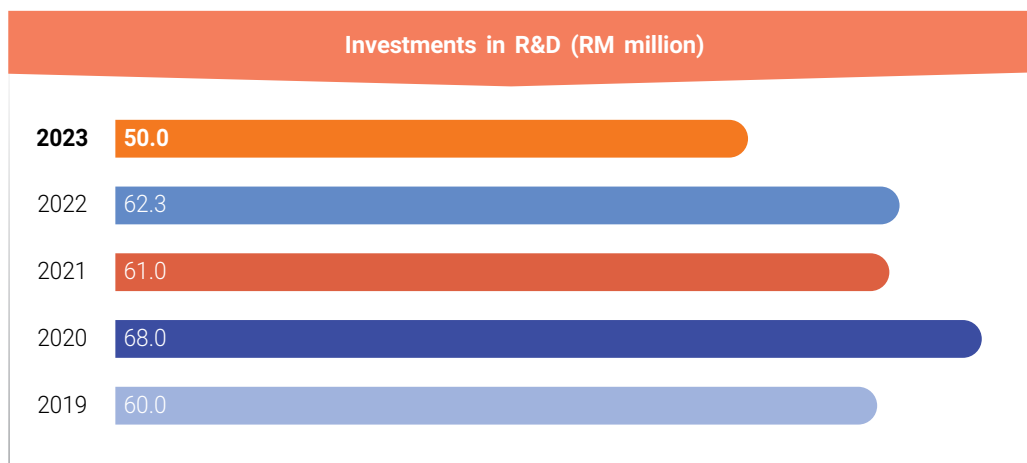
➔ Commercialisation



## HOW WE CREATED VALUE IN 2023

### 1 Strategic Investments in R&D

Our resolve to lead in innovation and technology remained strong in 2023, with significant resources allocated to TM R&D. During the year, we were more selective in our R&D efforts, thereby focusing on projects that yield greater efficiency and value creation. This resulted in a reduction in our R&D investments. These strategic investments highlight our role in pioneering smart solutions across critical areas such as digital innovation, connectivity innovation and workforce mobility.



## 2 Key Innovations & Solutions

In 2023, our efforts to push the boundaries of technology resulted in the development of numerous smart solutions in the field of connectivity and telecommunications.

### Smart Solutions Developed in 2023

Solution	How it Creates Value	Key Achievements
<b>FALCON</b>	Redefining connectivity with a sustainable approach, this high-speed, eco-friendly Local Area Network (LAN) infrastructure not only enhances network efficiency but also significantly reduces environmental impact	<ul style="list-style-type: none"> <li>Reduced power consumption by up to 60%</li> <li>Lowered Opex and Capex</li> <li>Deployed at MMU, connecting seven (7) locations with 10 Gbps fibre and 180 WiFi connections</li> </ul>
<b>SCARLET</b>	Offering a scalable renewable energy solution for off-grid applications, this system provides reliable, clean energy, promoting both environmental sustainability and operational efficiency	<ul style="list-style-type: none"> <li>Designed and tested industrial-grade 24V hybrid systems, integrating solar and wind inputs for optimal performance</li> </ul>
<b>SIFU</b>	Through sales process automation, this solution harnesses workflows and insights to transform sales strategies, resulting in significant enhancements to efficiency and productivity	<ul style="list-style-type: none"> <li>Shortened the planning to execution timeline from 25 days to less than 1.5 days</li> <li>Generated up to 13 million sales leads daily, optimising sales strategies</li> </ul>

## 3 Smart Partnerships & Collaborations

Building a Digital Malaysia requires collaboration across various sectors and industries. Through partnerships in 2023, we innovated in smart city solutions, patient care management in healthcare and the advancement of digital infrastructure.

### Partnerships in Driving a Digital Malaysia

Partner	Description
<b>Smart Cities</b>	
<b>Majlis Perbandaran Kuala Selangor (MPKS)</b>	Automated traffic flow with Smart Traffic Light systems using AI to enhance traffic management in two (2) townships
<b>Majlis Perbandaran Batu Pahat (MPBP)</b>	Partnered with MPBP for the Smart and Low-Carbon City Programme 2030, prioritising sustainable urban development across the Energy, Water and Waste Management sectors
<b>PLANMalaysia</b>	Implemented Proof of Concepts for ten (10) local councils, spanning various smart services such as the Smart Workforce, Unified Enforcement System and Smart City App, aimed at enhancing community management and operational effectiveness
<b>Strategic Technology Partnerships</b>	
<b>ZTE</b>	Collaborated on optical network research and other technologies to enhance Malaysia's digital infrastructure, including introducing 50 Gbps passive optical network (PON) fibre broadband with ZTE

## Innovation & Technology

Partner	Description
<b>Digital Security &amp; Workforce Digitalisation</b>	
<b>MCMC</b>	Raised awareness about digital certificates for secure transactions, with TM serving as a Certification Authority (CA)
<b>Local Councils via FORCE4ALL</b>	Developed FORCE4ALL, a cloud-based mobile workforce management system for local Government operations, promoting workforce digitalisation to all 155 <i>Pihak Berkuasa Tempatan</i> (PBT) nationwide
<b>Healthcare Innovations</b>	
<b>Park City Medical Centre (PMC)</b>	Implemented IoT solutions in the pediatric i-Kiddo ward at PMC, enhancing healthcare services and patient experience by creating a comfortable, home-like setting
<b>Advanced Connectivity Solutions</b>	
<b>Petronas' Regasification Terminal Sungai Udang (RGTSU)</b>	Installed Malaysia's first Private 5G network at RGTSU, leading to benefits like unmanned operations, cost reduction and improved safety
<b>Global Partnerships</b>	
<b>Key Industry Players in CDN Solutions</b>	Strengthened strategic partnerships to accelerate TM's market entry, focusing on CDN business to enhance global infrastructure and improve digital content delivery
<b>Industry &amp; Environmental Engagements</b>	
<b>Collaboration with <i>Jabatan Perhutanan Negeri Selangor</i> (JPNS)</b>	Introduced the Smart Dashboard for Central Forest Spine Selangor, emphasising commitment to environmental sustainability

### 4 Innovative Edge Services

TM's edge services are transforming Malaysia's digital environment by leveraging edge computing technology, a game changer in how data is processed and delivered. This strategic move has elevated Malaysia as a digital hub and gateway for the ASEAN region by delivering extensive digital infrastructure and platform solutions.

#### ⌚ Benefits of Edge Services:

- **Minimised Latency:** Immediate data processing near users for fast digital interactions
- **Enhanced Gaming Experience:** High-definition gaming regardless of device specifications, ensuring gamers remain fully immersed in their digital worlds
- **High Quality Media Experience:** Optimised content delivery by strategically placed CDN nodes

#### ⌚ Progress in 2023:

- **Innovative Edge Services:** Developed comprehensive edge solutions, including gaming, edge facilities and CDN, boosting digital service quality as well as customer experience
- **Launch of eSports Storefront in the Philippines:** Successfully introduced an eSports storefront, enriching business prospects with a platform that resonates with gamers while generating new revenue streams



### HOW WE WILL MOVE FORWARD

Moving forward, we remain committed to innovation and technology leadership. We aim to enhance our core business using advanced technology such as AI and machine learning. Our efforts will include improving operational efficiency, generating new revenue, accelerating digital adoption and promoting sustainability, all towards becoming a Digital Powerhouse by 2030.

In the immediate future, our strategy involves expanding our global footprint by forging strategic partnerships with leading universities and industry pioneers. These collaborations are instrumental in ensuring our position at the forefront of emerging technologies. This approach is paramount as we strive to provide cutting-edge solutions and services in alignment with our digital transformation goals. By focusing on enterprise applications for 5G, analytics, IoT and AI, along with investments in cyber security and next generation connectivity, we aspire to lead the ongoing digital revolution.

# Customer Experience



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Seamless retail experience
- ➔ Digital customer touchpoints
- ➔ Enriched entertainment & content



## WHAT IS OUR APPROACH

Adhering to a customer-first philosophy, our Customer Experience (CX) team has adopted a more structured and personalised approach, focusing on creating seamless and positive experiences.

Through robust connectivity and solutions, we have transformed the way local businesses operate, empowering them with the right tools to unlock their full potential.

### CX Improvement Journey

2021

#### Setting the Foundation

- Established the fundamentals for CX improvement
- Addressed core issues in preparation for further enhancements

2022

#### Delivering on Promises

- Enhanced key customer journeys
- Adopted analytics-driven proactive user experience management
- Established continuous CX improvement practices using customer feedback to meet and exceed customer expectations

2023

#### Driving Sales Creating Value

- Transformed Unifi Stores for a seamless, consultative and new brand retail experience, aiding local businesses in their growth through TM's connectivity and solutions
- Continuous improvements in Unifi Contact Centre and Field teams
- Enhanced mobile network and content offerings
- Provided differentiated digital experiences

**TM complies with the Minimum Service Quality of Service (MSQoS) and the General Consumer Code of Practice as outlined by the MCMC**

Our customer-first mindset enables us to deliver customer experiences based on three (3) key principles:

➔ **Personalisation:** Customising services and interactions for individual customer needs

➔ **Seamlessness:** Offering a smooth customer journey across all touchpoints

➔ **Digitalisation:** Leveraging technology for improved service accessibility

# Customer Experience



## HOW WE CREATED VALUE IN 2023

### 1 Enhancing Touchpoints

We focused on strategically enhancing our touchpoints, aimed at delivering an elevated and streamlined customer experience.

Initiative	Objective	Actions & Impact
<b>Unifi Store Transformation</b>	Offer a seamless retail experience for consumer and MSME customers	Redesigned key Unifi Stores in Klang Valley – leading to a streamlined in-store journey, with dedicated MSME areas and improved overall satisfaction with TM's services
<b>Priority Service Lane</b>	Provide expedited service for convergence and MSME customers	Launched a Premium Lane service, allowing immediate access to service agents, reducing waiting times from two (2) minutes to 15 seconds

### HEAR FROM OUR HAPPY CUSTOMER!



As a customer, I am thoroughly impressed with your management skills, communication skills and ability to handle ad-hoc requirements as well as last-minute changes that were needed along the way... I am confident you will execute the task with absolute finesses again. Once again, thank you for your exceptional work. It has been an absolute pleasure working with you and I look forward to future collaborations. – *Client, BERNAS*

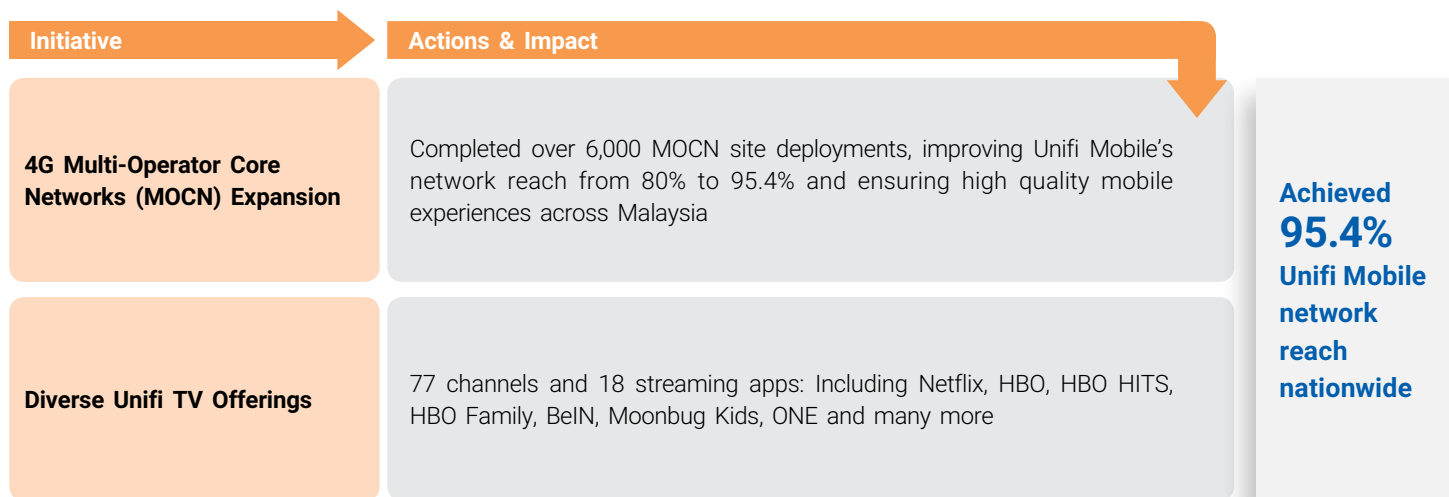
### 2 Improving the Digital Journey

TM's digital transformation focuses on simplifying and enriching the customer journey with innovative digital solutions, ensuring seamless and efficient interactions that are accessible with just the touch of a fingertip.

Initiative	Objective	Actions & Impact
<b>EasyFix App Enhancement</b>	Provide an intuitive self-service tool	Enhanced EasyFix with a new UI/UX, enabling one-click problem resolution and support escalation, increasing user satisfaction by simplifying self-diagnosis
<b>WiFi Manager App Launch</b>	Empower customers with WiFi optimisation tools	Launched an app for WiFi 6 router users with self-diagnostic and performance tools, increasing customer autonomy and improving the filtration rate up to 66%
<b>Self-Serve Relocation Service</b>	Streamline service relocation requests	Enabled relocation requests through the MyUnifi app or Unifi self-care portal, making the process more user-friendly and reducing processing times for quicker service resumption

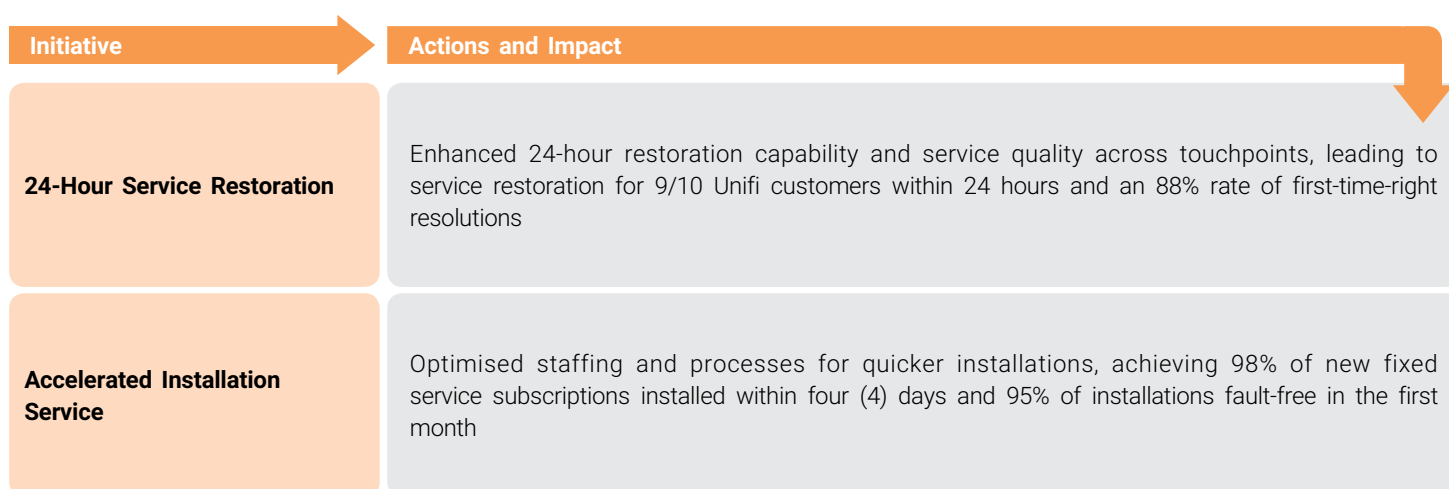
### 3 Network & Content Enhancement

Our efforts to enhance connectivity and entertainment for our customers has led to significant upgrades in our mobile network and Unifi TV's content selection, ensuring exceptional service and diverse programming.



### 4 Enhanced Service Reliability

Recognising the importance of timely service in improving customer experience, we rolled out dynamic initiatives designed to guarantee prompt response times for both restoration and installation processes. This initiative is geared towards setting a new benchmark for service excellence.



# Customer Experience

## 5 Addressing Customer Complaints

We would like to assure our customers that we hear their concerns. As part of our continuous improvement, we diligently consider all feedback received from customers to ensure we address any pain points they may have through out their customer journey.

### Top Four (4) Customer Issues

Customer Issue	What We Did	Benefits for Customers
<b>Fault (Service Fault)</b>	<ul style="list-style-type: none"> <li>• Uplifted Unifi to focus on high fault areas</li> <li>• Expedited replacements with WiFi 6 routers</li> <li>• Migrated Very High Bit Rate Digital Subscriber Line (VDSL) customers to Fibre-to-the-Home (FTTH)</li> <li>• Proactive fault management and notifications</li> <li>• Migrated customers to Unifi fibre network</li> <li>• Addressed cable thefts</li> </ul>	<ul style="list-style-type: none"> <li>• Improved fault resolution, enhanced service reliability and ensured proactive customer communication</li> <li>• Enhanced service quality and reliability through technology upgrades</li> </ul>
<b>Fault (Service Quality)</b>	<ul style="list-style-type: none"> <li>• Launched Speed Test Proactive Performance (Speedofix)</li> <li>• Engaged in proactive performance management</li> <li>• Implemented Episode Net Promoter Score (eNPS) and Care Calls</li> </ul>	<ul style="list-style-type: none"> <li>• Improved management during faults and narrowed service gap towards best-in-class</li> </ul>
<b>Billing</b>	<ul style="list-style-type: none"> <li>• Implemented RPA for undelivered bill management</li> <li>• Conducted bill verification</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced billing complaints and improved customer satisfaction</li> </ul>
<b>Fulfilment</b>	<ul style="list-style-type: none"> <li>• Improved provisioning turnaround time to 14 days under the JENDELA initiative</li> <li>• Accelerated infrastructure rollout</li> </ul>	<ul style="list-style-type: none"> <li>• 11% improvement in provisioning for JENDELA 'no port' areas</li> </ul>

## 6 Customer & Operational Excellence

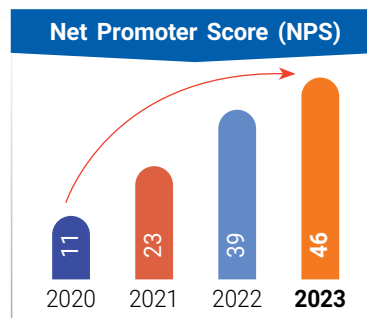
Streamlining customer interactions and operations not only boosts trust and loyalty but also enhances our financial performance. This year, our emphasis on customer efficiency significantly lowered Unifi Contact Centre (UCC) operating costs by RM24.0 million since 2021. Further, our CX initiatives initiatives have led to RM17.2 million in cost avoidance and RM4.6 million in savings through several focused efforts.

Focus Areas	Initiative
<b>Deepening CX</b>	Digital enhancements and proactive measures to reduce call volume
<b>Automating Manual Processes</b>	Simplified processes and improved customer interaction handling
<b>Optimising Resources</b>	Reduced Full-Time Equivalent (FTE) at UCC and implemented RPA for complaint handling

## 7 Overall Performance

Our focus on enhancing customer satisfaction is measured by the NPS, which has shown a consistent upward trend over recent years. In 2023, we reached an NPS of 46, a testament to the effectiveness of our initiatives.

This progress is paralleled by a significant decrease in our complaint index, from 12 to eight (8) complaints per 1,000 customers. Additionally, there has been a 33.3% reduction in total complaints and a 5.4% decrease in service requests faults since 2022, underscoring our proactive approach to resolving customer issues.



Improved  
NPS to 46

### HOW WE WILL MOVE FORWARD

Our goal is to refine our digital touchpoints and provide an enriched omnichannel experience that combines personalisation with the convenience of digital-first interactions for our MSMEs. By integrating AI and advanced analytics into our CVM, we aim to deliver a tailored, efficient digital service that resonates with individual customer needs.



# Network Stability & Quality



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Uninterrupted network service
- ➔ High quality network & connectivity
- ➔ National security compliance



## WHAT IS OUR APPROACH

We maintain an unwavering commitment to network excellence, striving to provide unparalleled stability and quality. Through investments in cutting-edge technologies and proactive strategies, we ensure our customers consistently enjoy high-calibre connectivity. This focus on superior network operations lay the groundwork for our approach in maintaining continuous service:

- 1. Certifications for Network Excellence:** The TM Network Intelligence Centre (NIC) in Cyberjaya achieved the BCMS ISO 22301 certification in 2016. Our key data centres, including the Klang Valley Data Centre (KVDC), Iskandar Puteri Data Centre (IPDC) and Brickfields Data Centre (BFDC), followed suit with their certification in 2020, showcasing our infrastructure's resilience and dedication to excellence.
- 2. Strategic Business Continuity & Disaster Recovery:** Integral to our ethos of excellence is our thorough BCM and DRP. These strategic frameworks are designed to ensure swift recovery and minimal disruption from various challenges, ranging from natural disasters to cyber security incidents and logistical obstacles.
- 3. Business Impact Analysis (BIA):** The BIA process is to evaluate the risk of disruption for recovery plan development. In 2023, we executed BIAs for critical sectors, improving our integration of technologies into a robust continuity plan. This approach reduces operational risks and adapts our BCM to changes and new threats, strengthening our network resilience.

**We continue to achieve 99.8% - 100% reliability and availability across TM's network infrastructure.**



## HOW WE CREATED VALUE IN 2023

### 1 Managing Network Disruption

We face a range of factors and challenges that threaten our network's reliability and continuity. In response, we continued to strengthen our efforts to improve service quality and assurance through various initiatives.

#### How We Address Network Disruption







Key Issues Impacting Network Stability	Actions & Impact
Third-Party Contractor Damage	Implemented the i-CBYD (Intelligence Call Before You Dig) application and held regular coordination sessions with third-party contractors, including Tenaga Nasional Berhad (TNB), Prasarana, Air Selangor and local councils, to mitigate accidental network infrastructure damage.
Natural Disasters	Enhanced cross functional collaboration in Crisis Management, particularly in addressing disruptions stemming from natural disasters.
Equipment Ageing	Undertook network modernisation, which include replacing outdated technology (e.g. copper, metro-ethernet networks, soft-switch and optical line terminal (OLT)) with the latest advancements to improve network stability and service quality.

## 2 Innovative Network Solutions

To improve the efficiency of managing our network, TM proactively adopts AI and machine learning.

One of the key initiatives in 2023 was the implementation of a Next Generation Operations Support System (NGOSS) framework, designed to transform our network and service management through autonomous operations. This significantly enhanced our ability to monitor, manage and optimise network services in real time, ensuring greater agility and reliability for our customers.

NEXT GENERATION OPERATION SUPPORT SYSTEM (NGOSS) FRAMEWORK

<p>▶ <b>Automated Network Trouble Ticket creation</b></p> 	<p>▶ <b>Machine Learning-based advanced traffic anomaly detection &amp; alarm correlation</b></p> 	<p>▶ <b>Self-healing network capabilities via Multi-Layer Restoration for Port</b></p> 
<p>▶ <b>Auto service or network impact analysis for incidents</b></p> 	<p>▶ <b>Enhanced issue identification &amp; prioritisation</b></p> 	<p>▶ <b>Dashboards for network congestion, traffic forecasting &amp; service performance monitoring</b></p> 

**Impact & Achievements:**

- **Customer Experience:** Expedited issue resolutions through automated solutions and dashboards
- **Customised Solutions:** Enhanced efficiency and monitoring capabilities, via customised solutions
- **Operational Efficiency:** Deployed innovations in automation, analysis, detection and self-healing network capabilities, resulting in minimised downtime

## 3 World-Class Standards: MEF 3.0 Certification

This reporting year, we achieved the global Metro Ethernet Forum 3.0 (MEF 3.0) certification, solidifying our commitment to global standards and excellence in network services. This achievement validates the high quality performance and reliability of our Layer-2 services, including Ethernet Private Line (EPL) and Ethernet Virtual Private Line (EVPL), and establishes TM's position among the world's elite service providers. The rigorous testing of our Next Generation Technology (NGT) network underscores our dedication to exceeding international connectivity standards, affirming our excellence in network services.

## 4 National Threat Management & Recovery Preparedness

Through participation in National Comprehensive Security (COMSEC) initiatives and adherence to the National Security Council (NSC) Directives, we coordinate emergency responses to strengthen national security.

In 2023, we participated in the COMSEC 2023 Tabletop Exercise (TTX) to enhance our operational resilience and security. During this exercise, we engaged in scenario-based discussions to critically assess and hone our security response strategies. This process allowed us to pinpoint both strengths and areas of improvement in the management of security incidents.



# Network Stability & Quality

## WHY IS THE TTX EXERCISE IMPORTANT?

### Identifying & Closing Gaps

- Promote inter-agency collaboration
- Validate BCP & DRP capabilities during and after simulation exercises
- Identify and address gaps in crisis communications and control

### Improving Functional & Operational Resilience

- Increase operational efficiency through improved procedures for emergency response plans (ERP), DRP and crisis management
- Strengthen capabilities of critical assets and resources as per planned timelines

## WHAT WAS THE OUTCOME?

Better understanding of the roles and responsibilities of various agencies from different sectors

Strengthened cross-agency collaboration, escalation protocol & procedure

Improved and updated TM's SOP based on gaps identified for continuous improvement

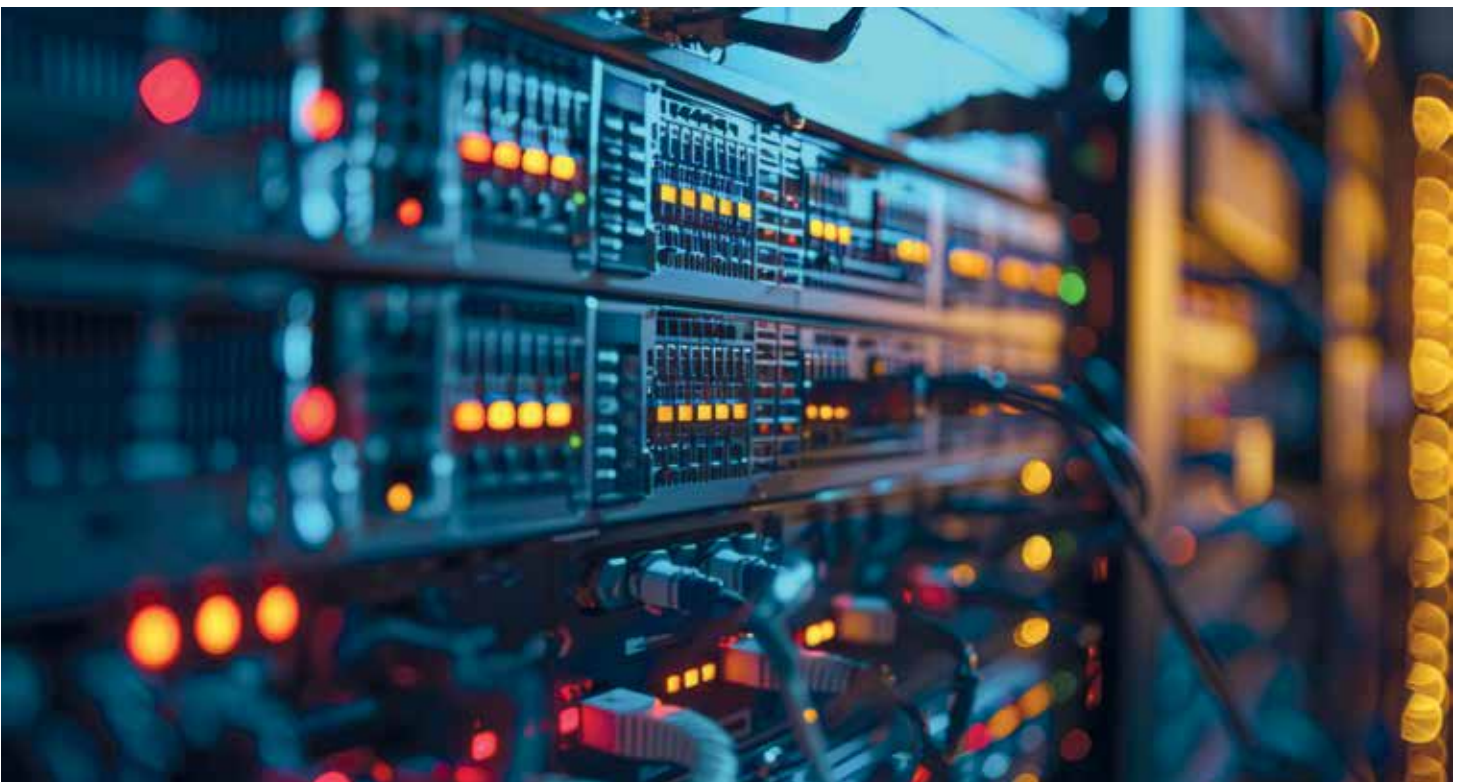
Ready to be involved in the next Field-Trial Exercise (FTX) implementation



## HOW WE WILL MOVE FORWARD

In the short-term, we will be focusing on fortifying our core connectivity, a crucial foundation for future expansion and innovation. Our efforts will centre on providing wider and more stable coverage, continuous upgrading of our infrastructure and enhancing operational efficiency.

In the longer term, our vision is to transcend traditional connectivity services by fully leveraging AI to transform our network into an advanced Autonomous Network, while embracing data driven decision-making. At the same time, we will also focus on strengthening our platform play capabilities via strategic partnerships.



# 02

## Digital Inclusion



Aligned with the PWR 2030 aspirations, we are dedicated to fostering a Digital Malaysia that is inclusive, ensuring that technology is accessible and affordable for all. This commitment to Digital Inclusion means breaking down barriers to connectivity and digital tools, making certain that everyone, regardless of their background, can benefit from the digital revolution. Through community engagement initiatives, we transcend mere access; striving to educate and empower communities with essential digital skills, ensuring everyone can reap the benefits of thriving in a digital world.

### Material Matters

**M4** Affordability & Inclusion  
(page 112)

**M5** Community Development  
(page 116)



# Affordability & Inclusion

9 INDUSTRY INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Closing the digital divide
- ➔ Wide network coverage
- ➔ Digital empowerment & literacy



## WHAT IS OUR APPROACH

Affordability and inclusion are critical for Malaysia’s progress, ensuring equitable opportunities and fostering economic and social development across the nation. To bridge the digital divide and ensure comprehensive network coverage, we align with the Government’s JENDELA plan through nationwide fiberisation efforts. Our commitment extends to offering affordable and reliable connectivity to all Malaysians, with a particular emphasis on supporting underserved communities through affordable packages that ensure high quality Internet access for every Malaysian.

As a Designated Universal Service Provider (DUSP), we actively contribute to digital empowerment through initiatives like *Pusat Ekonomi Digital* (PEDI). PEDI centres are instrumental in enhancing digital literacy within communities, providing essential training that equips individuals with the skills needed to thrive in the digital economy.

Moreover, selected TM PEDI locations have broadened their impact by offering health screening services, demonstrating our dedication to holistic community support. Through PEDI, we not only offer a digital lifeline but also foster inclusivity and equal opportunities across the nation.

Further, we actively support MSMEs in enhancing their digitalisation efforts through the Government’s GDPM initiative. This initiative not only accelerates digital transformation among MSMEs but also contributes to broader efforts to reform the digital economy. Our goal is to become a digital partner that is economically practical and inclusive for MSMEs.

## HOW WE CREATED VALUE IN 2023

### 1 Expanding Our Coverage

In 2023, we expanded our network infrastructure significantly to ensure robust and reliable connectivity, extending high-speed Internet services to more individuals and businesses nationwide. This initiative supports Malaysia’s digital economy and connectivity needs.

**As of December 2023, under JENDELA, we have enabled 73% of premises with high-speed Internet**

## Connectivity Infrastructure

Type of connectivity	↻	2019	2020	2021	2022	2023	Five-Year Cumulative Growth
Expansion of fibre cables (km)		>575,000	>600,000	>650,000	>690,000	<b>&gt;720,000</b>	<b>25.2%</b>
Connectivity of submarine cables (km)		>190,000	>300,000	>320,000	>340,000	<b>&gt;340,000</b>	<b>78.9%</b>
Submarine cables (built and installed)		>20	~30	30	32	<b>35</b>	<b>75.0%</b>
High-speed broadband ports (million)		>1.6	>2.7	>3.0	>3.4	<b>&gt;3.9</b>	<b>143.8%</b>
TM Internet Exchange (TMiX) Nodes		0	0	30	62	<b>62</b>	<b>106.7%</b>
Point-of-Presence (PoPs)		28	28	28	29	<b>29</b>	<b>3.5%</b>

## 2 Driving MSME Empowerment via Digitalisation

We offered more coverage options to MSMEs through Unifi Business and Unifi Mobile subscriptions and facilitated their digitalisation via the Government's GDPM initiative. Additionally, we provided complimentary masterclasses aimed at helping MSMEs to maximise the benefits of their subscribed solutions and elevate their businesses to the next level.

We also enriched TM's bundle offerings by integrating connectivity and mobile services with digital solutions, such as:



These tailored solutions address the digital needs of MSMEs and the impact of digitalisation on their operations. Collaborating closely with Government agencies and State Governments, we will continue to promote digital adoption in daily business practices through bundle offerings.

## 3 Digital Empowerment through PEDi

We remained steadfast in delivering digital-related services and training to local communities via PEDi centres managed by TM.

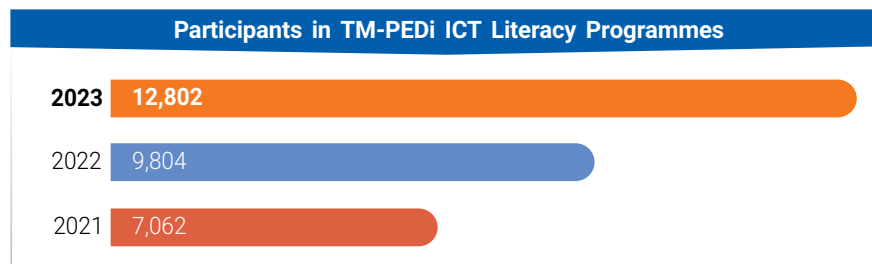
	↻	2019	2020	2021	2022	2023
<b>Total PEDi Managed by TM</b>		437	437	437	474	<b>483</b>

## Affordability & Inclusion

In 2023, the PEDi programme continued to prioritise the enhancement of collective Internet access, provision of ICT-based education, entrepreneurship development and other value-added services targeting rural and urban poor communities.

PEDi Initiative	Achievements
<b>Digital Inclusion &amp; Access</b>	<ul style="list-style-type: none"> <li>Increased total PEDi managed by TM from 474 to 483</li> <li>14,163 new members registered in 2023, bringing the total registered members in our PEDis to 527,041</li> </ul>
<b>ICT-Based Education &amp; Training</b>	<ul style="list-style-type: none"> <li>Digital literacy skills significantly enhanced for 1.3 million frequent users</li> </ul>
<b>Economic Growth &amp; Entrepreneurship</b>	<ul style="list-style-type: none"> <li>Trained 14,832 entrepreneurs in digital business operations</li> <li>Supported business growth, creating 8,171 new jobs created by businesses</li> <li>Facilitated 17,850 e-commerce parcel deliveries via Pick-up &amp; Drop-off (PUDO) service</li> </ul>
<b>Health &amp; Well-being</b>	<ul style="list-style-type: none"> <li>Equipped the Selangor centre with 26 <i>Komuniti Sihat Pembina Negara</i> (KOSPEN) units</li> <li>Conducted health screenings for more than 50,000 individuals</li> </ul>
<b>PEDi Conference 2023</b>	<ul style="list-style-type: none"> <li>Participated in the PEDi Conference 2023, officiated by the Prime Minister, to highlight PEDi's role in driving a digital economy</li> <li>Received various recognitions, including awards for outstanding PEDi centres, managers, assistant managers and entrepreneurs</li> </ul>

Through our efforts, we are pleased to report a significant expansion in our outreach through the PEDi programme this year, enhancing our impact on promoting ICT literacy among underserved communities.



### 4 Strategic Partnerships for Digital Expansion

In 2023, we continued to work closely with Government bodies to improve digital access and literacy to rural and underserved communities. A key collaboration with the Sarawak Digital Economy Corporation (SDEC) focused on boosting digital services in Sarawak, supporting the state's digital and post-COVID development strategies. This collaboration led to significant achievements, such as the Sarawak Multimedia Authority Rural Telecommunication (SMART) project, aiming to boost digital inclusivity and fostering the growth of Sarawak's digital economy.

Additionally, we spearheaded the Selangor Government Data Exchange Enabler (SelGDX) project, involving more than 70 Government entities. This initiative created an integrated data-sharing platform, improving decision-making and collaboration within Selangor's public sector.

## 5 Advancing Inclusion Through Affordability

In line with the Government's aspiration for greater digital inclusion via affordable access, TM launched our Unifi *Pakej RAHMAH* with a particular focus on B40 households, senior citizens, Persons With Disabilities (PWD) and veterans, including former army, police and Malaysian Maritime Enforcement Agency officers.

### Key Features of *Pakej RAHMAH*

Year-Round Offer	Nationwide Network	Affordable Plan Options	Device Offerings
Available until 31 March 2024, ensuring that Malaysians can take advantage of affordable Internet access throughout the year	Leverages TM's extensive infrastructure to deliver fast 4G and fibre optic Internet services accessible across the country	Offers a range of affordable plans to cater to different budgets and Internet usage	Offers free WiFi 5 router for fixed package and affordable 5G devices

## HOW WE WILL MOVE FORWARD

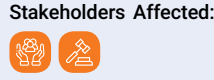
TM Group's dedication to digital inclusivity is aimed at broadening digital access nationwide while equipping Malaysians with essential skills and knowledge for the digital age. We are set to enhance our role as a digital ally for MSMEs, driving forward the convergence of digital business solutions.

Within our strategic framework for addressing the digital divide, we are extending TM's PEDi network with 23 additional locations to reach marginalised communities, integrating cyber security education to elevate digital literacy and launching innovative programmes like the Digital Learning Programme (DiLea) for accessible digital education.

In terms of network coverage, our alignment with JENDELA Phase 2 underscores a commitment to expanding our infrastructure, ensuring comprehensive connectivity that supports Malaysia's digital transformation. Furthermore, we will expand our *Pakej RAHMAH* initiative, promoting affordable digital access for underserved Malaysian demographics.



# Community Development



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Educational advancement
- ➔ Digital empowerment & entrepreneurship
- ➔ Community & cultural resilience



## WHAT IS OUR APPROACH

We are committed to impactful community development by nurturing education, promoting economic empowerment and enhancing community and cultural resilience. Our initiatives, structured in compliance with the Trustees Act 1952 and the Income Tax Act 1967, are delivered through Yayasan Telekom Malaysia (YTM) and Yayasan Universiti Multimedia (YUM). These foundations, along side TM's education arm, Multimedia University (MMU), collaborate closely with various Non-Governmental Organisations (NGOs) and other entities to collectively broaden our community impact.



Scan here to know more about YTM



Scan here to know more about MMU

Our community programmes are focused on the following areas:

### Education & Talent Development

We aim to become a leading scholarship provider, supporting Malaysia's digital education agenda and prioritising educational equity by offering various forms of financial assistance and training to underserved students.

We enable various Government programmes to create a pool of competent and skilled graduates, with relevant competencies that enhance their marketability.

### Enabling Entrepreneurs through Digitalisation

We provide digital training to micro entrepreneurs and small businesses, emphasising the importance of digital inclusion and economic empowerment.

### Community & Cultural Resilience

We extend our efforts to offer opportunities to underserved communities, deliver humanitarian aid during disasters and promote cultural preservation and resilience.



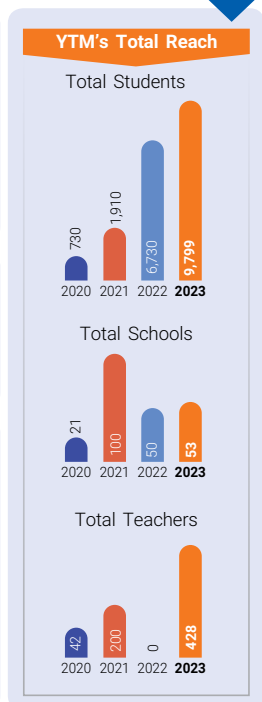
## HOW WE CREATED VALUE IN 2023

### 1 Education & Talent Development

We remained steadfast in fostering educational growth and talent development, aiming to nurture future leaders and professionals equipped for the digital era.

#### Key Education Initiatives 2023

Programme	Overview	Impact Summary
<b>Future Leaders Scholarship Programme (YTM)</b>	Empowers SPM leavers for higher education in prestigious institutions	<ul style="list-style-type: none"> <li>• 190 new scholarships awarded</li> <li>• 608 active scholars, including 57 abroad</li> <li>• 60.3% of students with CGPA above 3.5</li> <li>• RM20.6 million channelled</li> </ul>
<b>Young Leaders Scholarship Programme (YTM)</b>	Provides financial assistance to high-potential secondary students, recognising their motivation and intelligence	<ul style="list-style-type: none"> <li>• 251 scholars awarded</li> <li>• 1,593 active scholars</li> <li>• RM2.4 million channelled</li> </ul>
<b>TM Future Skills (YTM)</b>	Includes certification programmes, champion schools and hackathons to promote STEM and IR4.0 skills	<ul style="list-style-type: none"> <li>• 5,175 students and 96 teachers certified</li> <li>• 15,000+ beneficiaries since inception in year 2020</li> <li>• 4,415 students and teachers in three (3) champion schools</li> <li>• 100 participants in the Tech Titan 2023 Challenge</li> </ul>
<b>Protégé &amp; Elit (TM)</b>	Consistent with Malaysia's workforce development goals, we supported the Government's Protégé and Elit initiatives to bolster market-relevant competencies amongst fresh graduates	<ul style="list-style-type: none"> <li>• TM successfully trained 577 participants to facilitate transition to graduate employment</li> </ul>
<b>TVET Programme (TM)</b>	In line with the Government's emphasis on strengthening the quality of TVET education in the country, TM's partnership with <i>Institut Kemahiran MARA (IKM)</i> resulted in the elevation of certificate courses to accredited diplomas	<ul style="list-style-type: none"> <li>• Partnership with three (3) IKM</li> </ul>
<b>MMU Scholarships &amp; Financial Assistance</b>	MMU provides various scholarships and financial assistance for deserving students to ensure quality university education is accessible to all	<ul style="list-style-type: none"> <li>• RM8.4 million invested</li> <li>• 4,262 students benefitted</li> </ul>
<b>YUM Scholarships &amp; Financial Assistance</b>	Funded by donations, Zakat, Waqaf and endowments, YUM supports MMU and school students by enhancing educational access and community development	<ul style="list-style-type: none"> <li>• RM900,000 invested</li> <li>• 66 students benefitted</li> </ul>

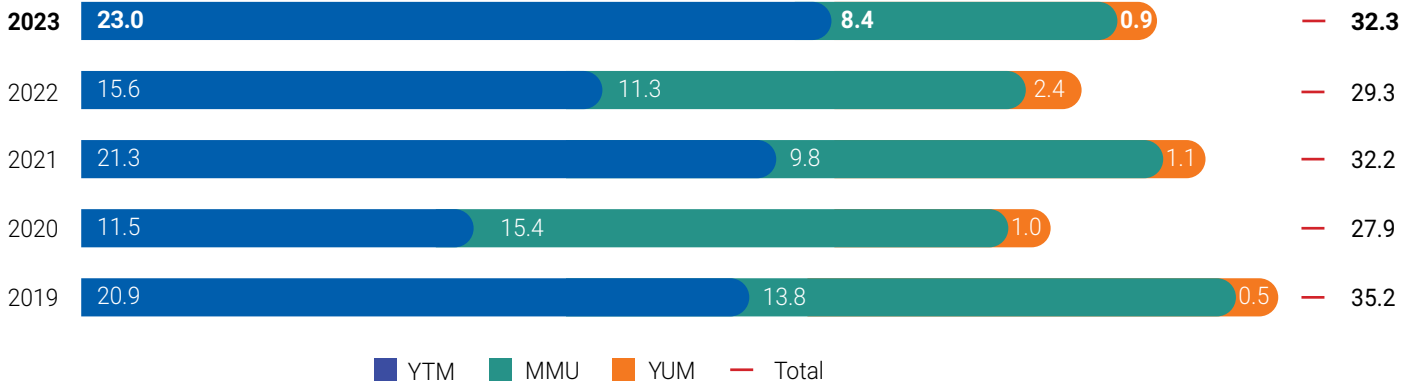


# Community Development

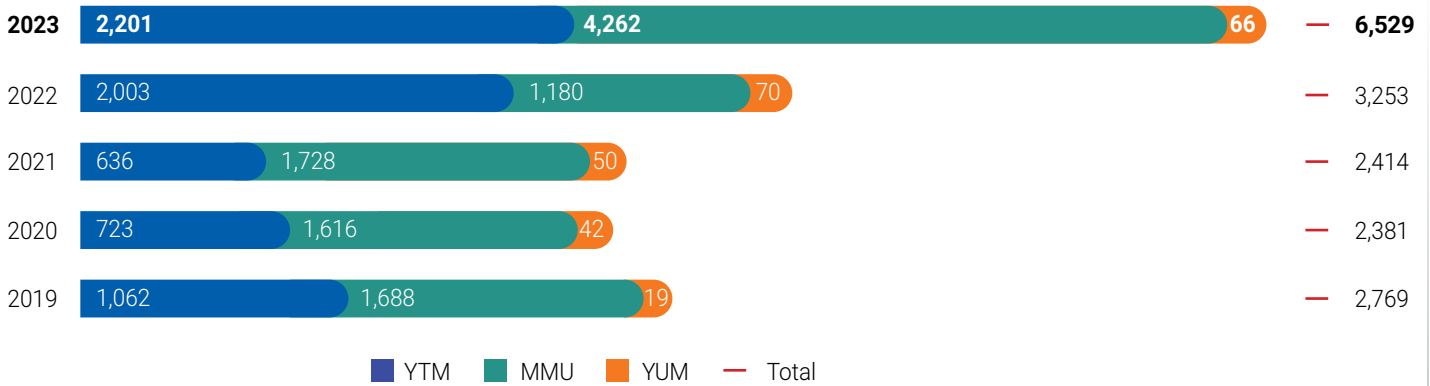
## Overall Impact in Education:

### Scholarships & Financial Assistance

Community Investments in Scholarships & Financial Assistance Disbursed (RM million)



Total Number of Students Impacted through Scholarships & Financial Assistance



### Spending on Schools



2020

2021

2022

2023

Total Spent on Schools for Academic & Non-Academic Activities (RM million)

0.2

0.3

0.9

1.4

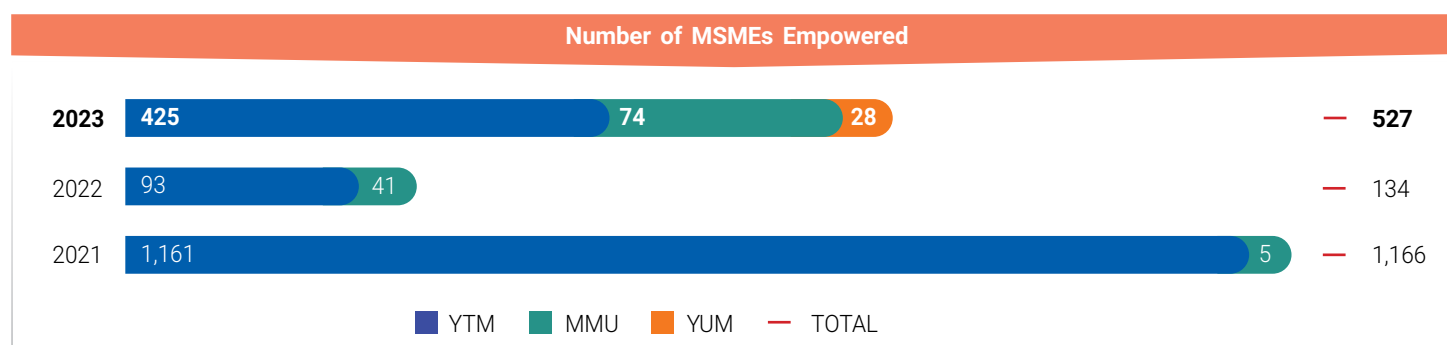
## 2 Enabling Entrepreneurs through Digitalisation

Enhancing entrepreneurs to go digital is key to ensuring inclusive growth for Digital Malaysia. TM's social initiatives are dedicated to empowering underserved businesses by equipping them with digital tools and resources. This effort aims to enhance their capabilities, expand their reach and improve their economic resilience in the digital age.

### Key Entrepreneurship Initiatives 2023

What We Did	Impact & Achievements
Sustainable Digital Entrepreneur Programme (YTM)	<ul style="list-style-type: none"> <li>Launched a nationwide initiative to bolster digital entrepreneurship, enhancing economic empowerment</li> <li>Engaged over 318 micro entrepreneurs</li> </ul>
Program Siswazah Usahawan Digital Terengganu (YTM)	<ul style="list-style-type: none"> <li>Spearheaded a digital skills programme in Terengganu, nurturing a generation of digital entrepreneurs</li> <li>Supported 27 youth entrepreneurs, with exposure to digital business ecosystem and financial opportunities</li> </ul>
KEMAS Digitalpreneurs Programme (YTM)	<ul style="list-style-type: none"> <li>Rolled out a comprehensive training programme to equip participants with critical digital entrepreneurship skills</li> <li>Empowered 50 micro entrepreneurs with digital tools and promoted self-reliance in the digital economy</li> </ul>
Digital Income Generation (YUM)	<ul style="list-style-type: none"> <li>Empowered B40 entrepreneurs in Selangor with digital skills, reaching 12 entrepreneurs and enabling the creation of TikTok Business Shops, content creation and brand logo development</li> </ul>
Usahasama Pemodenan Usahawan (YUM)	<ul style="list-style-type: none"> <li>Supported small and micro businesses in mastering entrepreneurship fundamentals and digital marketing tools, involving 16 businesses in enhancing their business foundations and digital application use</li> </ul>

### Overall Impact of Entrepreneurship Programmes



Gender Breakdown of Entrepreneurs Impacted	Men			Women		
	2021	2022	2023	2021	2022	2023
YTM	97.5%	28.0%	40.0%	2.5%	72.0%	60.0%
MMU	60.0%	33.0%	82.0%	40.0%	67.0%	18.0%
YUM	-	-	46.4%	-	-	53.6%

# Community Development

## 3 Community & Cultural Resilience

In addition to prioritising education and entrepreneurship, TM is dedicated to advancing community development and cultural resilience, engaging diverse sectors.

Focus Area	Overview	Impact Summary
<b>Arts, Culture &amp; Heritage</b>	Transformed Muzium Telekom and implemented various arts and culture programmes to showcase creative talents, support local creative economies and preserve cultural heritage through digital initiatives	<ul style="list-style-type: none"> <li>27,494 visitors to various events and walk-in to Muzium Telekom</li> <li>13 PWD benefitted from Nakseni Flagship Store at Muzium Telekom</li> <li>17,000 online viewers for Muzium Telekom's SeniVR Digital Gallery</li> </ul>
<b>Disaster Preparedness &amp; Response</b>	Conducted various preparedness programmes and related humanitarian operations to enhance resilience against natural disasters	<ul style="list-style-type: none"> <li>537 individuals trained on disaster preparedness</li> <li>32 TM Reaching Out Volunteers (TMROVers) trained on humanitarian relief efforts</li> <li>72 NGO representatives trained on humanitarian operations</li> </ul>
<b>Social Impact Grants</b>	Provided grants for a range of projects focusing on rural empowerment, farming, youth engagement in global development, educational support for indigenous communities, technology education, mental health and more	<ul style="list-style-type: none"> <li>Funded eight (8) projects with a total grant of RM1.5 million under the first YTM's Social Impact Grant</li> <li>31,406 individuals nationwide benefitted from B40 communities via on-ground programmes and online platforms</li> </ul>
<b>Re-skilling/ Upskilling</b>	Back-to-Society (Phase 1)	<ul style="list-style-type: none"> <li>216 inmates trained in fish farming and entrepreneurship, helping them reintegrate into society with better opportunities and livelihood</li> </ul>

### Overall Impact of Community Programmes:

TM Volunteers	2019	2020	2021	2022	2023
Number of Employees Participating in Volunteer Programmes	320	NA	532	424	<b>361</b>
Total Volunteering Hours	3,520	NA	4,256	3,472	<b>2,888</b>
Number of Hours Volunteered per Employee	11	NA	8	8	<b>8</b>
YTM Contributions	2020	2021	2022	2023	
Donations (one-off contribution) (RM)	14,500	30,000	272,403	<b>91,203</b>	
Number of Organisations Supported by YTM	12	8	30	<b>9</b>	
Other Community Investments* (RM)	2020	2021	2022	2023	
YTM	6.7 mill	14.9 mill	8.0 mill	<b>6.1 mill</b>	
MMU	114,684	50,141	62,824	<b>57,419</b>	
YUM	–	–	9,620	<b>24,916</b>	
<b>TOTAL</b>	<b>6.8 mill</b>	<b>15.0 mill</b>	<b>8.1 mill</b>	<b>6.2 mill</b>	

\* Refers to individuals or entities outside TM that have benefitted from our community investment initiatives.

Our efforts in community engagement and partnership has yielded significant impacts and achievements over the past years, as highlighted in our progress below.

**More than 110,000** community members reached through YTM's social impact programmes

<b>Community Engagement &amp; Partnership Impact</b>	↻	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of Community Members Reached through Social Impact Programme (YTM)		>92,443	>47,000	<b>&gt;110,000</b>
Number of NGO Partnerships (YTM)		>85	>340	<b>&gt;129</b>
<b>Infrastructure Investments &amp; Services</b>	↻	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Investments (RM million)		53.8	39.2	<b>53.6</b>

### **HOW WE WILL MOVE FORWARD**

Drawing on TM's core strengths and ambition to become a Digital Powerhouse, we have a responsibility to ensure that no one is left behind in enjoying the benefits of digital inclusion and sustainable development. To this end, TM will continue to improve our community engagement through focused initiatives that actively uplift individuals and MSMEs to bring them one step closer towards a more digital future. We are also committed to enhancing our community empowerment by setting digital inclusion targets that align with the Government's nation building agenda.



# Ensure Business Resilience within TM and Our Value Chain

Our business resilience strategy is rooted in sustainability, emphasising that sustainable practices are essential for enduring success. We prioritise ethical business practices, the well-being of people and managing our environmental impact across our value chain. Our commitment extends beyond operational impact to a broader commitment to addressing climate change, ensuring that our journey towards business resilience aligns with our sustainability goals.

## SUSTAINABILITY PILLARS:

- Environmental Management (*page 123*)
- Responsible Employer (*page 132*)
- Ethical Business (*page 151*)

03

# Environmental Management



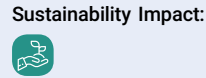
As we extend our reach to improve the lives of all Malaysians, we have a moral and social responsibility to manage our environmental impact. People rely on the natural environment for critical resources, livelihoods and their quality of life. As we focus on addressing the climate emergency, it is also important not to lose sight of addressing other environmental issues that can impact current and future generations such as air quality, noise pollution and the availability of natural resources. As a responsible and caring organisation, we adopt a holistic and comprehensive approach to protecting the environment.

**Material Matters**

**M6** Environmental Quality  
(page 124)

**M7** Carbon Emissions  
(page 126)

# Environmental Quality



## WHAT OUR STAKEHOLDERS EXPECT

- Environmental compliance & certifications
- Minimal environmental impact
- Environmental awareness programmes



## WHAT IS OUR APPROACH

We prioritise maintaining high environmental standards and ensuring compliance with regulations, actively monitoring our environmental impact to foster sustainability. Our commitment goes beyond adherence to guidelines; we actively encourage sustainable practices among our employees and stakeholders. Recognising the importance of collective action, we advocate for every individual's role in environmental protection, implementing internal campaigns and programmes designed to influence habits and behaviours toward more environmentally friendly practices.

### Environmental Approach

- Legal & Regulatory Compliance:** We adhere to environmental regulations set by the Department of Environment (DOE), Department of Occupational Safety & Health (DOSH) and *Suruhanjaya Tenaga*.
- Waste Control Guidelines:** We monitor waste generation across our facilities, promoting responsible waste management practices.
- Water Conservation:** Two (2) of our data centres implement a rainwater harvesting system and water filtration system, effectively reducing water consumption for routine cleaning tasks.
- Certifications:** KVDC and IPDC facilities are certified with Leadership in Energy and Environmental Design (LEED) and Green Building Index (GBI), underscoring our dedication to environmental sustainability.

## HOW WE CREATED VALUE IN 2023

### 1 Monitoring Our Environmental Impact

We continuously manage our environmental impact, closely monitoring air and noise quality around our operations across the Group.

Environmental Indicator from Genset	Acceptable DOE Limit	Commercial Buildings*	Network Buildings**
Dust (mg/m <sup>3</sup> )	400	20.17 - 74	7.7 - 46***
Noise (dBa) – Day	68.6	55.3 - 70.1****	53.65 - 63.9*****
Noise (dBa) – Night	65.0	50.4 - 60.9****	49.2 - 55.4*****

\* Commercial Buildings: TM Annexe 1, TM Annexe 2, TM Cyberjaya and TM MITC  
 \*\* Network Buildings: TM Alor Setar, TM Bukit Timbalan, TM Miri, TM Hiliran and TM Penampang  
 \*\*\* Excludes TM Alor Setar and TM Penampang  
 \*\*\*\* Excludes TM Annexe 1 and TM Annexe 2  
 \*\*\*\*\* Excludes TM Miri

In 2023, our commercial and network buildings maintained noise and dust levels within the DOE's acceptable limits.



## 2 Minimising Waste Generation

Throughout 2023, we implemented waste segregation systems at specific sites, sorting waste into solid and scheduled categories as per the Environmental Quality (Scheduled Wastes) Regulations 2005, to streamline and enhance our sustainability practices. Additionally, we encouraged employees to adopt paperless activities and embrace the 3R concept: Reduce, Reuse and Recycle. For 2024, our target is to achieve a 50% reduction in paper usage against our 2023 baseline of 3,681,111 pages.

Effective 1 March 2024, we have instituted the following measures to streamline printing practices, in alignment with TM's sustainability goals and digital strategy:

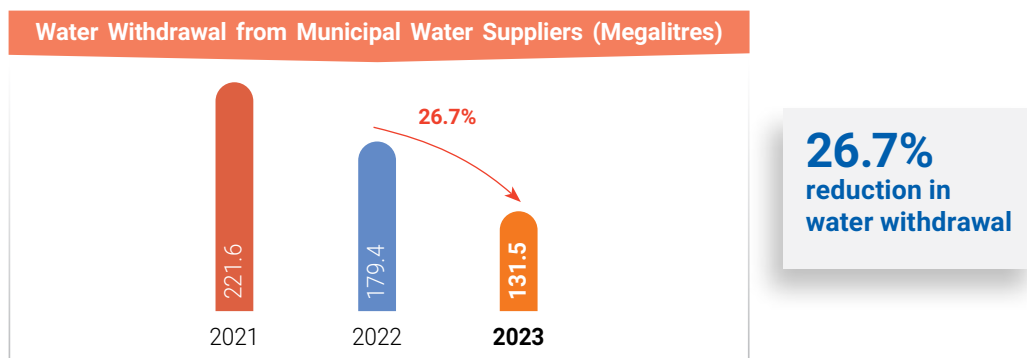
1. Printer Reduction Nationwide	2. Printing Settings	3. Digital Review	4. Printer Utilisation Review
Reduce number of printers across TM nationwide. Divisions with multiple floors, may only have one (1) or two (2) printers	Ensure printer settings are configured for duplex and grayscale printing. In addition, stricter colour printing management will be implemented	Review documents digitally prior to printing. This will eliminate unnecessary printouts and contribute to a paperless workflow	Drive digital document adoption among divisions and businesses that have higher paper consumption

Although solid waste generation increased in 2022 due to office relocations, we observed a significant decrease in 2023. This reduction is due to ongoing flexible working arrangements and heightened environmental consciousness among our employees.

Waste Management (metric tonnes)	2021	2022	2023
Total Solid Waste	467.1	1,013.9	32.8
Total Scheduled Waste	1.3	1.1	1.4

## 3 Responsible Water Practices

To improve water efficiency within our facilities, we have introduced smart solutions and conducted water saving initiatives, especially at sites with high employee density, to foster a culture of responsible water use. Among these initiatives are the installation of sensor-based faucets and the optimisation of cistern systems to reduce water wastage. These measures have collectively led to a 26.7% reduction in water consumption across our operations.



## HOW WE WILL MOVE FORWARD

We are set to broaden our environmental policy to encompass sustainable resource use, biodiversity conservation and a firm commitment to zero deforestation. Through proactive strategies and stringent policies, we aim to protect ecosystems and minimise our environmental impact.

Our medium-term strategy targets ISO14001 and Eco-Management and Audit Scheme (EMAS) certifications, globally-recognised standards that will benchmark our environmental management practices and demonstrate our commitment to ongoing improvement. We will also set specific goals for waste and water to reduce our ecological footprint and boost resource efficiency.

# Carbon Emissions



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Carbon reduction efforts
- ➔ Energy-efficient processes



## WHAT IS OUR APPROACH

Our approach to reducing carbon involves improving operational efficiency, investing in low-carbon technologies and using renewable energy. We encourage teamwork across all organisational levels to enhance our energy-saving and emissions-reduction efforts. Additionally, we continue to improve our carbon monitoring and reporting, furthering our commitment to comprehensive carbon management. We measure and report our greenhouse gas (GHG) emissions in our core in alignment with the GHG Protocol Corporate Accounting and Reporting Standard.



Scan here to view our Task Force on Climate-related Disclosures (TCFD) Report

**Strategic Approach to Carbon Management:** The Department for Environment, Food and Rural Affairs (DEFRA) emissions factors are used as they provide the latest available factors where data is unavailable for Intergovernmental Panel on Climate Change (IPCC). The DEFRA emissions factors also comprehensively cover all the seven (7) primary greenhouse gases listed by the Kyoto Protocol that contribute to climate change. The emissions factors are also available in 'kilograms of carbon dioxide equivalent per unit', maintaining consistency with Global Warming Potential (GWP) assessment based on the IPCC Fifth Assessment Report (ARS) over a 100-year period.

## TM's Carbon Accounting

### Scope 1: Direct Emissions from Fuel Consumption

**What it Covers:** Fuel consumed by our vehicle fleet.

Emissions are calculated using the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, 2006 and Department for Environment Food and Rural Affairs (DEFRA) Emissions Factors 2023.

Note: Carbon emissions from fuel purchase for gensets have been calculated and disclosed. However, they have not been included in our current reporting boundaries.

### Scope 2: Indirect Emissions from Electricity Consumption

**What it Covers:** Includes all TM network and commercial buildings in Peninsular Malaysia. In 2023, we refined our data centre boundaries to correct an overestimation, ensuring an accurate representation of TM's electricity use.

We convert electricity use into carbon emissions based on The Malaysia Energy Information Hub (MEIH) Grid Emissions Factor for Peninsular Malaysia - Sabah and Sarawak.

We are also increasing our renewable energy mix by utilising Renewable Energy Certificates (RECs) and Power Purchase Agreements (PPAs) to shift towards sustainable energy sources and lower our carbon emissions.

### Scope 3: Other Indirect Emissions

**What it Covers:**

- Waste:** Carbon emissions from two (2) categories, including (i) Scheduled Waste and (ii) Commercial and Industrial Waste are calculated using the waste type specific method from the GHG Protocol according to emissions factor from DEFRA Emissions Factor 2023.
- Business Travel:** Emissions from TM employees' business-related travels are calculated using the International Civil Aviation Organisation (ICAO) Carbon Emissions Methodology.

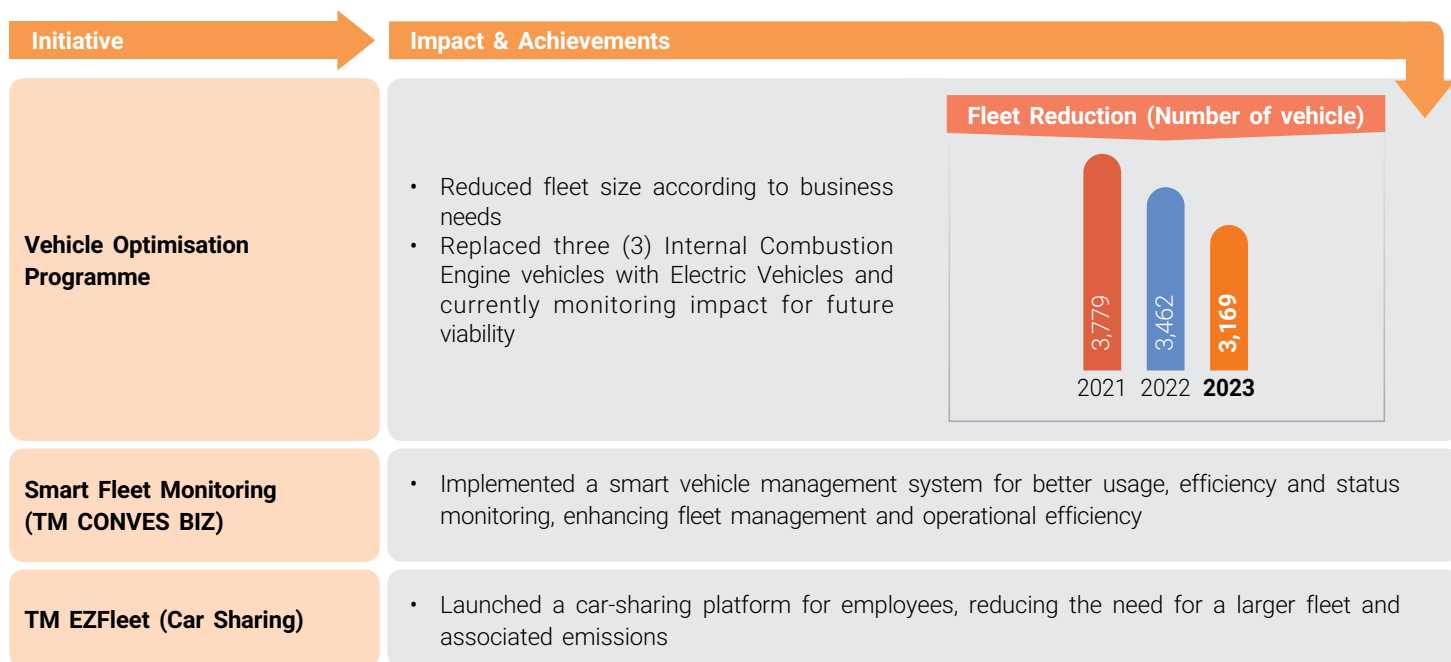
Note: Carbon emissions associated with Employee Commuting have been calculated and disclosed. However, they have not been included in our current reporting boundaries.



## HOW WE CREATED VALUE IN 2023

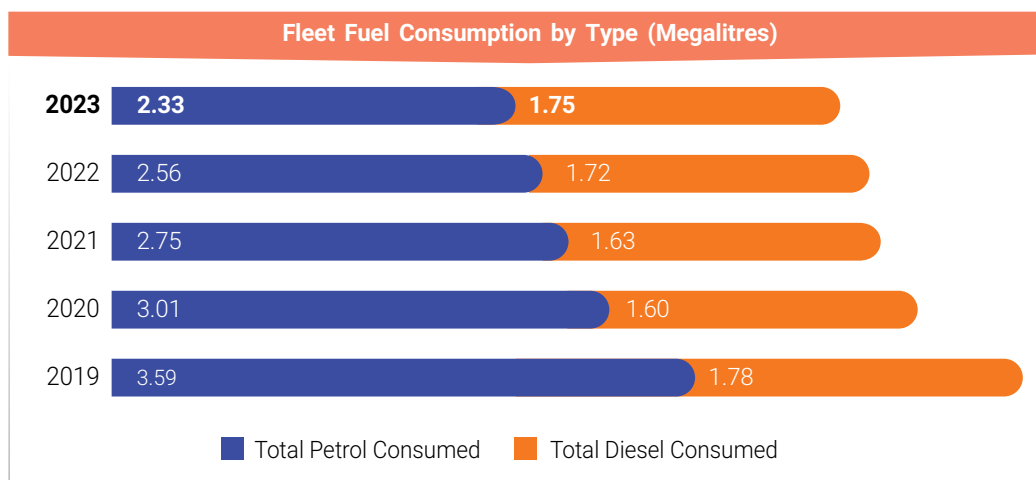
### 1 Scope 1: Emissions from Fuel Consumption

The primary source of TM's scope 1 emissions is our fleet, hence we have put in place several initiatives to manage these emissions.



#### Scope 1 Performance:

Our fleet optimisation efforts led to a 29.6% reduction in Scope 1 carbon emissions, from 13,391 tCO<sub>2</sub>e in 2019 to 9,431 tCO<sub>2</sub>e in 2023.

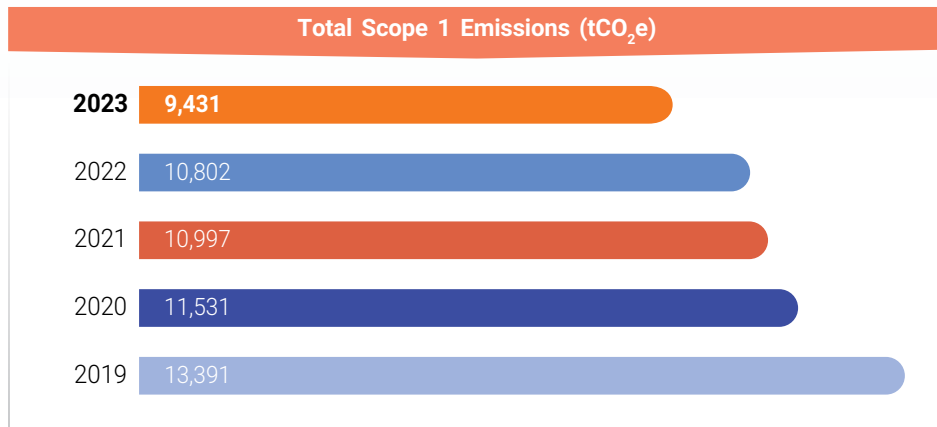


#### Genset\*

Fuel Type	2022	2023
Total Fuel Purchased (Megalitres)	2.5	1.6
Total Carbon Emissions (tCO <sub>2</sub> e)	6,847	3,993

\* Note: Data improvement for genset emissions is ongoing, with enhanced collection and calculation methods to be fully integrated into our carbon emissions reporting by 2025, as per our Sustainability Framework and Integration Plan.

# Carbon Emissions



## 2 Scope 2: Emissions from the Consumption of Electricity for Network & Buildings

In addressing electricity consumption, we have enhanced energy efficiency and increased our renewable energy usage, resulting in a significant reduction of 9% in electricity usage in 2023 against the baseline year which equates to a decrease in emissions by 79,978 tCO<sub>2</sub>e.

Our efforts are organised as follows:

### Network

As the nation's telecommunications provider, the bulk of our electricity is consumed by network infrastructure. Therefore, we optimised electricity consumption by decommissioning legacy networks and transitioning to more efficient systems, resulting in RM3.6 million in cost savings.

Initiative	Impact & Achievements								
<p><b>Network Element Shutdown</b></p>	<p>Implemented network modernisation to operate only high-efficiency network elements, including the deactivation of underutilised elements and migration of services to networks with higher utilisation rates.</p> <div style="text-align: right;"> <p><b>Reduction in Electricity (MWh)</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Reduction in Electricity (MWh)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>4,810</td> </tr> <tr> <td>2022</td> <td>9,650</td> </tr> <tr> <td>2023</td> <td>1,385</td> </tr> </tbody> </table> </div>	Year	Reduction in Electricity (MWh)	2021	4,810	2022	9,650	2023	1,385
Year	Reduction in Electricity (MWh)								
2021	4,810								
2022	9,650								
2023	1,385								
<p><b>Energy Efficiency Optimisation (EEO)</b></p>	<p>Implemented cost-saving energy efficiency measures, including increasing room temperatures, switching to LED and solar lighting and optimising network equipment space.</p> <div style="text-align: right;"> <p><b>Reduction in Electricity (MWh)</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Reduction in Electricity (MWh)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>1,130</td> </tr> <tr> <td>2022</td> <td>1,660</td> </tr> <tr> <td>2023</td> <td>3,840</td> </tr> </tbody> </table> </div>	Year	Reduction in Electricity (MWh)	2021	1,130	2022	1,660	2023	3,840
Year	Reduction in Electricity (MWh)								
2021	1,130								
2022	1,660								
2023	3,840								

### Buildings & Data Centres

We focused on reducing our energy usage within our buildings through the optimisation of office layout, the adoption of inverter-based air conditioning systems and the implementation of energy-saving light bulbs, resulting in RM4.3 million cost savings.

Initiative	Impact & Achievements								
<b>Energy Performance Contracting (EPC)</b>	Upgraded facility systems, including switching to inverter-type air conditioners and energy-efficient light bulbs. <ul style="list-style-type: none"> <li>Implementation in three (3) EPC buildings</li> </ul> <div style="text-align: right;"> <table border="1"> <caption>Reduction in Electricity (MWh)</caption> <tr><th>Year</th><th>Reduction (MWh)</th></tr> <tr><td>2021</td><td>1,142</td></tr> <tr><td>2022</td><td>2,500</td></tr> <tr><td>2023</td><td>2,450</td></tr> </table> </div>	Year	Reduction (MWh)	2021	1,142	2022	2,500	2023	2,450
Year	Reduction (MWh)								
2021	1,142								
2022	2,500								
2023	2,450								
<b>Cooling Unit Upgrading (CUU)</b>	Replaced 225 conventional air-conditioning units with energy-efficient inverter models. <ul style="list-style-type: none"> <li>Reduction in Electricity: 4,140 MWh</li> </ul>								

In our data centres, we focused on enhancing Power Usage Effectiveness (PUE) to achieve a balance between energy efficiency and cost optimisation for our customers.

This year, we initiated a strategy to streamline applications within data centres to establish a more efficient solution infrastructure. Scheduled from 2023 to 2026, this strategy is designed to substantially reduce energy consumption, bringing IT operations in line with our sustainability goals. Nevertheless, we saw an increase in electricity consumption stemming from rising demand for cloud and data centre services.

Initiative	Impact & Achievements
<b>Power Usage Effectiveness (PUE) Monitoring</b>	Implemented rigorous monitoring of PUE to optimise energy efficiency across our data centres. <ul style="list-style-type: none"> <li>Average PUE: 1.6 to 1.8, despite business expansion and increasing energy use</li> </ul>



# Carbon Emissions

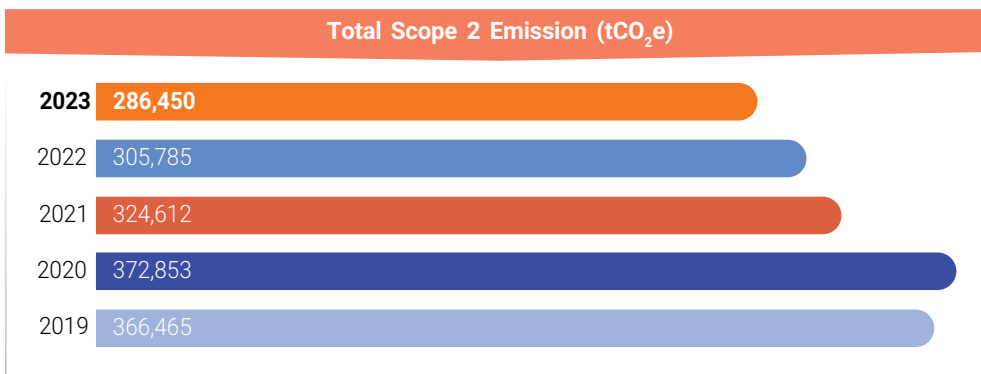
## Scope 2 Performance:

During the year, we observed a slight decline in our electricity consumption from 430,414 MWh to 429,102 MWh, demonstrating our ongoing dedication to reducing our Scope 2 emissions. Additionally, we have intensified our focus on utilising renewable energy sources to enhance our energy portfolio and safeguard the environment, leading to a notable rise in our utilisation of renewable energy.

TM Electricity Consumption Breakdown by Sites (MWh)		2019	2020	2021	2022	2023
Network		374,524	355,683	333,913	326,264	<b>328,265</b>
Building	Commercial	45,652	38,371	35,574	34,840	<b>21,136</b>
	Data Centre*	49,651	54,087	58,774	69,310	<b>79,701</b>
Renewable Energy					(27,000)	<b>(51,200)</b>
Total		469,827	448,141	428,261	430,414	<b>429,102</b>

Adjusted Electricity Consumption at Data Centres (MWh)*		2019	2020	2021	2022	2023
DC Electricity Usage		51,561	57,115	64,763	80,103	<b>102,871</b>
Third party power usage at DCs		1,910	3,028	5,989	10,793	<b>23,170</b>

\* In 2023, we revised our Scope 2 emissions calculations for the years 2019 to 2022 by distinguishing the electricity directly consumed by our data centres from that used by third parties (non-TM operations). This adjustment provides a more accurate representation of TM's carbon emissions, correcting the previous overestimation.



**Achieved 40%** renewable energy use in our data centres' electricity supply via 4,076 MWh of GET



### 3 Scope 3: Emissions from Other Activities

Our climate action extends beyond fuel and electricity reduction. We also track and report indirect forms of emissions to gain a better understanding of all potential improvement areas. These include:

Scope 3	Initiatives & Progress
<b>Waste Generation</b>	Enforced strict waste segregation at designated sites, distinguishing between solid and scheduled wastes according to the Environmental Quality (Scheduled Wastes) Regulations 2005. Promoted paperless operations and the Reduce, Reuse, Recycle principle, achieving significant waste management improvements
<b>Business Travel</b>	Shifted to virtual meetings to minimise business travel, significantly reducing the need for employee air travel. This approach contributed to cost savings and a reduction in Scope 3 emissions, aligning with our sustainability goals

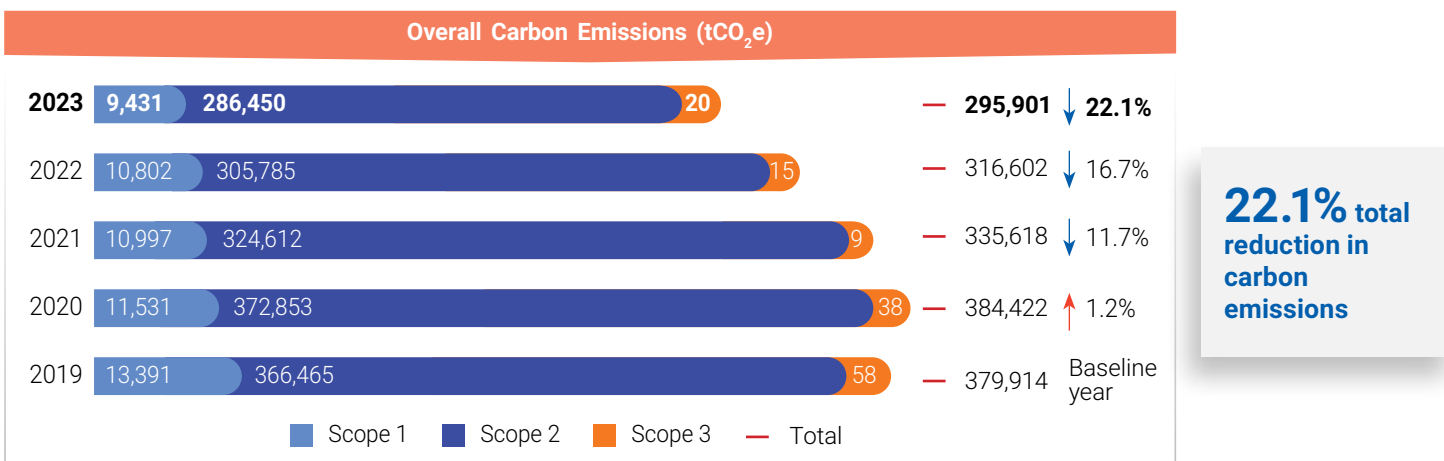
We collected information and computed employee commute for the first time in 2023. However, emissions stemming from this were omitted from the overall 2023 emissions to maintain consistency with the boundary established in the 2019 baseline.

Total Scope 3 Emissions (tCO <sub>2</sub> e)	2019	2020	2021	2022	2023
<b>Waste Generated*</b>	4	2	2	4	<b>17</b>
<b>Business Travel**</b>	54	36	7	11	<b>3</b>
<b>Total</b>	58	38	9	15	<b>20</b>

\* The emissions calculated from the total waste generated at eight (8) sites in 2023 include both scheduled and non-scheduled waste categories. We also updated our emissions factors with DEFRA 2023, which resulted in a reported increase in emissions.  
 \*\*The data is limited as the emissions determined were based on trips made via travel agent only. It excludes reservations made through other channels or platforms.

### 4 Overall Performance

Our emissions data from 2020 to 2022 indicate a steady decline in carbon emissions, setting the stage for a 22.1% reduction of CO<sub>2</sub> equivalent in 2023 compared to the 2019 baseline, which puts us on track towards our target of 30% emissions reduction by 2024. This underscores the value of persistent collaboration and innovation in our efforts to combat climate change and achieve our sustainability goals.



### HOW WE WILL MOVE FORWARD

Starting 2024, we plan to refine our carbon emissions estimation and management strategies across all emission scopes, thus better managing our transitory climate risks.

In the short-term, we will improve our calculation methods and boundaries of TM's carbon footprint for Scope 1 and 2 emissions, while advancing our our emissions reduction efforts. Over the medium-term, our aim is to expand our boundaries for our Scope 3 emissions, providing a broader overview for targeted reduction strategies in collaboration with our stakeholders. In the long term, our efforts will support national net-zero ambitions, contributing to global climate change mitigation.

04

# Responsible Employer



In our pursuit of sustainability, we recognise that the foundation of a socially responsible organisation is rooted in fair employment practices. Our unwavering commitment allows us to foster a workplace environment where diversity and inclusion are not just goals but fundamental principles. By valuing every individual, we are building a sustainable future where our employees can thrive. This environment stimulates innovation and promotes a culture that aligns with our shared values. For us, responsible employment practices are more than a policy; they are integral to our commitment to achieving sustainable success.

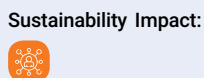
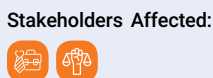
**Material Matters**

**M8** Fair Employment  
*(page 133)*

**M9** Health & Safety  
*(page 141)*

**M10** Learning & Development  
*(page 146)*

# Fair Employment



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Strong employee policies
- ➔ Good remuneration & benefits
- ➔ Fair and respectful environment



## WHAT IS OUR APPROACH

We are committed to creating a workplace that fosters growth and fulfillment. Through a holistic approach encompassing fair policies, competitive benefits, development opportunities, a culture of respect and care, FWA and a clear sense of purpose, we ensure all team members feel engaged and empowered.

### Policies & Guidelines

We uphold fair employment through a strong policy framework, ensuring high standards across the organisation. Through our Human Resource (HR) policies which aligns with our strategic goals, we guarantee fair and equitable treatment for all employees. All employees are able to access our HR policies via our internal portal or through direct contact with the Group Human Capital Management (GHCM) division, facilitating easy access and support.

### Competitive Benefits

Our employee benefits are designed to support the diverse needs of our workforce, ensuring that every member feels valued and supported, both in their professional and personal lives.

BENEFIT	➔ WHAT IT COVERS
<b>Wellness &amp; Medical</b>	Paid annual leave, health screening, FWA, medical benefits, sick leave, mental health support (Life coach, counsellors, etc.) and on-demand wellness application for easy health management
<b>Financial Assistance</b>	Housing loan, vehicle loan, computer loan
<b>Insurance</b>	Group Term Life, Group Personal Accident
<b>Other Benefits</b>	Staff package, club membership, car benefits (petrol allowance, etc.)

For temporary and fixed term contract employees, benefits comply with the Employment Act 1955, covering paid annual and sick leave, to ensure fairness and support for all, regardless of employment status.

### Career Development

Our career development programmes encompass initiatives for line supervisors, middle managers, gender diversity and scholarships for employees to further their studies. We also carry out tailored development opportunities for senior and top management, aiming to fortify our leadership bench.

### Equal Opportunities

TM champions equal opportunity, implementing policies and practices that actively exclude discrimination based on race, ethnicity, gender, sexual orientation, age, religion, disability or any other protected characteristics. All have equal rights to expression, opinion sharing and access to career advancement and promotions based on merit and qualifications.

### Rewarding Excellence

TM rewards employee hard work through various programmes, focusing on the vesting of existing Long-Term Incentive Plans (LTIPs) to honour long-term contributions. We also celebrate achievement with the GCEO Awards in four (4) categories: Business Excellence, Service Excellence, #IniCaraKita and the newly introduced Innovative Savings Award.



# Fair Employment

Additionally, financial rewards include salary adjustments and increments based on individual performance, ensuring compensation reflects personal contributions. Bonuses are also awarded, dependent on both the company's financial performance and individual employee's achievements.

## Fostering a Safe & Respectful Workplace

We ensure zero discrimination and harassment in the workplace, adhering strictly to our policies for managing misconduct. Offenders are disciplined following due process. We offer reporting channels for both employees and external parties through our whistleblower process. Reports can be made via TM's Ethics Line (email and toll-free line) or directly to GHCM to protect confidentiality and ensure safety.

We also provide extensive anti-harassment training through modules on TM Learn and LinkedIn Learning for executives, focusing on preventing workplace bullying and harassment.



Scan here to know more about TM Group's human capital achievements & awards.

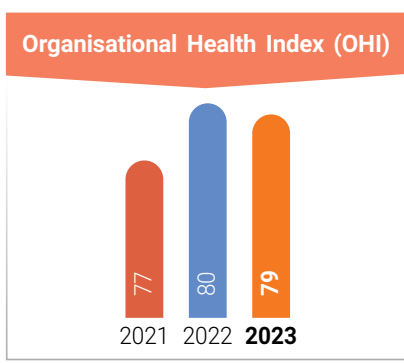


## HOW WE CREATED VALUE IN 2023

### 1 Engagement & Well-Being

Engagement and well-being form the foundation of a vibrant, productive workplace. At TM, we maintain meaningful dialogue and engagement programmes so our employees feel valued, supported and heard.

Our engagement efforts are evident in our steady OHI scores. Although there was a minor dip in 2023, it underscores the impact of various changes and leadership dynamics on employee engagement. Our commitment to bolstering organisational health and employee engagement remains strong, with strategic initiatives poised to further elevate our OHI scores in the coming years.



### Keeping Employees Happy & Engaged

What We Did	Impact/Achievements
<b>Townhall &amp; Leadership Engagement Sessions</b> Hosted quarterly townhall sessions for transparent communication and direct engagement with leadership	<b>100% employees reached</b>
<b>Comprehensive Well-being Programmes – Wellbeing360</b> Launched a digital wellness app BookDoc and implemented various well-being programmes, focusing on financial, environmental, physical and mental well-being	<b>35% employees reached through the platform as at February 2024, targeting 75% activation rate by end 2024</b>
<b>Welfare Assistance</b> Distributed welfare assistance for various needs, including disaster relief, burial support and contributions to Hajj pilgrims	<b>Over RM120,000 in welfare assistance distributed to Warga TM</b>
<b>Kiriman Mesra</b> Dispatched custom gift boxes to selected employees during significant occasions as a gesture of appreciation	<b>1,000 employees received customised gift boxes</b>



## 2 Protecting Worker's Rights

Our employees have freedom of association through unions. This allows them to take collective action according to their best interest. There are four (4) unions that have been recognised by TM for our non-executive employees:

- National Union of Telecommunication Employees Peninsular Malaysia (NUTE)
- Union of Telecoms Employees Sarawak (UTES)
- Sabah Union of Telecom Employees (SUTE)
- Sabah Union of Telecommunication Employees (SUTEN)

As part of our strategic initiative to enhance the value of our human capital through upward mobility, we are progressively transforming our workforce to include a greater proportion of employees at the executive and senior levels. Therefore, the percentage of unionised employees has reduced.

Union & Collective Bargaining	↻	2019	2020	2021	2022	2023
Number of unionised employees		8,603	8,210	7,572	6,766	<b>6,400</b>
Percentage of employees with collective bargaining agreements		54%	37%	37%	35%	<b>34%</b>
Non-union members		14,305	11,565	2,828	2,751	<b>2,486</b>

## 3 Diverse & Inclusive Workforce

We recognise the value diversity and inclusion bring to our organisation, enriching our workplace with fresh perspectives, creativity and innovation. Throughout the year, we launched various initiatives to empower our workforce, acknowledging and nurturing different dimensions of diversity:

### Age Diversity

Age diversity is crucial in fostering a vibrant and innovative workplace, bringing together a wide range of perspectives, skills and ideas that drive creativity and progress. Our TM Graduate Programme (TMGP) aims to inject young talent into our workforce, enhancing age diversity.

#### Impact & Achievements:

Onboarded 99 *Warga TM* under 27, diversifying our team's age range.

Facilitated four (4) dialogues between participants and senior leaders in 2023, encouraging fresh insights.

### Gender Empowerment

Championing gender inclusion, we actively support women's advancement within our organisation. Our multifaceted approach includes:

#### ASPIRE Programme

TM's ASPIRE programme is specifically designed to cultivate a new generation of women leaders, providing over 60 hours of training, coaching and mentoring. This initiative aims to equip our high-potential female employees with essential leadership skills, yielding notable achievements.

#### Achievements:

- Achieved 32% female representation in senior management
- Three (3) promotions to senior management roles and three (3) significant job rotations or role expansions
- Maintained a 100% retention rate among the ASPIRE participants

# Fair Employment

## Fair Compensation

We advocate for fairness and equality in remuneration, ensuring our compensation practices prevent gender pay disparities and reflect each individual's contributions and merits.

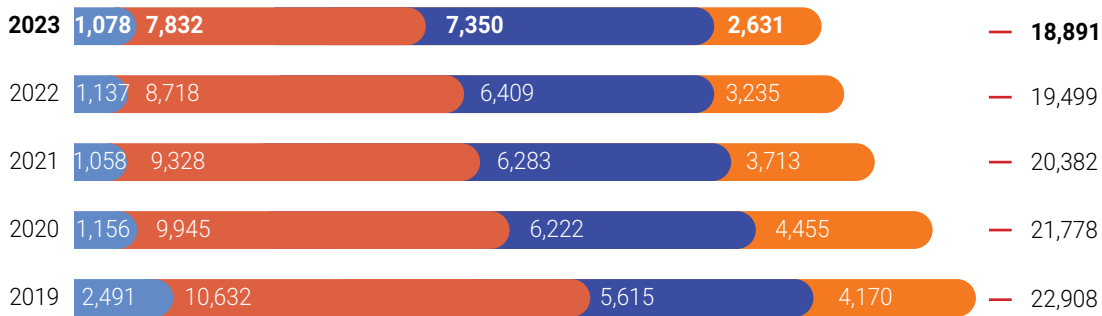
Ratio of Salary for Women to Men	⊖	2020	2021	2022	2023
Management		1:1.25	1:0.83	1:1.22	<b>1:1.11</b>
Executive		1:0.91	1:0.97	1:0.97	<b>1:0.93</b>
Non-Executive		1:1	1:1.07	1:1.02	<b>1:1.02</b>

Our dedication to inclusivity has enabled us to maintain a vibrant and diverse workforce, spanning various demographics to support both existing and new team members.

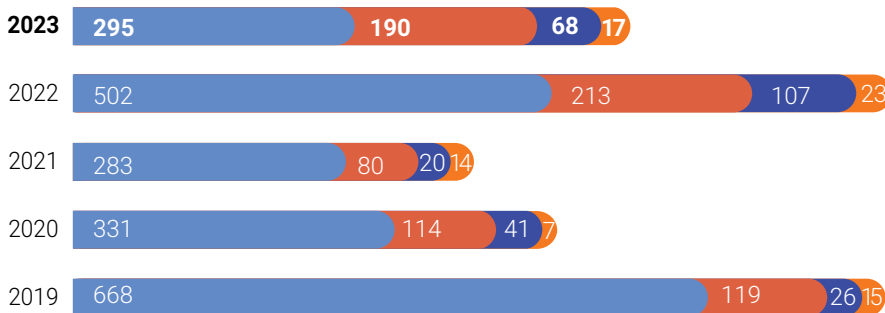
## Diversity of Workforce

### Age

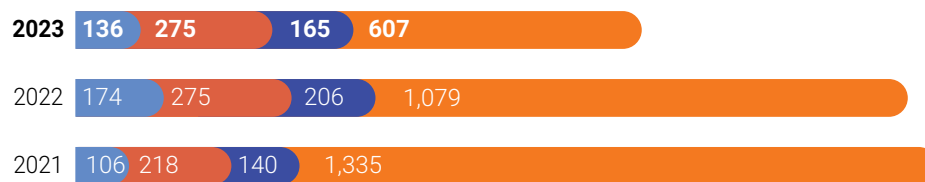
#### Age Group (headcount)



#### Number of Employee Hires by Age Group

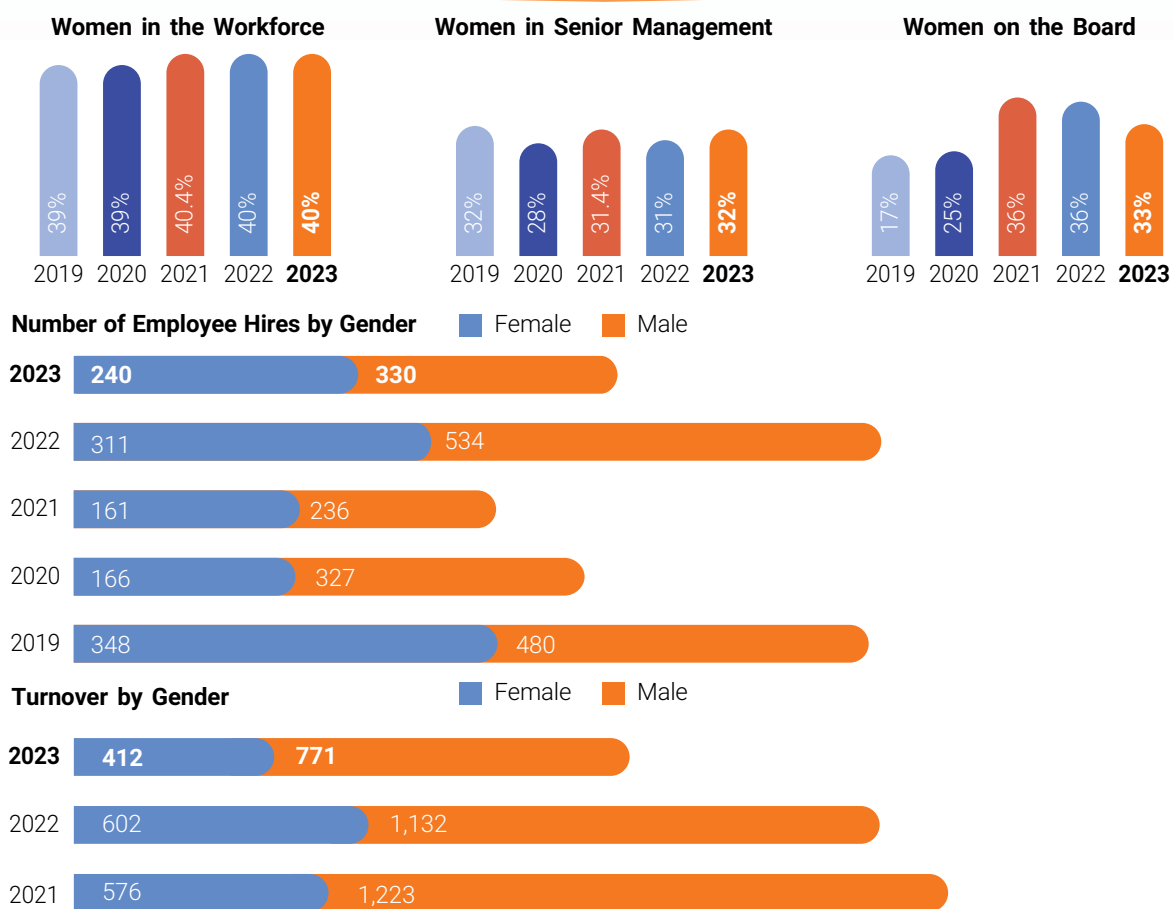


#### Turnover based on Age (pax)

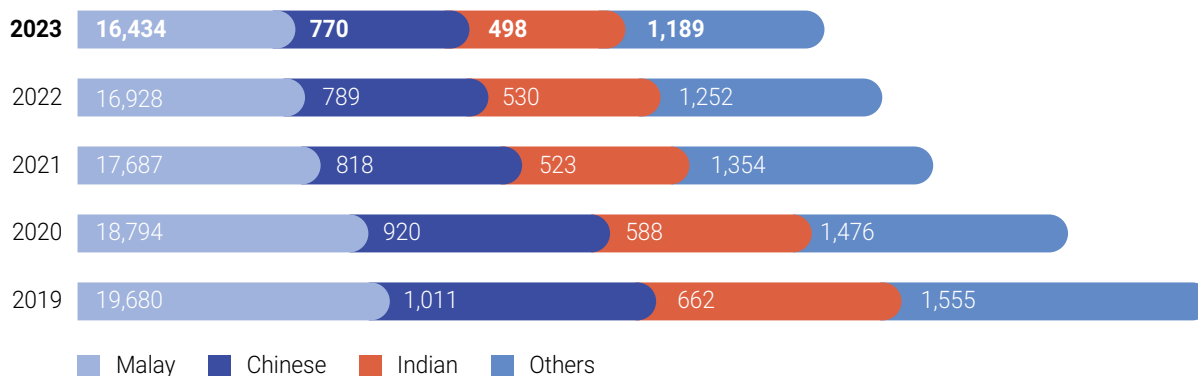


■ Under 30 years old 
 ■ 30 - 40 years old 
 ■ 40 - 50 years old 
 ■ Over 50 years old 
 — Total

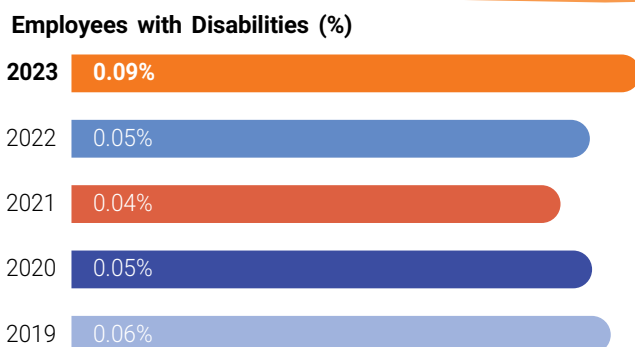
### Gender



### Race



### Disabilities



## Fair Employment

### 4 Supporting Work-Life Balance

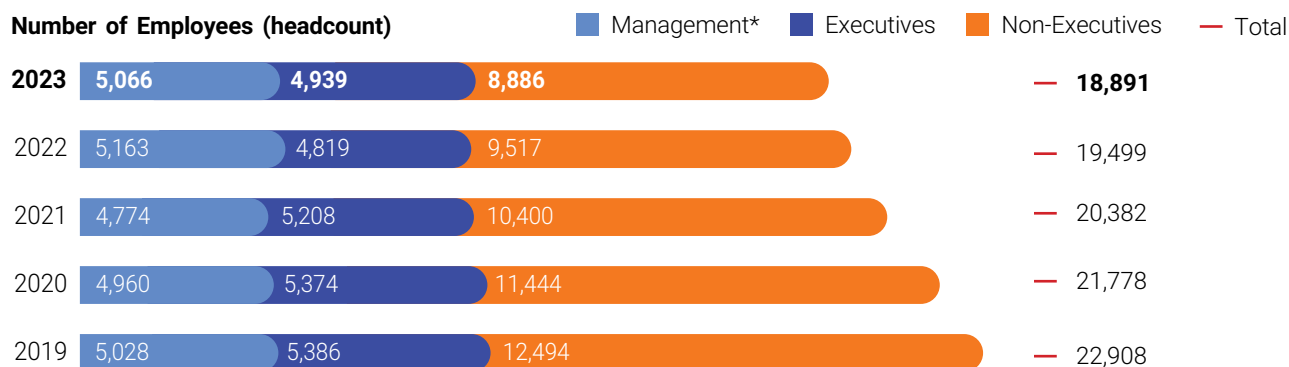
Recognising the challenge of balancing professional and family life, especially for women, we provide comprehensive parental support. Our initiatives, including on-site childcare facilities at TM Dynamic Kids and TM MITC, Melaka, parental leave policies and flexible as well as hybrid working arrangements underscore our commitment to fostering an inclusive and supportive work environment for all parents.

**OUR COMPREHENSIVE SUPPORT FOR FAMILIES HAS LED TO 100% OF EMPLOYEES RETURNING TO WORK AFTER THEIR PARENTAL LEAVE ENDED**

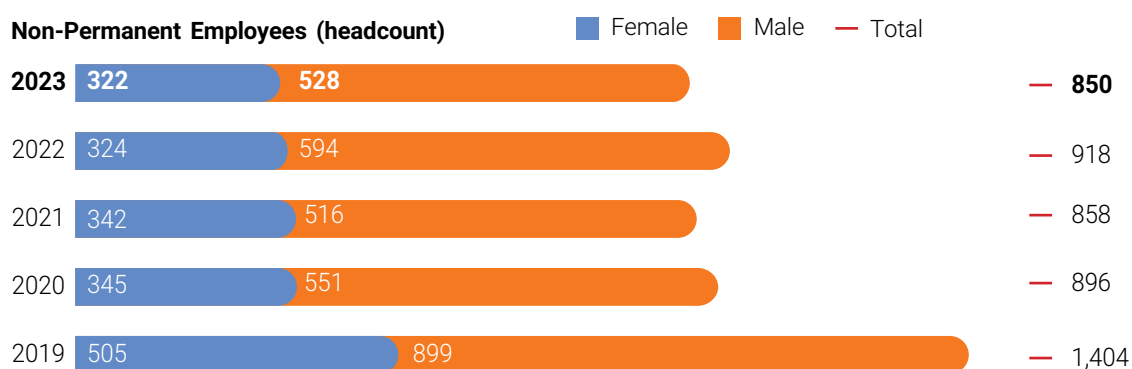
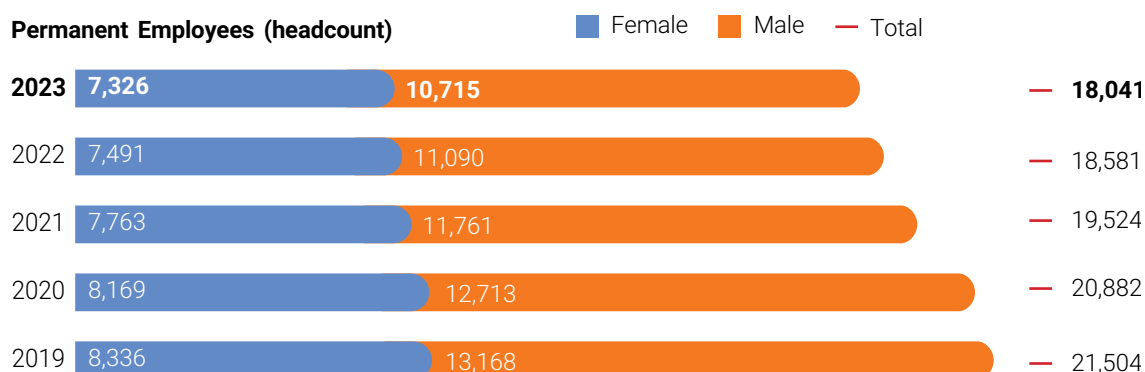
Parental Leave	↻	2019	2020	2021	2022	2023
<b>Total number of employees who returned to work after parental leave ended</b>		4,793	4,333	4,626	3,882	<b>4,065</b>
Female		2,205	1,946	1,912	1,803	<b>1,905</b>
Male		2,588	2,387	2,714	2,079	<b>2,160</b>
<b>Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work</b>		4,793	4,178	4,614	3,819	<b>4,002</b>
Female		2,205	1,894	1,909	1,773	<b>1,877</b>
Male		2,588	2,284	2,705	2,046	<b>2,125</b>
<b>The return-to-work rates of employees who took parental leave</b>						
Female (%)		99	100	100	100	<b>100</b>
Male (%)		100	100	100	100	<b>100</b>
<b>Retention rates of employees who took parental leave</b>						
Female (%)		99	97	99.8	98	<b>99</b>
Male (%)		100	96	99	98	<b>98</b>

## 5 Employee Data

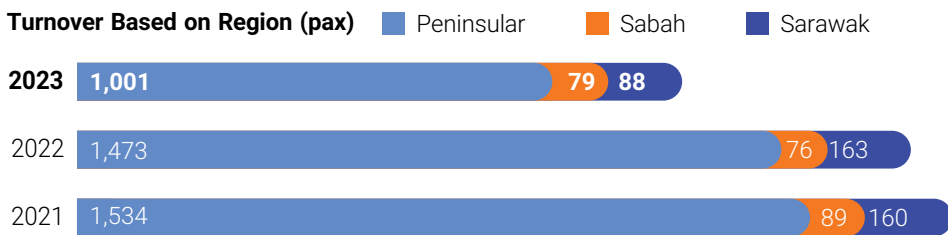
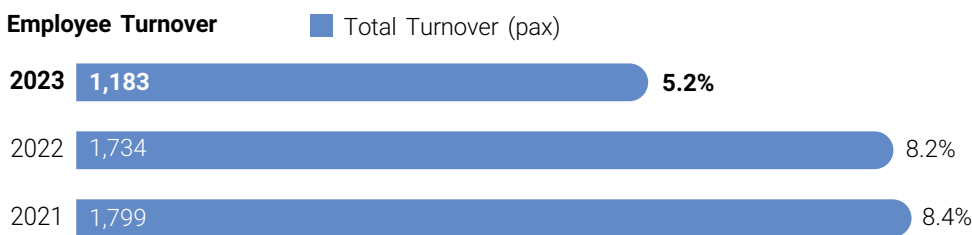
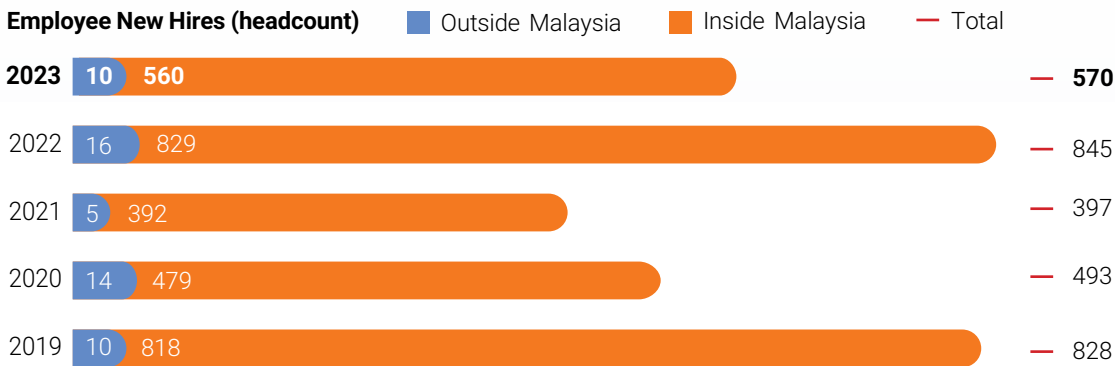
Our commitment to ensuring fair employment for *Warga TM* aligns with the GRI standard. Tracking our employee data demonstrates our consistency and transparency in disclosing internal information.



\* Note: Management includes all employees who hold job titles of Manager and above.



# Fair Employment



## HOW WE WILL MOVE FORWARD

As we look ahead, our outlook on fair employment encompasses several key initiatives:

### ⊕ Fostering a Culture of Equal Opportunities

We will continue to foster a workplace culture where all employees, regardless of background or identity, have equal access to opportunities for growth and advancement.

### ⊕ Strengthening Employment Policies & Procedures

We continuously conduct comprehensive reviews of our recruitment procedures to ensure they are free from bias and promote fairness. Additionally, we will establish clear guidelines for promotions, compensation and performance evaluations to ensure transparency and equity throughout the organisation.

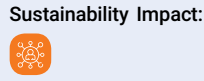
### ⊕ Valuing Diversity & Respect

We will implement initiatives and programmes that create a workplace where every individual feels valued, respected and empowered to contribute their unique perspectives and talents.

### ⊕ Enhancing Productivity & Efficiency via Digitalisation

We are driving digitisation, automation and robotics in our processes to enhance productivity, efficiency and ease of work for our employees.

# Health & Safety



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Robust safety governance
- ➔ Safety culture & competency
- ➔ Safe work environment



## WHAT IS OUR APPROACH

Ensuring the health and safety of our workforce is fundamental to our operations. Our strategy is rooted in TM's Occupational Safety, Health and Environment (OSHE) Policy. We are committed to creating a secure work environment through collaboration with internal and external stakeholders. We also strive to make health and safety part of our everyday work. In 2023, our TM OSHE Risk Rating was assessed as Moderate, with the incident likelihood being over 20% lower than the National Incident Rate, indicating our proactive and effective measures in risk reduction and safety enhancement.

### OSHE Roadmap

The TM OSHE Roadmap, approved in 2023, outlines our journey towards improving the work environment for all employees and stakeholders by 2026.

	<p><b>OSHE LEADERSHIP &amp; COMMITMENT COMPASS</b></p>	<p><b>OSHE CORE VALUE</b> Accentuates OSHE mission and vision as the company's 'Core Value'.</p>	<p><b>OSHE ACCOUNTABILITY</b> Accountability for safety as part of company's leadership development strategy.</p>	<p><b>OSHE LEADER COMMUNICATION</b> Leaders provide consistent, personalised messaging about the importance of safety and health.</p>
	<p><b>OSHE OPERATIONAL EXCELLENCE</b></p>	<p><b>OSHE PERSONNEL COMPETENCY</b> Raise OSHE personnel professionalism and competencies.</p>	<p><b>OSHE MANAGEMENT SYSTEM</b> Remodel implementation of the OSH Management System framework and scope of certification.</p>	<p><b>HIGH-RISK INFRASTRUCTURE INVENTORY</b> Reform TM's high-risk infrastructure inventory for better hazard management.</p>
	<p><b>ENGAGEMENTS &amp; EXTERNAL PARTIES MANAGEMENT</b></p>	<p><b>STAKEHOLDER ENGAGEMENT</b></p>	<p><b>CONTRACTOR SAFETY MANAGEMENT</b></p>	<p><b>STRATEGIC COLLABORATION WITH PROFESSIONAL BODIES</b></p>
	<p><b>OSHE ORGANISATIONAL BEHAVIOUR</b></p>	<p><b>OSHE COMPELLING PROGRAMMES</b> Drives compelling programmes to build and elevate OSHE culture.</p>	<p><b>OSHE INCENTIVES &amp; REWARDS</b> Introduce incentive programmes to boost the awareness of OSHE and to acknowledge all personnel that demonstrate commitment to OSHE compliance.</p>	<p><b>OSHE IS EVERYONE'S RESPONSIBILITY</b> Embed trust, respect and inclusion as the foundation for a culture of safety.</p>

# Health & Safety

## Health & Safety Governance

The governance of our health and safety initiatives is structured across multiple tiers, ensuring effective oversight and implementation:

### ⊕ Tier 1

The TM OSHE Steering Committee provides strategic guidance and policy oversight whereas, our Management Committee (MC) provides strategic guidance on accidents involving fatalities and actions involving legal issues.

### ⊕ Tier 2

OSHE Committees within specific Business Units and Subsidiaries create customised safety measures.

### ⊕ Tier 3

At the local level, OSHE Committees in Regions, States and TM facilities, along with Building & Premise OSHE Committees (BPOCs), guarantee the implementation and compliance with safety standards at TM buildings and premises.

## HOW WE CREATED VALUE IN 2023

### 1 Strategic OSH Enhancements

In 2023, we focused on strategic enhancements to improve workplace safety, risk minimisation and compliance with safety standards through several key initiatives.

#### Key Enhancements in 2023:

Initiative	⊕ What We Did
<b>KPIs for OSHE</b>	Introduced and implemented OSHE KPIs across critical LoBs, including Group Network and Technology (GNT) division, Support Business division and TM One, enabling precise OSH performance monitoring and fostering a culture of safety improvement.
<b>OSHE Committee &amp; Structure Enhancements</b>	Established the Network State OSHE Committee and Regional Facilities Management (FM) OSHE Committee to enhance OSH governance, enhancing strategic oversight and coordination of safety initiatives.
<b>OSH Coordinators</b>	Appointed dedicated OSH Coordinators for State Network and Regional FM to address and manage OSH issues, thus strengthening adherence to safety protocols.
<b>TM OSHE Portal</b>	Established interactive OSHE portal as a one-stop reference to TM employees.

### 2 Preventive & Mitigation Actions

Our OSH risk mitigation and management in 2023 focused on proactive safety management to prevent accidents and minimise risks. We initiated efforts to extend the scope of our ISO45001 to our state operations, starting with Sarawak.

A critical component of our risk mitigation strategy has been the focused implementation of hazard identification, risk analysis and risk control across our LoBs, operations and supplier operations. This included a comprehensive review and development of HIRARC in various operational areas to ensure our workforce thoroughly understands and implements safety measures.

Through these measures, we aim to enhance the safety and health standards for both our employees and suppliers, emphasising our dedication to maintaining a safe working environment for all stakeholders.

### 3 Training & Compliance Programmes

Throughout the year, we strengthened our health and safety culture through various training and initiatives aimed at improving OSH understanding, competence and awareness among employees.

Initiative	Actions Taken	Employees Reached
<b>e-PTW System</b>	Deployed an electronic Permit-to-Work (e-PTW) system to enhance efficiency and compliance	<b>1,625</b>
<b>OSH Supervision Effectiveness Programme</b>	Implemented a specialised training programme for supervisors to strengthen safety practice adherence	<b>865</b>
<b>Awareness Programmes</b>	Conducted programmes on industrial hygiene training in six (6) regions, encompassing ergonomics, chemical handling, indoor air quality and noise assessment	<b>315</b>
<b>Basic Occupational First Aid</b>	Conducted trainings to equip employees with essential emergency response and injury management skills	<b>24</b>

### 4 Audit & Communication

We continued to prioritise audit and communication as essential components of our OSH strategy, understanding that effective safety management extends beyond compliance to include continuous engagement and awareness. Key measures and developments include:

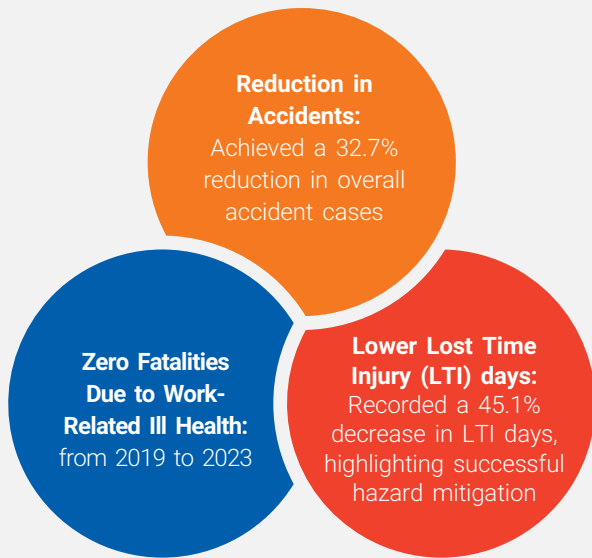
Initiative	What We Did
<b>OSHE Compliance Audit Programme</b>	Launched an audit programme targeting contractor management processes to ensure adherence to OSHE policies, identifying areas for improvement and ensuring corrective actions were taken.
<b>Continuous Communication</b>	Utilised various channels such as OSHE Alert, OSHE Facts, OSHE Newsletter and the OSHE Portal to disseminate information, raise awareness and engage with employees on OSH matters.
<b>Workplace Inspections</b>	Conducted comprehensive quarterly workplace inspections at high-risk premises assessing compliance with safety standards and identifying potential hazards for remediation.

# Health & Safety

## 5 Overall Performance

TM's focused safety strategies led to significant health and safety metric improvements, demonstrating our effective risk management and safety.

### KEY ACHIEVEMENTS

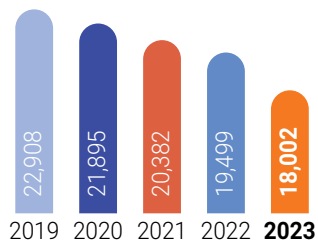


### LOST-TIME INJURY CASES

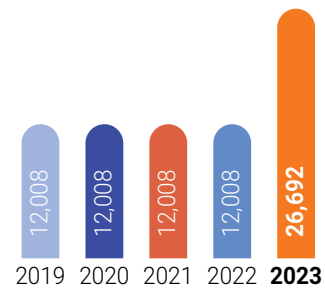


## Occupational Health & Safety Management System Coverage

TM Employees Covered\*



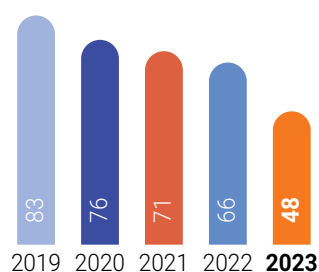
Contract Workers Covered



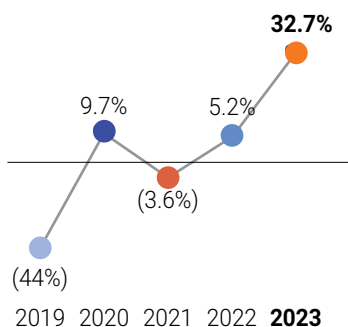
\* Excluding employees at subsidiaries

### Work-Related Injuries & Ill Health

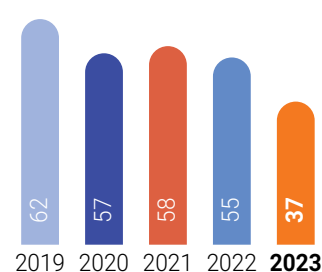
Total Recordable Injury Cases



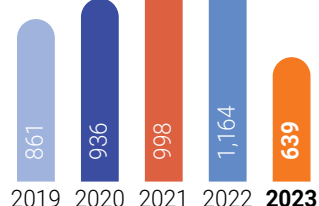
Percentage Reduction in Incidents (%)



Absenteeism Rate (Headcount)



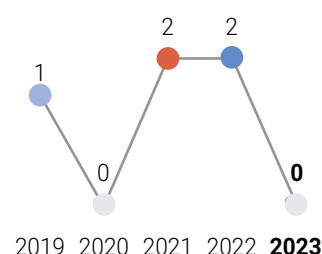
Absenteeism Rate (Days)



Recordable Work-Related Ill Health Cases



Fatal Accidents



### HOW WE WILL MOVE FORWARD

#### OSHE Risk Rating Goal

Our goal is to attain a Low-Risk OSHE Rating by 2025, demonstrating our commitment to occupational safety and health excellence. Our forward-looking strategy includes:

#### ➤ Likelihood Assessment

We aim to further lower the TM Accident Rate, targeting a reduction to at least 20% below the National Rate as established by the DOSH, building on our current performance, which already exceeds national benchmarks.

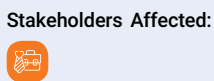
#### ➤ Severity Reduction

Reducing the impact of injuries or illnesses to minimise permanent disabilities, emphasising both risk prevention and mitigation.

Our approach to health and safety is further strengthened by comprehensive training and rigorous auditing processes, ensuring a strong safety culture that exceeds industry standards.



# Learning & Development



## WHAT OUR STAKEHOLDERS EXPECT

- Future-ready skills training
- Professional progression & growth



## WHAT IS OUR APPROACH

We prioritise professional progress and growth through a focused approach to learning and talent development. We aim to build an agile, high-performance workforce with the skills needed for future challenges. Our training aligns with TM's strategic goals, preparing *Warga TM* to thrive as we evolve into a Digital Powerhouse by 2030.

Our commitment to continuous learning ensures that every member of *Warga TM* is equipped for their current and future roles. Our learning and development (L&D) initiatives cover planning, delivering and evaluating programmes across TM fostering a culture that supports learning and a readiness for future demands.

### Diverse Development Programmes

We facilitate *Warga TM's* growth through diverse development programmes that cover leadership, future skills, current business skills and cultural mindset shifts. These programmes integrate digital and hybrid learning, focusing on areas critical to our technological transformation. We carefully curated our learning contents and modules through collaboration with TM strategic technology partners, commercial providers and internal expertise & subject matter experts to ensure our training is at the forefront of industry relevance & innovation.

### Digitalising the Learning Experience

To take our learning initiatives to the next level, TM has embraced digital platforms like TM Learn, LinkedIn Learning and Coursera. These platforms offer personalised learning experiences, competency assessments and curated content, aligning with our goal of providing accessible and effective training. Our efforts are guided by a framework to modernise the learning experience for all *Warga TM*.

**TM Digital Academy**

|
|

**Quality Online Learning at Point of Need**

TALENT	INTERNAL STAFF   NEW HIRE   PROTÉGÉ & ELIT   BUSINESS PARTNERS   CUSTOMERS   PUBLIC				
Programmes	Leadership	Future-Skilling	Business Skill	Culture	Others
Facilities & Digital Experience	Leadership Lab   Digital Theatre   Human Potential Lab   Digital Tech Labs   CX Lab   Unifi Store   Simulation Lab   Creative Content Lab   VR Experience				
5G Coverage   Wifi 6   Digital Tech Labs   Smart Lighting   Green Tech Building   Digital Payment					
Partners					



## HOW WE CREATED VALUE IN 2023

### 1 Progress in Training & Development

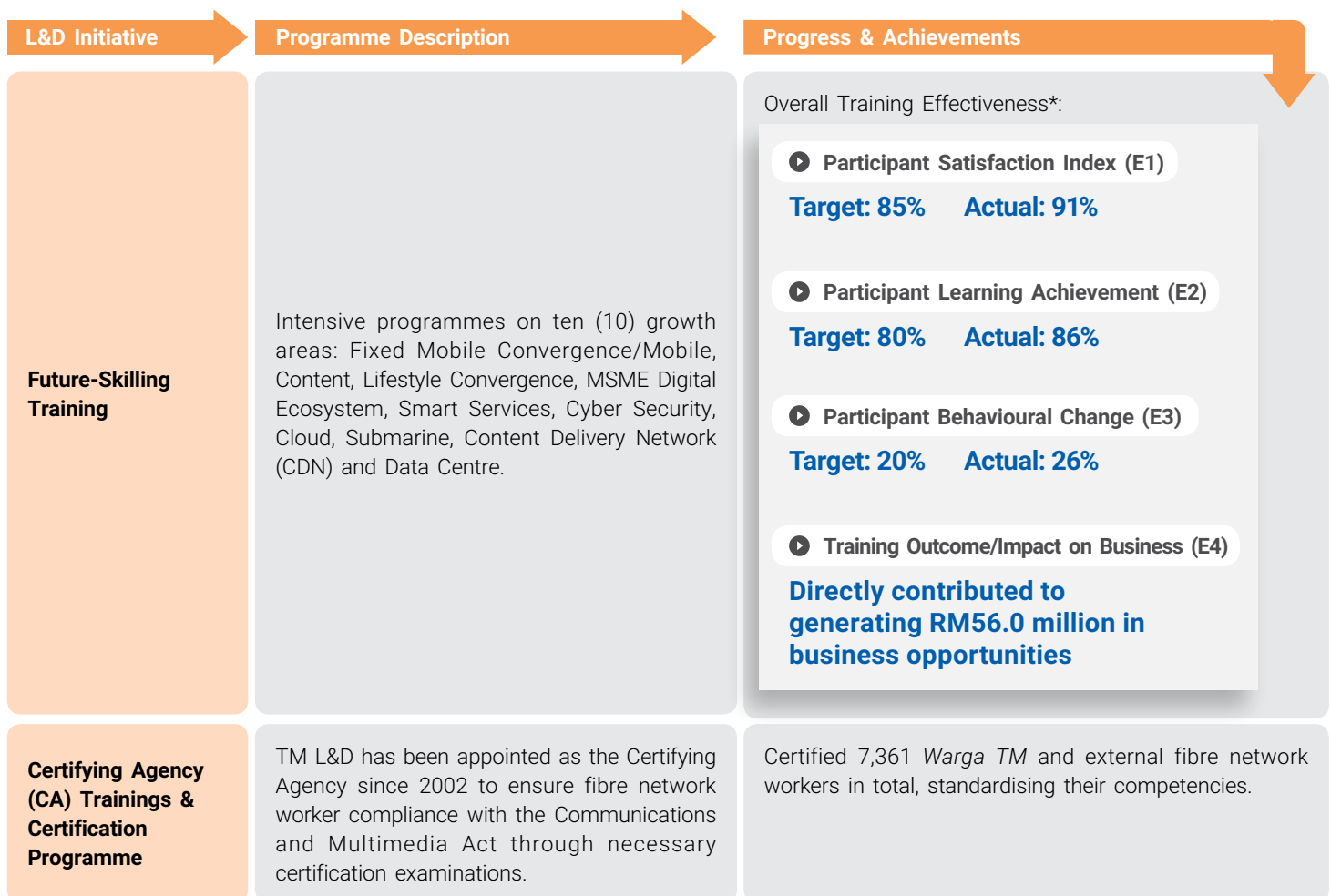
In 2023, 18,788 *Warga TM*, representing 99% of our total workforce, were trained through comprehensive Future-Skilling, Leadership, Re-skilling/Up-skilling and Culture programmes. This extensive training effort encompassed 1,988 sessions, more than 70% of which were conducted via virtual or online delivery modes, aligning with our commitment to digital learning.

These initiatives not only enhanced the competencies and capabilities of our workforce but also contributed to tangible business outcomes, including increased revenue and strategic growth opportunities.

The Kirkpatrick training evaluation model, a globally recognised standard for measuring the impact of training, has been strategically implemented to assess various dimensions of training effectiveness. This model evaluates training from four (4) crucial perspectives: participants' satisfaction, learning achievement, behaviour change at the workplace and the overall impact on business outcomes.

In 2023, we consistently outperformed our expectations across E1, E2 and E3 evaluation levels and contributed significant business impact in some of the trainings delivered. This demonstrated the effectiveness of our training delivery.

#### Overview of L&D Initiatives in 2023



\* Based on Kirkpatrick training evaluation model



# Learning & Development

## 2 Digital Transformation in Learning

In 2023, TM's strategic shift towards digital learning platforms facilitated flexible and personalised training experiences, highlighting the organisation's commitment to leveraging technology for employee development.

### e-Learning Platforms

e-Platform	Description	Impact & Achievements
<b>TM Learn</b>	<ul style="list-style-type: none"> <li>Offered in-house content specifically for <i>Warga TM</i>, including cyber security, integrity and Software Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Benefitted 18,233 <i>Warga TM</i> (96.5% of total TM workforce)</li> <li>Average of 1.8 training hours per employee</li> </ul>
<b>LinkedIn Learning</b>	<ul style="list-style-type: none"> <li>Enforced a minimum monthly learning KPI of 90 minutes</li> </ul>	<ul style="list-style-type: none"> <li>More than 10,000 <i>Warga TM</i> trained</li> <li>Average of 2.7 monthly training hours per executive</li> </ul>
<b>Coursera</b>	<ul style="list-style-type: none"> <li>Provided curated courses for <i>Warga TM</i> in essential tech skills for key growth areas</li> </ul>	<ul style="list-style-type: none"> <li>750 <i>Warga TM</i> trained</li> <li>Average of 5.5 training hours per executive</li> </ul>

## 3 Enhancing Performance Management

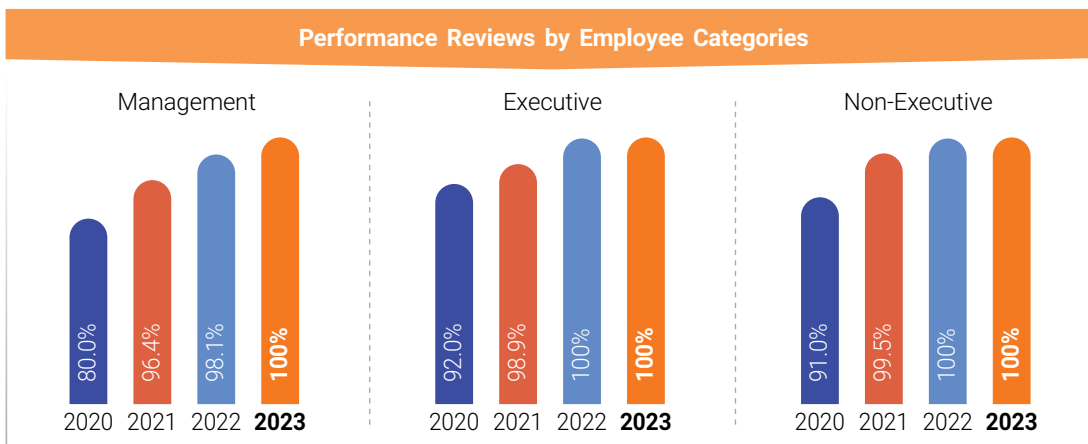
In 2023, TM launched a new Executive Performance Management Framework that emphasises both outcomes and methods – the 'what' and 'how'. This framework applies an 80-20 principle, allocating 80% to Individual & Organisational KPIs and 20% to Behavioural Assessment, in line with our #IniCaraKita culture to foster a high-performance culture.

### Performance Reviews

**Mid-Year: 96% completion rate**

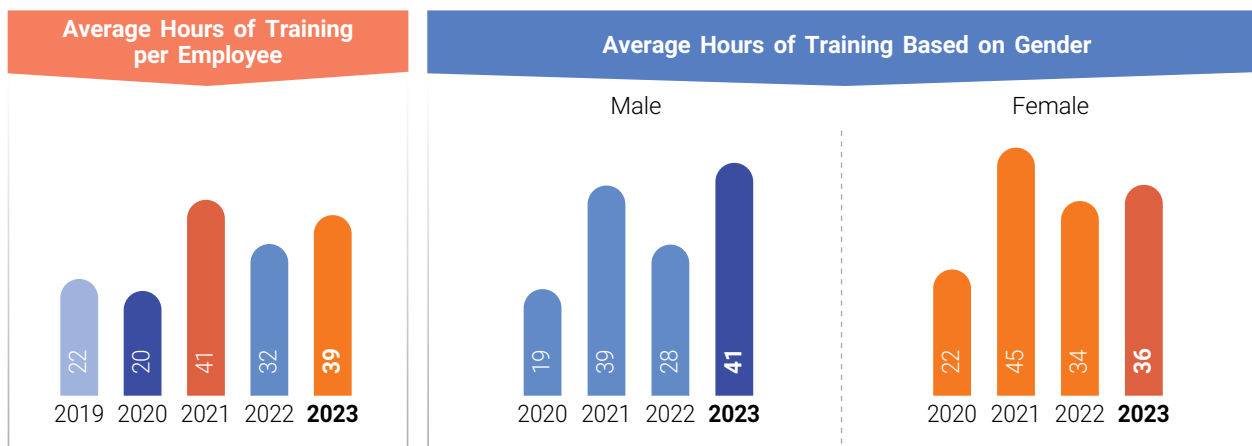
**Full-Year: 100% completion rate**

Additionally, we enhanced efficiency by digitalising our Performance Management System, streamlining processes like Performance Calibration, C-Level Scorecard and the TM Leadership Competency Survey.

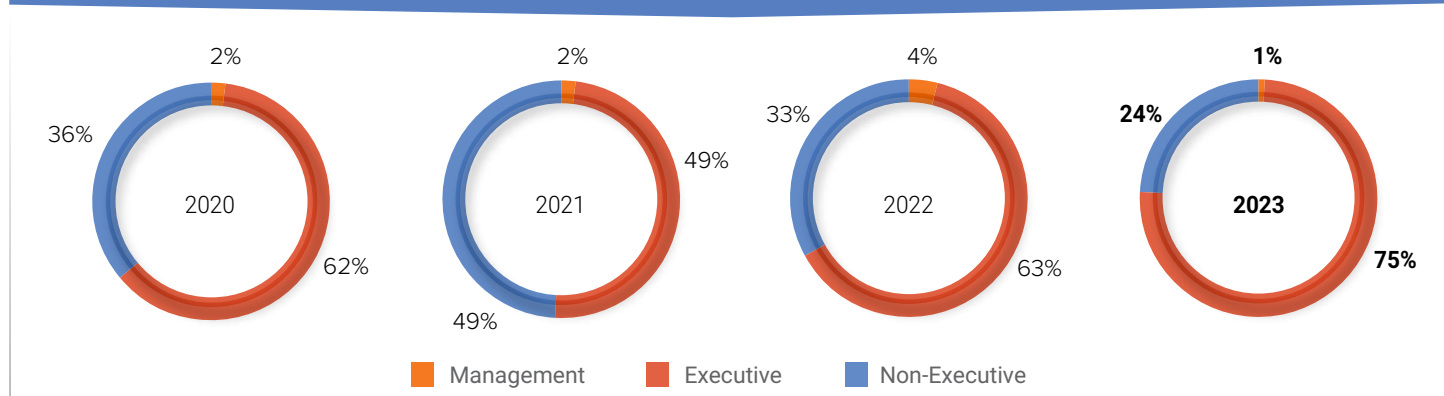


#### 4 Overall Performance

In 2023, TM invested RM16.9 million in *Warga TM* training, averaging 39 hours per staff member, underscoring our dedication to professional development and readiness for industry advancements.



#### Percentage of Training Hours by Employee Categories



#### Number of Programmes for Upgrading Employee Skills



#### Number of Promotions

**MANAGEMENT**  
Promotion to Assistant GM:  
**105**

**EXECUTIVE**  
Promotion to Manager:  
**359**

**NON-EXECUTIVE**

Promotion to Assistant Manager: <b>149</b>	Promotions within Non-executive bands: <b>30</b>
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# Learning & Development



## HOW WE WILL MOVE FORWARD

As TM advances, we are setting clear directives for our training and development trajectory:

➔ **Leadership Development Programmes Across All Levels:**

Prioritising the enhancement of leadership skills at every organisational level, with a balanced focus on leadership excellence and technical proficiency to nurture well-rounded leaders.

➔ **Future-Skilling:**

Equipping *Warga TM* with future-ready skills in areas such as cloud, data centre, cyber security, smart services and other digital areas to ensure *Warga TM* are well-prepared to drive business growth, leverage opportunities and contribute to TM's transformation into a Digital Powerhouse by 2030.

➔ **Sustainability Training:**

Delivering to all *Warga TM*, including specialised training for the Board, senior management and employees who are involved in implementing sustainability-related initiatives.

➔ **Digital Literacy Programme:**

Developing a digital-first mindset and foundational understanding of digital productivity tools and platforms, capable of effectively using technology in daily work and personal life.

➔ **Digital Learning Platforms:**

Advancing our commitment to modern learning by promoting digital platforms for self-paced, autonomous and on-demand learning experiences, facilitating quicker and more flexible skill acquisition.

➔ **AI Talent Marketplace Platform:**

Streamlining talent development by utilising an AI-driven Talent Marketplace Platform for efficient talent scouting and skill enhancement through curated online learning pathways.

➔ **Strategic Partnerships for Talent Competency:**

Fortifying our collaboration with industry and commercial partners to acquire best practices in talent competency, engage in specialised technical training and gain insights into new technologies.

**05**

# Ethical Business



At TM, ethical business practices form the cornerstone of our operation, deeply rooted in our commitment to ethics and integrity, starting from our employees and extending throughout our entire value chain. In our role as a digital company, this includes a strong emphasis on data privacy and cyber security, recognising these areas as critical components of ethical conduct in today’s digital age. Our dedication to upholding the highest standards in these areas is essential to our sustainability strategy, ensuring long-term success and maintaining the trust of all stakeholders.

**Material Matters**

**M11** Sustainable Supply Chain  
*(page 152)*

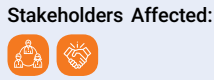
**M12** Responsible Communication  
*(page 155)*

**M13** Cyber Security  
*(page 158)*

**M14** Good Governance  
*(page 161)*



# Sustainable Supply Chain



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Strong engagement & communication
- ➔ Training & development
- ➔ Efficient & digital supply chain



## WHAT IS OUR APPROACH

We are committed to carrying out efforts to enhance our procurement efficiency, agility and compliance. This entails having a robust procurement governance process, continuous engagement and vendor development.

### Environmental, Social, & Governance (ESG) Risk Assessment

We have encouraged our suppliers to complete an ESG Self-Assessment since 2022. This provides us with a better understanding of ESG practices amongst our suppliers, as well as areas for improvement. Regular ESG risk assessments further integrate sustainability considerations into our procurement strategy.

## HOW WE CREATED VALUE IN 2023

### 1 Promoting the Development of Our Suppliers

We recognise our responsibility to nurture our suppliers' growth and align them with our broader sustainability objectives. Through dedicated training and development programmes, we aim to elevate our suppliers' capabilities, ensuring they not only meet but exceed industry standards and contribute positively to our shared sustainability goals.

#### Supplier Development Initiatives

Initiative	➔ Impact & Achievements															
<b>Training on Procurement Policies &amp; Integrity</b> Educates suppliers on TM's procurement policies and integrity, integrating the Supplier Self-Service (SUS) portal for efficiency.	<ul style="list-style-type: none"> <li>• Improved adherence to ethical standards</li> <li>• Enhanced operational efficiency via SUS portal usage</li> </ul>															
<b>ESG Training Sessions</b> Provides key ESG insights through targeted sessions, fostering sustainable practices among suppliers.	<ul style="list-style-type: none"> <li>• Engaged approximately 395 suppliers in ESG training sessions</li> </ul>															
<b>Bumiputera Vendor Development Programme (BVDP)</b> Enhances the capabilities of Bumiputera vendors through structured training and adherence to sustainability standards.	<ul style="list-style-type: none"> <li>• Elevated skills and market competitiveness of Bumiputera vendors</li> </ul> <table border="1"> <thead> <tr> <th>Number of BVDP supported in the supply chain</th> <th>➔ 2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Number of BVDP suppliers</td> <td>61</td> <td>70</td> <td>69</td> <td><b>79</b></td> </tr> <tr> <td>BVDP jobs supported</td> <td>3,927</td> <td>3,795</td> <td>3,846</td> <td><b>3,835</b></td> </tr> </tbody> </table>	Number of BVDP supported in the supply chain	➔ 2020	2021	2022	2023	Number of BVDP suppliers	61	70	69	<b>79</b>	BVDP jobs supported	3,927	3,795	3,846	<b>3,835</b>
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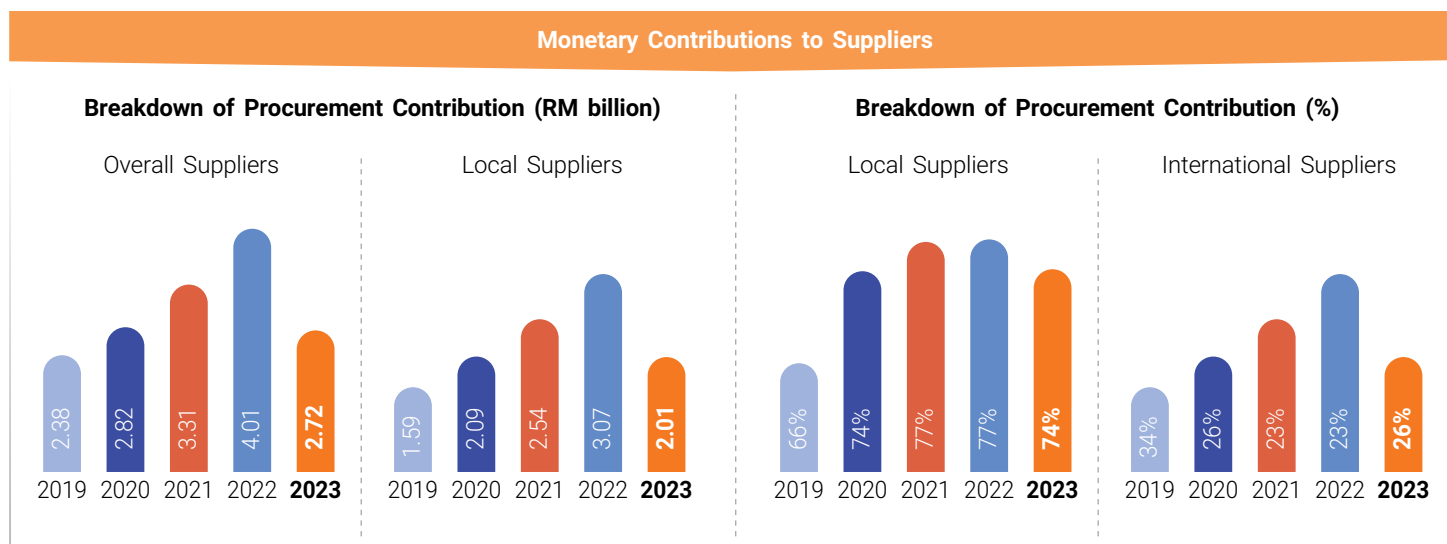
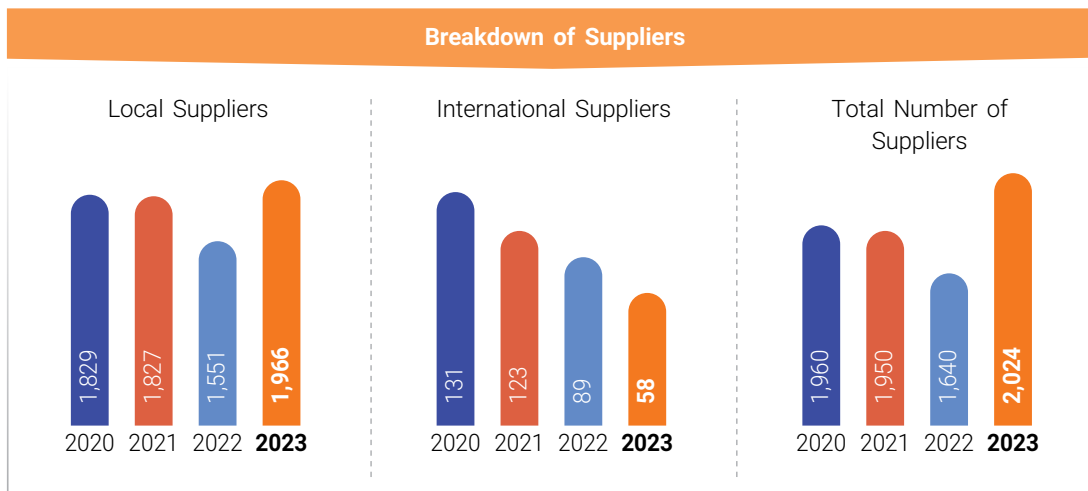


**Millennium Radius Sdn Bhd is an example of a success story from our BVDP programme. The company has since expanded its business beyond TM and now provides big data services to Vietnam and Oman, achieving a 30% revenue boost from exports.**



## 2 Empowering Local Suppliers

We continue to support local business as part of our nation building agenda. In 2023, we increased the number of local suppliers amongst our registered vendors. While our total procurement spending reduced due to Capex efficiency measures, we maintained more than 70% of total procurement spending on local suppliers.



## 3 Digitalisation of Supply Chain

Digital procurement helps our supply chain adapt to rapid market changes and enhance operational agility. By digitalising procurement processes, we not only streamline operations but also ease interactions with suppliers, fostering a more collaborative and transparent supply network.

### Key Initiatives:

- ➡ **Procurement Process Optimisation:**
  - Streamlined procurement processes for greater efficiency
- ➡ **Digital Procurement System Development:**
  - Initiated a new system targetted to go live in Q4 2024
- ➡ **Single Procurement Shop Establishment:**
  - Centralised procurement functions to simplify interactions and enhance efficiency

# Sustainable Supply Chain

## 4 Creating a Sustainable Supplier Ecosystem

Consistent with our commitment to build a sustainable supply chain, we carry out periodic monitoring of ESG compliance and practices amongst our mega and mid-tier suppliers. Our monitoring efforts provide valuable insights for continuous improvement and vendor development.

In 2023, we conducted a more in-depth ESG Survey, coupled with on-site assessments at the premises of strategically significant suppliers. This initiative targeted 60% mega partners and 50% mid-tier suppliers. The assessment spanned a broad spectrum of ESG domains, including environmental sustainability, economic impact, labour standards, adherence to human rights, corporate governance, health and safety protocols, diversity and inclusion practices and ethical business conduct. The survey provided insights to our mega and mid-tier suppliers' ESG management and compliance, enabling the development of targeted improvement plans.

### ESG Compliance among TM suppliers

Suppliers	2022 (self-assessment)	2023 (on-site assessment)
Mega Partners	70%	44%
Mid-Tier Suppliers	13%	64%

### Sustainability Practices of Suppliers

Suppliers	2022	2023
Suppliers with Environmental Policies/Criteria in Place	55%	32%
Suppliers with Social Policies/Criteria in Place	88%	87%

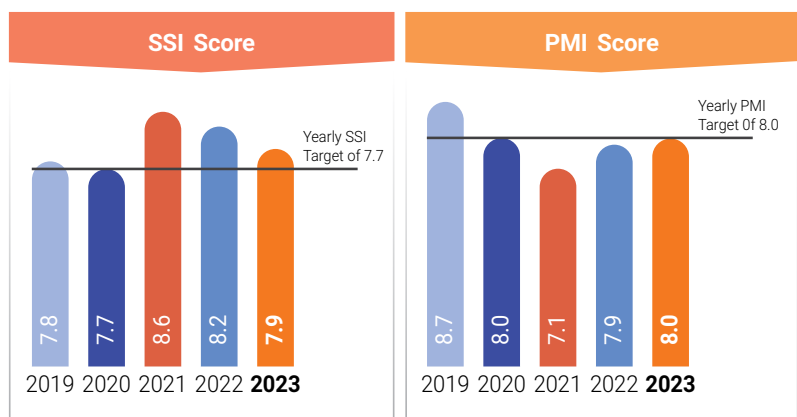
Our on-site assessments have provided valuable insights into our suppliers' application of ESG principles, revealing that many are in the initial stages of ESG adoption and face resource constraints that hinder full implementation. To address these findings, we plan to enhance their ESG capabilities through targeted briefing sessions on TM's sustainability expectations and expanding our on-site sustainability surveys to additional high-impact and high-risk suppliers.

## 5 Overall Performance

By enhancing procurement processes and strengthening supplier relationships, we have created a supportive environment for our partners, leading to consistent satisfaction and maturity in procurement processes.

To address the slight decline in our SSI from 8.2 in 2022 to 7.9 in 2023, we are intensifying our efforts to improve our procurement process, specifically on speed and timeliness.

In contrast, our PMI, which measures stakeholder satisfaction, alignment with strategy, process effectiveness and oversight of suppliers, increased from 7.9 in 2022 to 8.0 in 2023.



## HOW WE WILL MOVE FORWARD

We are advancing towards a future where sustainability is at the core of our supply chain operations. We aim to ensure that every part of our supply chain upholds our commitment to environmental and ethical standards through continuous improvement and innovation. Our strategy includes conducting sustainability assessments, enhancing sustainability initiatives and providing comprehensive training for our suppliers.

As part of our Sustainable Supply Chain Roadmap, we are in the midst of developing a sustainable supply chain policy that embeds sustainability into the fabric of our supplier engagement process. This involves establishing sustainability criteria for supplier selection and performance reviews. By aligning our business practices with our sustainability goals, TM is dedicated to making a lasting, positive impact on our community and the environment.

# Responsible Communication



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Clear updates & information
- ➔ Timely & efficient engagement
- ➔ Respectful & transparent communication



## WHAT IS OUR APPROACH

We are committed to communicate responsibly with transparency, precision and ethical integrity. Our approach is anchored in the following key principles:

**IR** For more information on how we engage with our stakeholders, please refer to page 32.

### ➔ Preparation & Clarity

We meticulously prepare and research all our communications, ensuring topic relevance and clarity. Our goal is to deliver logically structured and engaging presentations that meet stakeholders' expectations.

### ➔ Conciseness & Timeliness

Valuing our stakeholders' time, we focus on delivering concise and timely messages that emphasise on core information.

### ➔ Ethical Standards

We base our communications on ethical principles, engaging with stakeholders respectfully and transparently to build trust.

These principles are seamlessly integrated into our broader organisational ethos, guided by TM's range of policies. We ensure a consistent application of these policies, making sure communication is clear, accountable and responsive to stakeholders' feedback. By actively engaging with a diverse group of stakeholders, including the media, investors, employees, suppliers, regulators and local community, we foster a collaborative and inclusive dialogue to address their needs and concerns effectively.



## HOW WE CREATED VALUE IN 2023

### 1 Streamlining Communication Challenges

We proactively address and navigate communication challenges, focusing on enhancing engagement by refining strategies and adopting innovative solutions to construct a resilient communications framework.

#### Addressing Key Challenges

##### ▶ DIVERSE STAKEHOLDER EXPECTATIONS

**Implemented bespoke communications strategies for each stakeholder group, ensuring messages are tailored to their unique interests and concerns.**

##### ▶ REGULATORY COMPLEXITY

**Held regular sessions with the Communications Ministry (KK) and Digital Ministry, formerly known as the Ministry of Communications and Digital Malaysia (KKD) to foster open dialogue, clarify regulatory complexities and ensure compliance.**

# Responsible Communication

## 2 Improving our Communications

Throughout 2023, we refined our communications framework, aiming to elevate the clarity, impact and cohesion of our messaging across varied stakeholder landscapes.

Initiative	Progress in 2023
Internal Consultations for Stakeholder Engagement	<ul style="list-style-type: none"> <li>Conducted purposeful discussions to tailor strategies for diverse stakeholder groups</li> </ul>
Revamped Engagement Framework	<ul style="list-style-type: none"> <li>Refined our engagement processes for better clarity and effectiveness</li> </ul>
Enhanced Crisis Communication Preparedness	<ul style="list-style-type: none"> <li>Updated processes to align with BCM standards, improving stakeholder trust in crisis situations</li> </ul>
Crisis Response Coordination	<ul style="list-style-type: none"> <li>Collaborated on crisis simulations to boost organisational readiness and reassure stakeholders</li> </ul>
Visual Brand Consistency	<ul style="list-style-type: none"> <li>Unified visual communication standards to strengthen brand perception among stakeholders</li> </ul>

## 3 Strengthening Internal Ties

In 2023, we refined our internal engagement strategies to foster better communication and teamwork among our employees.

Focus	How We Strengthened Engagement
Email Optimisation	<ul style="list-style-type: none"> <li>Streamlined email communications to reduce overload and focus on impactful content</li> </ul>
Messaging Clarity	<ul style="list-style-type: none"> <li>Enhanced communication clarity with visuals, boosting understanding and internal engagement</li> </ul>
Collaborative Content Creation	<ul style="list-style-type: none"> <li>Facilitated content co-creation, promoting cohesive messaging and awareness of key initiatives</li> </ul>
Leadership Communication	<ul style="list-style-type: none"> <li>Utilised leadership videos to personalise messages, strengthening company values and vision alignment</li> </ul>
Management-Employee Interaction	<ul style="list-style-type: none"> <li>Expanded interactive sessions, improving internal communication and organisational unity</li> </ul>



#### 4 Advancements in Public Communication

We also enhanced our public communication to add value for stakeholders and support sustainability, focusing on strategic and transparent information dissemination.

Focus	How We Strengthened Engagement
<b>Standardised News Releases</b>	<ul style="list-style-type: none"> <li>Enhanced efficiency and consistency in our communications, increasing media releases by 25% to ensure stakeholders receive timely and relevant information</li> </ul>
<b>Enhanced Media Engagement</b>	<ul style="list-style-type: none"> <li>Improved dialogue with the media enhanced TM's transparency and stakeholder trust, fostering informed public and industry conversations</li> </ul>
<b>Elevated Thought Leadership</b>	<ul style="list-style-type: none"> <li>Increased publication of thought leadership, sharing insights that contribute to industry sustainability and stakeholder knowledge</li> </ul>
<b>Strategic Engagement with Media</b>	<ul style="list-style-type: none"> <li>Strategic interactions with the media and influencers enhanced TM's visibility and stakeholder engagement, supporting brand and market sustainability</li> </ul>
<b>Leadership Media Preparedness</b>	<ul style="list-style-type: none"> <li>Equipped leaders with media skills, ensuring accurate and consistent representation of TM's commitment to stakeholder interests and expectations</li> </ul>
<b>Collaborative Protocol Training</b>	<ul style="list-style-type: none"> <li>Partnered with governmental bodies to enhance protocol understanding, reinforcing TM's dedication to ethical practices and stakeholder respect</li> </ul>

### HOW WE WILL MOVE FORWARD

In the short-term, we are embarking on several key projects aimed at elevating our business communication practices:

<b>Strategic Narrative Campaign</b> Launch a campaign to define TM's aspiration to become a Digital Powerhouse by 2030 while positioning Malaysia as a digital hub for the region	<b>GCEO Media Engagement</b> Arrange strategic interactions between our GCEO and media leaders to enhance media relations	<b>Corporate Profiling Expansion</b> Extend our communications to spotlight TM's achievements, efforts and progress in key areas like sustainability and technology innovation
<b>TM Intranet Launch</b> Roll out a new intranet to centralise and improve internal communications	<b>Annual Communication Benchmarking</b> Initiate an annual benchmarking exercise to refine TM's communication impact and strategies	<b>Communications Policy Update</b> Update our policy to include the latest in crisis communication standards

Our medium-term focus will be on strengthening our communication practices:

<b>Strategic Narrative Campaign</b> Develop a strategic approach to amplify our presence on social media, focusing on stakeholder engagement and our community initiatives	<b>GCEO Media Engagement</b> Invest in our communications team to broaden their skills and improve TM's communication quality	<b>Corporate Profiling Expansion</b> Revise our communication channels and methods to stay responsive and attuned to stakeholder needs
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TM's long-term vision is centered on three (3) foundational pillars to redefine our stance in the industry:

A trustworthy, honest company that is transparent in its communication activities	A company that communicates responsibly, engages and deeply cares about its stakeholders	A world-class company that defines the standard of communication with all its stakeholders
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# Cyber Security



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ **Strong governance & systems against data breaches**
- ➔ **Awareness & training on cyber security**
- ➔ **Protection of stakeholders' digital assets**



## WHAT IS OUR APPROACH

As a leading digital company with an extensive network of stakeholders and a vast repository of data, we shoulder a significant responsibility to safeguard these assets against evolving cyber threats. Our cyber security strategy is meticulously designed to protect our stakeholders' interests and ensure the integrity and confidentiality of our data.

### Governance & Oversight

Our cyber security governance involves strategic planning, execution and evaluation of initiatives to continuously improve our governance, compliance, risk management and operational controls. The BOD, supported by the BRIC, oversees our cyber security measures, integrating a comprehensive ERM framework to identify, assess and monitor cyber security risks, aligning with our focus on sustainability concerns.

**Policies, Frameworks & Certifications:** We commit to the highest protection level of cyber security through a robust policy framework and international certifications. Supported by detailed policies, procedures and guidelines, these frameworks are accessible to all TM employees, reinforcing our collective commitment to cyber security.

### Information Security Policy

- TM's Information Security Policy sets the foundation for securing information assets.

### PCI DSS Compliance

- Maintaining Payment Card Industry Data Security Standard (PCI DSS) for the secure processing of cardholders' data, particularly for TM's Payment Gateway (PG) System.

### Business Continuity Assurance

- Business Continuity Management System (BCMS) in place to maintain resilience against cyber incidents, highlighted by the GIS Security Operation Centre (SOC) achieving ISO 22301 certification.

### Certified Information Security Management

- ISO/IEC 27001 certification across critical TM operations such as NNOC, Group IT & Digital (GITD), TM One and MERS 999 to ensure robust information security management.

### Cloud Security & Privacy Certifications

- TM One Cloud Alpha's continuous certification in ISO/IEC 27001, ISO/IEC 27017, ISO/IEC 27018, PCI DSS and ISO/IEC 27701 validates our commitment to maintaining stringent security and privacy standards.

## Industry Collaboration

In our commitment to enhancing cyber security, we engage in industry collaborations that elevate global standards and practices. A notable example is our participation in the Malaysia Technical Standards Forum Berhad, where we contribute to the development of cyber security codes specifically tailored for Malaysia's communications and multimedia industry.



## HOW WE CREATED VALUE IN 2023

### 1 Building Cyber Resilience

In 2023, we introduced a comprehensive set of seven (7) essential cyber security measures which are consistent with ISO/IEC 27001 and the National Institute of Standards and Technology (NIST) Framework. These measures have been uniformly integrated across TM Group's system architecture, development, implementation and operational processes, ensuring a consistent and high-level security posture throughout the organisation.

The cyber security measures are essential controls required across the Group in solution design, development, implementation and operations of applications and systems.

- Digitalisation initiatives embed Security by Design and Privacy by Design, with a primary focus on Mission Critical, Business Critical and hosting of Personally Identifiable Information (PII)
- Enhanced identity and access governance to prevent unauthorised access
- Threat visibility and protection with enhanced perimeter controls
- Advanced threat detection, to prevent device and access compromise
- Security tests are integrated in application development lifecycle to detect vulnerabilities, including Open Worldwide Application Security Project (OWASP) Vulnerability
- Vulnerability Management are embedded into application development and operations
- Vendor Risk Management includes measuring vendor security hygiene, to reduce the risk of attacks via our supply chain

### 2 Empowering Our People

We understand the crucial role our employees play in cyber security. In 2023, we launched awareness programmes for our workforce across all levels:

Initiative	What We Did
Email Phishing Simulation	Conducted a comprehensive phishing simulation exercise, reaching more than 90% of employees across TM, thus improving phishing detection skills
TM Cyber Security Month & Day	Launched the inaugural Cyber Security Month, featuring forums, webinars and interactive activities designed to engage employees on the importance of cyber security, culminating in a forum discussing the impact of Generative AI and DeepFake technologies towards data protection and privacy
Application Security Workshop	In order to enhance capability to design, develop and test high quality software, we conducted two (2) application development programmes for our lead application developers, focusing on secure Software Development Life Cycle (SDLC) framework and Web Application Security
Engaging with Employees	Implemented a monthly cyber security update via email, covering current topics and news, ensuring all employees to stay informed and vigilant against potential cyber threats



# Cyber Security

## 3 Managing Third-Party Security Risks

In our interconnected digital ecosystem, managing third-party information security risks is paramount. Therefore, we have implemented stringent security measures to ensure that our partners and suppliers adhere to the highest standards of information security.

### Embedding Security in Third-Party Engagements

Aspect	What We Did
<b>Vendor Cyber Security Compliance in Project Implementation</b>	Embedded Security by Design Framework and DevSecOps in key application development to ensure security compliance, primarily in the context of the Personal Data Protection Act 2010
<b>Technical Cyber Security Clauses</b>	Included cyber security clauses in all IT and network solution contracts, making cyber security an integral part of our technical requirement in procurements
<b>Vendor Security Index (VSI)</b>	Launched a framework to evaluate and monitor vendors' cyber security practices, allowing for periodic assessments to ensure continuous improvement

## 4 Overall Performance

With the rise in online breaches due to increased cyber threats and reliance on digital platforms, we have bolstered security defences in 2023. As a result, we achieved zero data loss and received no complaints on data loss, highlighting effective cyber security measures and dedication to protecting our stakeholders digital integrity.

In 2023, fraud detection initiatives were ramped up. As such, over 70% of the online breaches were due to fraud incidents. Multiple controls were fortified by end of the year. As a result, we have drastically reduced the number of fraud incidents since late December 2023 till March 2024.

We only had one (1) breach involving historical customers' personal information. No financial information was impacted. We took prompt measures to protect the data across our platforms and we sent out notifications to customers informing them of the data breach and to be wary of phishing tactics including online scams, suspicious links and unsolicited phone calls. We promptly reported this matter to the relevant authorities, namely National Cyber Coordination and Command Centre, Department of Privacy and Data Protection and MCMC.

**Resolved 100% of all cyber security incidents**

Cyber Security Performance	↻	2020	2021	2022	2023
Number of online breaches		745	20	31	<b>70</b>
Number of data loss		567	3	0	<b>0</b>
Complaints received concerning breaches/data loss		–	–	2	<b>0</b>

## HOW WE WILL MOVE FORWARD

In 2024, we will continue to strengthen our cyber security framework across three (3) foundational pillars: People, Process and Technology. In fortifying our cyber resilience, we will focus on expanding visibility to potential threats and automating controls for data protection. Additionally, we plan to undertake technology upgrades, invest in cyber security-focused development for our *Warga TM* and enhance our management of third-party information security risks, ensuring comprehensive protection against cyber threats.

# Good Governance



Deployed Capitals:



Stakeholders Affected:



Sustainability Impact:



Key Risks:



## WHAT OUR STAKEHOLDERS EXPECT

- ➔ Ethical & responsible conduct
- ➔ Strong governance & oversight
- ➔ Data privacy & security



## WHAT IS OUR APPROACH

We enforce a zero-tolerance policy against corruption, advocating the highest standards of ethical conduct and integrity. This approach ensures compliance among employees and business partners and reinforces our commitment to our vision, mission and values. Our governance framework is anchored in TM's KRISTAL Core Values, aligning closely with the T.R.U.S.T Principles from the Prime Minister's Department's 'Adequate Procedure Guideline.'

Our focus on good governance is built on the following:

1. **Ethics and Integrity:** Our Group Integrity and Governance (GIG) division rigorously evaluates our anti-corruption frameworks, including the OACP, ABMS, bolstered by regular training, communication and thorough investigations. Complemented by continuous internal and external audits and a strong whistle-blowing system, our strong governance has improved TM's corruption risk rating from high to medium, as recognised by Malaysian Anti-Corruption Commission (MACC).
2. **Board Oversight & Risk Management on Anti-Corruption:** Our anti-corruption efforts are under the vigilant oversight of the BAC, which focuses on the integrity and effectiveness of the OACP and ABMS, alongside our training, communication and investigative initiatives. The BRIC reviews corporate corruption risk assessments, integrating them into our ERM to enhance risk mitigation strategies.
3. **Data Privacy:** We adhere to the Personal Data Protection Act (PDPA) 2010, implementing stringent governance, secured network protocols and regular IT audits to ensure data integrity and security. Our comprehensive privacy policies, including the TMD3P, are communicated through our TM Privacy Notice, which outlines our data handling practices and affirms customer rights. Through proactive incident management and accessible reporting channels, we maintain a robust stance on data privacy, ensuring our stakeholders' trust and confidence.



Scan here to know more about TM's ethics and integrity practices.

## Good Governance

We have put in place a range of policies and systems that uphold our commitment to integrity, transparency and the protection of information, reinforcing our dedication to ethical business practices and data security.

Category	Policy/System/Framework	Description
<b>Anti-Corruption</b>	ABMS	Implements ISO 37001:2016 standards to prevent bribery and ensure compliance in operations
	OACP	Enhances integrity and governance across the Group over five (5) years with a strategic initiative
	Whistle-blowing Policy	Enables the reporting of unethical behaviour through the TM Ethics Line or email, ensuring 24/7 availability and confidentiality
	TM CBE	Acts as the foundational guideline for ethical behaviour in interactions within and outside TM
	ACG	Provides detailed guidance on identifying and avoiding corrupt practices in all business dealings
	Integrity Pact	Emphasises the commitment to conduct business transparently and without corruption through this formal agreement
	Due Diligence Process	Involves corruption investigation screening for new business partners and tenders to ensure ethical compliance
<b>Data Privacy &amp; Security</b>	Governance Structure & Policies	Oversees the appointment Group Data Privacy Officer (GDPO) and Chief Information Security Officer (CISO)
	Data Privacy Policies	Implements key policies such as TMD3P, TM Data Governance Policy and Framework and TM Information Security Policy
	Engagement with Third Parties	Ensures external parties' adherence to Declaration of Independence, Data Privacy Statement & Integrity Pledge Acceptance and Non-Disclosure Agreements and Memoranda on PDPA 2010
	ISMS	Implements the ISO 27001 ISMS to ensure the appropriate confidentiality, integrity and availability of its data in accordance to internationally recognised standards



## HOW WE CREATED VALUE IN 2023

### 1 Progress in Integrity & Compliance

In 2023, we made significant progress in our integrity and compliance initiatives, particularly through:

#### OACP

A five-year strategy with 103 action plans to combat corruption, integrity and governance risks.

##### ▶ PROGRESS & ACHIEVEMENTS

- 82% completion rate over five (5) years (2021-2025)
- Complete action plan integrated into KPIs for pivotal positions

#### ABMS

Uphold and enforce TM's commitment to good governance through MS ISO 37001:2016 certification.

##### ▶ PROGRESS & ACHIEVEMENTS

- Maintained MS ISO 37001:2016 certification since 2021
- Appointed 16 coordinators across divisions
- Trained 49 Certified Lead Auditors
- Extended ABMS scope to high-risk processes in seven (7) divisions

### 2 Culture & Awareness

We emphasised the cultivation of a strong ethical culture and heightened awareness of anti-corruption measures amongst *Warga TM* through comprehensive education, training and communication efforts.

#### Training & Awareness Programmes

Initiative	Description
<b>Education &amp; Training</b>	<ul style="list-style-type: none"> <li>• Conducted TM CBE training to provide education on ethics and integrity training for 5,114 <i>Warga TM</i> via online and physical sessions</li> <li>• Targeted high-risk units/divisions with mandatory attendance, including pre and post-tests to gauge understanding and effectiveness</li> </ul>
<b>E-Learning Programmes</b>	<ul style="list-style-type: none"> <li>• Mandatory interactive online training on ethical behaviours and anti-corruption principles</li> <li>• TM CBE e-Learning completed by 17,809 employees (including management), with a 97% completion from <i>Warga TM</i></li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Over 20 monthly snippets on ethical policies, laws and guidelines issued to all employees, enhancing the understanding of TM CBE provisions and corruption offenses</li> <li>• Communication in English and Bahasa Malaysia for wide accessibility</li> </ul>
<b>Integrity Day</b>	<ul style="list-style-type: none"> <li>• Annual event demonstrating TM's commitment to integrity, governance and transparency</li> <li>• Features prominent speakers, theatre performances on anti-corruption and hybrid participation from employees and business partners nationwide</li> </ul>

Through our ethics and integrity training, we foster a culture where ethical conduct is not just encouraged but expected. Our educational efforts continue to expand, as evidenced by the increased engagement and proactive participation across the company.

Employees Participating in Anti-Corruption Briefings & Training	2020	2021	2022	2023
Employees attending anti-corruption briefings	26	123	122	<b>184</b>
Employees trained in anti-corruption policies	3,582	2,345	2,499	<b>5,114</b>

## Good Governance

### 3 Addressing Corruption Risks

Over the years, TM has consistently evaluated our operations to identify and assess corruption risks:

Corruption Assessment	⊕	2020	2021	2022	2023
Operations assessed for corruption		25%	100%	60%	<b>65%</b>

#### Key Incidents & Responses in 2023:

- ⊕ **Bribery:** Following the discovery of a potential bribery case, an immediate internal investigation ensued, resulting in the appropriate consequences for the implicated employee. The case was also escalated to the MACC for further inquiry and is currently under review.
- ⊕ **Public Allegations:** TM faced allegations related to the unauthorised disposal of Menara Kuala Lumpur shares. Following a thorough investigation by MACC, it was determined that TM had no involvement in the said transaction, absolving the organisation of any alleged impropriety.

### 4 Strong Regulatory Compliance

We continue to maintain the upward trajectory of compliance with operating laws and regulations in 2023 achieving a consistent 90% compliance rate.

Regulatory Compliance	⊕	2019	2020	2021	2022	2023
Operating laws & regulations compliance		83%	83%	86%	89%	<b>90%</b>

Furthermore, we continued to apply all the practices required by MCGG and adopted additional measures to strengthen governance beyond the basic compliance requirements. The numbers reflect our commitment to maintain a high standard of corporate governance and ethical business conduct.

MCCG Compliance	⊕	2019	2020	2021	2022	2023
<b>Required Practices</b>						
MCCG Compliance		32	32	43	43	<b>43</b>
TM Application		30	31	43	43	<b>42</b>

\* Non-application: Practice 5.2: TM's BOD has an equal split of independent and non-independent directors, not meeting the MCCG's recommendation for a majority of independent directors for a large company. However, we are in the midst of seeking a suitable candidate to address this issue.

Step Up Practices (Beyond Compliance)	⊕	2019	2020	2021	2022	2023
MCCG Compliance		4	4	5	5	<b>5</b>
TM Application		4	4	5	4	<b>4</b>

\* Non-application: Practice 8.3: TM does not disclose individual remuneration for top executives, opting instead for aggregate disclosure in RM50,000 bands.

## 5 Overall Performance

We maintained our commitment to a strong compliance culture, which is evident in our 2023 performance.

### Key Highlights

- ⊕ Zero-tolerance policy against all forms of corruption
- ⊕ Confirmed incidents of corruption at eight (8) cases in 2023 from four (4) cases in 2022
- ⊕ Increased number of employees disciplined, reflecting the effectiveness of TM's pre-emptive and ongoing due diligence
- ⊕ Increased reports received to 44 in 2023, up from 35 in 2022, indicating an enhanced culture of vigilance and reporting within TM
- ⊕ Consistent 100% resolution rate for reports from 2019 to 2023 demonstrating our commitment to resolving all reported cases of misconduct

### Corruption Incidents & Responses



\* An increase in dismissed employees is due to the sum of cases received and/or investigated beginning in 2022 and continuing into 2023, at which point a Domestic Inquiry is used to finalise consequence management.

Misconduct Reports	⊕	2019	2020	2021	2022	2023
Reports received		35	37	28	35	44
Reports resolved		100%	100%	100%	100%	100%
Investigations conducted		32	20	24	25	26

Note: The discrepancy between the number of reports received and investigations carried out is due to certain cases which were not eligible for further investigation after the first round of information assessment.

## HOW WE WILL MOVE FORWARD

We will continue to uphold a culture of governance and integrity in the years to come. Our approach is underscored by detailed investigations and strong collaboration with enforcement bodies, notably the MACC. This includes diligent management of the OACP, expanding the ABMS to cover high-risk processes and conducting ongoing training and awareness programmes for all stakeholders. Additionally, we are committed to enhancing remuneration transparency and achieving a board with a majority of independent directors, thus addressing our MCCG non-compliance.

In the medium to long term, we are committed to embedding a culture of integrity and zero tolerance for corruption by enhancing our resilience to external threats and protecting our integrity and reputation. At the same time, our efforts will focus on empowering all employees to uphold integrity in their work, fostering a sustainable culture of good governance across the organisation.

# Sustainability Performance

From Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2020	2021	2022	2023
<b>Bursa (Anti-corruption)</b>					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	24.00	13.00	15.00	22.00
Executive	Percentage	24.00	17.00	15.00	49.00
Non-executive	Percentage	10.00	8.00	10.00	18.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	25.00	100.00	60.00	65.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	7	4	8
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	34,801,840.00	47,106,210.00	37,387,484.00	38,354,335.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	94,857	50,653	126,345
<b>Bursa (Diversity)</b>					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	0.00	0.00	0.00	0.00
Management Between 30-39	Percentage	6.00	6.00	7.00	7.00
Management Between 40-50	Percentage	11.00	12.00	13.00	14.00
Management Above 50	Percentage	5.00	5.00	5.00	6.00
Executive Under 30	Percentage	2.00	3.00	4.00	4.00
Executive Between 30-39	Percentage	15.00	15.00	14.00	12.00
Executive Between 40-50	Percentage	6.00	6.00	7.00	9.00
Executive Above 50	Percentage	2.00	2.00	1.00	1.00
Non-executive Under 30	Percentage	3.00	2.00	2.00	2.00
Non-executive Between 30-39	Percentage	25.00	25.00	24.00	22.00
Non-executive Between 40-50	Percentage	14.00	15.00	15.00	16.00
Non-executive Above 50	Percentage	11.00	9.00	8.00	7.00
Gender Group by Employee Category					
Management Male	Percentage	13.00	13.00	13.00	14.00
Management Female	Percentage	10.00	11.00	12.00	13.00
Executive Male	Percentage	12.00	12.00	13.00	13.00
Executive Female	Percentage	13.00	13.00	13.00	13.00
Non-executive Male	Percentage	36.00	35.00	34.00	32.00
Non-executive Female	Percentage	16.00	16.00	15.00	15.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	73.00	64.00	64.00	67.00
Female	Percentage	27.00	36.00	36.00	33.00
Under 30	Percentage	0.00	0.00	0.00	0.00
Between 30-39	Percentage	0.00	0.00	0.00	0.00
Between 40-50	Percentage	18.00	18.00	18.00	17.00
Above 50	Percentage	82.00	82.00	82.00	83.00
<b>Bursa (Energy management)</b>					
Bursa C4(a) Total energy consumption	Megawatt	448,141.03	428,261.55	430,414.14	429,102.00
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities	Number	0	2	2	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.15	0.17	0.17	0.08
Bursa C5(c) Number of employees trained on health and safety standards	Number	453	9,785	15,116	2,829
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	-	-	-	7,496
Executive	Hours	-	-	-	557,005
Non-executive	Hours	-	-	-	173,669
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.11	4.21	4.71	4.50
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	232	503	478	276
Executive	Number	121	291	352	286
Non-executive	Number	1,275	1,005	904	621
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
<b>Bursa (Supply chain management)</b>					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	74.00	77.00	77.00	74.00
<b>Bursa (Data privacy and security)</b>					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	2	0
<b>Bursa (Water)</b>					

Indicator	Measurement Unit	2020	2021	2022	2023
Bursa C9(a) Total volume of water used	Megalitres	228.500000	221.600000	179.400000	131.500000
<b>Bursa (Waste management)</b>					
Bursa C10(a) Total waste generated	Metric tonnes	451.10	468.40	1,015.00	34.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	-	3,472.70
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	451.10	468.40	1,015.00	34.20
<b>Bursa (Emissions management)</b>					
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	11,531.00	10,997.00	10,802.00	9,431.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	372,853.00	324,612.00	305,785.00	286,450.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	38.00	9.00	15.00	20.00

