

# SUSTAINABILITY MESSAGE

2025 marks an important chapter in TM's sustainability journey. As we advance our aspiration to become a Digital Powerhouse by 2030, we are moving beyond traditional ESG frameworks. Sustainability is no longer treated as a standalone programme at TM. Instead, it is embedded into the way we operate, make decisions and create value. This year, we transitioned from building frameworks to integrating them across strategy, governance and execution, ensuring our growth remains competitive, responsible, resilient and future-ready.

**NOR FADHILAH MOHD ALI**

*Chief Corporate Officer (CCO)*



### Integrated Governance & Strategic Execution

In a strategic move to reinforce sustainability as a core business priority, the Sustainability Division is now consolidated under Group Corporate as a Centre of Excellence (CoE) for sustainability. This central placement reflects our conviction that sustainability must be driven from the heart of the organisation, moving beyond a siloed ESG model. Delivered through interconnected teams across regulatory, risk and business continuity management, strategic communications, branding and partnerships, as well as programme management and execution, Group Corporate now serves as the integrator translating sustainability ambitions into Group-wide action. This structure embeds sustainability into core business decisions and incorporates sustainability-related risks and opportunities into Enterprise Risk Management (ERM), ensuring that major investments, from hyperscale data centres to network modernisation, are guided by sustainability principles from the outset.

### Global Standards & Transparency

We have proudly embraced the National Sustainability Reporting Framework (NSRF) this year, aligning our disclosures with global ISSB standards. To ensure a robust transition, we are utilising the available transition reliefs through a phased adoption approach. Our Sustainability Statement 2025 is therefore structured into two (2) key sections:

**Part One:** Focuses on IFRS-aligned disclosures, where we have identified four (4) climate-related risks and one (1) major opportunity in low carbon revenue streams.

**Part Two:** Aligns with the Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition), recognising that our stakeholders value insights that extend beyond standard reporting requirements.

### Our Pillars of Impact

A major milestone in our three (3)-year policy cycle was the completion of an enhanced Double Materiality Assessment. Through close engagement with our Board and stakeholders, we identified 14 material matters that influence both our financial performance and impact outcomes. While several titles were refined to reflect the evolving landscape, all 14 matters are now aligned under our Prosperity, Planet and People framework, reinforcing our commitment to position sustainability as a core business driver.



#### Prosperity

##### Delivering Innovative & Sustainable Solutions

Under Prosperity, we continue to move beyond traditional boundaries through digital transformation, responsible business practices and strong governance. As we progress towards our Digital Powerhouse 2030 aspiration, sustainability also presents new business opportunities. Sustainable digital solutions are increasingly becoming a key pillar in unlocking new revenue streams. At the same time, we have raised expectations across our value chain by implementing ESG due diligence for new suppliers, ensuring our value chain progresses alongside us.



#### Planet

##### Decarbonising Our Footprint

On the Planet, I am pleased to report TM achieved a **34%** carbon emission reduction against our 2019 baseline, marking steady progress towards achieving 62% by 2030 and our aspiration of net zero emissions by 2050. Scope 3 disclosures have been expanded to include Category 4 (Upstream Transportation and Distribution), Category 8 (Upstream Leased Assets) and Category 13 (Downstream Leased Assets). While these expanded boundaries introduce greater complexity, our focus remains firmly on strengthening data integrity and accuracy to ensure our transition planning is built on a foundation of trust.



#### People

##### Creating Positive Impact

For People, we remain committed to TM's longstanding role as a nation builder. Through community initiatives such as Jangkau Digital TM and TM Future Skills programme with 35 adopted schools, we designed initiatives to bridge the digital divide and equip the next generation with the skills needed to participate in Malaysia's digital economy.

### A Legacy of Value

None of this progress would be possible without strong governance. Sustainability oversight is now a permanent agenda at the Board Risk & Investment Committee (BRIC) and 2025 marks the second year that sustainability metrics and targets have been embedded into the KPIs and remuneration of key leadership positions. TM's efforts earned significant recognition this year, being listed as a 3-star lister by UN Global Compact Network Malaysia-Brunei, ranking 7<sup>th</sup> among 847 companies in the NACGSA Overall Excellence Awards and receiving the Industry Excellence Award for Telecommunications & Media.

Looking ahead, our next journey moves beyond decarbonisation. As we continue strengthening our sustainability disclosures in alignment with global ISSB standards towards full adoption by 2027, we are advancing talent development and inclusivity while embedding sustainability as a core business priority across the organisation. As TM marks 80 years of empowering Malaysia's social and economic progress across generations, we recognise that our responsibility extends far beyond building digital infrastructure. Our ambition is to create lasting value for the nation, by connecting communities, nurturing talent and enabling opportunities that will shape Malaysia's digital future for decades to come.

We are not just building networks, we are **Empowering the Future Together.**