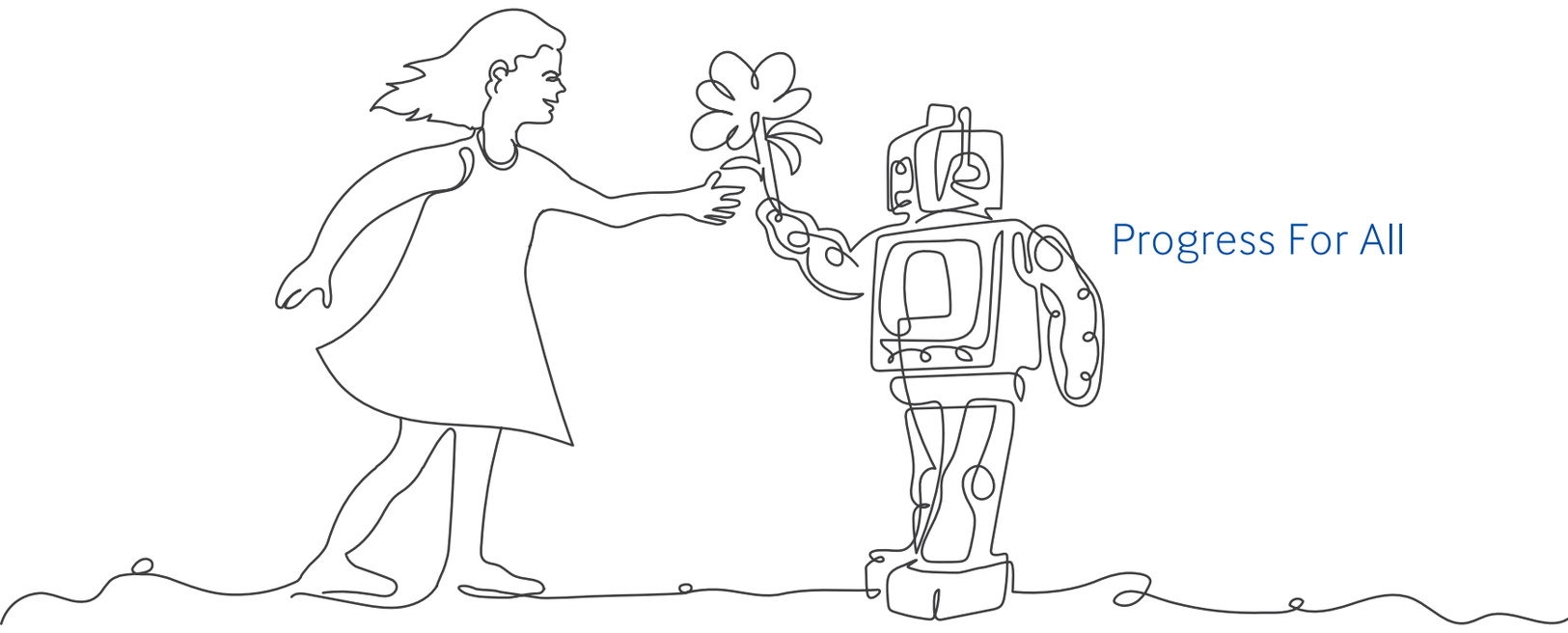

Progress For All

Integrated Annual Report 2021

Corporate Overview

DigitalMalaysia Powered by TM

PROGRESS FOR ALL

Growth is an essential part of nature, wherever life may take root. It is a fundamental process that has inspired us at TM since inception, as we continue on our mission to transform the life and livelihood of every single citizen of the nation.

This year, as we celebrate our 75th anniversary, we look upon the many crucial lessons we have learnt along the way. These experiences, both good and bad, have provided us with the insights as well as the motivation to do better, spurring us to achieve greater things. We aim to create a better and more sustainable society, leaving behind a better world for future generations.

Our journey, challenging as it may be, is far from complete. Our history is part of our story, guiding us as we take our next steps, helping us shape what is yet to come.

Visually, this journey is materialised through a single-line illustration that forms an unending link, flowing through each page. It not only represents the milestones we have accomplished, but also how we envision what is to be, today and tomorrow.

It is through the myriad of stories contained within this annual report that we express our convictions and ambitions: Progress For All, in all aspects of humankind.

Rationale

What's Inside

Our integrated reporting approach demonstrates how we create value for stakeholders

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We are here to serve a Digital Malaysia...

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...that's driven by a focused leadership

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...guided by our New TM Compass

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...to ensure continued growth

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...whilst being a responsible business

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...with a strong culture that's derived from our shared TM Values

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Pusat Ekonomi Digital Keluarga Malaysia (PEDi) is one of our success stories. PEDi is an initiative that provides digital and entrepreneurial skills training to people with limited access to the internet, as part of our ESG commitment in enriching social prosperity and livelihood with digital inclusiveness

Serving the nation

TM's commitment to nation-building and driving Malaysia's ESG agenda not only revolves around infrastructure and technology, but also through the empowerment of its populace. As a primary driver of innovation, we are invested in nurturing local talents and developing digital proficiency in Malaysia

Our Reporting Journey

Welcome to Telekom Malaysia Berhad's (TM) Integrated Annual Report (IAR) 2021! We are pleased to share a balanced and fair assessment of the value we create for stakeholders this year. Our reporting process meets baseline industry and sustainability standards, demonstrating how we manage ESG risks and opportunities in a way that is value-accretive. As TM enters its 75th year in connecting Malaysians, we continue to evolve according to the nation's changing needs. This report demonstrates how TM integrates key aspects of value creation to create a better and more sustainable future for everyone – by enabling a Digital Malaysia.

Scope & Boundaries

TM's IAR is produced and published annually, covering the full calendar year from 1 January to 31 December 2021 for financial and up to 16 March 2022 for non-financial. The report encompasses all its operations and activities across Malaysia. These include financial and non-financial performance, key strategies, material matters, risks and opportunities, and stakeholder value creation.

Reporting Frameworks

- The International Integrated Reporting Council (IIRC) Framework
- Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Main LR)
- Malaysian Code on Corporate Governance (MCCG)
- Malaysian Companies Act 2016
- Malaysian Financial Reporting Standards (MFRS)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia's Main LR on Sustainability Reporting
- The Association of Certified Chartered Accountants (ACCA) Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- Task Force on Climate-related Financial Disclosures (TCFD)
- Bursa Malaysia's Sustainability Reporting Guide
- The United Nations Sustainable Development Goals (UN SDGs)
- ISO 26000:2010 Guidance on Social Responsibility

Reporting Principles

TM ensures the quality of its reporting disclosures by adhering to the following principles:

Transparency: Provides clear and truthful information to stakeholders, allowing them to accurately assess our strategies, outcomes and effectiveness.

Materiality: Emphasises TM's economic, environmental and social (EES) impacts that significantly affect long-term stakeholder value.

Stakeholder Inclusiveness: Describes TM's efforts to meet the ever-changing expectations of all stakeholders.

Sustainability Context: Elaborates on TM's activities and performance in the context of sustainability risks and opportunities.

Balance: Reports on both positive and negative aspects of the business, enabling stakeholders to evaluate our overall performance fairly and rationally.

Comparability: Includes information from previous years, where possible, to demonstrate changes in our performance over time.

Potential: Indicates the current and future growth potential of our ideas, products, strategies and capital development, so stakeholders can better understand the reasoning behind our decisions.

Sustainability Impact

Sustainability is a key aspect of our business. Our value creation efforts are influenced by economic, environmental and social factors. We also implement measures that strengthen good governance, which we view as a critical tool for our sustainability journey. Throughout this report, we have labelled the positive impacts of our outcomes and achievements:

Economic Impact | Social Impact | Environmental Impact | Governance

Independent Assurance

The credibility of TM's reporting disclosures has been verified by the independent auditors/verification companies:

Activity	Company
Consolidated Financial Statements Audit	Ernst & Young PLT (EY)
Carbon Footprint Assessment	SIRIM QAS International Sdn Bhd
Sustainability Disclosures Verification	SIRIM QAS International Sdn Bhd

Forward-Looking Statements

This report contains certain forward-looking statements concerning TM's future priorities, strategies and growth opportunities. These are based on predictions and expectations that may change due to various uncertainties beyond its control. Therefore, all forward-looking statements are not conclusive and have not been reviewed by TM's auditors.

Reach Out to Us!

We at TM are always looking for ways to improve our reporting disclosures to keep our stakeholders better informed on our value creation journey. We welcome all questions or suggestions.

Please share your feedback to gsc@tm.com.my

Statement from the Board of Directors

The Board acknowledges its responsibility in ensuring the integrity of TM's IAR 2021. In the Board's opinion, this integrated report addresses all the issues material to TM's business and stakeholders, providing a fair assessment of its integrated performance during the reporting year.

Tan Sri Mohammed Azlan Hashim
Chairman of the Board

Navigation Tools:

Capitals

- Human
- Intellectual
- Natural
- Social and Relationship
- Financial
- Manufactured

Material Matters

- M1 Product Innovation
- M2 Customer Experience
- M3 Responsible Supply Chain
- M4 Climate Change
- M5 Human Capital
- M6 Community Development
- M7 Governance

Strategic Pillars

- Our Purpose
- Our Business
- Our Customer
- Our People

Stakeholders

- Employees
- Customers
- Shareholders & Investment Communities
- Government & Regulators
- Suppliers
- Business Partners
- Media
- Communities
- Unions

Please click **here** for the three (3) years of Sustainability Performance Data

Key Integrated Concepts

We focus on creating shared value that benefits all our stakeholders, aligning with our sustainability journey. To do so, we adopt a holistic approach to understanding and addressing ESG matters that impact our ability to create near, medium and long-term value. Our value creation journey is shaped by the following:

UNDERSTANDING THE CONTEXT

Operating Landscape

TM's ability to drive a Digital Malaysia and create sustainable value is influenced by the environment in which we operate. By monitoring market trends, economic conditions and regulatory requirements, we are able to stay ahead of emerging challenges and opportunities that impact our long-term value.

See page 28

Stakeholder Needs

As a stakeholder-centric organisation, our long-term success depends on the trust and support of our loyal stakeholders. We regularly engage with them to understand how to serve them better. Every business decision is anchored on balancing their needs to create value for each stakeholder group.

See page 22

Risks & Opportunities

Our business aspirations and purpose remain susceptible to risks and opportunities that could materially impact the delivery of stakeholder value. Effective risk management allows us to mitigate these risks while leveraging opportunities that improve our competitive edge and strategy execution.

See page 42

SHAPING OUR DIRECTION

Materiality

As a sustainable business, we apply the principle of materiality in formulating business decisions. Our strategies are shaped by the issues, opportunities and challenges that materially impact business and stakeholder value creation.

See page 25

Strategic Purpose

Our nation-building aspirations and business priorities are embedded into TM's strategy, the New TM Compass. This strategy sets us on a path to transform into a human-centred organisation so we can continue meeting stakeholder needs far into the future.

See page 37

EXECUTING OUR STRATEGY

The Six (6) Capitals

We strive to create both financial and non-financial value for our stakeholders. Our long-term success is shaped by our ability to effectively leverage the following six (6) capitals into our strategic decisions:

Financial Capital

Our income and earnings are used to operate and grow the business. We channel our funds to pay relevant stakeholders, finance other types of capital and propel our sustainability and Digital Malaysia aspirations.

Human Capital

Our dedicated and skilled *Warga TM* acts as our execution engine. We invest in our employees so they can drive our strategic purpose forward.

Intellectual Capital

Our rich 75-year history as an industry pioneer is what the stakeholders trust. We embrace new technologies and digital solutions that strengthen our value proposition and competitive edge.

Natural Capital

Our operations rely on a range of resources, including energy, water, radio spectrum and other natural resources. As we progress on our sustainability journey, we strive to continuously reduce the impact of our activities on the environment.

Social & Relationship Capital

Our strong and meaningful stakeholder relationships allow us to meet our nation-building agenda. We take pride in creating bonds that build a resilient and thriving society.

Manufactured Capital

Our vast infrastructure network, data centres and base stations are essential in connecting Malaysians nationwide. We also have retail outlets, office buildings and other physical assets that play important roles in our growth and operations.

See page 34

CREATING MEANINGFUL VALUE

Value Creation

Ultimately, the purpose of our business is to create sustainable value for a broad set of stakeholder needs, such as maximising profits for shareholders and investors, creating a safe and conducive workplace for employees and suppliers, delivering innovative products and solutions to customers, supporting the Government in enabling a Digital Malaysia, and protecting the planet for society at large.

See pages 32 & 33

Performance Highlights

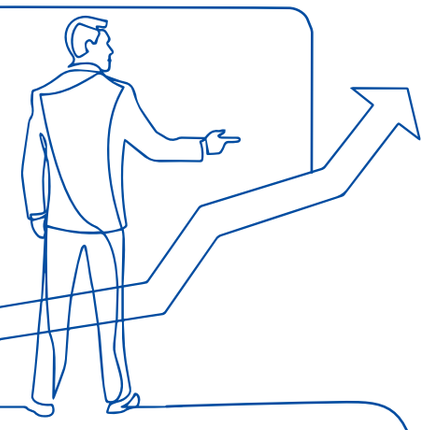
KEY ACHIEVEMENTS

GROUP REVENUE
RM11.5 billion

GROUP PATAMI
RM895.2 million

EBIT
RM1.7 billion

TOTAL DIVIDEND PAYOUT
RM490.6 million
(13.0 sen per share)



OUR CUSTOMERS

TOTAL CUSTOMERS NATIONWIDE
3.4 million

HOME
3.0 million
includes voice, broadband, unifi Mobile and unifi TV

SME
0.4 million
includes voice, broadband, unifi Mobile and solutions

- **≈9,000** Corporate customers
- **1,300** Federal, State Governments, Agencies
- **9** Data centres (including 3 world-class Tier III/Rated 3 data centres)

- **≈150** Malaysian Telcos
- **>500** International Telcos, OTT, hyperscalers
- **6** Regional Offices in **6** continents

OUR NETWORK

CABLES
>900,000 km
fibre cables globally including:

- **>650,000 km** domestic fibre cables
- **>320,000 km** submarine cables with ≈30 submarine cable systems

ESG PERFORMANCE

FTSE4Good Bursa Malaysia:

- **4** out of 4 stars rating
- Among top **25%** of Malaysian public listed companies on FTSE4Good Bursa Malaysia

Environmental Footprint:

- **8%** reduction of overall GHG emission

OUR PEOPLE

WARGA TM
>20,000

NON-EXECUTIVES
51%

EXECUTIVES
49%

DIVERSITY:
36% women on Board and
31% women in Management

What We Do

TM has served the nation with its comprehensive suite of communication services and solutions for over 75 years, and will proudly continue to play its role in ensuring inclusive connectivity for all Malaysians. First established as the Malayan Telecommunications Department in 1946, TM has grown leaps and bounds through various cycles of the country's telecommunication technology evolution. Now, TM is ready to enable digital to create a more sustainable future for all Malaysians. The Group is leveraging its innovative culture to deliver smart solutions that not only make lives easier, but also safeguard people and the environment. This is part of our sustainability commitment.

The Group is focused on growing the business to better serve the *Rakyat*, Businesses, Public Sector, Industry as well as its Shareholders with excellence in customer experience, solutions and connectivity at the core of its foundation. Being a digital growth company, TM is also well on its transformation journey from a public utility provider into a technology and digital solutions partner to enterprises, Government as well as customers.

As the nation's premier telecommunications and digital infrastructure provider, TM is ready to support the implementation of the Government's MyDIGITAL Blueprint in creating a fully-connected Digital Malaysia with the widest fibre backhaul infrastructure across the country. TM is also well-positioned to support the 5G rollout for the country, with continuous upgrade and expansion of its fibre network. In addition, as the sole home-based cloud service provider under the Blueprint, the Group is all geared up towards realising a fully digital Government with cloud and cybersecurity improvements.

TM continues to support and enable the implementation of the Jalinan Digital Negara (JENDELA) action plan, which aims to accelerate digital connectivity through widespread deployment of mobile, fibre and Fixed Wireless Access (FWA).

Striking a balance between performing as a Public Listed Company (PLC) and responsibilities towards nation-building as a Government-Linked Company (GLC), TM drives strong commercial and sustainable returns to invest in strengthening its core business, new growth areas as well as the communities and nation at large.

TM continues to evolve to meet the needs of its stakeholders and the demands of the future, and lead the industry in innovation, customer centricity and value creation; driven by its aspirations to be a human-centred technology company in delivering Digital Malaysia.

OUR VISION

To Make Life and Business Easier, for a Better Malaysia

OUR VALUES

- **Total Commitment to Customers**
- **Uncompromising Integrity**
- **Respect & Care**

OUR MISSION

We deliver Life Made Easier:

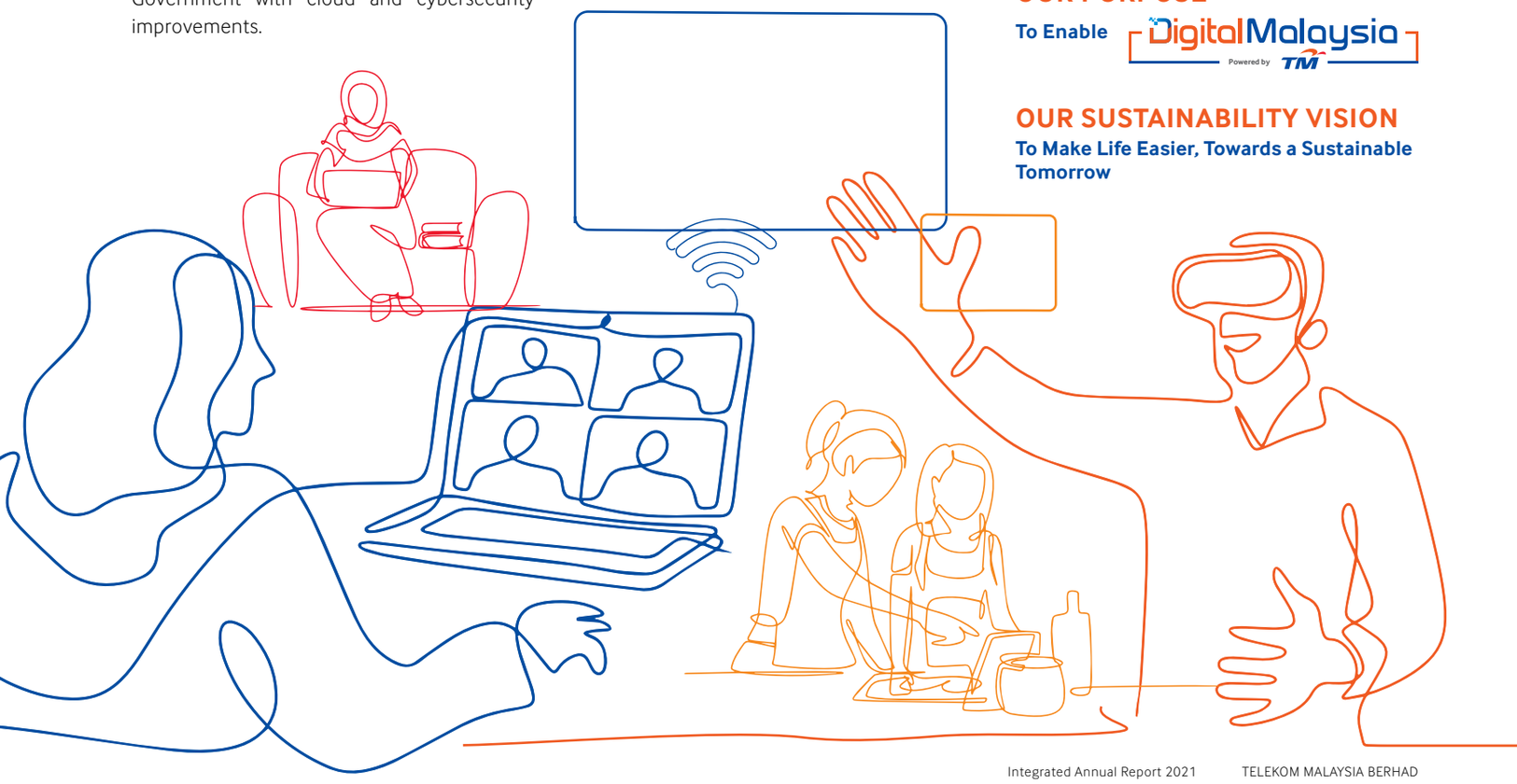
1. **To customers, through converged lifestyle communication experiences**
2. **To businesses, by collaborating and supporting them with integrated solutions**
3. **To the nation, by supporting socio-economic development through education, innovation & social initiatives**

OUR PURPOSE

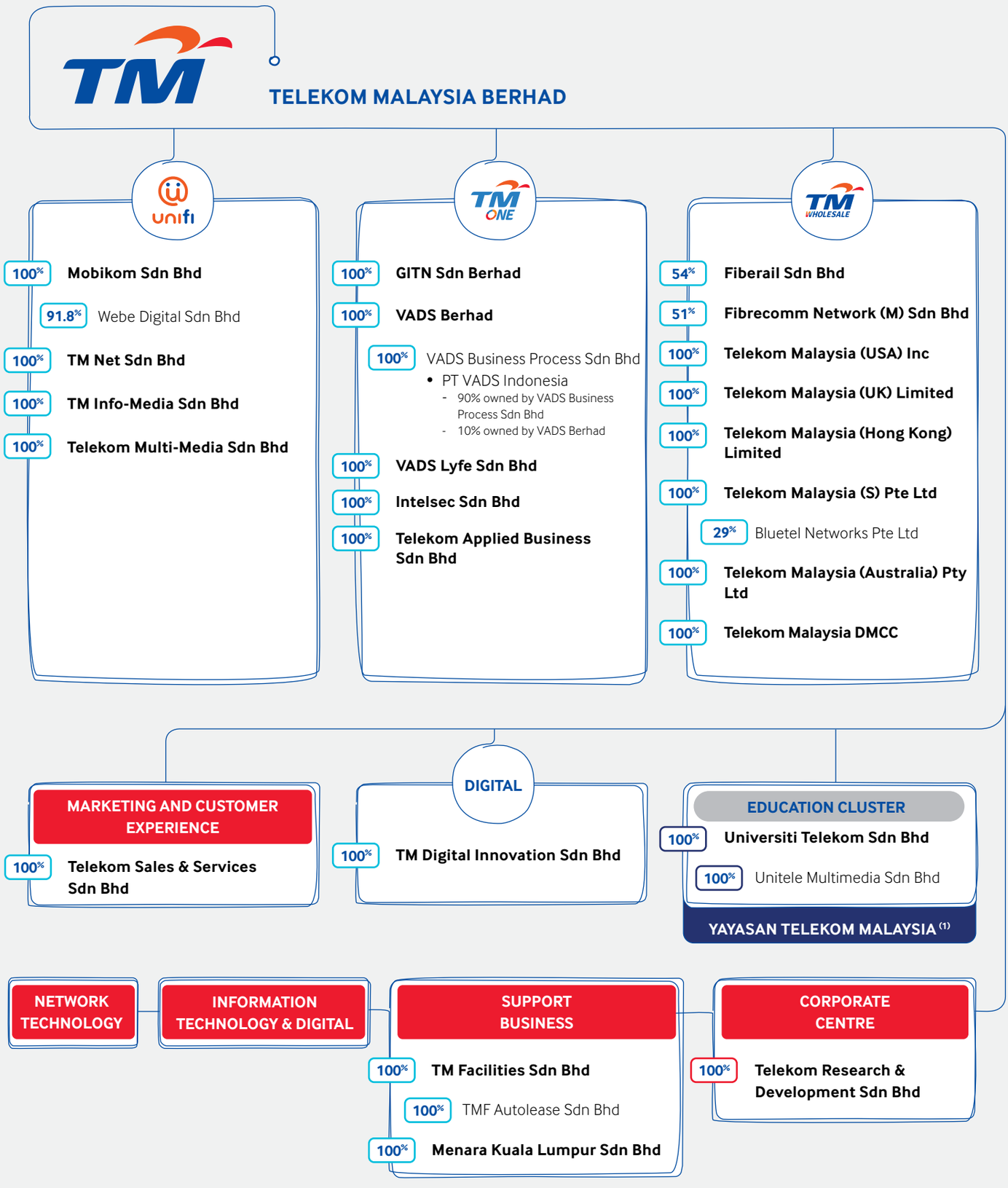
To Enable Digital Malaysia Powered by TM

OUR SUSTAINABILITY VISION

To Make Life Easier, Towards a Sustainable Tomorrow



Group Corporate Structure



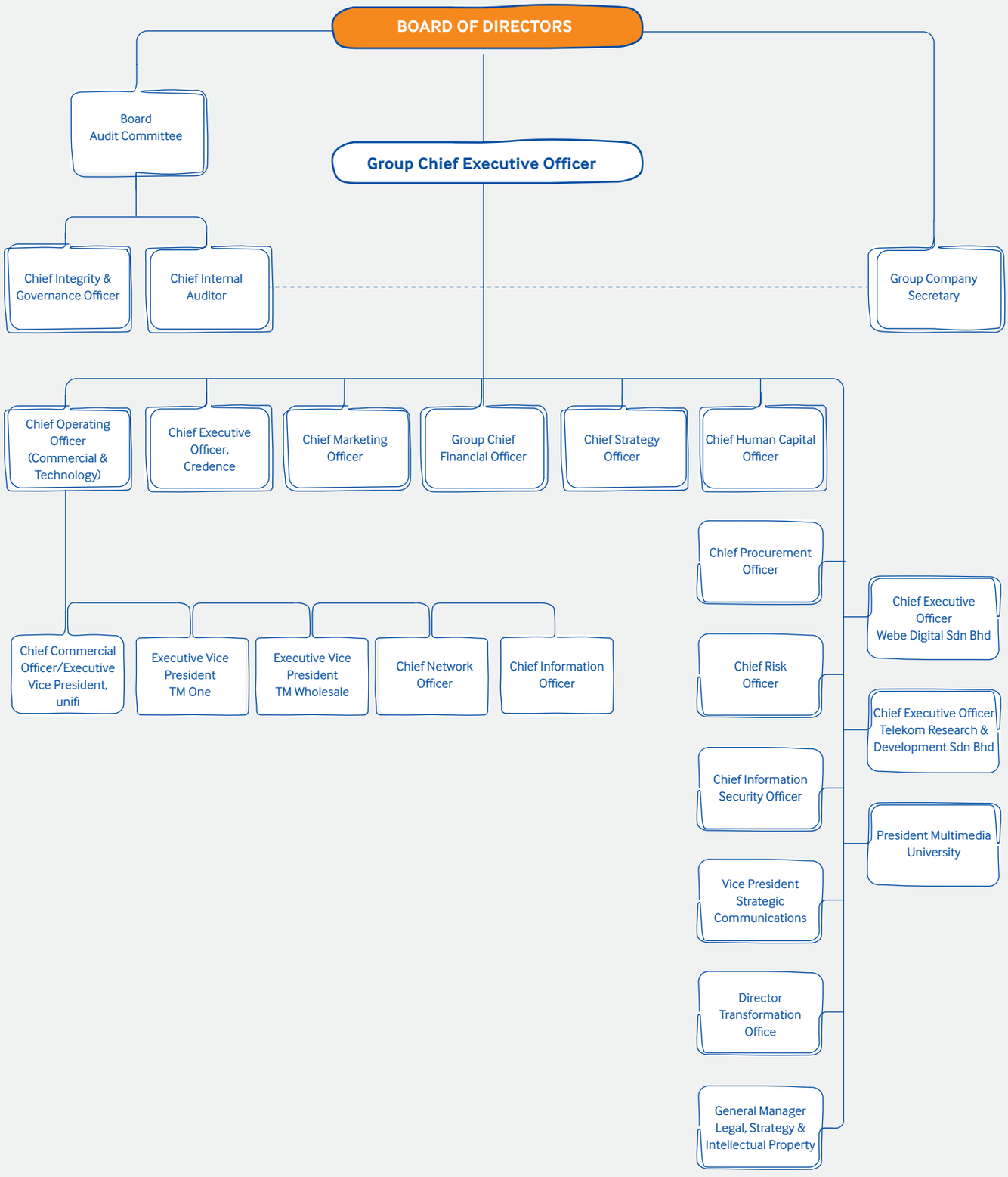
Note:

(1) Yayasan Telekom Malaysia (YTM) is a charitable trust established under the Trustee (Incorporation) Act 1952

- *This chart represents TM's operating subsidiaries, associates, business functions and corporate functions*

Business Cluster *Foundation* *Education Cluster* *Research & Development* *Business Support & Corporate Function* *TM Subsidiary/Associate*

Group Organisation Structure



Our Sustainability Journey

OUR SUSTAINABILITY PURPOSE

As a nation-building organisation, we aspire to transform the lives of all Malaysians. We believe that digitalisation is the future of business and sustainable living. The critical connectivity and innovative solutions that we deliver contribute to inclusive prosperity for the *Rakyat*. At the same time, we strive to always operate in a responsible and ethical manner. Our dedication to creating a better Malaysia for all is driven by TM's Sustainability Vision and Statement of Purpose. We will realise our vision and purpose through TM's ESG Roadmap & Commitments, as shown on page 81.

TM's Sustainability Vision:
To Make Life Easier, Towards a Sustainable Tomorrow

Sustainability Pillars

- **Building a Digital Malaysia**
- **Protecting the Planet**
- **Putting People First**
- **Strengthening Our Integrity**

TM's Sustainability Statement of Purpose

Nation-Building: Expand our network and bridge the connectivity divide to catalyse Malaysia's economic, social and environmental progress

Environmental Footprint: Progressively manage our impact on the environment through resource optimisation and reduction in operational carbon emissions

Responsible Supply Chain: Source responsibly to manage the impact of our value chain; Respect labour standards; Grow and empower domestic suppliers

People Matters: Nurture our people as well as communities towards a digitally empowered and an enabled future through upskilling and providing access to resources

Uncompromising Integrity: Zero-tolerance for unethical business conduct and corruption

2021 SUSTAINABILITY MILESTONES

This has been a significant year in TM's sustainability journey. With the challenges and hardships faced by Malaysians this year, we have intensified our sustainability efforts to help the nation recover and rebuild. As a result, we are proud to share many milestones achieved in driving the sustainability agenda to contribute to Progress for All.

2021 Sustainability Milestones

The integration of sustainability into TM's business strategy

Why This Matters:
Sustainability has become a key business objective and is truly embedded into our ecosystem.

Read more on page 79.

The launching of TM's ESG Roadmap & Commitments

Why This Matters:
We have set near to long-term ESG goals and targets to guide our sustainability journey and optimise positive impacts.

Read more on page 81.

The strengthening of our climate-related risk management

Why This Matters:
We have become more resilient to climate change to minimise disruption of our essential services to customers.

Read more on pages 152 to 153.

The introduction of sustainability-related KPIs and meeting agendas for our leadership team

Why This Matters:
We have strengthened our sustainability governance and ensured our Board and management team promote a sustainability mindset across the Group.

Read more on page 151.

Chairman's Statement

Dear Stakeholders,

I would like to start by thanking my predecessor, Tan Sri Dato' Seri Mohd Bakke Salleh, for his service to TM. He played an exemplary role in steering the Group forward with an unwavering commitment to clarity, integrity and towards world-class standards as TM charts its next phase of sustainable growth. I am honoured to be given the opportunity to contribute and be part of the Group's mission to enable a Digital Malaysia.

Tan Sri Mohammed Azlan Hashim
Chairman

The undertaking has been especially critical this year, as Malaysians battled with the devastating protracted effects of COVID-19 crisis to finances, health, education and the general economy as evidenced by the sharp decline in domestic consumption, disruption to production and trade and restriction in travel. Micro, Small and Medium Enterprises (MSME) suffered the brunt, with drastic employment drop shifting around 20% of M40 households to the income bracket below the B40 group.

The past two (2) years demonstrated telecommunication players have important roles in enabling a progressive Malaysia. The industry globally is steadily gaining recognition as communication providers of critical services and infrastructure in times of great peril. With the Movement Control Order (MCO) in effect, communities across the length and breadth of the country relied on our coverage to stay safely connected, efficient and productive, and to get on with life despite the restrictions. The importance of digitalisation has never been clearer, from enabling remote working, learning, and e-commerce to keeping citizens well-informed on the virus and the Standard Operating Procedures (SOPs) through social media as well as medical and case tracking applications.

During the tumultuous year, TM focused on assisting its stakeholders in navigating the impact of the ebb and flow of the pandemic. At TM, we consider a broad set of groups in our decisions to create value for current and future generations of stakeholders. TM has carried on to maximise its shareholders' value as a Public Listed Company (PLC), while continuously fostering the development of Malaysia's economy and nation-building initiatives as a Government-Linked Company (GLC). The sustainability of its business requires delivering inclusive value that extends beyond profit. This has been the key to our success over the past 75 years.

As an organisation with nation-building in our DNA, TM is determined to play its part. In line with the Government's JENDELA and MyDIGITAL initiatives, the Group has been aggressively expanding its fibre network across Malaysia, providing the *Rakyat* with a better broadband experience at home, at work and on the go. And now, TM is investing heavily to expand Malaysia's 5G ecosystem, bringing previously unimaginable new opportunities and possibilities as the country marches forward in the 4IR world across homes, businesses, industries, and the public sector. I am confident TM's digital infrastructure and innovative solutions will help the Group and all its customers to collectively overcome obstacles and seize opportunities in how we contribute to building up the national digital economy.

CREATING VALUE FOR OUR STAKEHOLDERS

TM's success has always been rooted in its dedication to making life better for its customers, employees, shareholders and the community in general.

Throughout the year, *Warga TM* worked tirelessly to maintain its services and operations to help customers stay connected during the MCO. We also enhanced our digital platforms and applications with self-serve features so customers can safely and seamlessly engage with us. While serving them, TM continued to prioritise the well-being of its employees, with utmost importance placed on strict compliance to the SOPs to minimise their exposure to the virus.

We established the TM Solidarity Fund as a platform for employees to contribute and support the Government's Tabung Bantuan Bencana Negara (TBBN), which provides aid to communities affected by natural disasters such as the recent floods. This internal fundraising initiative contributed a total of RM1.8 million to TBBN, reflecting the generosity and caring spirit of *Warga TM* nationwide. Additionally, we provided financial and non-financial aid, including food, communication devices and other essential items, channelling nearly RM15.0 million in contributions to over 87,000 individuals and families.

Aggressively expanding our fibre network across Malaysia, providing the *Rakyat* with a better broadband experience at home, at work and on the go...

In terms of shareholder value, TM looks at maximising their returns in the long term. This meant considering factors such as overall business and earnings performance, capital commitments, financial conditions, distributable reserves and other relevant aspects that may influence our ability to generate sustainable value as we future-proof the organisation and stride ahead as a growth company. TM is committed to distributing yearly dividends of 40% – 60% of Profit After Tax and Non-Controlling Interests (PATAMI) and as such, the Board had declared a total dividend of 13.0 sen per share with a total payout amounting to RM490.6 million, for this financial year.

Board had declared a total dividend of **13.0 sen per share** with a total payout amounting to RM490.6 million, for this financial year.

LEADING WITH INTEGRITY & PURPOSE

Strong corporate governance has been key to TM's resilience these past two (2) years. The Group's robust processes and risk models ensure it consistently acts in the best interest of all stakeholders. Our governance system begins with a diverse and knowledgeable Board, whose members are selected for their vision and experience in mitigating the changing business and regulatory industry dynamics as well as meeting the needs of its stakeholders.

During the year, the Board composition was reviewed to ensure its members had relevant skills and expertise in the telecommunications industry and digital segments. To stay ahead of emerging trends and challenges arising from advanced technologies, prominent speakers and industry leaders were invited to Board meetings to brief members on the global telecommunications landscape and relevant technological changes. Additionally, the Board attended training programmes in key areas of growing critically, such as 5G technology, climate change and sustainability, cybersecurity and agile culture, thus ensuring a future-ready Board capable of leading TM's transformation.

On that note, we are excited to have the extensive experience and insights of our two (2) new Board members. Firstly, we welcome Muhammad Afhzal, who is currently the Employees Provident Fund's (EPF) Chief Digital Technology Officer (CDTO). With over 23 years of experience in technology, he is well-

equipped to guide TM's digital transformation journey. We are also proud to appoint Rossana Annizah to the Board, who has more than 30 years of experience and held several leadership roles in the telecommunications and banking sectors.

To assist the Board in discharging its duties, we have established several Board Committees. The Board Risk Committee (BRC), in particular, helps the Board deliberate on current and emerging risks, and reviews the Group's strategic investment proposals, focusing on key threats and mitigation actions for the Board's approval. The BRC receives updates on all risk issues, including COVID-19 risks that could jeopardise the business. In 2021, an assessment exercise determined that abuse of power and non-compliances were major integrity and governance risks faced by the Group. In response, we introduced various initiatives and controls to mitigate these risks effectively, including establishing TM's Organisational Anti-Corruption Plan (OACP) that adheres to MS ISO 37001 Anti-Bribery Management System (ABMS), as well as continuous training on ethics and integrity compliance to all of *Warga TM*.

The Board also held regular meetings to deliberate on key topics and issues that impact our ability to create long-term stakeholder value. This year we focused on TM's strategy, corporate governance, local and global telecommunication trends, as well as leadership succession plans. In terms of strategy, we regularly deliberate, realign and reassess our business direction and strategy according to our transformation plans. Several key changes were implemented for corporate governance, such as introducing new Board and management members, reviewing the Board committees, including the abolishment of the Board Investment Committee (BIC), and enhancing BRC's roles. Directors were also exposed to other Board committees as part of their knowledge acquisition.

CHAMPIONING A SUSTAINABILITY CULTURE

A focus this year was to place ESG as a core strategic purpose. Our business priorities are in line with our sustainability commitments, as every decision made needs to take into account ESG considerations. Our nation-building aspirations are very much part of sustainable development, and TM's Digital Malaysia ambition is integral to taking care of people and the planet.

To inculcate a sustainability mindset across the Group, TM introduced ESG Key Performance Indicators (KPIs) for the Board and leadership team in 2021, marking a significant milestone in our sustainability journey, as these KPIs encourage greater accountability and responsibility in every unit of the organisation. In support, we have also set up a dedicated sustainability-related agenda for TM's management and Board meetings. Similarly, we established TM's Sustainability Action Working Group (SWG), a collaborative platform that reflects all stakeholder concerns during sustainability-related discussions. These efforts demonstrate our steadfast commitment to embedding ESG into the TM culture and ecosystem.

Integrating sustainability is also essential to helping the Group mitigate emerging ESG risks. Since last year, sustainability risks have been a key component of our Enterprise Risk Management (ERM) Framework. This is supported by our Business Continuity Management (BCM) Framework, which builds our organisational resilience against social and environmental disasters, such as COVID-19 and the rising climate crisis.

In tandem, we have stepped up our climate action efforts based on recommendations from the TCFD. We continue to conduct detailed assessments on the impact of climate change on our long-term business, enabling the Group to determine the physical and transition risks, as well as opportunities, related to climate change. Climate-related risks are now a core component of our BRC agenda to ensure the Board regularly monitors and deliberates on these risks. Moving forward, climate-related risks will be included as a key corporate risk that is proactively tracked and managed across the Group.

DRIVING A DIGITAL & SUSTAINABLE FUTURE

In the coming years, TM will focus on helping Malaysia rebuild and recover from the pandemic. The main measure to achieve this is by intensifying our national digitalisation efforts. Under JENDELA, we have committed to expanding our fibre network to an additional six (6) million premises by the end of 2022, thus closing the digital divide and ensuring all corners of society can stay connected.

Under JENDELA, we have committed to expanding our fibre network to an additional six (6) million premises by the end of 2022, thus closing the digital divide and ensuring all corners of society can stay connected.

We will also work with Digital Nasional Berhad (DNB) to improve quality access to 5G and establish TM as the preferred fibre provider. Furthermore, TM will leverage its position as the sole Malaysian Cloud Service Provider (CSP) to build and manage hybrid cloud services, further empowering businesses, industries and public sector to digitalise. TM will strengthen Malaysia's global connectivity and partnership ecosystem with international telcos, content partners and hysperscalers, to successfully position Malaysia as a bespoke digital hub for the ASEAN region.

While making great strides in digitalising the nation, TM's ESG commitments remain in focus. The Group will execute its sustainability initiatives in phases to progressively meet its ESG targets across various timeframes. The most challenging yet exciting is TM's net-zero emissions target by 2050, which will be achieved through energy optimisation and renewable energy.

APPRECIATION

As we enter another year of national and global uncertainty, I am most encouraged by TM's quickening pace in the face of the fast-changing business environment. TM has its diverse stakeholder groups to carry it through any obstacle and to challenge the teams to think differently. I would like to thank two (2) former Board members, Dato' Mohd Naim Daruwish and Dato' Ibrahim Marsidi, for their valuable contributions during their tenure. Meanwhile, the Board welcomes Rossana Annizah Ahmad Rashid and Muhammad Afhzal Abdul Rahman, who joined us in November and December 2021, respectively.

Finally, thank you to all our stakeholders, as well as to our dedicated management team and committed *Warga TM*, suppliers, partners in Government, loyal shareholders and ever-faithful customers. With their unwavering support, we are on track to realising our aspiration of powering a full-fledged Digital Malaysia.

Tan Sri Mohammed Azlan Hashim
Chairman

GCEO's Statement

Dear Stakeholders,

As we turn the chapter on year two of the global pandemic, it is evident we are still living in challenging times. Societies continue to battle the economic and social disruption to lives and livelihoods, triggering far-reaching and long-term impacts, especially for the vulnerable population.

Imri Mokhtar
Managing Director/Group CEO

Though the crisis has posed great difficulty for everyone, it has also created opportunities for society to reset and do things differently, and a big impetus for its shift into digital adoption. The disruptions from COVID-19 accelerated the use of technological platforms, enabling the industry to drive digital engagements more efficiently and ease the unprecedented slump in economic activity. Micro entrepreneurs and Small Medium Enterprises (SMEs) stood to massively benefit from adopting digital solutions, though more can be done to drive digitalisation among Malaysian businesses.

Throughout these times, telecommunication services played a vital role in ensuring the continued functioning of the economy, relying on essential network services to stay connected and productive. TM, with its strong track record of connecting Malaysians for 75 years, rose to the fore in how we efficiently responded to the surging needs for digital connectivity, adapting quickly to customers' changing habits and expectations. More than ever, customers, businesses, Government and industries rely on our critical network and services to stay connected in a secure and reliable way. Learning from that, we improved our internal processes and systems to deliver a better customer experience, and this has in turn, created high expectations of what TM can offer. We scaled up our investment to better serve our customers, ensuring that services are delivered faster and better for everyone.

As we pursue commercial sustainability and fulfil our growth objectives as a Public Listed Company (PLC), we stayed the course in our commitment to nation-building and making life easier for Malaysians. The challenging, high-pressure environment tested our fundamentals but with relentless execution, TM is well-positioned to take on the opportunities of new technologies to further support the implementation of the JENDELA plan in building a better future for Malaysia.

SUPPORTING THE NATION DURING A CHALLENGING YEAR

It has been, without doubt, a difficult 2021 for many Malaysians. Beleaguered by constraints arising from protracted lockdowns, large swaths of society were inadvertently impacted. Consequently, more Malaysians shifted online to adapt to a new normal. This rapid shift to digital channels saw a change in customers' behaviour, as they demanded fast and uninterrupted coverage to work, learn and play.

This rapid shift to a digital way of life brought massive changes in customer behaviour. Online consumption of video and content streaming skyrocketed, and e-commerce transactions simply multiplied. People had no other option but to work, study, be entertained and conduct business remotely from home, marking a significant shift in how Malaysians utilise technology and make the most of access to the internet.

The internet and hyper-connectivity of a household can be likened to a basic survival need, with customers expecting continuous connectivity. As a Group, we are committed to deliver coverage quality to ensure continuity and consistency.

In times of global upheaval, the fundamental strength of TM's assets becomes ever more evident. The network that we are anchored on – over 650,000 km of fibre nationwide – provides the robustness and the resiliency to support the increase in the demand by Malaysians. As a nation, it is also imperative we are connected to the rest of the world and that is where the international connectivity of our sub-sea cables come into play to ensure an end-to-end quality experience for society and customers.

We remained undeterred throughout the worst of times and ensured Malaysians stayed connected in the safety of their homes, with customer support services fully operational. This commitment is extended to all customer segments across homes, businesses, industries and the public sector.

This year has been challenging not only due to the pandemic, but also the country's worst flood crisis in recent years, reported to have displaced 70,000 people. Rising waters impacted over 15 network sites and hill stations across four (4) states due to power outages, high water levels and severe road conditions, making it tough to access these locations to reconnect affected customers. Regardless, thanks to the exhaustive efforts of our engineering and support teams, 85% of impacted customers were swiftly back online within a week. Additionally, we channelled RM36.4 million to help customers affected by the flood with CPE replacements at the cost of RM7.6 million, customer rebates of RM7.5 million, and RM21.3 million in donation and service restoration efforts. As a nation-building organisation, TM is steadfast in helping our customers and other stakeholders respond and recover from such disaster events.

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STAYING ON OUR GROWTH TRAJECTORY

Despite the challenging backdrop, I am pleased to report our commendable financial results for 2021, in which TM recorded a 6.4% growth in revenue to RM11.5 billion compared to RM10.8 billion in 2020. This solid performance is attributed to the strong growth in unifi revenue and fixed broadband subscribers, as well as the sharp increase in the TM Wholesale business, which registered an increasing data demands from hyperscalers, and international and domestic telcos.

The solid revenue improvement, coupled with continuous cost optimisation initiatives, saw Earnings Before Interest and Tax (EBIT) increase from RM1.6 billion to RM1.7 billion (6.6% Year-on-Year (YoY)). However, PATAMI fell 11.9% to RM895.2 million, mainly attributable to higher taxation, including provision for *Cukai Makmur* and higher net finance cost.

On that note, CAPEX for the year stood at RM1.7 billion, which is 14.7% of the Group's revenue. This is particularly encouraging as it reflects our commitment to invest in business expansion, new growth areas and provide great experience and services for our growing base of customers. Free Cash Flow at RM2.2 billion rose 10.2% from RM2.0 billion, ensuring steady growth ahead of an increasingly demanding future. Overall, we are proud that although the Group faced significant difficulties in 2021, we kept our foot on the pedal to ensure a healthy financial performance, and remain on course with our growth aspirations.

Revenue
2021
RM11.5 billion
+6.4% YoY
2020
RM10.8 billion

EBIT
2021
RM1.7 billion
+6.6% YoY
2020
RM1.6 billion

PATAMI
2021
RM895.2 million
-11.9% YoY
2020
RM1.0 billion

CAPEX
RM1.7 billion
14.7%
of Revenue

FIXED BROADBAND CUSTOMERS
2.78 million

TRANSFORMING TM TO MEET FUTURE NEEDS

With 2021 concluding our first year of the three (3)-year New TM Transformation Programme, TM is raring to go in how we will future-proof our organisation for performance and growth. The transformation anchors on four (4) strategic pillars: Our Purpose, Our Business, Our Customers and Our People. The New TM Compass provides greater clarity on how we come together as a team to strengthen and align our Purpose, to serve our Customers better, and in return, deliver outstanding Business performance, powered by the commitment and resilience of our People.

Our stakeholders are at the heart of the New TM Compass, with each pillar integral to creating long-term value for all Malaysians. It supports our dual role responsibility as a PLC and GLC, focusing on long-term commercial sustainability whilst being a partner for the Government's nation-building and digital agenda.

We are particularly proud of integrating Environmental, Social and Governance (ESG) factors into Our Purpose. Sustainability is now stitched into the essence of TM's strategic decisions, with ESG initiatives embedded into TM's ecosystem for effective implementation. In doing so, we are better equipped to mitigate and respond to ESG risks and opportunities, such as the effects arising from pandemics and climate change that may impact our future performance.

Through the effective execution of the New TM Compass, we have reversed the three (3) year decline in revenue in 2021, within the first year of our transformation. TM has shown positive results delivering overall growth in revenue and EBIT, with the success of our cost rationalisation improving overall profitability.

Within 12 months, we made tremendous progress in becoming a higher-performing team. We are more outcome-driven and adopted a new culture of becoming more and more agile in our execution. We did it our way #IniCaraKita and this new culture is here to stay. We have proven that our execution strategy, paired with our greatest resource – *Warga TM* as the execution engine – is the right formula for us to build a brighter future for TM.

We aim to evolve towards becoming a human-centred technology. What this translates to is in our ambition to ensure we progress from delivering converged connectivity into value-added services for our customers with innovative digital solutions and applications. This will not only make lives, workplaces and businesses better, but also enable us to realise our Digital Malaysia aspirations.

ENHANCING CONNECTIVITY AND ENABLING DIGITAL SOLUTIONS

As the national connectivity and digital infrastructure provider, we are at the forefront of the country's technological progress. We see this reflected in Our Purpose under the New TM Compass to support Malaysia in realising a more digital society, business, industry and Government.

We are strong advocates for the Government's JENDELA plan to close the digital divide, actively contributing to nationwide fiberisation efforts to improve broadband coverage and quality. Currently, TM has over 650,000 km of fibre nationwide and our unparalleled network is targeted to grow rapidly in the coming years in tandem with JENDELA. I am pleased to report that TM is on track to meet its commitments, achieving over 100% of our 2021 JENDELA target.

As technology evolves, whether in fibre or mobile, it actively serves to unlock newer services that we may not have on hand today. A prime example is understanding and accessing what new and advanced 5G technology capabilities can bring to the table for the betterment of society and businesses. The Group's fibre network expansion is not limited to home and business premises, but also the fiberisation of mobile towers in improving current 4G service quality and expediting 5G rollout. TM is Digital National Berhad's (DNB) selected fibre partner in implementing Malaysia's 5G network rollout. We will provide DNB with fibre services for connectivity between its 5G mobile sites and nodes, leveraging our domestic fibre cable network.

The Group's fibre network expansion is not limited to home and business premises, but also the fiberisation of mobile towers in improving current 4G service quality and expediting 5G rollout

Looking ahead, we will ensure our network is robust in supporting the future requirements of 5G, with mobile growth driven mainly by smart services and digital solutions. The business-to-business (B2B) applications of 5G are tremendous and the biggest value lies in the industry verticals, which allows smart manufacturing, smart healthcare, smart agriculture and so forth, going beyond mere retail consumer use.

TM also takes the lead in driving MyDIGITAL – Malaysia's Digital Economy Blueprint that aims to accelerate the country's digital transformation. Three (3) of our nine (9) data centres are built to meet the rigorous requirements of the Tier III/Rated 3 rating, providing world-class cloud, artificial intelligence (AI) and cybersecurity services to further elevate Malaysia's digitalisation capabilities. At the same time, our growing global network of more than 30 submarine cable systems spanning 320,000 km is ready to support the global connectivity demand outlined under the Blueprint. TM has every intention to continue powering a Digital Malaysia for the country across the various customer segments.

BALANCING OUR PLC AND GLC COMMITMENTS

As a GLC with a strong focus on nation-building, people may forget that TM is also a PLC that needs to generate strong returns for shareholders. Our commitments to nation-building go hand-in-hand with our commercial focus as a PLC.

Businesses across Malaysia, including other PLCs, have no recourse but to adopt digital transformation in order to remain relevant and respond to new realities. Companies must embrace digitalisation to bring their company closer to their customers and give it a better chance to succeed in a post-pandemic landscape.

With this in mind, TM is proud to champion the fourth pillar of Bursa Malaysia's PLC Transformation programme, in which we help transform Malaysian corporates into high-performing, future-ready organisations set to reap the benefits of an increasingly digital world. As the national connectivity and digital solutions provider, we are excited to share our best practices on how to embrace technology to create better collaboration across sectors and enhance customer experience at every touchpoint. We hope our ongoing transformation journey inspires other PLCs on theirs, as we create new partnerships that will further drive the country's digital ecosystem to benefit all Malaysians.

PUTTING CUSTOMERS AT THE HEART OF TM

Customers' trust and confidence in TM have been integral to our 75-year success. However, in an increasingly complex and dynamic landscape, customers' expectations are quickly evolving, and it is imperative we grow alongside them. Our aim is to deliver efficient and seamless customer experiences without losing the human touch.

The convergence landscape has been experiencing rising competition, with mobile and content players aggressively offering fixed broadband. Nevertheless, we remain the only true 'convergence provider' for broadband, mobile and content. Even with pricing pressures, our offerings remain competitive. We set ourselves apart from the competition by delivering reliable and seamless services to our customers. We believe a great customer experience is the most sustainable edge in a competitive market.

We believe a great customer experience is the most sustainable edge in a competitive market.

Customers' expectations have certainly increased on the back of the surge in digital and online experience that customers have gone through over the past two (2) years, setting the baseline of what they expect from a provider. Apart from hyper-connectivity, customers want services that are easy and convenient to use. The younger segments of Malaysians are demanding for service providers to better understand them, and as such, expect more personalised services. That is the trend we are seeing – simple, convenient, intuitive and personalised array of products and services.

In 2021, we offered unique value propositions to customers focusing on digital interaction and simplification, to deliver convenient and personalised services. This is part of our campaign to transform our end-to-end customer experience to ensure customers' needs are met. We introduced digital tools that empower them to easily manage our services and resolve any potential issues. At the same time, our friendly frontliners provide tailor-made consultation and solutions to further enhance their experience and connectivity.

With the rising demand for reliable connectivity, we made a bold promise to restore customers' services within 24 hours. This revolutionary commitment is an industry first, ensuring that our customers get the best broadband experience possible. Through our 24-hour service restoration guarantee, they are assured of greater peace of mind as we collectively navigate the 'new normal'. By prioritising customer needs and experiences, we achieved a Net Promoter Score (NPS) of +23 and maintained the highest market share in the fixed broadband market.

CHAMPIONED BY OUR LINES OF BUSINESS

The realisation of the Group's digital aspirations is spearheaded by our three (3) lines of business (LOBs) – unifi, TM One and TM Wholesale. Firstly, unifi delivers essential convergence services to home and business customers, particularly SMEs. Their services have been particularly critical this year, as Malaysians relied on broadband connectivity to mitigate and respond to the impacts of COVID-19. In its effort to support SME recovery and growth, unifi offered more than 377,000 local SMEs special packages with the complete digital solutions to help them to grow their business and stay competitive. Through their tireless efforts, unifi achieved a record-breaking performance. unifi recorded the highest number of fixed broadband customers, with a total of 2.78 million customers, as well as the highest number of new broadband customer installations.

Meanwhile, TM One is at the forefront of catalysing Malaysia's smart ecosystem. It delivered a strong value proposition of offering end-to-end managed services and digital solutions, backed by robust digital connectivity and infrastructure. As the only home-based CSP with data sovereignty assurance, TM One serves to enhance its cloud service as a complete digital solution by embedding analytics, smart services/ IoT and cybersecurity to cater to key industry verticals.

Finally, TM Wholesale continues to provide wholesale services to both domestic and international telcos, including hyperscalers. Domestically, as the preferred fibre service provider, TM Wholesale is steadily expanding 4G and 5G fibre infrastructure, in line with the Government's JENDELA initiative. TM Wholesale's fibre services to DNB for 5G network rollout, valued at RM2.0 billion over the next ten (10) years, is a testament of our commitment to infrastructure sharing in enabling excellent 5G solutions and services for Malaysia. TM Wholesale also experienced a record year, achieving the highest active ports subscription for wholesale High-Speed Broadband (HSBB) access, with more than 550,000 total ports for other Malaysian fibre broadband telcos. On the international front, TM Wholesale recorded 190 new deals from hyperscalers and global service providers for various wholesale international data services – a milestone year in positioning Malaysia as a regional digital hub.

EMBEDDING SUSTAINABILITY INTO EVERYTHING WE DO

Recent years have shown what can happen if we do not protect our planet. We faced flood disasters attributed to the destruction of natural habitats and the rise in climate change. Seeing many Malaysians struggle to deal with the aftermath of multiple crises accelerated our ESG journey. We are stepping up our ESG programmes to help the country recover and move forward in a more sustainable manner. It is also encouraging to note that TM is listed in the FTSE4Good Bursa Malaysia Index with a full rating of four (4) stars.

As mentioned, a key milestone this year is the greater integration of sustainability into our business operations. Every business decision made now includes ESG considerations to safeguard the business and stakeholders from future disruptions, creating new opportunities for long-term growth and well-being. This is supported by the establishment of our ESG commitments and KPIs, further incorporating a sustainability mindset across the Group. Our most notable achievement is the launching of TM's Sustainability Roadmap. We have set ambitious sustainability targets to track our near to long-term sustainability performance. These targets range from socio-economic contributions, such as providing at least 70% of premises with high-speed internet by 2025, to becoming net-zero carbon by 2050. TM's sustainability commitments are underpinned by strong corporate governance, adhering to the highest standards of ethics, integrity and transparency.

We have set ambitious sustainability targets to track our near to long-term sustainability performance. These targets range from socio-economic contributions, such as providing at least 70% of premises with high-speed internet by 2025, to becoming net-zero carbon by 2050

Furthermore, we are escalating our climate action. As a national service provider, we are committed to cutting down our emissions as well as adapting our operations to continue delivering essential connectivity despite potential natural disasters. The key is to build our resilience against climate-related risks. We have, therefore, included climate change risks as part of our BRC agenda to ensure we regularly monitor and deliberate on these risks. This is supported by our Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), which minimise the impacts of climate-related disasters on our operations and customer experience.

INSPIRING OUR PEOPLE TO DRIVE DIGITAL

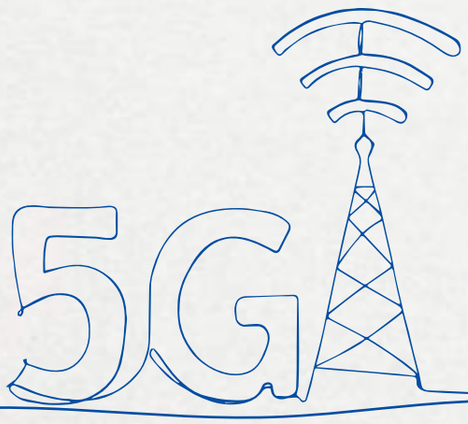
We are grateful for the continued diligence and dedication of our employees or fondly referred to as '*Warga TM*', particularly in recent trying times. They have demonstrated an unwavering passion in driving the nation forward despite navigating new challenges to their work environment. I am confident in *Warga TM's* ability to continuously adapt and help the Group achieve its commercial and nation-building aspirations.

With the ongoing COVID-19 issues, TM's utmost priority in 2021 was to take care of their health and well-being. We are continuously listening to our employees and taking stock of the health of our organisation. This includes the progress of our culture change and how we are aligned as *Warga TM* towards a single goal, our execution capability and ability to continuously renew ourselves in adapting to the fast-changing customer and market environment.

TM's new culture statement, #IniCaraKita was collectively curated by *Warga TM*. The culture statement, which sets the expected behaviour and desired culture for employees towards a high performing organisation, was well received with encouraging responses during the "#IniCaraKita" launch and subsequent engagement activities.

To maintain employee morale during the MCO, we enhanced TM's Flexible Working Arrangements by introducing Flexi Space (work-from-home), Flexi Time (Staggered Working Hours) and Flexi Team (Split Team Work). Appropriate policies and guidelines were established, including daily health declarations, to ensure employees remain safe and productive. We continue to take proactive measures to curb the spread of COVID-19 for the safety of our employees, customers and stakeholders. It has set a new baseline for TM, where returning full time to the office may not be the best way forward as we implement a hybrid model of working beginning January 2022.

As our country embraces this digital era, it is not just about investing into the technology of platforms, hardware or software, it is also about investing into the human capital in the effort to develop, retain and attract leading digital talents. Putting this into action, we invested RM20.1 million in employee training, future skilling, reskilling, upskilling and other development programmes, with an average of 41 training hours delivered per employee. We also focused on equipping employees with future-ready skills in key areas such as cloud, Robotic Process Automation (RPA), 5G, Software-Defined Networking (SDN) and Network Function Virtualisation (NFV) technologies, data analytics, smart services, Internet of Things (IoT), digital, agile, cybersecurity and other related areas. We managed to train over 13,000 employees in future skills, which is an outstanding feat considering MCO restrictions. Undeterred by COVID-19, we continue to develop our employees towards becoming digital leaders capable of driving a Digital Malaysia.



WHAT THE FUTURE HOLDS

As TM enters its second year of transformation, we are ready with the right mindset to tackle whatever the new year may bring. 2021 has demonstrated our ability to adapt and help the nation in times of need, and we will continue to do so in the years to come. The Group's main focus for 2022 onwards is to support the Government's efforts to rebuild the nation post-pandemic as it gears itself to seize opportunities in the Fourth Industrial Revolution.

Although Malaysia is on a path of recovery, we remain cautiously optimistic as the economy is susceptible to the emergence of new variants and other social and climate challenges that may deter its progress. The telecommunications industry is moving from infrastructure-based competition to a more service-based competition. Connectivity services will also be increasingly commoditised, where competition has progressed beyond infrastructure. This is an opportunity for TM to also go beyond just the connectivity that we provide to households, businesses and the public sector as industries strive to go more digital to better serve their end customers.

Business customers, particularly SMEs, will contribute to higher broadband take-up via unique offerings, as they optimise the Government's digitalisation grant. This signifies that going digital is no longer an option; it is a necessity for businesses to embrace what an online presence can bring to their business, and how adopting productivity and digital tools can improve efficiency. TM serves a large segment of our MSMEs, and it is a responsibility for us to work together with customers to bring them to that next phase of digitisation. New opportunities will continue to evolve in Mobile, Enterprise and the public sector, mainly in 5G connectivity, digital and IoT services, data centres and cloud solutions.

To meet these new challenges and opportunities, we are activating more programmes to keep pace with our growth trajectory and quickly move forward to further enable Digital Malaysia.

TM's revenue growth is expected to remain intact, in line with the Group's market guidance, which is between low to middle single-digit growth, while EBIT is projected to be more than RM1.8 billion, driven by our three (3) lines of business (LOBs) – unifi, TM One and TM Wholesale. We also expect to invest between 14% to 18% of our revenue this year on CAPEX, reflecting our continued commitment to investing in growth areas, capacity-building, as well as to enhance customer experience.

As we continue our shift towards becoming a human-centred technology company, we will develop innovative solutions and drive digital adoption across our broad customer base of home, SME, corporate and Government customers – anchored on great customer experience. We will invest in growth, and critical to this momentum is in the development of our talents to be future-ready and equipped with digital capabilities, enabling the organisation to innovate and build digital solutions that make customers' lives and work better.

With the uplift of movement control restrictions in Malaysia and the economy gaining pace, we remain committed to serving the nation. We will focus on upholding the national agenda through continuous support for the JENDELA and MyDIGITAL plans, enabling nationwide 4G and 5G fibre infrastructure and expanding our fibre broadband coverage.

In promoting sustainability, we remain steadfast in our ESG commitments. For Environmental, we will progressively cut down our emissions by 30% in 2024, 45% by 2030 and to achieve net-zero emission by 2050. On Social, TM is set to provide access to high-speed internet to at least 70% of premises nationwide. The Group promotes gender diversity in decision-making roles by having a minimum of 30% women on its Board of Directors and in Management. Under Governance, TM will continue working with the Malaysian Anti-Corruption Commission (MACC) to uphold our zero-tolerance for any form of corruption and maintain the highest standards of corporate governance.

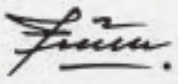
Regardless of what lies ahead, we are confident in the Group's ability to endure and carry on. As the past 75 years have demonstrated, *Warga TM* are resilient to any challenge that may come our way. We will stay true to our commitment to transforming the lives of all Malaysians.

ACKNOWLEDGEMENTS

First and foremost, I would like to express my gratitude to our previous Chairman, Tan Sri Dato' Seri Mohd Bakke Salleh, for his dedication and efforts during his tenure. His leadership was key to helping the Group navigate the difficult year, and we wish him all the best in his future endeavours. I would like to acknowledge the valuable contributions of former Board Members, Dato' Mohd Naim Daruwish and Dato' Ibrahim Marsidi. I am also grateful to our Board of Directors for their continued support and guidance.

Most importantly, thank you to *Warga TM* for their strong commitment and hard work as we continue to adjust to the new ways of working. And thank you to our frontliners, in particularly, for their unwavering commitment and sacrifices made to perform their line of duty for our customers.

Last but not least, my appreciation to all our stakeholders – our customers, shareholders, investors, suppliers, Government, regulators and the community at large – for your support and trust.



Imri Mokhtar

GCFO's Review

TM remained resilient and agile in responding to the strong headwinds of COVID-19, which continued to impact our customers, supply chain and stakeholder value across our operations. We witnessed encouraging progress in the first year of our three-year New TM Transformation Programme (New TM 2021-2023). We took decisive measures to optimise our business and exercised fiscal discipline, while also investing in our growth and transformation to meet our long-term business and nation-building aspirations. Despite the COVID-19 pandemic and other challenging conditions, we have been steadfast in our efforts, and I am pleased to report that 2021 has been a positive year for TM on multiple fronts.

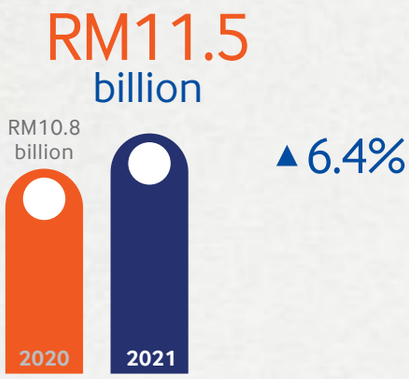
Razidan Ghazalli
Group Chief Financial Officer

Through strong fundamentals and a dedicated *Warga TM*, we achieved a commendable performance against the higher guidance set. This includes improved topline growth in comparison to the previous year, which was continuously driven by unifi and TM Wholesale. With our value and transformation programmes in place across the Group yielding favourable results, the revenue momentum has pushed us to register consecutive years of EBIT growth. Our ability to achieve growth and continuously create value for stakeholders amidst a challenging landscape is a testament to how we are ready to enable a Digital Malaysia for a better future for all.

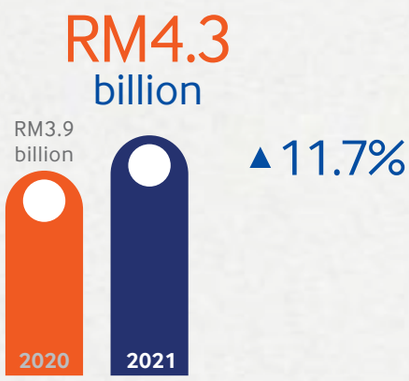
FINANCIAL PERFORMANCE

The Group's operating revenue increased 6.4% to RM11.5 billion from RM10.8 billion recorded during the financial year of 2020, with revenue increase from all lines of products apart from non-telecommunication services. The topline growth has raised our business profitability levels from the previous year. Our reported Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) improved by 11.7%, from RM3.9 billion in 2020 to RM4.3 billion in 2021, and our reported EBIT successfully met our guidance at RM1.7 billion, a 6.6% increase from the RM1.6 billion recorded last year.

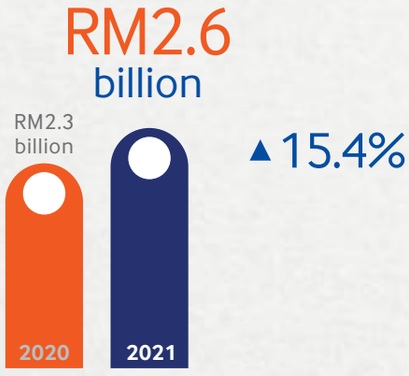
Revenue



EBITDA



Depreciation and Amortisation



RM million	FY2020	FY2021	YTD
EBIT	1,604.7	**1,710.1**	6.6%
Net Finance Cost	344.6	**459.6**	33.4%
Profit Before Tax	1,278.5	**1,246.8**	-2.5%
PATAMI	1,016.0	**895.2**	-11.9%

However, higher net finance cost and tax charges resulted in an 11.9% decrease in PATAMI at RM895.2 million for 2021 compared to RM1.0 billion in the previous year. Nevertheless, the Group's operational efficiency improved YoY as the increase in operating costs was lower than the increase in revenue, notwithstanding the recognition of impairment loss and accelerated depreciation on our mobile assets.

unifi recorded a strong 10.3% increase in revenue from RM4.6 billion in 2020 to RM5.1 billion in the current reporting year. This increase is mainly attributed to the rise in the internet, mobile, voice and sales of devices, with an exceptional 19.1% increase in fixed broadband subscribers in 2021. Continuing cost optimisation initiatives and cautious monitoring of expenditures allowed unifi to sustain its increase in profits, recording a 64.7% increase in EBIT for 2021, at RM1.0 billion compared to RM613.0 million in the previous year.

TM Wholesale registered a revenue of RM2.5 billion in 2021, a 14.7% growth from RM2.2 billion in total revenue reported for 2020. This growth is due to higher revenue from both international and domestic market segments. Operating costs increased by 5.4% to RM1.5 billion, from RM1.4 billion in 2020, which is mainly attributed to higher direct costs. Correspondingly, this led to TM Wholesale's EBIT increase of RM80.5 million (22.6%) from RM356.4 million to RM436.9 million, representing a profit margin of 16.6% compared to the 15.4% recorded last year.

TM One's performance, however, faced challenges from the impact of the MCO. The LOB recorded a 4.1% decrease in revenue from RM3.7 billion to RM3.5 billion, mainly due to a decline in voice and internet services following termination, lower usage and bandwidth downgrade, coupled with the delays in Customer Projects due to the pandemic. This affected TM One's EBIT performance, which decreased by 10% to RM903.9 million from RM1.0 billion in the last financial year.

OUR FINANCIAL PRIORITIES

We began 2021 with a fresh financial guidance based on our current performance, which took into account the challenges in our operating landscape. For our topline, we projected a flat to low-single-digit revenue growth, anchored by improvements we saw on the retail front as well as our other LOBs. This, together with the success of the transformation value programmes and cost optimisation initiatives underway, provided the confidence to strive for an EBIT of more than RM1.7 billion by the end of 2021.

Our capital expenditure (CAPEX) spend, at RM1.7 billion or 14.7% over total operating revenue, was well within our market guidance. Out of the amount spent, 50.4% was for Access, 24.7% was made for Core Network, and the remaining 24.9% was for Support Systems. The spending is part of our commitment to investing in future growth by modernising our network and technology platforms to deliver the best experience for our current and prospective customers. Disciplined CAPEX prioritisation and procurement supported by network modernisation and new approaches to network roll-out enabled optimal CAPEX spending in 2021. This contributed to the improvement in the Group's Return on Invested Capital (ROIC) which grew to 9% from 8.4% in 2020.

Similar to our previous efforts in converting our copper-related assets to fibre cables, we are taking a proactive and prudent position to reflect the value of our mobile assets to better focus on future growth, as we prepare and position ourselves for 5G deployment.

Our robust working capital management continued to yield improvements in cost efficiencies for the major operational overheads. The focus was also on manpower optimisation and productivity improvements across the whole organisation which will result in future savings in manpower costs.

Our Free Cash Flow increased to RM2.2 billion due to higher EBITDA, contributing to the increase of receipts from customers during the year. Group ratios have also improved from the previous year, indicating enhanced returns and healthy financial standing for further growth.

We continuously seek to optimise capital allocation balancing the need for investment for future growth, funding for business requirements and maximising returns to shareholders. In 2021, we successfully completed the exercise of early redemption and paid in full the outstanding Sukuk under a RM2.0 billion Islamic Commercial Papers and Islamic Medium Term Notes programme, established on 5 April 2011.

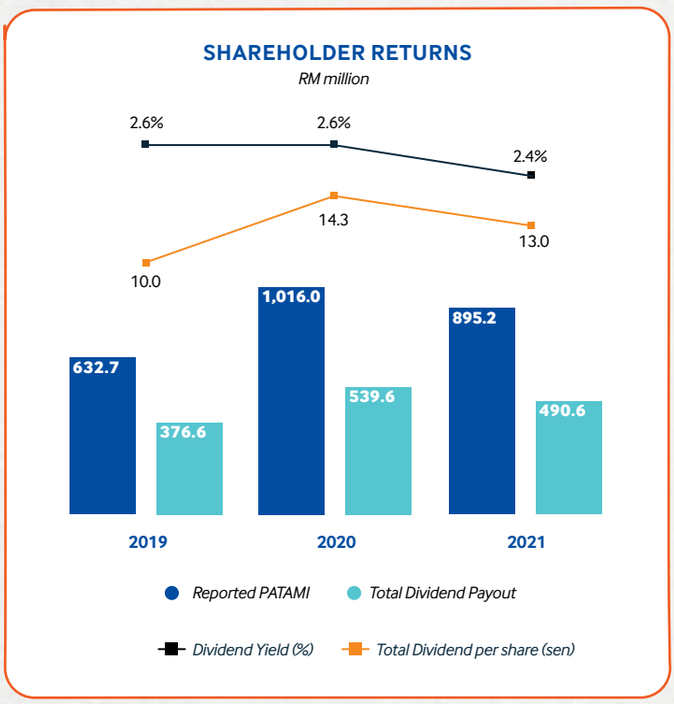
We maintained strong credit ratings from multiple rating agencies despite the challenging landscape. This demonstrated our financial strength and capacity to meet all our financial obligations.

RAM Rating Services	AAA
Moody's Investors Services	A3 (baseline credit profile "BAA1")
Standard & Poors (S&P)	A- (standalone credit profile "A-")

GENERATING SHAREHOLDER VALUE

Sustainable commercial growth remains a key priority for the Group. Our commitment to shareholders is to optimise their returns for the years to come. TM's dividend payments take into account continuous and rigorous internal assessment to ensure cash is preserved and are available to support the company's needs, particularly during a period of growth. Payout is based on performance and directly links Management's focus and shareholders' interests. We are committed to our dividend policy of 40% - 60% from reported PATAMI, subject to our other commitments and business circumstances.

For 2021, we declared a Final Interim Dividend of 6.0 sen per share with a payout amounting to RM226.4 million for the financial year of 2021. Following the first interim dividend declared in August last year, the total interim dividend for 2021 is 13.0 sen per share, with a total dividend payout amounting to RM490.6 million.



MOVING FORWARD

Despite the current uncertainties, the Malaysian economy is expected to gradually improve in 2022 from the worst wave of pandemic earlier. As the enabler of Digital Malaysia, we are steadfast in our efforts to realise the national digital aspirations and committed to supporting the Government's efforts to rebuild the economy post-pandemic.

	2022 GUIDANCE
Revenue Growth	Low to mid single digit growth
EBIT	More than RM1.8 billion
CAPEX/Revenue	Between 14% - 18%

With a refreshed 2022 financial guidance, we are ready to take on the new year and achieve new levels of growth. Our three (3) LOBs will continue to leverage the rising demand for digital products and services to deliver new and exciting value propositions to customers to deliver revenue growth. At the same time, we will stay on course to increase our EBIT with the continuation of our transformation value programmes, closely monitoring costs and increasing business efficiency, effectively rolling out our projects at the highest yield possible, including exercising prudent financial management.

We will continue to invest in long-term growth by optimising our CAPEX. This includes sweating our assets for maximum value, making strategic investments based on reasonable returns, improving our procurement process for more competitive pricing and diligent and targeted spending on business needs.

Finance will continue to play a key supporting role to ensure TM remains fundamentally sound to support business strategy and new growth areas in the digital services space. Adherence to financial best practices, optimised processes, and internal controls will continue as a key component of financial and corporate governance.

As we enter the second year of our transformation programme, the TM Compass will guide the Group in powering a digital nation by delivering excellence in customer experience, solutions and connectivity. We will channel financial capital into transforming the Group into a human-centred technology company, delivering innovative digital solutions and applications that enable multiple facets of society to adopt the digital lifestyle, thus driving Progress For All.

The Stakeholders We Rely On

TM's 75-year history of connecting Malaysians is built on the trust given by our stakeholders – they are the reason for our success. Everything we do is to create sustainable value for them. Therefore, we regularly engage with our stakeholders through various platforms to capture their changing expectations and deliver innovative ways to make their lives easier.

Frequency of Engagement D Daily | W Weekly | M Monthly | Q Quarterly | A Annually

EMPLOYEES

WHY ARE THEY IMPORTANT?

As the execution engine of the Group, our employees drive our aspirations forward. Our digital and nation-building objectives are made possible by their skills, hard work and dedication. At the same time, we are responsible for providing employees with their livelihoods, a nurturing work culture and fulfilling career paths.

How We Engage with Them

- Townhalls Q
- Employee appraisals A
- Employee engagement events M
- Email blasts W

What They Expect from Us

- Clear, inclusive and fair career developments
- Safe and conducive working conditions
- Healthy work-life balance

How We Create Value for Them

- Establish a career succession plan for all employees
- Strengthen governance on employee well-being
- Provide flexible working arrangements

How We Measure Value

- 82% scoring in Organisational Health Index (OHI) Index
- 88% of employees completed their Goal Setting
- Zero (0) workplace fatalities

CUSTOMERS

WHY ARE THEY IMPORTANT?

Customers are what keep us in business. Their trust in our products and services allows us to grow and expand our network while directly contributing to our financial performance. Meanwhile, we deliver essential services that help them stay connected and thrive in an increasingly digital world.

How We Engage with Them

- Customer feedback management D
- Customer Support Centre D
- Social media tools D
- Market research loyalty programmes M

What They Expect from Us

- Convenient and seamless customer service
- High-speed and reliable broadband services
- Affordable and innovative products and solutions

How We Create Value for Them

- Integrate digital solutions at touchpoints
- Increase and enhance our network coverage
- Deliver affordable and unique value propositions

How We Measure Value

- 23 NPS Score
- 75.2% of customer complaints resolved within three (3) days
- 735 cybersecurity incidents resolved/handled
- Zero (0) fines and penalties related to cybersecurity breaches
- Improved serving time from 45 minutes to 14 minutes

SHAREHOLDERS & INVESTMENT COMMUNITIES

WHY ARE THEY IMPORTANT?

Our shareholders and investors provide the Group with financial strength through continued access to capital. This allows us to invest in growth projects and innovative solutions, thus delivering optimum financial returns.

How We Engage with Them

- Analyst Results Briefings Q
- One-to-one virtual meetings M
- Analyst engagement events: IR Spotlight Series Q
- Virtual conferences, seminars and forums organised by Investment communities M
- Direct queries response from website, emails & calls M
- Live queries from shareholders during the AGM A

What They Expect from Us

- Strong corporate governance and anti-corruption practices
- Enhanced return on investments (ROI)
- Competitive products and services

How We Create Value for Them

- Establish robust policies and frameworks
- Improve cost savings through efficient processes
- Invest in research and development (R&D) to meet market needs

How We Measure Value

- RM895.2 million Reported PATAMI
- RM490.6 million Total Dividend Payout
- RM1.7 billion CAPEX (14.7% of revenue)

GOVERNMENT & REGULATORS

WHY ARE THEY IMPORTANT?

To achieve our nation-building aspirations, it is important to maintain a close working relationship with the Government. We support their programmes and initiatives that aim to propel the country forward, and they provide us with incentives and guidance on compliance with regulatory matters.

How We Engage with Them

- Email reports on MCO-related matters W
- Updates on supply chain disruptions W
- Coordination meetings M
- One-to-one meetings W

What They Expect from Us

- Constant adherence to regulatory requirements
- Closing the digital divide
- Ethical and responsible practices

How We Create Value for Them

- Conduct regular audits
- Increase and enhance our network coverage
- Establish robust policies and frameworks

How We Measure Value

- >90% of issues logged in the MCO reporting were resolved
- >90% of issues related to supply chain disruptions were resolved.
- 100% compliance with major laws and regulations

SUPPLIERS

WHY ARE THEY IMPORTANT?

Our wide network of suppliers provides us with the necessary products and services to operate and meet our strategic objectives. We strive to create a resilient supply chain by always treating our suppliers with respect, trust and fairness.

How We Engage with Them

- Supplier Relationship Management D
- Supplier training programmes M
- Supplier recognition A
- Supplier Satisfaction Survey A

What They Expect from Us

- Safe and effective grievance mechanisms
- Fair contracts and payments
- Convenient and efficient processes

How We Create Value for Them

- Establish formal grievance mechanisms and platforms
- Implement policies that protect suppliers' rights
- Integrate digital solutions into procurement processes

How We Measure Value

- RM3.8 billion total contributions to suppliers
- ~RM3.0 billion channelled to local suppliers
- RM1.1 billion total operating costs distributed to Bumiputera vendors

BUSINESS PARTNERS

WHY ARE THEY IMPORTANT?

We work closely with our business partners to exchange expertise, insights and capabilities that are mutually beneficial to our respective businesses' growth and long-term success.

How We Engage with Them	What They Expect from Us	How We Create Value for Them	How We Measure Value
• Progress reports M • Corporate presentations Q • Signing ceremonies Q • Annual reports A	• Alignment of partnerships and goals • Mutual understanding of business expectations	• Ensure regular engagements with business partners • Set up business partnership units across the Group	• Through regular engagement with business partners, TM achieved close to 9,000 corporate customers and over 1,300 affiliates in Federal, State and Government agencies

MEDIA

WHY ARE THEY IMPORTANT?

We rely on the media to provide a fair and accurate representation of our business to the general public. It is important to maintain good media relations to shape a positive reputation that aligns with our purpose and gain the support of our other stakeholders.

How We Engage with Them	What They Expect from Us	How We Create Value for Them	How We Measure Value
• News releases D • Press conferences M • Media coverage D • Media engagements Q • Media courtesy visits M	• Sharing of factual and accurate information • Respectful and cordial media relations	• Organise media rapport-building activities • Implement Spokesperson Training Workshop sessions	• Media tonality score of 60% - 62%, reflecting a positive public perception

COMMUNITIES

WHY ARE THEY IMPORTANT?

Communities provide invaluable support to our strategic and nation-building aspirations. By fostering strong relationships with local communities, we create trust and confidence in our ability to enable a Digital Malaysia.

How We Engage with Them	What They Expect from Us	How We Create Value for Them	How We Measure Value
• Website, Facebook, Instagram, LinkedIn W • Community engagements/ corporate responsibility activities M • Seminars, training & joint activities M • Annual Reports A	• Inclusive socio-economic progress • Safe, clean and peaceful living environment	• Invest in community development programmes • Ensure constant environmental and social compliance	• RM14.9 million investment/ contributions towards community programmes • RM582.3 million worth of scholarships disbursed

UNION

WHY ARE THEY IMPORTANT?

Unions take care of our employees' best interests. By collectively bargaining on their behalf, unions help us balance the needs of our employees and maintain industrial harmony.

How We Engage with Them	What They Expect from Us	How We Create Value for Them	How We Measure Value
• Joint activities M • Consultations M • Dialogues & engagements Q • Negotiations A	• Alignment of business and workers' priorities • Transparent and fair welfare options	• Assess and review collective bargaining agreements • Conduct regular engagements with trade unions	• 37% of employees covered by unions • 100% completion of strategic analysis of key items in collective agreements

Our Material Matters

Our value creation story focuses on addressing matters that are most material to our strategic priorities and stakeholder expectations. We devise our strategies, programmes and policies based on these material matters. This is part of TM's ESG commitment, enabling us to deliver long-term value and fulfil our obligation as both a business and a nation-building organisation.

MATERIALITY METHODOLOGY:

The material matters are identified through a structured assessment process. The matters are prioritised according to their impact on our business and influence on stakeholders. We regularly review and assess these matters to ensure that the information is timely and relevant. The materiality process consists of five (5) key steps:

Identification
The feedback received through stakeholder engagements are used to identify relevant matters relating to TM's value creation.

Evaluation
The identified matters are evaluated based on their magnitude and impact on TM's business strategy and performance.

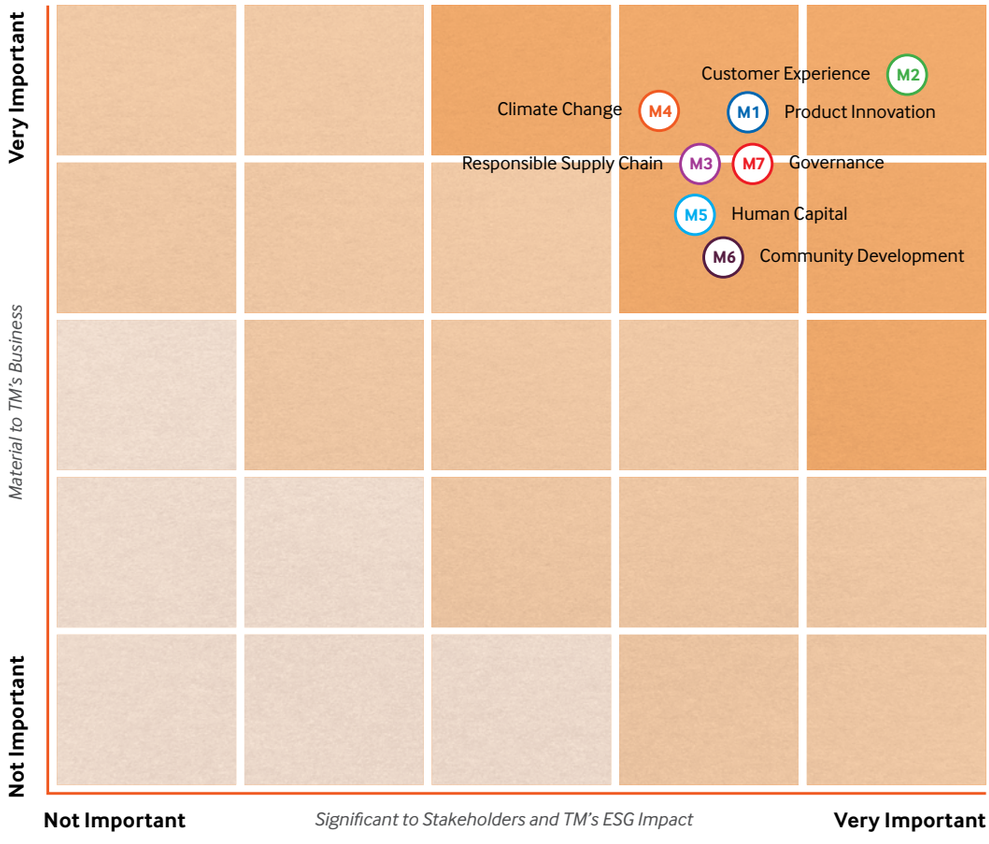
Prioritisation
The evaluated matters are prioritised on a matrix to determine the material matters impacting business and stakeholder value.

Integration
The material matters are integrated into TM's strategies, governance, management decisions and growth prospects.

Reporting
The risks, opportunities and outcomes for each material matter are included in TM's annual reports to demonstrate our value creation performance.

MATERIALITY MATRIX:

Based on our assessment, we have identified and prioritised seven (7) material matters that are of high importance. All of these material matters are considered when developing our business and sustainability strategies. Our performance on each material matter is elaborated on pages 85 to 125.



M1 PRODUCT INNOVATION

See page 86.

Why It Matters

Our customers expect smart and innovative product solutions that meet their rising connectivity demands. This is a crucial aspect in remaining competitive and enabling a Digital Malaysia.

Stakeholders:

What Are the Risks

- Reduced customer loyalty due to irrelevant or outdated products
- Increased competition due to emerging and disruptive technologies

Key Risks:
Strategic Risks, Financial Risks, Technology/System Risks

What Are the Opportunities

- Recommendations and repeated purchases due to satisfied customers
- Improved profitability and performance-driven by cutting-edge product solutions

What We Do

- Invest in the R&D of products according to market needs
- Promote an innovative work culture that rewards creativity and diverse ideas

Capitals Deployed:

M2 CUSTOMER EXPERIENCE

See page 91.

Why It Matters

In today's competitive and fast-paced environment, customers are accustomed to fast and personalised services. A seamless yet meaningful customer experience reflects our commitment to making life easier for them.

Stakeholders:

What Are the Risks

- Decline in customer base due to poor service and frustrating experiences
- Loss of customers' trust from cybersecurity issues that impact their peace of mind

Key Risks:
Strategic Risks, Operational Risks, Financial Risks

What Are the Opportunities

- Improved customer retention due to friendly and warm customer service
- Cost savings from seamless and efficient customer processes

What We Do

- Integrate digital solutions and smart features into our customer platforms
- Strengthen our cybersecurity infrastructure to protect customer data

Capitals Deployed:

M3 RESPONSIBLE SUPPLY CHAIN

See page 102.

Why It Matters

ESG issues within the supply chain create a ripple effect that impacts our operations. More importantly, as an important stakeholder group, we are responsible for the welfare and well-being of our supply chain partners.

Stakeholders:

What Are the Risks

- Operational and business disruptions due to regulatory breaches from suppliers
- Reputation damage due to unethical and corrupt practices within the supply chain

Key Risks:
Operational Risks, Sustainability Risks

What Are the Opportunities

- Improved work performance from suppliers due to fair and safe working conditions
- Additional savings from the sustainable and efficient sourcing of products and services

What We Do

- Ensure a fair and transparent procurement process for suppliers
- Prioritise suppliers that integrate social and environmental practices into their business

Capitals Deployed:

M4 CLIMATE CHANGE

See page 96.

Why It Matters

Climate change is a significant threat to all stakeholders and will impede our ability to create long-term value. Building climate resilience is key to our business sustainability.

Stakeholders:

What Are the Risks

- Damages to our critical infrastructure due to extreme weather events
- Unexpected costs due to unexpected and rising environmental regulations

Key Risks:
Strategic Risks, Operational Risks, Sustainability Risks

What Are the Opportunities

- Adapting to climate change ensures continued connectivity and customer satisfaction
- Low-carbon technologies enable us to proactively mitigate climate-related risks

What We Do

- Implement energy and material optimisation initiatives
- Organise internal and external environmental awareness programmes

Capitals Deployed:

M5 HUMAN CAPITAL

See page 107.

Why It Matters

Warga TM is the execution engine of our transformation strategy. It is important to maintain an engaged and future-ready workforce to help drive our long-term aspirations.

Stakeholders:

What Are the Risks

- Unmotivated and disengaged employees lead to poor productivity and performance
- Loss of employees due to potential health and safety violations

Key Risks:
Operational Risks, Sustainability Risks

What Are the Opportunities

- Effective training programmes contribute to a motivated and knowledgeable workforce
- High talent retention and acquisition due to a reputation as a top employer

What We Do

- Establish regular training and development programmes according to relevant industry skills
- Implement policies and programmes that prioritise employee well-being and safety

Capitals Deployed:

M6 COMMUNITY DEVELOPMENT

See page 113.

Why It Matters

Our role as a nation-building organisation means ensuring that all segments of society benefit from our activities. An empowered community is important in creating an inclusive Digital Malaysia.

Stakeholders:

What Are the Risks

- Lack of stakeholder confidence due to poor involvement in community development
- Underdeveloped communities hinder inclusive socio-economic growth

Key Risks:
Strategic Risks, Sustainability Risks

What Are the Opportunities

- Increased visibility and credibility as a caring and responsible organisation
- High employee morale and productivity due to community volunteerism

What We Do

- Set up volunteering opportunities for employees to give back to society
- Distribute scholarships to high-potential students and nurture them into digital leaders

Capitals Deployed:

M7 GOVERNANCE

See page 121.

Why It Matters

Our ability to create shared stakeholder value relies on having a robust governance system in place. Good governance ensures we protect the interests of all stakeholders, and avoid implications of corruption, malpractices and non-compliances.

Stakeholders:

What Are the Risks

- Financial and non-financial penalties due to potential corruption and malpractices
- Poor employee morale due to poor leadership and governance

Key Risks:
Strategic Risks, Financial Risks, Operational Risks, Sustainability Risks

What Are the Opportunities

- Enhanced stakeholder trust and confidence due to fair policies and systems
- High credibility and performance due to effective compliance and risk management

What We Do

- Frequently monitor and review all regulatory standards to ensure constant compliance
- Provide grievance mechanisms for stakeholders to safely report any malpractices

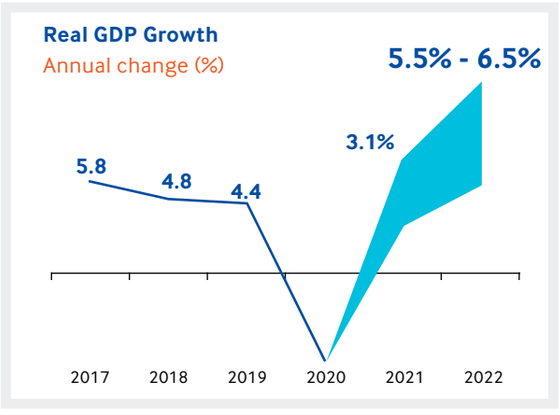
Capitals Deployed:

Analysing Market Trends

THE ECONOMY

WHAT HAPPENED IN 2021

- The Malaysian economy recorded growth of 3.1% in 2021, compared to a 5.6% contraction in the same period last year
- This growth is due to increased economic activities as containment measures are progressively relaxed amid vaccine rollouts and continued policy support
- The imposition of various forms of MCOs nationwide have impacted the income and livelihoods of people and businesses, especially the SMEs



Source: Department of Statistics Malaysia and Ministry of Finance Malaysia

How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• Demand for fixed home broadband still relevant as various forms of MCO and SOP implementation to enable the new normal • More demand for SME digital solutions due to Government grant via matching grants and financing assistance of RM14.2 billion announced during Budget 2022 and series of aid packages during pandemic lockdown • Accelerated digital transformation, with rising focus on digital services, data centre and cloud	**Business customers** • A decline in average monthly revenue, mainly for 40% of MSMEs **Individual customers/ communities** • Decrease in household income, with 12.8% of T20 and 20% of M40 households relegated to lower-income category	• Product offerings covering multi-segments of consumer household • Continue to enable businesses to be more sustainable in this challenging environment i.e. grow and manage their cost via digital education and e-commerce drive • Ensure digital infra fully supported and functional throughout the pandemic	• According to the Twelfth Malaysia Plan (12MP), development expenditure will be distributed to projects with a high multiplier impact to reinvigorate the economy • The economy will continue to recover, with projected GDP growth between 5.5% - 6.5%. • Projected lower inflation rate (from 2.4% to 2.1%) and improvement in unemployment rate (from 4.8% to 4%) • The positive outlook is dependent on other factors, such as pandemic containment and strong global economic prospects

CONNECTIVITY

WHAT HAPPENED IN 2021

- Prolonged lockdowns further drove demand for fixed broadband subscriptions
- Fibre continued to be the largest form of connectivity technology, accounting for 86% of total broadband connections
- There was also a significant increase in mobile data usage, driven by users who relied on mobile broadband as their primary connectivity
- Ongoing trends toward hybrid working and greater use of digital media

Source: GlobalData Q2 2021 Fixed Forecast

7% increase in consumer broadband subscriptions to 2.7 million

How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• More digital service providers (DSP) compete to capitalise on SME's digital transformation budget • Public reliance on fixed broadband surged around the world during the COVID-19 pandemic, and although demand might dip from recent highs, there are good prospects for further growth because of ongoing trends toward hybrid working and greater use of digital media	**Individual customers** • Higher reliance on the reliability and speed of services **Business customers** • Increase in hybrid workplace • Large enterprises invest in connectivity solutions to strengthen business continuity	• Continue our drive towards convergence offerings for our Consumer (home and individual) • Provider of digital technology and solutions beyond connectivity for SME, Enterprise and the public sector	• The connectivity market will be driven by network expansion, especially in suburban and rural areas • The overall residential fixed-line broadband market is expected to be flat in five (5) years • When 5G is available, the single wholesale provider approach (via DNB) will lower entry barriers and further drive competition • Business fixed and mobile data are expected to grow at 8.5% and 2% CAGR, respectively, from 2021 to 2026

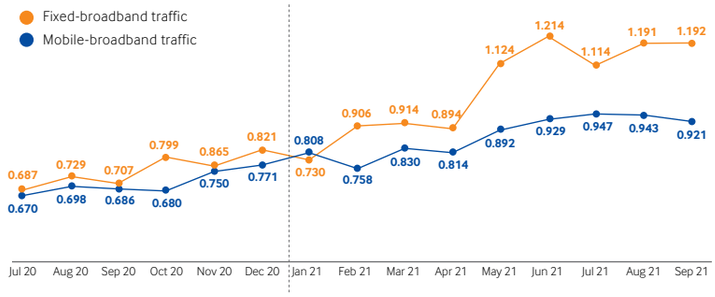
DIGITALISATION

WHAT HAPPENED IN 2021

- A surge in internet demand due to rising digital adoption
- Most SMEs remained conservative in their Information & Communications Technology (ICT) spending, with only 43% increasing their budget compared to 63% in 2020*
- Despite the Goverment's initiatives to drive ICT adoption in the SMEs segment, not many SMEs deployed new solutions

*Source: GlobalData IT Insight

Broadband traffic (exabytes)



* Source: MCMC 3Q 2021 C&M Facts and Figures. Note: 1. 1 Exabyte = 1,000,000,000 Gigabyte

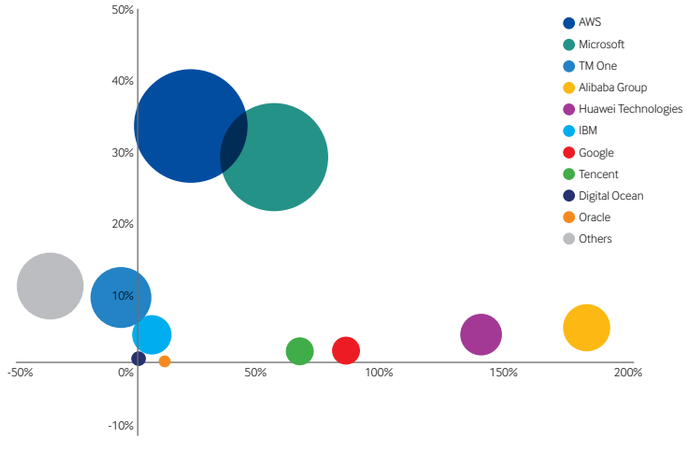
How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• Increase in demand for fixed broadband as a more relevant and reliable solution at home due to the ongoing recovery of pandemic • Reliance on digital tools, notably cloud services, will continue to grow significantly in a post-pandemic recovery	**Customers** • Low tolerance to poor performance and downtime of service • Demand for more consistent, omnichannel digital experiences, with a strong emphasis on self-service options and flexible prices **Government & Regulators** • Proliferate digital penetration nationwide to improve the socio-economic status of Malaysians	• Progressively transformed the end-to-end customer digital experience • Developed digital products and solutions (Enterprise Smart Services) to expedite digital adoption • Continue to invest in the core to serve demands in existing and new home passed areas	• SME's race to pivot operationally and strategically will contribute to ICT growth • This will lead to solid growth in the SME total addressable market (TAM) for 2022 • ICT growth YoY is expected to hit 10.9%, higher than pre-pandemic levels • Many local and global DSPs, including the traditional non-tech providers, are exploiting further the B2B mindset and venturing into the ICT ecosystem

CLOUD

WHAT HAPPENED IN 2021

- The Government launched the MyDIGITAL initiative to drive the adoption of cloud services in the market
- Enterprises are increasingly aware of cloud benefits, with many planning to migrate their workload from on-premises to hosted environments
- Despite the increase in cloud demand, data centre services continued to be crucial for critical applications and highly regulated verticals, such as Government and Banking, Financial Services and Insurance (BFSI)
- Software as a Service (SaaS) is the cloud technology that most enterprises in Malaysia are considering investing in 2021 and beyond

Malaysia's Top 10 IaaS Market Share and Growth, 2H20



Source: IDC Semiannual Public Cloud Services Tracker, 2H20

How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• Opportunity to leverage global technology companies and expertise to move up the cloud value chain • Became the sole home-based CSP • Hyperscalers' expansion in the country will also drive the ecosystem and the market competition	**Individual customers** • Faster turnaround time for new service availability, including services through adoption of native cloud services **Business customers** • More workloads hosted on the cloud, with advanced capabilities available • 5G will also drive the edge computing market, enabling new applications across verticals through solution co-creation between service providers and enterprises **Employees** • Increased agility and efficiency across organisation through cloud	• Aligned to digital technology roadmap, with technology training and industry certification • Ensured all digital products are cloud-native, i.e. built on cloud for cloud • Aligned with TM Wholesale aspiration to become a digital hub for the ASEAN region, as it can be realised through strategic collaborations with hyperscalers and global service providers in Malaysia	• Malaysian enterprises are increasingly utilising cloud services to address internal skillset gaps and drive deployment success • Hyperscalers will expand their local partners to offer cloud services (e.g. AWS Outposts) from domestic data centres • Most enterprises in Malaysia are considering investments in 'hybrid cloud' and 'managed cloud' implementation models in the next two (2) years • The cloud market is expected to grow strongly at a CAGR of 15% in the next five (5) years

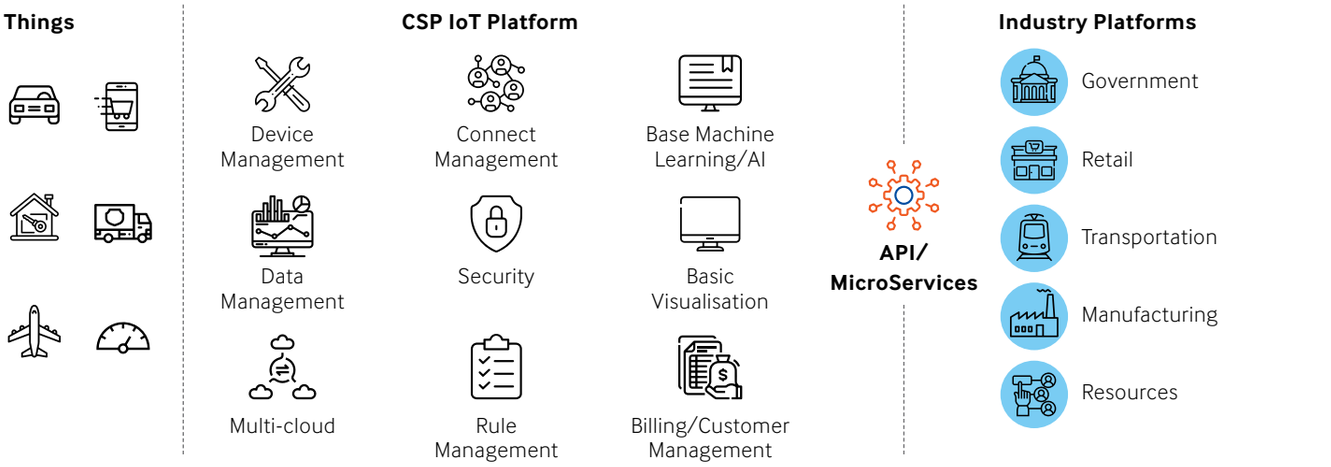
INTERNET OF THINGS (IOT)

WHAT HAPPENED IN 2021

- IoT opportunities are enormous, with a global economic value projection ranging from US$1.9 trillion to US$7.1 trillion
- The market size for IoT for consumers in Malaysia was $215.6 million (RM894.8 million) in 2021, and ~$2.7 million (RM11.0 billion) for enterprises*
- However, the pandemic impacted the IoT market across industries as enterprises shifted their ICT budget to more critical solutions, such as enabling remote workplaces
- With the reopening of economic activities, some enterprises started to resume their existing IoT initiatives and/or consider new IoT solutions again

*Source: IDC - Malaysia Connectivity Insight 2021 For Consumer & Enterprise Segment (Sep 2021)

- Entertainment
- Streaming Sticks
- Comfort & Convenience
- Thermostats
- Small Appliances
- Large Appliances
- Fully Managed Services
- Smart Speakers
- Home Monitoring & Safety
- Door Locks
- Video Monitoring Cameras
- Streaming Blu-Ray Players
- Personal Health & Wellness
- Wi-Fi Routers
- Set Top Boxes
- Medical Devices
- Smart TVs
- Motion Sensors
- Lights
- Do-It-Yourself
- Water & Gas Valves
- Smart Plugs
- Smart Assistants
- Smart Displays



IoT Consumer (Smart Home) & IoT Enterprise (Industrial Solution) – Source - IDC

How It Impacted TM

- Potential to position Malaysia as the preferred IoT development in the region
- Opportunity to expand service offering portfolios, presenting customers with compelling incentives for subscribing to multiple services

How It Impacted Our Stakeholders

Individual customers
- Enhanced digital experiences and a more converged lifestyle

Business customers
- Received valuable insights from data analytics for accurate predictions
- AI and RPA for faster decision-making full automation

Communities
- Personalised information sharing within groups
- Intelligent community services and nation-building applications

What We Did

- Set up a transformational roadmap to enable cross-functional technology platforms
- Develop and commercialise IoT solutions (i.e. Smart Services) for Enterprises across various verticals
- More Consumer lifestyle/ entertainment devices included as add-on bundle to promote affordable payment terms and improve customer experience

What the Future Looks Like

- The demand for IoT solutions to enhance COVID-19 responses, such as connected cameras and remote maintenance, will continue to grow
- AI as an ingredient in IoT applications and specialised hardware could be offered to SME and Enterprise customers
- Enhance and expand capabilities 5G with other ICT capabilities such as cloud, data centre, cybersecurity and data analytics to wider verticals
- 5G will also further drive IoT demands across industries such as large-scale sensor deployments, low latency and high bandwidth applications
- The IoT service market in Malaysia is expected to grow at a CAGR of 13% in the next five (5) years, growing to $309.0 million (~RM1.3 billion) and $3.7 billion (RM15.2 million) for consumers and enterprises, respectively, by 2024

BIG DATA

WHAT HAPPENED IN 2021

- The pandemic caused many organisations to move towards data-driven means to support operational resilience and revenue generation
- Building on the availability of cost-efficient cloud storage and supportive streaming services, companies increasingly explored real-time data opportunities
- AI and Big Data Analytics (BDA) are complementary technologies driving use cases such as Industry 4.0

How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• Improvements in agility and digital services from AI/BDA implementation • Ensuring compliance with data residency and sovereignty regulations with cloud infrastructure hosted in TM's secure data centres within Malaysia	**Business Customers** • In its effort to pivot the impact of the pandemic, many organisations have moved towards data-driven means to support operational resilience and revenue generation • Big data turns into fast data. Building on the availability of cost-efficient cloud storage and supportive streaming services, companies will increasingly explore real-time data opportunities • Importance of data-driven insights and analytics escalates potential damages from data breaches and data misuse	• Leveraged analytics to drive digital and enhance customer experience • Utilised BDA in our digital solution strategy to maximise impact to customers	• Challenges in data collection and fragmentation will limit widespread access to timely insights • However, more achievable use cases will help companies approach the broader goal of continuous intelligence • Companies will continue to invest in technologies that enable continuous integration and delivery of data • With the growth of data, companies will liberate themselves from data storage and processing constraints by shifting from on-premise computing to partly or fully cloud-based architectures

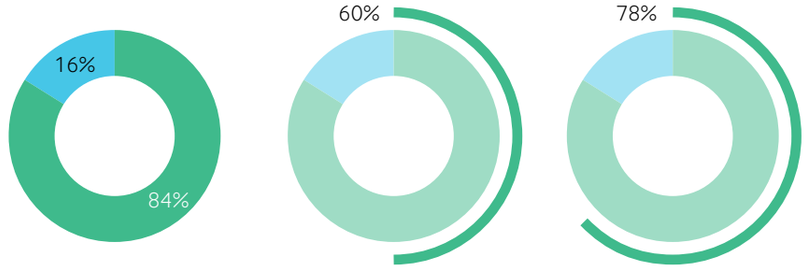
SUSTAINABILITY

WHAT HAPPENED IN 2021

- Consumers, investors, regulators and industry players worldwide are increasingly supporting the global call for net-zero carbon emission in 2050
- There has been rising pressure for climate change, in particular, due to an increase in extreme weather events
- Many companies around the world, including telco service providers, have made strong commitments in addressing ESG challenges for the future sustainability

Key Insights: Momentum and Shifting Perspectives

Three (3) signs of momentum among asset owners



84% are pursuing or considering pursuing ESG integration in their investment process. ▷ **60%** of those began doing so in the last four (4) years. ▷ And **78%** seek to align with the UN SDGs.

This material is developed by Morgan Stanley Investment Management and the Morgan Stanley Institute for Sustainable Investing.

Eight (8) out of ten (10) Investors globally are "actively considering" integrating ESG criteria into their investment process/decisions.

Source: Morgan Stanley Institute for Sustainable Investing and Morgan Stanley Investment Management

How It Impacted TM	How It Impacted Our Stakeholders	What We Did	What the Future Looks Like
• An opportunity to publicise our purpose and commitment towards national and global net-zero targets • TM has made ESG commitment i.e. achieve carbon emission reduction by 30% in 2024 and net-zero emission by 2050	**Customers** • Greater trust in TM as a brand due to responsible ESG practices **Investors** • Valuation uplift with the incorporation of ESG into our purpose **Regulators** • Rising pressure and commitments to social and environmental development **Employees** • Greater ownership and pride to work in purposeful, sustainability-oriented organisations	• Integrated sustainability into our strategy, the New TM Compass • Introduced sustainability-related KPIs for our leadership team • Established a sustainability roadmap with measurable goals and targets • Embedded ESG in our eco-system and processes	• Regulators and Government bodies will increase pressure on companies to reduce their carbon footprint and compliance to ESG • There will be a stronger collaboration between countries and organisations to achieve sustainable development goals

Value Creation Business Model

VISION: To Make Life and Business Easier, for a Better Malaysia

OUR CAPITALS... → **...ENABLE VALUE-ADDING BUSINESS ACTIVITIES THAT CREATE...**

INPUTS

FINANCIAL
- **RM2.2 billion** Free Cash Flow
- **RM1.7 billion** total CAPEX invested

MANUFACTURED
- **>650,000 km** domestic fibre cables
- **>320,000 km** submarine cables with **30** submarine cable systems
- **9** data centres (including 3 world-class Ties III/Rated 3 data centres)
- **>13,000** Wi-Fi hotspots
- **6** regional offices in **6** continents
- **100** global PoPs locations worldwide including **28** international gateway PoPs
- **3.0** million broadband ports
- **3,000** fiberised mobile sites
- **>80** CDN nodes worldwide
- **>30** TMiX nodes nationwide

HUMAN
- **>20,000** *Warga TM*
- **RM20.2 million** invested in employees training & development
- Launch of #IniCaraKita Culture Statement

SOCIAL & RELATIONSHIP
- **1,827** local suppliers
- **RM14.9 million** contributed towards community
- **RM957,000** contributed to culture and heritage

INTELLECTUAL
- **RM61.4 million** invested in R&D
- **75 years** of experience as a leading telco provider

NATURAL
- **43.1 million kWh** of energy consumption
- **221,590 (m³)** of water withdrawal

BUSINESS OPERATIONS

unifi

Enriching customers' lives through a digital lifestyle

TM ONE

Creating value for businesses through digital enablers

TM WHOLESALE

Connecting Malaysia to the world with borderless opportunities

We are committed to driving our ESG agenda forward to deliver a better tomorrow.

Read more on page 81.

KEY RISKS
Read more on pages 42 to 43.

MATERIAL MATTERS
Read more on pages 25 to 27.

OUR STRATEGY
NEW TM COMPASS

TM 2021-2023

Read more on pages 37 to 39.

MARKET TRENDS
- Economy
- Connectivity
- Digitalisation
- Internet of Things (IOT)
- Big Data
- Cloud
- Sustainability

Read more on pages 28 to 31.

MISION: We deliver Life Made Easier

...VALUE FOR OUR STAKEHOLDERS.

OUR PURPOSE
Enable Digital Malaysia

- **Key Risks**: Strategic, Technology/System, Sustainability
- **Material Matters:**

M4 Climate Change | M6 Community Development | M7 Governance

OUR CUSTOMERS
Deliver Customer Needs

- **Key Risks**: Strategic, Operational, Sustainability
- **Material Matters:**

M2 Customer Experience

OUR PEOPLE: *WARGA TM*
Execution Engine to Perform & Transform

- **Key Risks**: Strategic, Operational, Technology/System
- **Material Matters:**

M5 Human Capital

OUR BUSINESS
Stronger Financial Position

- **Key Risks**: Strategic, Operational, Financial, Sustainability
- **Material Matters:**

M1 Product Innovation | M3 Responsible Supply Chain

OUTCOMES

FINANCIAL
- **RM11.5 billion** Revenue
- **RM895.2 million** PATAMI
- **RM1.7 billion** EBIT
- **RM490.6 million** Total Dividend Payout (13.0 sen per share)

STAKEHOLDERS
- Shareholders & Investment Communities
- Government & Regulators
- Business Partners

MANUFACTURED
- **3.0 million** total homes served
- **~9,000** Corporate customers
- **1,300** Federal, State Government, Agencies
- **~150** Malaysian Telcos
- **>500** International Telcos, OTT, hyperscalers
- **0.4 million** total SME customers served
- **66%** digitised customers interactions

STAKEHOLDERS
- Shareholders & Investment Communities
- Government & Regulators
- Business Partners

HUMAN
- **5,937** employees trained with future-ready skills and other key functions
- **36%** women on Board
- **31%** women in the Management
- **7%** drop in recordable injury cases

STAKEHOLDERS
- Employees
- Unions
- Government & Regulators

SOCIAL & RELATIONSHIP
- **RM3.0 billion** contributed to local suppliers
- **RM582.3 million** scholarship disbursed via YTM since 1994
- **>16,000** students benefitted
- **>87,443** individuals/families benefitted from COVID-19 efforts
- **>6,500** teachers and students reached through community & nation-building programmes
- **>5,000** families assisted in flood relief efforts

STAKEHOLDERS
- Customers
- Suppliers
- Business Partners
- Communities
- Media

INTELLECTUAL
- **>17** total awards and accolades received across TM

STAKEHOLDERS
- Employees
- Shareholders & Investment Communities

NATURAL
- **8%** reduction in overall carbon footprint
- **80.1%** reduction in air-travel emissions
- **61.9%** reduction of scheduled waste
- **RM2.4 million** in cost savings for Network Equipment (NE) shutdown

STAKEHOLDERS
- Government & Regulators
- Communities
- Employees
- Media
- Suppliers

Our Capitals

We utilise six (6) types of capitals to create financial and non-financial value for our stakeholders. These capitals are interrelated, with a complex interplay between them. When making strategic decisions, we look at the trade-offs between the capitals to maximise positive outcomes. This is part of our sustainability approach, in which we sometimes need to make short-term financial trade-offs to achieve meaningful, long-term gains.

HUMAN CAPITAL

Our dedicated and skilled *Warga TM* acts as our execution engine. We invest in our employees so they can drive our strategic purpose forward.

Inputs

	2020	2021
Total number of *Warga TM*	>21,000	**>20,000**
Total investments in employees training & development (RM million)	11.8	**20.2**
Gender diversity in workforce (women)	39%	**40%**
Gender diversity on Board (women)	25%	**36%**

Outputs/Outcomes

	2020	2021
Average total hours of training per year per employee	20	**41**
Employees with Collective Bargaining Agreements (%)	37%	**37%**
Lost Time Injury Frequency Rate (LTIFR)	0.76	**0.85**
Incident Rate (IR)	3.05	**2.75**
Fatality Rate (FTR)	0	**0.06**

Actions to Enhance Outcomes

- Deliver competitive remuneration and benefits to employees
- Implement stringent employee health and safety programmes

Trade-Offs

We invested in Occupational, Safety and Health (OSH) and well-being programmes to help employees manage the COVID-19 pandemic, while implementing employee training programmes to create a future-proof workforce. This may put pressure on our near-term Financial Capital, but the improved productivity and new skills acquired will result in greater profitability in the long run.

For more information, see page 107.

INTELLECTUAL CAPITAL

Our rich 75-year history as an industry pioneer is what stakeholders trust. We embrace new technologies and digital solutions that strengthen our value proposition and competitive edge.

Inputs

	2020	2021
Total investments in R&D (RM million)	65.0	**61.4**
Years of experience in the telco industry	>70	**75**

Outputs/Outcomes

	2020	2021
No. of acquired international Awards	4	**5**
No. of smart solutions developed	-	**7**

Actions to Enhance Outcomes

- Engage with customers to develop smart solutions that meet their needs
- Elevate the value proposition of our product solutions

Trade-Offs

To meet changing customer demands, we channelled financial resources into R&D and smart technologies. This may reduce our immediate Financial Capital, but it also improves our competitive edge for better overall performance. At the same time, the trust gained from customers as a digital leader improves our Social & Relationship Capital.

For more information, see page 87.

NATURAL CAPITAL

Our operations rely on a range of resources, including energy, water, radio spectrum and other natural resources. As we progress on our sustainability journey, we strive to continuously reduce the impact of our activities on the environment.

Inputs

	2020	2021
Total water withdrawal (m^3)	228, 458	**221,590**
Total energy consumed (kWh million)	47.4	**43.1**

Outputs/Outcomes

	2020	2021
Change in carbon footprint (%)	-13	**-8.0**
Total GHG emissions (tCO_2e)	38,604	**35,555.16**
Total solid waste generated (kg)	447,582	**467,125**

Actions to Enhance Outcomes

- Introduce energy-efficient systems and technologies at TM assets
- Optimised the fuel usage for our vehicle fleet

Trade-Offs

As part of our sustainability commitments, we continue to invest in green technologies and low-carbon solutions, thus lowering our Financial Capital. Nevertheless, resource-efficient operations help conserve both Natural and Financial capital in the long term. It also improves stakeholder trust, which strengthens our Social & Relationship capital.

For more information, see page 96.

FINANCIAL CAPITAL

Our income and earnings are used to operate and grow the business. We channelled our financial funds to pay relevant stakeholders, finance other types of capitals and propel our Digital Malaysia aspirations.

Inputs

	2020	2021
Free Cash Flow (RM billion)	2.0	**2.2**
CAPEX (RM billion)	1.5	**1.7**

Outputs/Outcomes

	2020	2021
Group Revenue (RM billion)	10.8	**11.5**
PATAMI (RM billion/million)	1.02	**895.2**
EBIT (RM billion)	1.6	**1.7**
Total Dividend Payout (RM million)	539.6	**490.6**

Actions to Enhance Outcomes

- Conduct rigorous cost discipline and optimisation
- Ensure robust management of working capital

Trade-Offs

We channelled our Financial Capital to grow other capitals, such as investing RM20.2 million into employee training (Human Capital) and RM1.7 billion into our capital expenditure, including expanding network infrastructure (Manufactured Capital). Although this temporarily lowers our Financial Capital stock, improvements in other capitals ultimately replenish and further grow our long-term finances.

For more information, see pages 19 to 21.

SOCIAL & RELATIONSHIP CAPITAL

Our strong and meaningful stakeholder relationships allow us to meet our nation-building agenda. We take pride in creating bonds that build a resilient and thriving society.

Inputs

	2020	2021
No. of local suppliers	1,829	**1,827**
Investments in community/ nation-building initiatives (RM million)	>6.7	**14.9**
TM Future Skills Investment (RM)	150,000	**300,000**
Total value of scholarships disbursed (RM million)	561.0	**582.3**

Outputs/Outcomes

	2020	2021
Total contribution to suppliers (RM billion)	3.5	**3.8**
Total contribution to local suppliers (RM billion)	2.6	**3.0**
Net Promoter Score (NPS)	11	**23**
No. of beneficiaries reached	>30,000	**> 87,443**

Actions to Enhance Outcomes

- Regularly engaged with our various stakeholder groups
- Organised training and development programmes for suppliers

Trade-Offs

During the year, we held community and stakeholder engagement programmes that required an outflow of Financial Capital in the short term. However, the trust created through stakeholders will provide opportunities to grow Human and Intellectual Capital, ultimately contributing to better Financial Capital performance.

For more information, see page 103, as well as page 114.

MANUFACTURED CAPITAL

Our vast infrastructure network, data centres and base stations are absolutely essential in connecting Malaysians nationwide. We also have retail outlets, office buildings and other physical assets that play an important role in our growth and operations.

Inputs

	2020	2021
CAPEX (RM billion)	1.5	**1.7**
Fibre cables nationwide (km)	>560,000	**>650,000**
International submarine cables (km)	>300,000	**>320,000**

Outputs/Outcomes

	2020	2021
Total Home and SME customers served	3.1 mil.	**3.4**
Total no. of Enterprise and Public Sector customers	≈13,000	**≈10,300**
Total domestic and international customers	>600	**>695**

Actions to Enhance Outcomes

- Expanded our network through targeted investments
- Accelerated fibre rollout and copper decommissioning

Trade-Offs

To improve our coverage and ensure all Malaysians can get connected, we continue to expand our network and infrastructure. This impacts both Financial and Natural Capital. However, the increase in Manufactured Capital will help deliver higher financial returns, which can then be channelled into environmental initiatives to restock Natural Capital. Additionally, by closing the digital divide, we build public trust and further improve our Social & Relationship Capital.

For more information, see pages 20, 50, 56, 61, and 86 to 90.

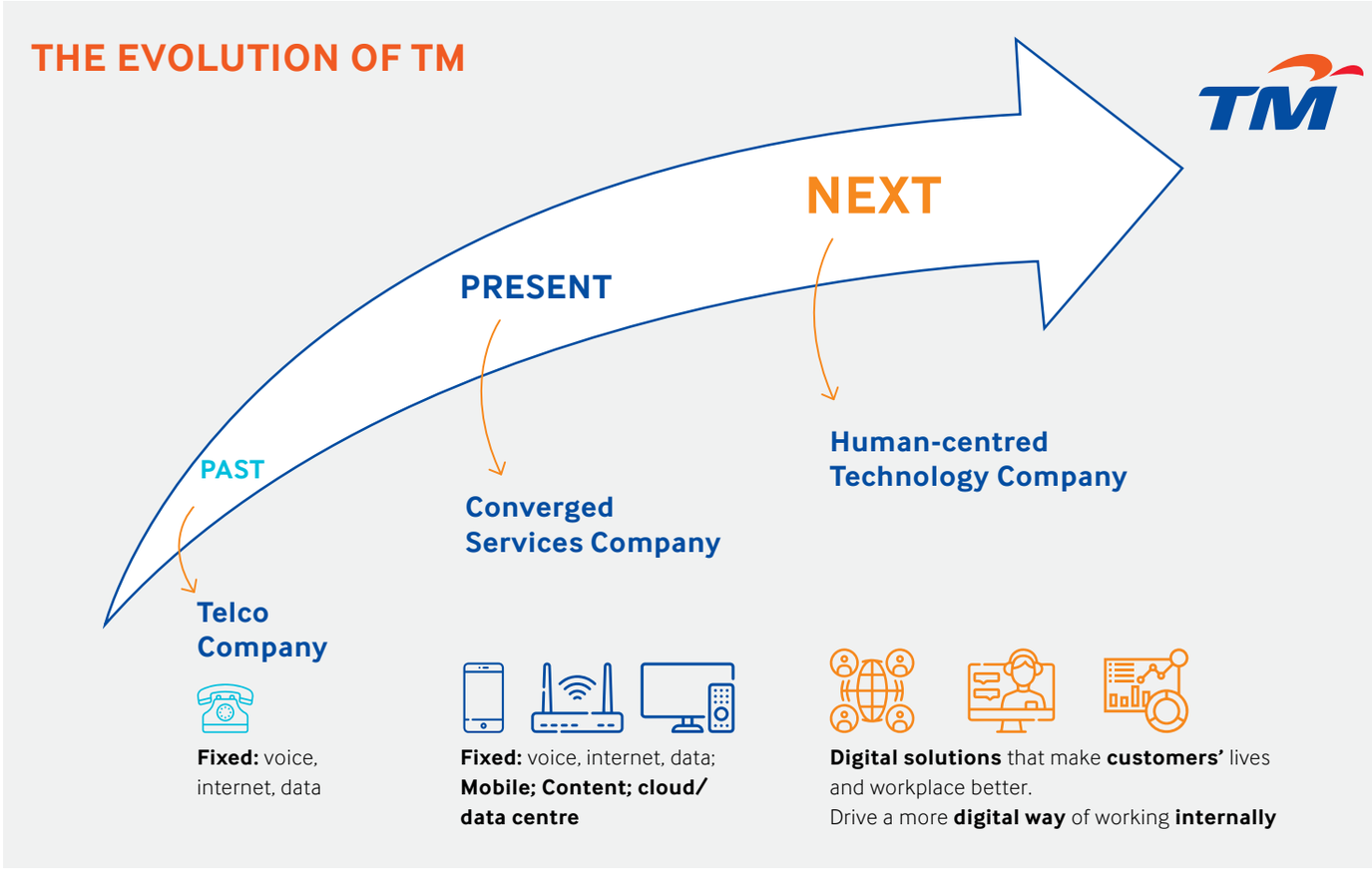
Our Value Creation Strategy

For the past 75 years, our unwavering commitment to connecting Malaysians and building the nation has been the heart of everything we do. The country's connectivity and telecommunication needs have evolved driven by new technologies and increased in digital adoption.

In recent years, we have transformed from a traditional Telco into a Converged Services Company. We have strengthened our fixed services that includes voice, internet and data, as well as mobile connectivity services with enriched and exciting TV contents for our customers. Our robust digital infrastructure acts as a solid foundation to enable digital and managed services that includes our data centre and cloud services. This Makes Life and Business Easier for our customers and enables us to realise the aspiration of Digital Malaysia.

In our journey to evolve as a human-centred technology company, it is imperative to have digital solutions that make customers' lives and workplace better while it will also drive a more digital way of working. With digital solutions, customers can expect offerings to be highly personalised and customised. More value for customised services will be offered as customers move from 'speed and price' to 'unique and differentiated experience' that best suits their needs and lifestyle.

We also look forward to have more human-centred applications enabled by the emerging technology of 5G. 5G presents TM with the opportunities as the technology requires a faster and stable infrastructure, and this is made possible with TM's robust fibre network. We work towards enriching customer experience with more digital services and applications benefiting people, i.e. IoT, smart services, or cloud computing. TM is proud to be the only home-based CSP trusted by Government to drive digital adoption in public sector. We believe, we are best positioned to offer such services and will continue to accelerate our reinvention as a human-centred technology company.



TM TRANSFORMATION IS ANCHORED ON THE NEW TM COMPASS

Recognising the challenging and dynamic industry landscape, it is important for TM to remain competitive and commercially sustainable. Thus, we have embarked on a 3-year transformation journey (2021-2023) anchoring on our New TM Compass. Our resilient performance is due to the effective execution of the New TM Compass. Through this strategy, we undertook transformational measures and ensures that we are well-equipped to enable Digital Malaysia to create sustainable value for current and future stakeholders. The New TM Compass anchors on four (4) strategic pillars: Our Purpose, Our Business, Our Customers and Our People.

New/added areas (for 2022 and beyond) that will guide us through our transformation towards a human-centred technology company:

- **Our Purpose:** A greater integration and renewed focus on ESG into our business operations with clear and bold commitments and targets
- **Our Business:** Business growth strategy by reaping opportunities new value creation from Digital and Fixed-Mobile Convergence (FMC)
- **Our Customers:** Customer Experience Excellence that focuses more on being proactive and offering personalisation to the mass, our unifi customers

STRATEGIC PROGRESS

OUR PURPOSE

TM is in a unique position, in which we play a dual role as both a PLC and a GLC. We focus on delivering long-term commercial growth as well as supporting the Government's nation-building agenda. With 75 years of experience, we are well-adept in balancing the needs of the *Rakyat* and the business.

In 2021, we have renewed Our Purpose to include TM's Sustainability Agenda with enhanced ESG aspiration. Our ESG initiatives are embedded into TM's ecosystem for effective implementation and to ensure that sustainability is stitched into the fabric of our business governed by TM's Sustainability Architecture and TM ESG Roadmap and execution plans as in page 79.

Our commitment is also recognised with TM's ESG achievement ranked among the top 25% of 80 rated Malaysian companies and rated 4 out of 4 stars rating in FTSE4Good Bursa Malaysia. Our focus on the Environmental front is to continue protecting and preserving the planet by reducing carbon emission. Three (3) of TM data centres are now powered by Renewable Energy as part our efforts in reducing carbon footprint. On the Social front, we will continue playing our role as an enabler of Digital Malaysia to enrich social prosperity and livelihood with digital inclusiveness. With regards to Governance, we remain committed to upholding the highest standards of ethics, integrity and transparency in our conduct.

OUR ROLE AS...

PLC

- Provide good returns to TM shareholders
- Contribute to Government via taxes
- Invest our CAPEX for nation building
- Create jobs for Malaysia economy stimulation

GLC

- Deliver connectivity services to the *Rakyat* which includes our commitment in JENDELA to enable Digital Malaysia
- Accelerate digital adoption and bridge digital gaps in realising Government's MyDIGITAL aspiration
- Empower community via CSR programmes, and grow more local talents via education sponsorship
- Promote sustainability with enhanced ESG aspirations and commitment

Our ESG Achievement:

What We Achieved

2019	2020	2021
-	4/4 FTSE4Good Bursa Malaysia	**4/4 FTSE4Good Bursa Malaysia**

Benefits Seen for Stakeholders:

Customers:
- Attract and retain customers with increased customer loyalty and happiness

Employees:
- Improve employee morale and retain talents by reinforcing the purpose of the organisation

Investors & Shareholders:
- Reduce the downside regulatory risks and legal intervention by proactively upholding our good reputation of TM to authorities, investors, financial institutions and public
- Cost reduction with lower energy consumption and reduced waste

Government & Regulators:
- Improve ability to attract long term investments from sustainability-focused investors

OUR BUSINESS

We are elevating our business by developing a performance-based culture that optimises near- to long-term financial outcomes. The goal is to accelerate revenue and EBIT uplift and deliver sustainable financial returns to our shareholders. Our business growth strategy involves reaping opportunities to create new value from digital and fixed-mobile convergence.

Strategic Performance:

What We Achieved

Targets (2021)	2019	2020	2021	Value Created for Stakeholders
Revenue growth: flat to single-digit growth	RM11,434.2 million	RM10,840.3 million	**RM11,529.0 million**	**Customers** • Serving the requirements of our retail, enterprise, industry & public sector customers • Improving customer experience & journey • Improving product offerings
EBIT: more than RM1.6 billion	RM1,568.3 million	RM1,604.7 million	**RM1,710.1 million**	**Shareholders and Investors** • Effective cost management • Sound business practices & governance • Improving profitability & dividend payouts/yield
CAPEX guidance: 14 - 18%	11.9%	13.7%	**14.7%**	**Shareholders and Investors** • Sustainable investment for future business growth • Improve Return on Asset (ROA), ROIC while effectively managing the Weighted Average Cost of Capital (WACC)

OUR CUSTOMERS

To power a digital nation, we first and foremost need to fulfill our customers' needs. Without the trust and support of our customers, we will not be able to achieve our ambitious digital and nation-building aspirations. We remain steadfast in delivering Customer Experience Excellence, Solutions Excellence and Connectivity Excellence. As an inclusive service provider, we strive to keep all customer segments connected, from home and individuals to the private and public sectors.

Strategic Performance:

	What We Achieved		
Targets (2021)	2019	2020	**2021**
NPS: +14	n/a	+11	**+23**

Value Created for Stakeholders

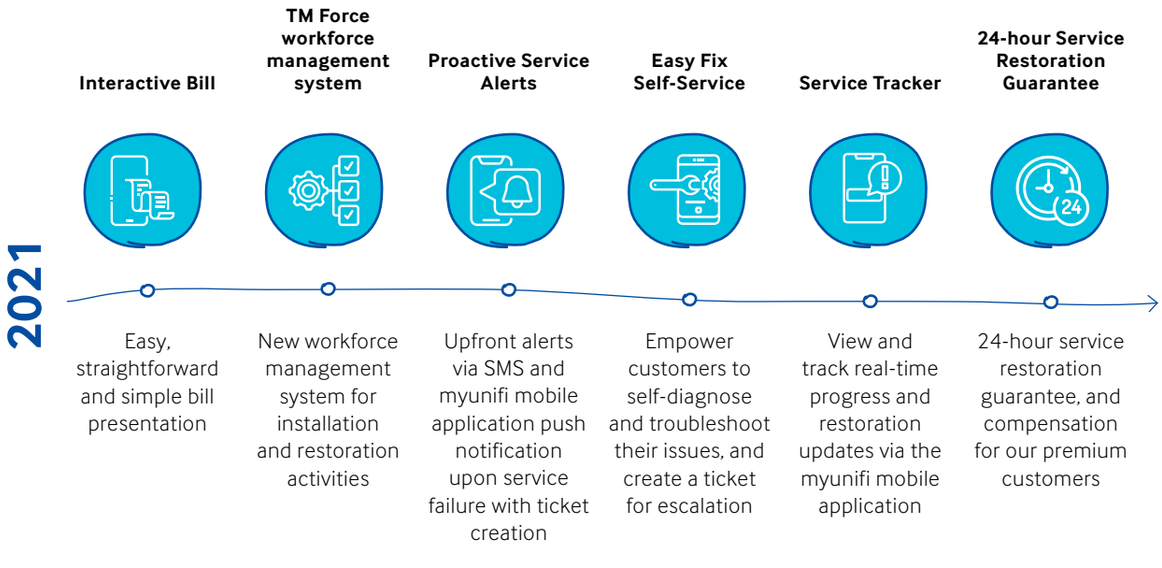
Customers

- We strive to continuously improve the customer experience at each touchpoint to create happy and satisfied customers.

In 2021, we have introduced series of value creation to enhance customer experience especially for unifi customers i.e. Consumers and SMEs. Highlighting some of the improvements as below:

- 24-hour service restoration guarantee
- Alert and notification (via SMS and myunifi application) for any service interruption
- Service Tracker to monitor the restoration work real-time progress via myunifi application
- Introduce Easy Fix as the self-service tool for customers to diagnose and troubleshoot their issues
- Interactive and simplified bill presentation

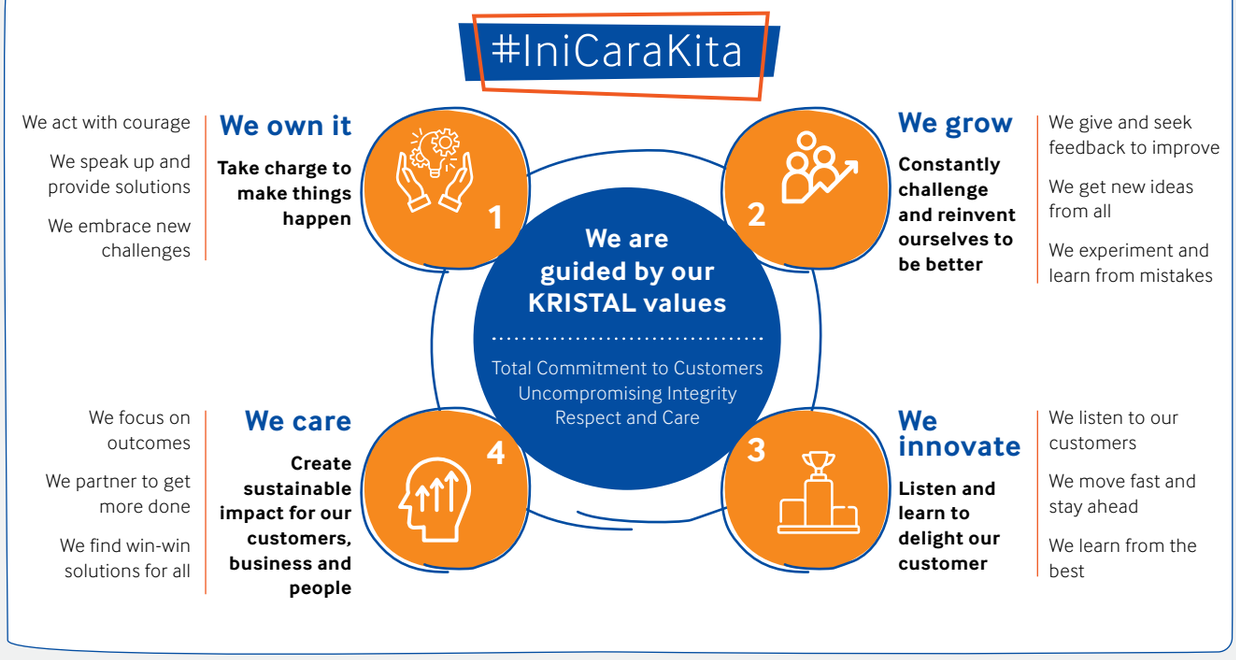
Throughout 2021, we have progressively introduced new experiences for our customers



OUR PEOPLE: *WARGA TM*

We see our *Warga TM* as the execution engine of the company. The transformation of TM towards realising our purpose and aspirations is fully dependent on the performance and dedication of our people. In building a high-performance culture, we nurture our workforce with the right skills and knowledge. At the same time, we adopt a simplified operating model for a more agile way of working environment.

In 2021, we have launched TM's Culture Statement, #IniCaraKira, to share the desired work culture amongst *Warga TM*. Following this statement, we defined executable value programmes across our strategic pillars, focusing on financial performance, customer experience and organisational change. These programmes were driven by a cross-functional team with the best talent capable of meeting our transformation commitments.



Strategic Performance:

	What We Achieved		
Targets (2021)	2019	2020	**2021**
Organisational Health Index (OHI)	-	-	**82 TM OHI score is above average within the South East Asian Region**

Value Created for Stakeholders

Employees:
For 2021, TM focused on the following key areas for *Warga TM* and the organisation.

1. **High-performance culture**
   - Uplift the #IniCaraKita work culture
   - Strengthen performance and reward management
   - Expand Agile way of working

2. **Empowering through future-ready talents programme**
   - Develop a highly-skilled *Warga TM*
   - Future-proof our organisation with future-ready skills

3. **Lean and efficient organisation**
   - Shaping a lean organisation with improved manpower productivity

Mitigating Risks to Value Creation

Effective risk management is an integral component of our value creation strategy. With the dynamic landscape of the modern world, it is essential for TM to stay ahead of existing and emerging risks that may impact our ability to deliver sustainable value to our stakeholders. Through our Enterprise Risk Management (ERM) Framework, we embed effective risk mitigation and management across our entire value creation process.

For the existing and known risks, we continue to review and improve the controls so as to provide the needed assurance to the business based on the movement of the key risk and control indicators. Meanwhile, we recognise the impact of emerging risks on the business and operations through proactive assessments and the institution of appropriate risk controls.

For more information on our risk management, please see pages 175 to 182.

Type of Risk	How It Impacts Value	How We Mitigate the Risks	Impact Indicators
Strategic Risks External and internal factors, such as competition, regulations and reputational challenges, may impact our ability to achieve TM's strategic objectives and purpose. **Material Topics**: M1 M2 M4 **Capitals**:	• Loss of customers to competitors • Deterioration of market share **Stakeholders Affected:**	• Launch effective promotional campaigns • Active engagement with regulators and stakeholders **Strategic Pillars**:	• Market share • Acquisition revenue • Termination rate • Regulatory compliance

Risk Movement

Significant to High given the intense competition in the telco industry to grow market share through competitive products and services as well as challenging regulatory landscape, which requires continuous engagement with regulators.

Type of Risk	How It Impacts Value	How We Mitigate the Risks	Impact Indicators
Operational Risks Failed internal processes, OSH incidents, inadequate systems, or external occurrences, may disrupt our essential services and operations. **Material Topics:** M1 M3 M5 M7 **Capitals:**	• Impacted customer experience due to connectivity downtime • Low employee morale related to health and safety issues **Stakeholders Affected:**	• Strengthen our service restoration plan • Implement OSH policies and standards **Strategic Pillars**:	• Waiters conversion • Order drop rate • Lost Time Injury (LTI)

Risk Movement

Low to Significant with key controls in place to mitigate supply chain risk exposure through diversity in the supply chain, improvement to the end-to-end supply sustainability management, improvement to the service delivery and restoration while managing the impact of COVID-19 among employees and contractors. Workplace infection continues to be contained through work-from-home (WFH) arrangement, driving vaccination and booster take-up, as well as enforcement of relevant SOPs.

Type of Risk	How It Impacts Value	How We Mitigate the Risks	Impact Indicators
Financial Risks Issues and factors that directly impact the Group's financial performance or liquidity, including credit risk, cost escalation, revenue leakage and revenue gap, **Material Topics:** M1 M2 **Capitals:**	• Lower returns to shareholders and investors • Less financial capital to fund our nation-building aspirations **Stakeholders Affected:**	• Actively monitor customer credit ratings • Deploy prudent and disciplined cost management **Strategic Pillars**:	• Collection/sales • Debtors ageing • Cost savings • Revenue leakage incidents

Risk Movement

Low to Moderate attributed to effective cost management through aggressive negotiation with service providers/suppliers, monitoring of customer credit ratings, enhancement of revenue assurance coverage and process, drive aggressive sales campaigns and programmes, effective hedging on borrowings and regular Forex monitoring.

Type of Risk	How It Impacts Value	How We Mitigate the Risks	Impact Indicators
Technology/System Risks Failure to respond to disruptive technologies and cybersecurity breaches, as well as breakdowns and disruptions to our network infrastructure **Material Topics:** M1 M2 M5 M7 **Capitals:**	• Loss of stakeholder trust from cybersecurity issues • Slow scaling of network expansion from poor technology adoption **Stakeholders Affected:**	• Deploy specific controls that address cybersecurity risks • Invest in the R&D of new technologies **Strategic Pillars**:	• No. of cybersecurity incidences • No. of trouble tickets and downtime incidences • Hours taken for service restoration

Risk Movement

Moderate to High attributed to the trends in cyberattacks and security breaches, affecting customers' internal processes and services. Ongoing mitigations include strengthening the information security policy/framework and improving cybersecurity hardware and software controls, uplifting technical expertise of the workforce, as well as developing a new Business Support System (BSS) to increase agility and address the dynamic business needs of the customers.

Type of Risk	How It Impacts Value	How We Mitigate the Risks	Impact Indicators
Sustainability Risks Potential liabilities and challenges stemming from ESG issues. **Material Topics:** M3 M4 M6 M7 **Capitals:**	• Fines and penalties associated with unethical social and environmental practices • Disruption from physical damages to assets from climate change risks **Stakeholders Affected:**	• Implement TM's ESG vision & commitments to guide our sustainability efforts • Integrate climate change into the ERM **Strategic Pillars**:	• ESG rating • Carbon footprint • Breaches in Malaysian Anti-Corruption Commission Act (MACCA) 2009

Risk Movement

Low to Significant stemming from the heightened climate change-related risks (i.e. flood and landslides) causing service interruption to customers. Robust BCM programme will continue to be improved and implemented to mitigate prolonged service outages. Transitional risks to a low-carbon economy will be addressed more holistically through TM's ESG roadmap & commitments, which also encompass initiatives that elevate the Social (i.e. deployment of fibre internet access and supplier's ESG compliance) and Governance (i.e. zero-tolerance to corruption) aspects of sustainability.

75 YEARS

SERVING OUR NATION

TM as a leader of every evolution in the history of the nation's telecommunications industry

1946

The Jabatan Talikom Malaysia was established to restore and improve the country's telecommunications network services

1964

A couple decades later, The Talikom Malaysia Department was established to restore and improve the country's telecommunications network services

1970

Kuantan held Malaysia's first satellite station, which significantly improved telecommunications quality and the signal for international TV channels delivering greater entertainment and connectivity to Malaysians

1980

Malaysia then reached another telco milestone with its first submarine cable, catering to future bandwidth growth

1987

This is where our story begins. First known as Syarikat Telekom Malaysia (STM), we were established to advance the nation's telecommunications services for better coverage and reliability.

1990

Following our listing on Bursa Malaysia Securities Berhad's main board, we rebranded ourselves with a new logo to reflect to customers this pivotal moment in our telco journey

1993

We changed the game of communications by introducing the Integrated Services Digital Network (ISDN) service, enabling customers to send sounds, images and data online

1995

This is the dawn of the technology era for Malaysians. The introduction of the mobile phone via Cellular Service technology and the Global System for Mobile Communication (GSM), which allowed people to easily connect with anyone, anywhere, anytime

OUR VISION

Make Life and Business Easier, for a Better Malaysia

1996

We brought in Malaysia's first internet dial-up services, tmnet 1515, which used the Public Switched Telephone Network (PSTN) technology with speed access of up to 64kbps

2001

With the launch of Streamyx, the country's first broadband technology, Malaysians could access the internet faster than ever

2005

In keeping with the times, we revitalised our brand from Telekom Malaysia to TM. The vibrant new look demonstrated the evolving preferences of our younger customer base

2010

Through unifi, we offered High-Speed Broadband (HSBB) services that catered to demands for faster and more reliable internet connectivity

2014

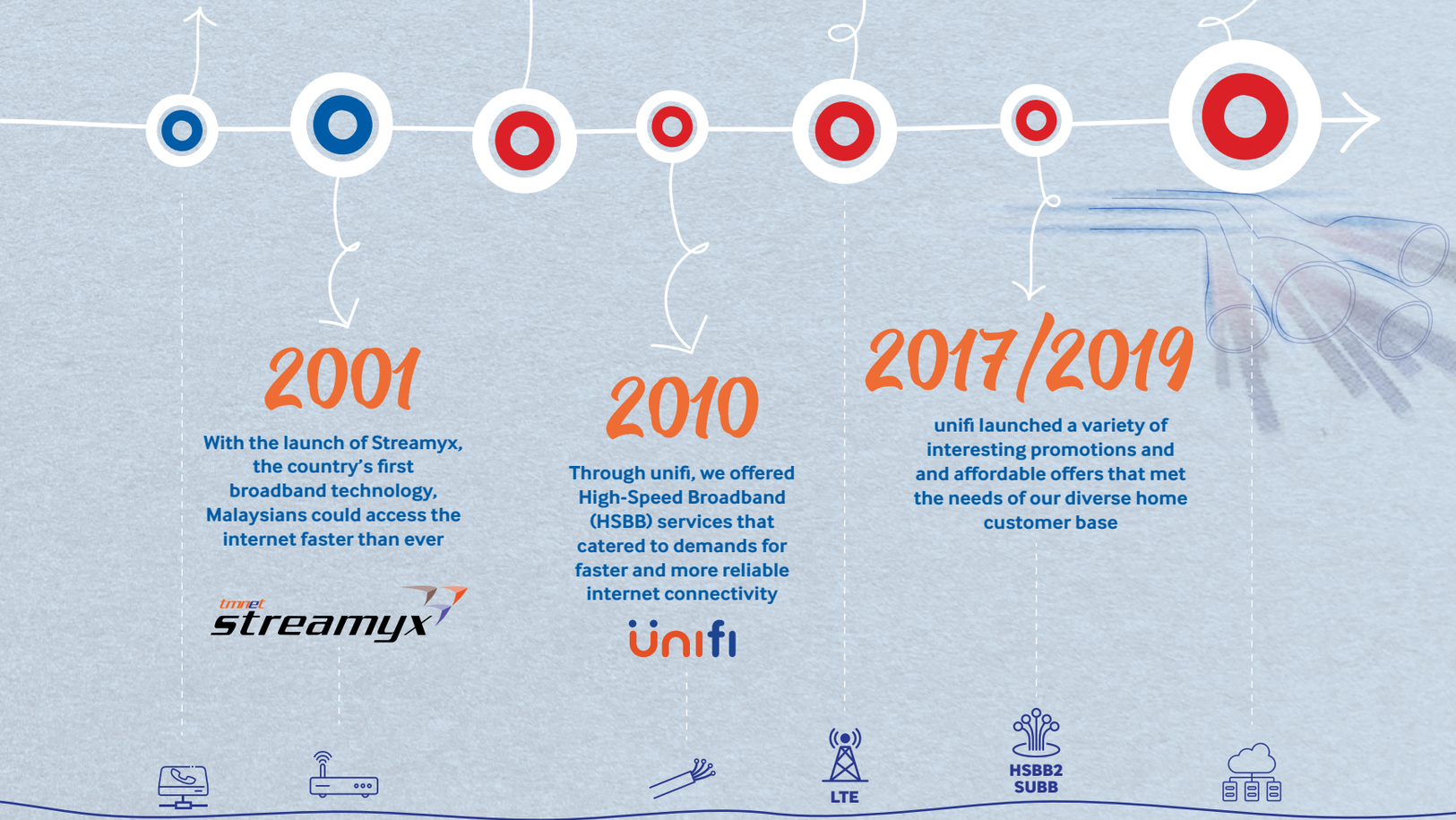
The launch of TMgo, our mobile broadband service that used 4G Long-Term Evolution (LTE) technology, helped deliver essential coverage to rural communities in Malaysia

2017/2019

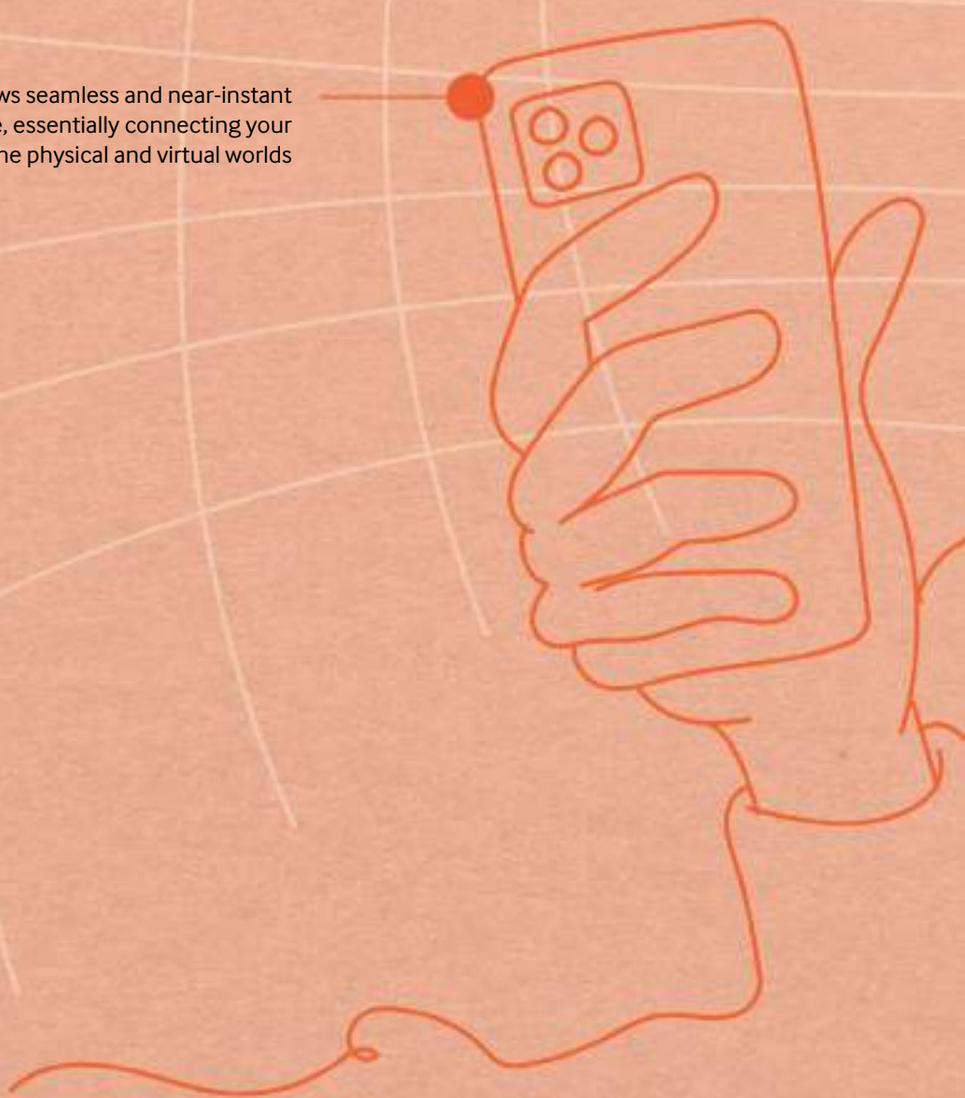
unifi launched a variety of interesting promotions and and affordable offers that met the needs of our diverse home customer base

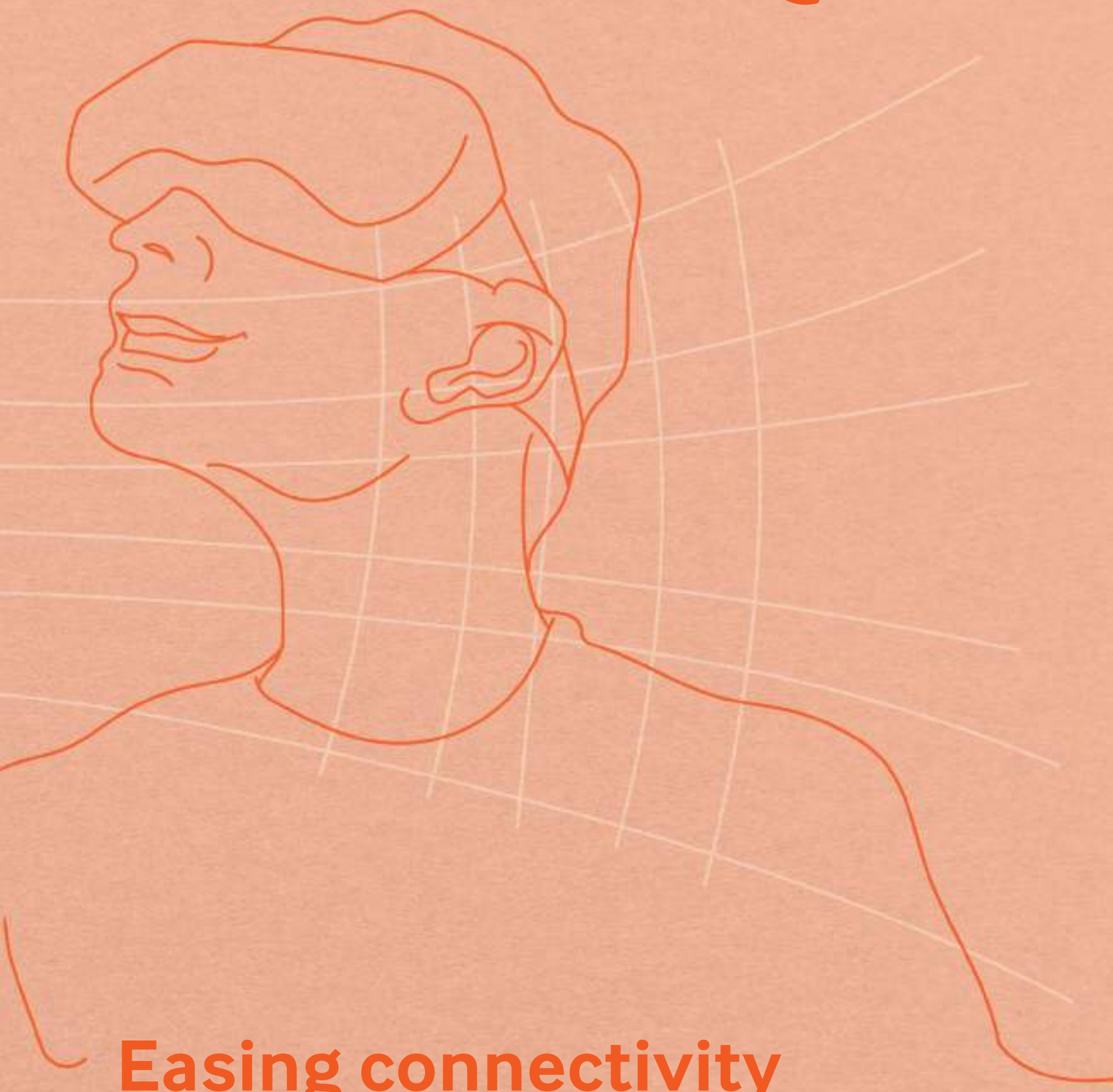
2021

We are fully behind the Government's Pelan Tindakan Jalinan Digital Negara (JENDELA), an infrastructure implementation plan. To improve the quality of national digital communications network coverage in spurring Digital Malaysia. This year alone, we have successfully surpassed the premise target set under the JENDELA by 108%.



5G technology allows seamless and near-instant interface and response, essentially connecting your smartphone to both the physical and virtual worlds





Easing connectivity

A name synonymous with connectivity, unifi is now focusing its efforts on developing more features and tools that support the modern digital lifestyle. By optimising the way our electronics work, we are making it as easy as it can be to connect; either with other people, with a device, or between devices

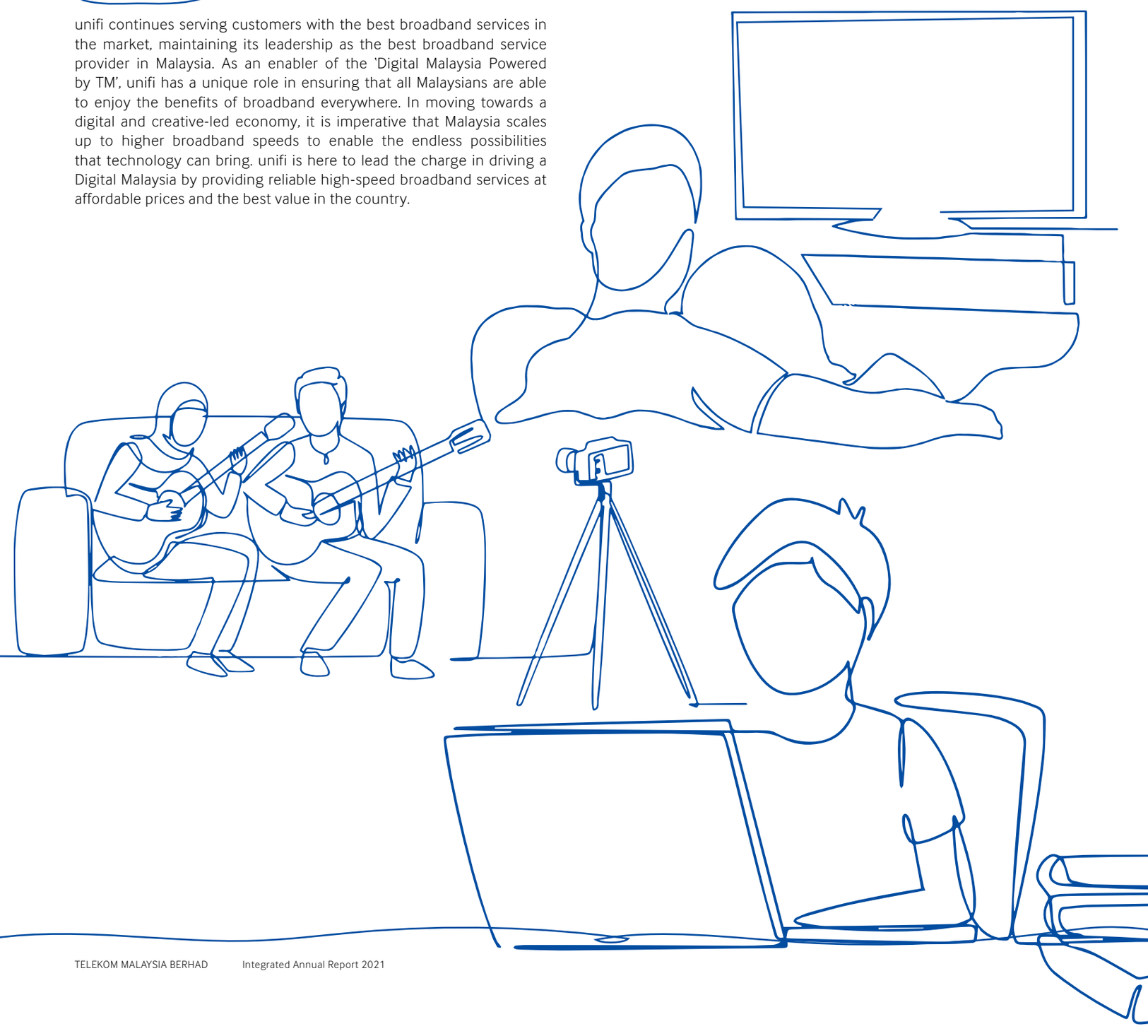
KEEPING EVERYONE CONNECTED

During the reporting year, unifi remained dedicated to Making Life and Business Easier for both home and SME customers, particularly SOHO, micro and small businesses. unifi also made commendable progress in delivering exceptional customer experience this year. We made bold commitments to improve our customer experience, which we met through digital technologies and new solutions that make unifi customers' lives easier.

Please click **here** for more information on unifi

WHAT WE DO

unifi continues serving customers with the best broadband services in the market, maintaining its leadership as the best broadband service provider in Malaysia. As an enabler of the 'Digital Malaysia Powered by TM', unifi has a unique role in ensuring that all Malaysians are able to enjoy the benefits of broadband everywhere. In moving towards a digital and creative-led economy, it is imperative that Malaysia scales up to higher broadband speeds to enable the endless possibilities that technology can bring. unifi is here to lead the charge in driving a Digital Malaysia by providing reliable high-speed broadband services at affordable prices and the best value in the country.



OUR FOCUS IN 2021

unifi for Home

WHAT WE DID

- Offered fast unlimited Home Fibre Broadband, with speeds up to 800Mbps
- Elevated customers' home entertainment experience via a brand-new Smart TV
- Improved customers' productivity through branded laptops packed with handy business features and advanced connectivity options
- Launched unifi mesh Wi-Fi to remove coverage blind spots within customers' homes
- Offered exciting prizes, including a brand new PS5, to encourage customers to subscribe to unifi online

WHAT WE ACHIEVED

Customers

- Customers experienced better service through package upgrades
- Customers received better in-premise coverage through mesh Wi-Fi
- Customers enjoyed PS5 and other prizes through unifi's exciting contest

unifi for Business

WHAT WE DID

- Offered exciting prizes to encourage business customers to subscribe to unifi Biz packages. This included a four-wheel drive (4WD) every month as well as other exciting prizes comprising smartphones, laptops and Shopee e-Wallet reloads
- Launched SME Digitalisation Grant initiatives, offering SMEs bundle of connectivity solutions comprising Microsoft 365 Business, Digital Marketing Solutions, cari@unifi Premium Listing and matching grant

WHAT WE ACHIEVED

Customers

- SME customers can easily access SME Digitalisation Grant via subscription to unifi Biz

Government & Regulators

- Supported the Ministry of Finance's Pelan Jana Semula Ekonomi Negara (PENJANA) initiative to accelerate SMEs' digital adoption, which benefitted unifi's own SME customers as well

unifi Mobile

WHAT WE DID

- Introduced unifi Mobile with Device Bundle, a subscription plan with a discounted monthly commitment fee and a free device
- Initiated the Jaringan Prihatin Programme, the Government's initiative to deliver subsidised telco packages to B40 groups. This includes bill subsidy up to RM180 annually, with extra 25GB monthly data via a postpaid unifi Mobile RM39

WHAT WE ACHIEVED

Customers

- unifi Mobile customers were able to enjoy discounted monthly commitment fees and free devices by subscribing to the device bundle

Government & Regulators

- Supported the Government's efforts to connect B40 communities and close the digital divide

Communities

- B40 Groups received subsidised telco packages to help them stay connected
- Customers enjoyed more affordable services by subscribing to unifi Mobile postpaid RM39

unifi TV

WHAT WE DID

- Selected as Malaysia's official broadcaster for the Tokyo Olympic Games 2020
- Enhanced our content offering by providing the best entertainment pack in the market – available on all devices and HD content

WHAT WE ACHIEVED

Customers

- unifi TV customers enjoyed an additional **12 new** content offerings through unifi TV
- unifi customers/viewers were able to watch Tokyo Olympic Games 2020 on dedicated channels

OUR FOCUS IN 2021 (CONT'D)

WHAT WE DID

Smart & Innovative Solutions

Worked closely with TM Research & Development (TM R&D) team to deliver the following smarter solutions that improve customer experience:

- **SPICE.ai:** An integrated AI-driven customer experience platform that includes Automatic Speech Recognition (ASR), Mesh Wi-Fi offering, single view billing information, holistic 360 views and service assurance
- **TROIKA:** An intelligent demand management system targeting 'Zero' Waiters within JENDELA requirements
- **TM Force:** An intelligent workforce management platform to help unifi improve its restoration services
- **CAMELIA:** An intelligent support system for passive network fault diagnostic and prediction. The system leverages best-in-class technologies to transition from reactive to proactive/predictive troubleshooting capabilities

Stakeholders Customers | Employees | Shareholders & Investment Communities

For more details of our innovative & smart solutions, please see page 87.

WHAT WE ACHIEVED

Customers

- **SPICE.ai:** Enhanced customer experience by reducing frontliners call handling time for each users
- **TROIKA:** Accelerated waiters clearance within 14 days, thus improving customer service
- **TM Force:** Enhanced Cycle Time to Install (CTTI) within four (4) days and optimised Meeting Customer Appointment Time (MCAT)
- **CAMELIA:** Improved customer network restoration time to within 24 hours

VALUE CREATED

Value Created For TM

Revenue (RM' million)

2021 RM5,097.4 million — Growth +10.7%

2020 RM4,605.2 million

EBIT (RM' million)

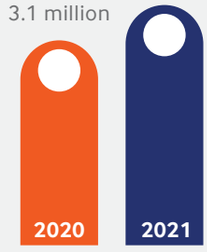
2021 RM1,009.6 million — Growth +64.7%

2020 RM613.0 million

Value Created For Stakeholders

Total Customers Nationwide

3.4 million



HOME

2021: 3.0 million

includes voice, broadband, unifi Mobile and unifi TV

(2020: 2.7 million)

SME

2021: 0.4 million

includes voice, broadband, unifi Mobile and solutions

(2020: 0.4 million)

ENHANCING CUSTOMER EXPERIENCE

Through the #unificares campaign, the Group channelled RM1.0 billion into five (5) revolutionary initiatives designed to uplift the customer experience in both customer support capabilities and network improvements. Through unifi's Care Crew, the team was able to connect with customers and show how TM will always be there for them.

HOW WE ENHANCED CUSTOMER EXPERIENCE

Proactive Service Alert

- Delivered upfront alerts via SMS and myunifi app notifications upon internet service failure. Customers will be prompted to submit a report and receive updates about restoration progress
- Offered a new experience to customers from reactive reporting to proactively receiving notification through three (3) simple steps - accept the notification, validate and agree for restoration

- Save customers' time and efforts by avoiding around 10,000 monthly reactive interactions at the touchpoints
- Customers receive real-time notifications to address network issues, with 19% of impacted customers proactively managed
- SME customers experienced minimal disruptions through fast network resolutions during service disruptions

Service Tracker/Real-Time Tracker

- Providing customers with peace of mind by enabling them to track real-time progress and restoration updates via the myunifi mobile application
- Empower customers to view information on the assigned technicians, including their whereabouts during appointments

- Customers are kept well-informed of the progress and status of their service restorations, including details of the assigned technicians and appointments

Service Restoration Guarantee

- Launched the industry's first 24-hour Service Restoration Guarantee with a billing compensation for premium customers

- 74% of customers' internet services were restored within 24 hours, thus reducing customers' downtime to keep them connected
- The remaining 26% of customers were compensated for restorations beyond 24 hours

unifi Elite

- Set up a group of experts trained to provide customers with tailor-made consultation and solutions to further enhance their connectivity experience

- Customers enjoy peace of mind with a team of Wi-Fi experts optimising coverage and maximising speed within their premises

Self-Diagnostics Tool

- Set up a self-troubleshooting tool on myunifi app that enables customers to self-diagnose and troubleshoot their internet connection, telephony and IPTV performances, with auto-creation of trouble tickets if unresolved

- 47% of customers completed simple self-diagnosis to troubleshoot their unifi services, thus saving time to conveniently resolve their connectivity issues

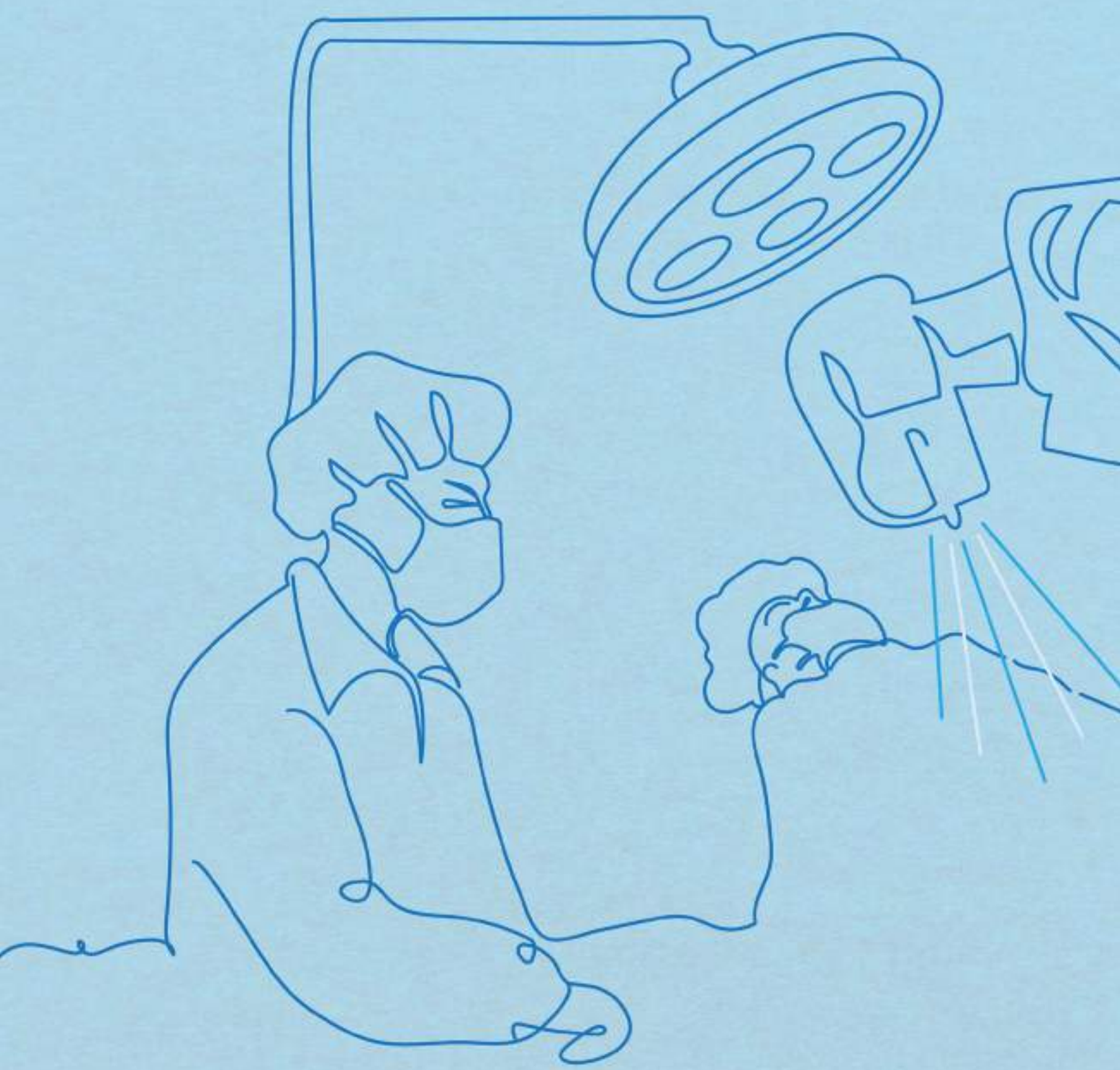
AWARDS & RECOGNITIONS

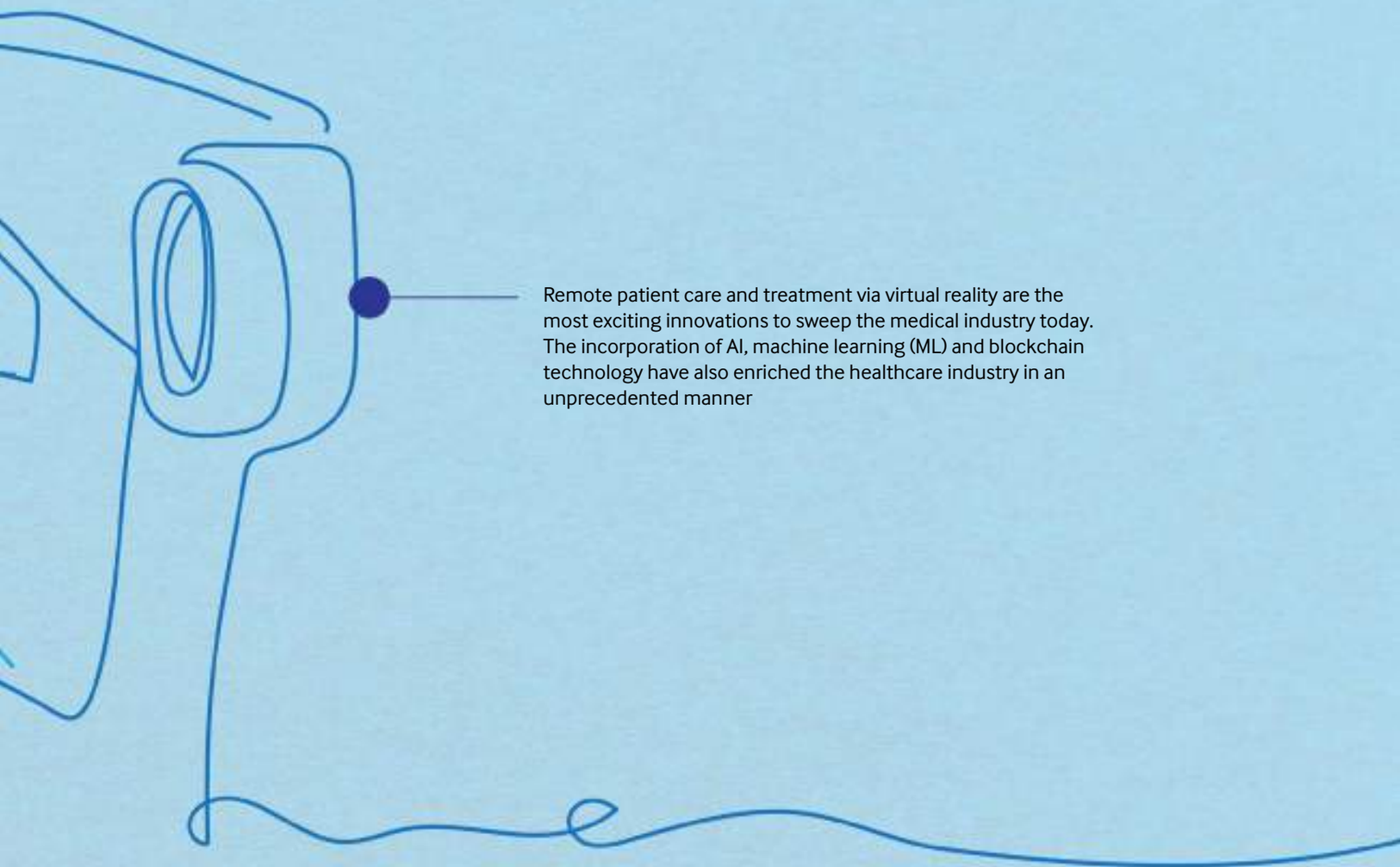
Recognised as the best broadband service provider in the market and as an enabler of a Digital Malaysia, unifi has received various accolades for meeting various industry standards as follows:

Awards	Awarding Body
Brand of The Year 2021/2022 Best Broadband and Internet Service Provider (ISP) Category	World Branding Forum
Silver For Best Use of Mobile Category for myunifi App	CX Asia Excellence Award 2021
Best Product Award 2021 - unifi - Best Fixed Broadband Service Provider (unifi) - Best Business Fixed Broadband Service Provider (unifi Biz)	PC.Com

MOVING FORWARD

In the year ahead, unifi will take the lead in catalysing the vision of a 'Digital Malaysia Powered by TM'. With online connectivity playing a central role in the new normal, unifi will continue to bridge the connectivity gap by serving customers with innovative and high-quality products at affordable prices. Despite the immense pressure and fierce competition, unifi will maintain its leadership as the top convergence provider in Malaysia with the broadest internet coverage, 'unique and differentiated experience' that best suits customer needs. Also, through partnerships with international Over-The-Top (OTT) players and collaboration with local partners, unifi will continue to provide various entertainment content to cater to different viewing preferences. This includes the continuous improvement of the end-to-end customer experience through digital interaction and simplification. Additionally, unifi will maintain its efforts to become a preferred digital partner of SMEs, serving their critical needs from connectivity to need-based digital solutions and mobility, thus helping them manage costs and achieve growth.





Remote patient care and treatment via virtual reality are the most exciting innovations to sweep the medical industry today. The incorporation of AI, machine learning (ML) and blockchain technology have also enriched the healthcare industry in an unprecedented manner

Transforming tomorrow

Fortified with a comprehensive suite of digital solutions, TM One is strategically positioned to enhance all sectors of businesses; public or private. Its next-generation connectivity, digital products, and partnerships allow TM One to stimulate and shape Malaysia's current and future digital landscape

TAKING TRANSFORMATION FORWARD

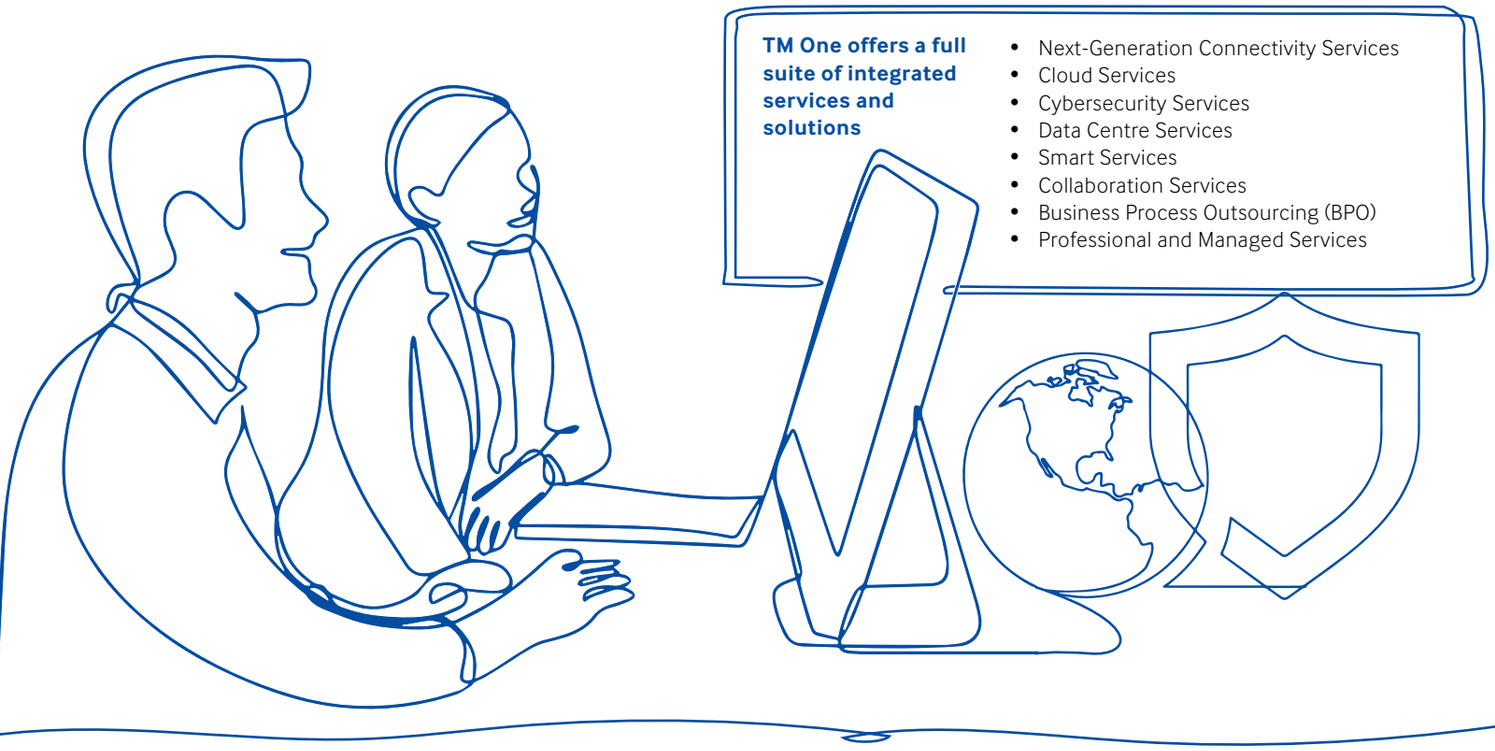
As the prime digital enabler of Malaysia's large enterprises and public sector, in 2021 TM One continues to make great strides in taking transformation forward for our customers with our comprehensive suite of digital solutions and managed services across next-generation connectivity services, Cloud α (Alpha), Cyber Defence Centre (CYDEC), globally-certified Tier III data centres, and smart services. During the year, TM One has been appointed as the only local Cloud Service Provider (CSP) in the MyDIGITAL panel to accelerate the Government's digital transformation journey. TM One also formed partnerships with leading global technology and service providers to solidify our offerings for our customers. With national and global recognition, a robust suite of vertical and horizontal solutions, wrapped with strong collaborations, TM One empowers Malaysia's key economic and critical sectors as well as the digital economy and Government towards a Digital Nation.

Please click here for more information on TM One

WHAT WE DO

TM One provides end-to-end managed services and digital solutions to organisations in the enterprise and public sector segments. Our services run across our robust and secured digital connectivity and digital infrastructure that is extensive and reliable, boosted with the capacity and expertise to support and cater to all industry verticals. TM One's own AI-powered hyperscaled cloud services, α Edge cloud, is positioned as the intelligent industry cloud platform. This is complemented by nine (9) data centres, with three (3) built to meet the rigorous requirements of the Tier III/Rated 3 standards that provide world-class data centre services. Two (2) of our data centres - the Klang Valley Data Centre (KVDC) in Cyberjaya and the Iskandar Puteri Data Centre (IPDC) in Johor, form a twin-core data centre solution – the first of its kind in Malaysia. TM One is also committed to building digital trust and cybersecurity resiliency with its CYDEC solutions.

With these capabilities, we help our customers in taking their transformation forward. For the enterprise sector, we support and accelerate the digital journey of our customers by scaling up their digital infrastructure. While for the public sector, we empower the Government agencies and institutions in achieving the aspirations of MyDIGITAL.



OUR FOCUS IN 2021

WHAT WE DID

Taking Transformation Forward

- **Cloud**: Enabled the leading global provider of smart devices HONOR's e-commerce platform to serve its customers across Asia, Africa and Latin America through our AI-powered α Edge cloud solution. Our cloud is SAP, ISMS and PCI DSS certified, and we expanded our cloud-based collaboration services with Zoom (Malaysia)
- **Smart Services**: Delivered smarter solutions that provide new value-added digital and intelligent services in workforce safety, smart factories and smart utilities
- **Digital Connectivity**: Accelerated the adoption of IR4.0 and Industry4WRD Digital Transformation through a collaboration with MIDA by delivering high-speed broadband to 33 key industrial areas nationwide
- **Banking & Healthcare**: As the Preferred Digital Partner, we forged collaborations with several key customers such as Bank Islam, Golden Touch Investment Bank and Sunway Healthcare Group to accelerate their digital transformation
- **Education**: Ensured a smooth and uninterrupted digital citizen services experience by powering key Government platforms with robust and scalable cloud services such as the SPM & STPM examination results portal for the Ministry of Education (MOE)
- **Government**: Contributed to a future-ready Government by equipping officials with digital skills and knowledge through Cloud Connect Academy in partnership with TM's MyDIGITAL Managed Services Provider, Cloud Connect Sdn Bhd

WHAT WE ACHIEVED

Customers

- Provided our customers with an easy and seamless journey to scale their digital connectivity and digital infrastructure needs with TM One's professional and managed services
- Enhanced the productivity and efficiency of our customers through the adoption of smart services that are powered by AI, analytics, the Internet of Things (IoT) and a single integrated platform

Government & Regulators | Shareholders & Investors

- Accelerated the Government's journey towards digitalisation as the sole local CSP appointed in the MyDIGITAL panel
- Enabled the Government's digital aspiration and initiatives, e.g., Shared Prosperity Vision 2030, 12MP, MyDIGITAL and various State Governments' digitalisation initiatives by connecting 90% of federal and state Governments and agencies nationwide
- Managed services for thousands of large enterprises with tens to hundreds of sites and devices each from across all industry verticals, critical and key economic sectors covering logistics, transportation, retail, manufacturing, healthcare, education, banking and financial institutions, energy and others
- Deployed smart city solutions that help local authorities address various urban challenges and create a more liveable Malaysia with seven (7) smart solutions

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Strengthening Malaysia's Cybersecurity

- Collaborated with CyberSecurity Malaysia to build greater cybersecurity awareness, enhance Malaysia's cybersecurity maturity level and strengthen cyberspace resilience
- Formed strategic partnerships with top global industry players i.e., Telefónica Tech, to strengthen the digital infrastructure of private/public sectors through global cybersecurity solutions
- Provided end-to-end comprehensive cybersecurity solutions delivered principally through CYDEC, a portfolio of active cyber defence capabilities, managed security solutions and services

Customers | Government & Regulators

- Enhanced the nation's cyber defence in the public and private sectors to protect citizens and business data against cyber threats
- Built a more secure and sustainable Digital Economy, Digital Government and Digital Society and Malaysians through a robust cyber ecosystem
- Developed Global Cyber Security Operations Centre (G-CSOC)

VALUE CREATED

Value Created For TM

Revenue (RM' million)

2021 RM3,805.1 million

Growth -4%

2020 RM3,961.9 million

EBIT (RM' million)

2021 RM903.9 million

Growth -10%

2020 RM1,003.8 million

Value Created For Stakeholders

Enterprises and Industries Connected

Enterprises

~9,000

Government Agencies

~1,300

ENHANCING CUSTOMER EXPERIENCE

TM One's relationship Net Promoter Score (rNPS) is strong as a "Trusted Brand" in providing best in class customer experience. Shifting towards personalised end-to end-account experience and active engagement unique to customer needs.

TM One gives significant impact and progress in using a customer-driven approach to further enhance customer experience.

HOW WE ENHANCED CUSTOMER EXPERIENCE

Customers' journey and interactions with TM One have improved as shown by the:

- Reduced the number of Detractor Customers from 10% (mid-year) to 9% (year-end)
- Zero Detractor Customers across several states
- Improved number of Promoter Customers from 54% (mid-year) to 57% (year-end)

Differentiated account experience

- Proactively reviewed customer issues and provided value-added service consultancy

- Customers have greater trust in TM One's services, with an increase in trust rating score from +37 (mid-year) to +45 (year-end)

Bandwidth Optimisation & Opportunity Spike Taskforce (BOOST)

- Deployed additional access points to increase customer utilisation for Government agencies

- Customers from the public sector are more satisfied with TM One, as shown by the eight-point improvement in the Customer Satisfaction Index for Government agencies

AWARDS & RECOGNITIONS

Recognising our capabilities as the leading nation's digital enabler for enterprises and the public sector and the best place to work, TM One has received various accolades from partners, environmental bodies, Financial Services authorities, research institutions, and even international media. Our infrastructure is also certified as meeting the various global industry standards.

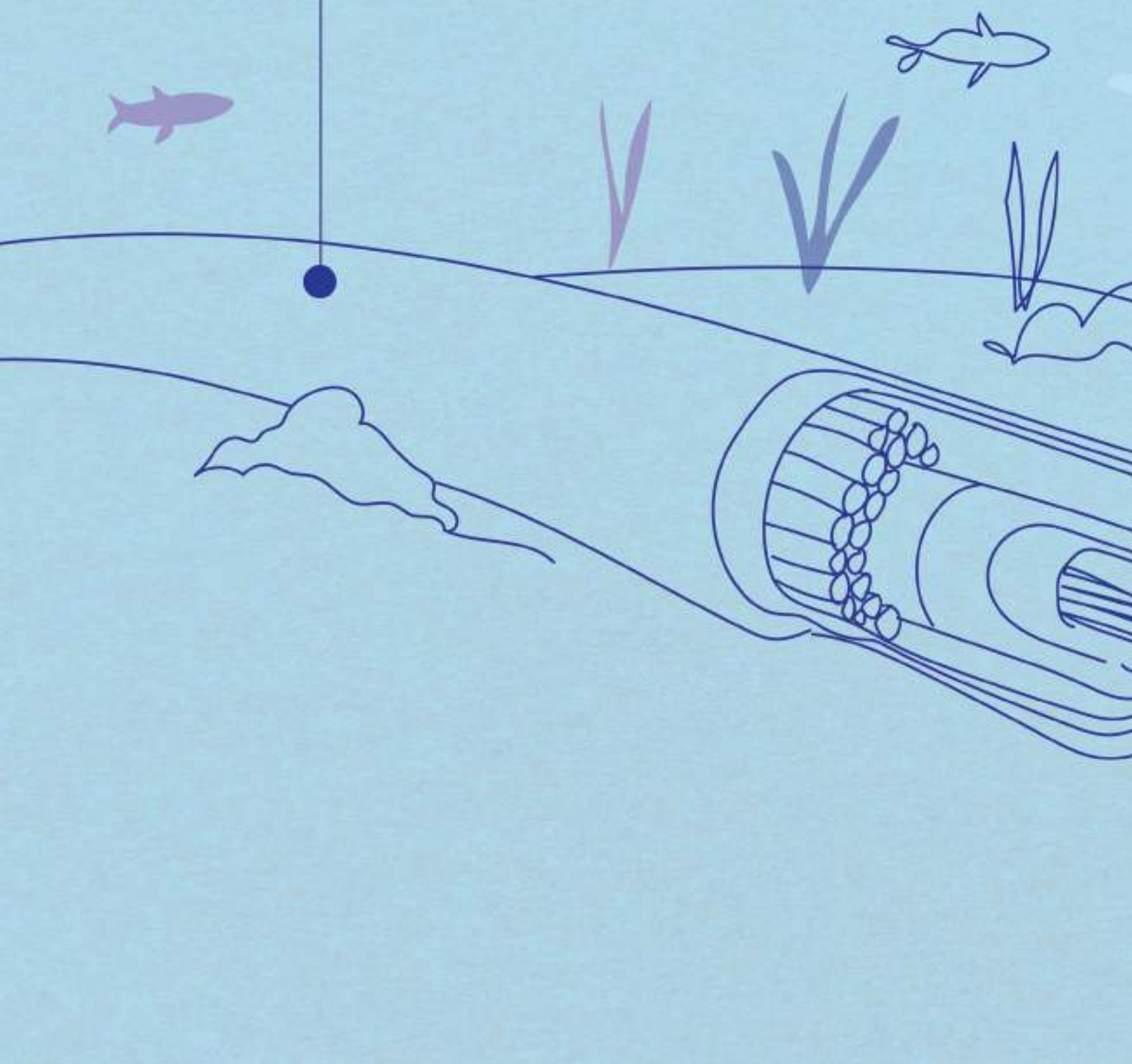
CATEGORY	AWARDS	AWARDING BODY
Partner Recognition	Cloud & Managed Services Partner of the Year 2021	Cisco
	Transformational Deal of the Year 2021	Cisco
	Public Sector Partner of the Year 2021	Cisco
	2021 Best Partner Award – Cloud	Huawei
	2021 Capability Improvement Partner Award	Huawei
Environmental	Certified Green Building Index for IPDC	Green Building
	Certified Leadership in Energy and Environment Design for Data Centre	LEED
Security	Certified RMiT for Data Centre	Bank Negara Malaysia
	Certified TVRA for Data Centre	Monetary Authority of Singapore (MAS)
ISO	ISO 9001 for Connectivity, ISO 20000 for Service Desk, ISO 27001 for VAS and NOC, Data Centre, Cloud and Business Process Outsourcing (BPO)	ISO
Data Centre	Certified Uptime Tier III Constructed Facility for IPDC and KVDC	Uptime Institute
	Certified TIA942 Rated 3 for Brickfields DC	ANSI/TIA942
	Certified PCI DSS for KVDC, IPDC and Brickfields DC	Payment Card Industry Security Standards Council (PCI SSC)
Customer Experience	2021 Malaysia Domestic Customer Experience Outsourcing Services Customer Value Leadership Award	Frost & Sullivan
	2021 Indonesia Customer Experience Contact Centre Outsourcing Services Customer Value Leadership Award	Frost & Sullivan
Employee Engagement	2021 Best Stellar Workplace Award for Small Employer	KONTAN
	2021 Stellar Workplace Recognition in Employee Commitment & Satisfaction	KONTAN

MOVING FORWARD

We are cautiously optimistic for 2022, in which we expect economic and business recovery from the pandemic. As organisations seek to remain competitive and pursue their growth and transformation ambition, TM One's comprehensive, robust and secured end-to-end managed services and digital solutions will enable businesses to unlock their full digital potential through agile technology, infrastructure and capabilities. TM One's team of experts and professionals will continue to assist and advise our customers throughout their digital transformation journey towards addressing their business challenges, from strategic review and risk assessment to outlining the action plans through to implementation and operations support.

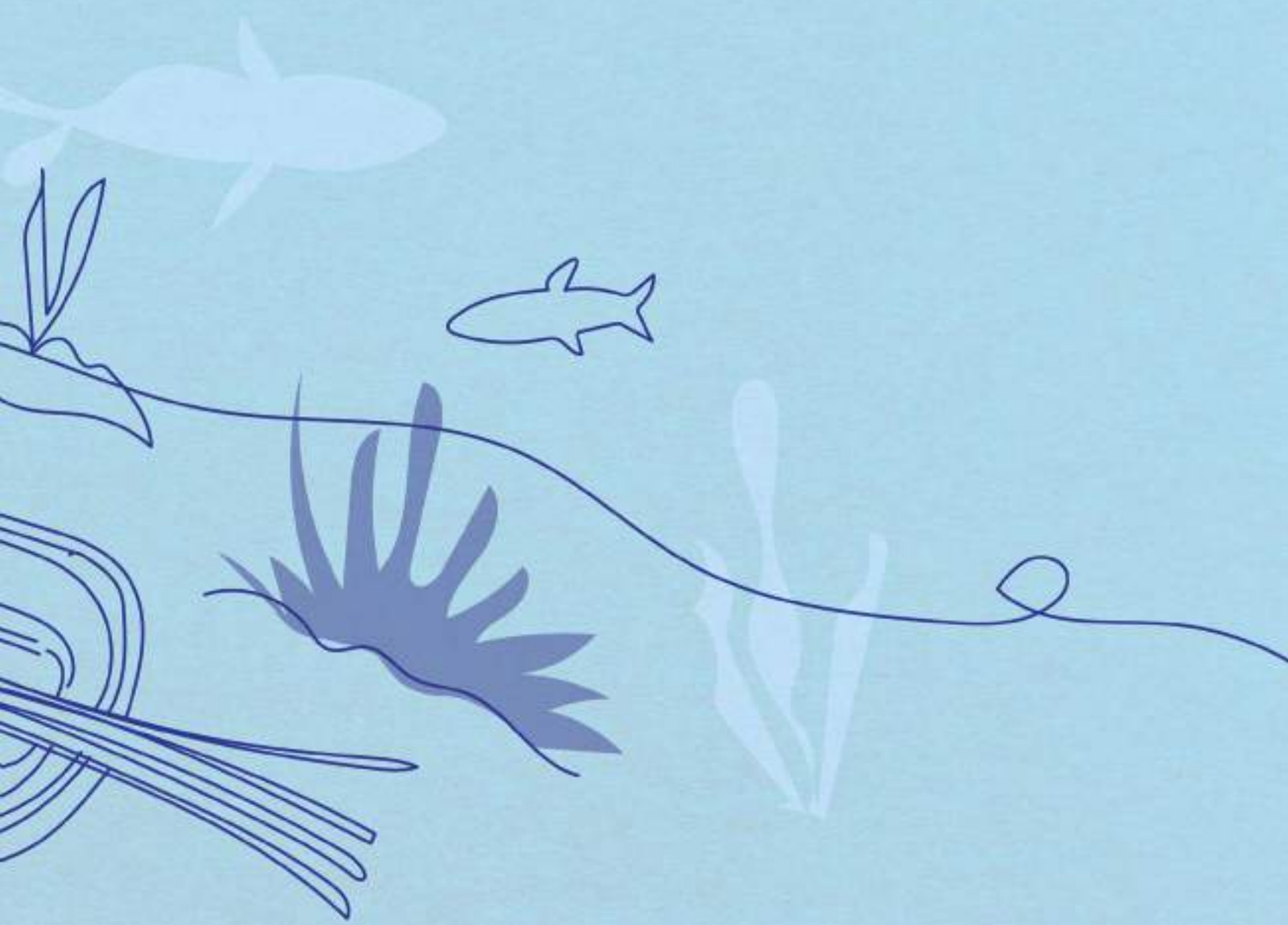
TM One's building blocks of next-generation digital connectivity that include 5G services, cloud and data centre services, bolstered with cybersecurity solutions, empower organisations to harness the power of AI, Big Data and analytics, IR 4.0 and smart services. With the adoption of agile practice, design-thinking process and RPA, we could optimise business processes and workflows by harnessing insights from your data through our business intelligence-based solutions.

A total 320,000 kilometres of discrete submarine cables serve as TM Wholesale's core connectivity medium, delivering reliable, diversified and uninterrupted global connectivity solutions



Bridging solutions

As the nation's primary backend connectivity solutions provider, TM Wholesale's goal is to position Malaysia as a regional hub with its bespoke digital solutions repertoire. This is achieved through its extensive partnership ecosystem and includes both high-speed broadband and mobile infrastructure



BRINGING A DIGITAL MALAYSIA TO THE WORLD

Since the inception of the wholesale division in 2004, TM Wholesale has been relentlessly diversifying our wholesale infrastructure solutions to provide greater reachability and resilient connectivity in both domestic and international segments. In 2021, TM Wholesale continued to add value to our digital infrastructure solutions by increasing our CDN footprints worldwide and bringing them closer to the end-user. At the same time, TM Wholesale enhanced its 4G and 5G network solutions to accelerate digital inclusivity in Malaysia. TM Wholesale has also been amplifying TM's regional coverage by expanding PoPs and submarine cable network reachability on top of the newly established TMiX nodes nationwide. This takes us one step further towards making Malaysia a digital hub for the ASEAN region.

Please click here for more information on TM Wholesale

WHAT WE DO

TM Wholesale's focus encompasses domestic wholesale and international business, offering an extensive range of core connectivity and digital infrastructure solutions to customers worldwide. For the Malaysian market, TM Wholesale strives to become the trusted wholesale infrastructure provider and 5G enabler through its end-to-end customised wholesale data, connectivity and platform solutions. TM Wholesale continues to enrich the digital ecosystem in complementing Malaysia's digital blueprint aspiration with its vast and unparalleled infrastructure of over 650,000 km fibre-optic cables and more than 3.0 million broadband access ports.

In the international market, TM Wholesale aims to position Malaysia as a bespoke digital hub for the ASEAN region by expanding its digital infrastructure and solutions through comprehensive partnership ecosystems with hyperscalers and global service providers worldwide. TM Wholesale is supported by 30 submarine cable systems spanning over 320,000 km with almost 60Tbps capacity worldwide, 28 international gateway Points of Presence (PoPs) and over 80 Content Delivery Network (CDN) nodes to deliver reliable, diversified and uninterrupted global connectivity solutions to customers. This extensive global coverage is complemented by wide-ranging wholesale data centre capabilities, including more than 10Tbps of local and international peering capacity and over 30 TM Internet Exchange (TMiX) nodes nationwide. TM Wholesale is committed to making business easier for customers by providing integrated wholesale domestic and global solutions, connecting Malaysia and the rest of the world.

OUR FOCUS IN 2021

WHAT WE DID

Connecting Malaysia to the World

- Enhanced extensive submarine cable portfolio, enabling Malaysians to experience augmented digital journey of global connectivity
- Intensified global connectivity footprints through additional PoPs in major cities worldwide for greater internet experience for Malaysians
- Improved customer experience for Malaysia's business establishments globally via TM's Regional Offices' presence in six (6) strategic continents

WHAT WE ACHIEVED

Customers

- Customers receive greater reachability for international data services with **30** submarine cables worldwide, connecting them to the world
- Customers gain extended coverage worldwide through over **100** global PoPs locations, including **28** international gateway PoPs for diversified core and adjacent business services
- Improved customer satisfaction and loyalty, as indicated by a **+35** score in the NPS index

Shareholders & Investors

- Improved financial performance, with close to **40%** revenue growth from main global data product offerings

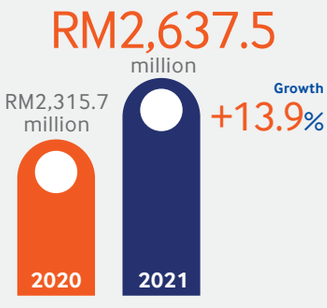
OUR FOCUS IN 2021 (CONT'D)

WHAT WE DID	WHAT WE ACHIEVED
Bringing the World to Malaysia • Brought business, media, entertainment and education contents closer to home through amplification of CDN services and nodes in Malaysia, ASEAN and the rest of the world • Expanded wholesale data centre capabilities and internet ecosystem providing greater reachability for hyperscalers and global service providers in Malaysia • Established TMiX over TM's wholly-owned IP backbone network as part of TM Wholesale's effort to make Malaysia a digital hub for the ASEAN region	**Customers** • Customers gain access to more than **80** CDN nodes worldwide in delivering content closer to end-users for greater customer experience and service quality • Improved interconnection capabilities for customers, with more than **15** major hyperscalers and DSPs within TM's data centres • Enhanced cost and operational efficiencies for customers through an open interconnection internet exchange ecosystem with more than **30** TMiX nodes nationwide **Government & Regulators** **Shareholders & Investors** • Strengthen TM's position as the preferred wholesale infrastructure provider in catalysing Digital Malaysia's aspiration
Enriching Malaysia's Digital Ecosystem • Fortified the digital experience by providing superior 4G and 5G fibre infrastructure services to all mobile service providers • Ensured digital inclusivity among Malaysians through boundless efforts on expansion of High-Speed Broadband (Access) infrastructure covering urban and rural communities	**Customers** • Increased opportunities for mobile service providers to expand service coverage and bandwidth upgrades with more than **3,000** fiberised sites nationwide, enabling a greater digital experience for Malaysians • Resilient broadband infrastructure services even in the pandemic state of affairs with more than **3.0 million** broadband ports allowing continuous internet access for Malaysians throughout the year **Shareholders & Investors** • Improved financial performance, with close to **20%** revenue growth from main domestic data product offerings • Strengthen TM's position as the preferred wholesale infrastructure provider in catalysing Digital Malaysia aspiration
Positioning Malaysia as the Region's Digital Hub • Delivered comprehensive wholesale solutions enabling cutting-edge digital offerings for domestic and regional service providers • Consolidated the region's digital connectivity requirements, leveraging Malaysia's strategic geo-position as a terrestrial superhighway connecting ASEAN to the world	**Customers** • Provided customers with ease of mind through comprehensive domestic and international wholesale solutions from a trusted single provider, enabling improved operational excellence to domestic and regional customers **Government & Regulators** **Shareholders & Investors** • Superior network coverage in Malaysia and the rest of the world through **>650,000 km** domestic fibre cables and **>320,000 km** submarine cables

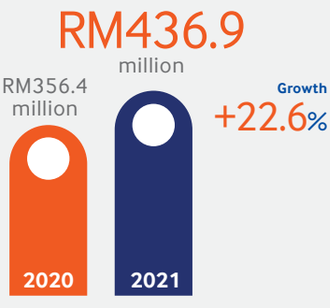
VALUE CREATED

Value Created for TM

Revenue (RM' million)

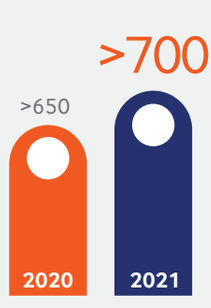


EBIT (RM' million)



Value Created for Stakeholders

Total Customers Worldwide



Domestic

2021: >145
(2020: >140)

International

2021: >550
(2020: >520)

ENHANCING CUSTOMER EXPERIENCE

Manifesting a world-class customer experience remained a top priority for TM Wholesale, with an increased focus on delivering convenient and personalised services throughout the customers' journey. Through various initiatives implemented this year, the team achieved greater levels of customer satisfaction, with an improved NPS of +35.

HOW WE ENHANCED CUSTOMER EXPERIENCE

Focus Group for Incident Management

- Established highly skilled teams to expedite customers' incidents resolution in both domestic and international markets

- Delivered TM Wholesale's promise to customers, with a 98% achievement on Service Level Agreement (SLA)

Enhanced Service Quality Improvement Group (SQIG)

- Synergised TM's internal stakeholders for comprehensive service to customers

- Increased customers' operational efficiency by 3% YoY services up-time improvement

Fulfilment Task Force

- Enhanced the fulfilment task force, leveraging an automated partner selection mechanism based on performance and track records

- Customers served by the most capable and qualified partners, contributing to an outstanding NPS score of +35

Digitalised Internal Reporting Dashboard Initiative

- Introduced an automated reporting dashboard for enhanced operational efficiency

- Faster response to customers on project status with better visibility to resources and infra-availability

AWARDS & RECOGNITIONS

TM Wholesale has been recognised as a trusted partner in delivering seamless integrated solutions and infinite possibilities to accelerate customers' connectivity and coverage to the digital world. This is reflected in the various accolades received by TM Wholesale during the reporting year.

AWARDS	AWARDING BODY
Asia Pacific Zero Outage Supplier Award 2020	T-Systems International GmbH
Excellent Carrier Partner Award 2021 under Regional Strategic Partner category	China Telecom Global Limited
Network and Resources Cooperation Award 2021	China Unicom Global Limited

MOVING FORWARD

In the years ahead, TM Wholesale will continue to drive wholesale business growth in both domestic and international segments. Domestically, towards becoming the trusted wholesale infrastructure provider and 5G enabler, TM Wholesale will focus on propelling Malaysia's digital blueprint through continuous support for JENDELA and MyDIGITAL aspiration. The LOB will further pursue nationwide 4G and 5G fibre infrastructure deployment, expand broadband access coverage and promote comprehensive strategic collaboration with domestic service providers. Additionally, TM Wholesale will deepen TM's in-country edge network solution nationwide to make the content closer to the end-user for a better-quality service experience. Its subsidiaries, Fiberail and Fibrecomm, are joining the course to enrich core business values as well as enhance adjacent and digital services.

Globally, TM Wholesale will continue its aspiration of becoming a bespoke digital hub for the ASEAN region, mainly through strategic collaborations with hyperscalers and global service providers in Malaysia. TM Wholesale will further invigorate its core foundation by acquiring efficient submarine cable capacity, strengthening end-to-end wholesale data centre solutions and establishing strategic partnerships with digital players worldwide. Its CDN solutions are advancing towards a broader range of edge services in parallel with the region's revolution of edge computing and cloud gaming. Customer experience remains a top priority, with the diversification of offerings as well as enhancing products and services to ensure business continuity and sustainability.

SHAPING A DIGITAL PERFORMANCE CULTURE

As part of the New TM transformation, Group Human Capital Management (GHCM) continues to future-proof our people with skills for new growth areas that will elevate our business to the next level. Beyond business performance and growth, GHCM also ensures that organisational health is well-taken care of, and a new culture and way of working are prioritised.

GHCM implemented various measures to keep *Warga* TM safe and engaged as they adapted to changes in their work environment. This included helping them navigate the challenges of working amidst the pandemic, and subsequently adjusting to the new hybrid working model as restrictions were being lifted.

GHCM's commitment to creating an inclusive and innovative work culture resulted in TM's reputation as 'Employer of Choice', with various awards and accolades received in 2021.

AWARDS & ACCOLADES

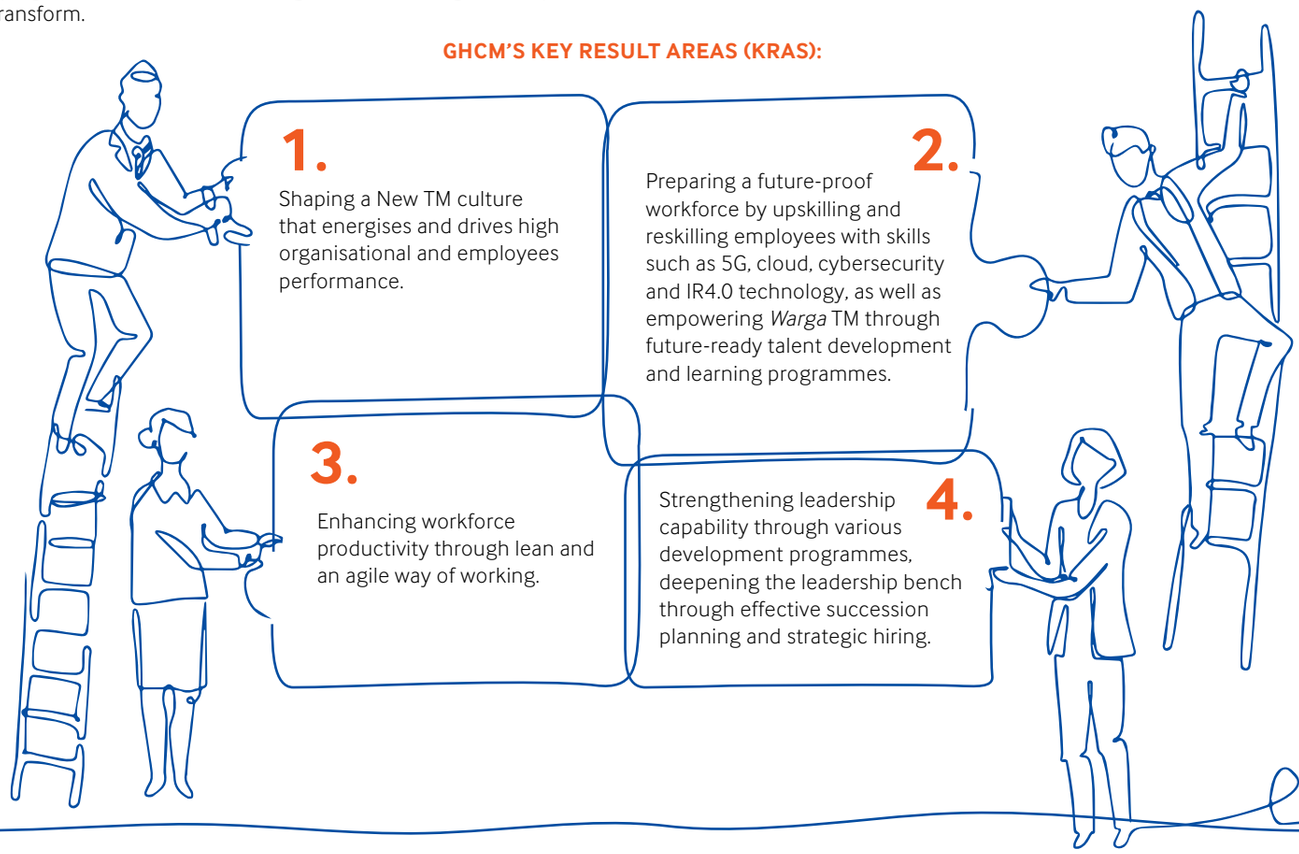
- **Malaysia's 100 (M100) Leading Graduate Employers 2021**
- **Graduates' Choice Award 2021/2022**
- **GRADUAN Brand Awards 2021**
- **LinkedIn's 2021 Top Companies – Top 5**
- **HR Asia Best Companies to Work for In Asia 2021**
- **Asia's Best Employer Brand Award 2021**

WHAT WE DO

GHCM partners with business units and leaders to drive organisational and people transformation that creates sustainable impact and realises our Digital Malaysia aspirations. This is done through future-proofing our organisation, continually equipping our people with the right skill sets and winning behaviours, reinforcing the agile way of working and reshaping our workforce into a stronger execution engine that perform and transform.

We strive to maintain an energising working environment and work culture that keep our employees highly engaged and motivated. The goal is to bring out the best of the employees, driven by a higher sense of purpose and unified objective to deliver 'Life and Business Made Easier' for all Malaysians.

GHCM'S KEY RESULT AREAS (KRAS):



1. Shaping a New TM culture that energises and drives high organisational and employees performance.

2. Preparing a future-proof workforce by upskilling and reskilling employees with skills such as 5G, cloud, cybersecurity and IR4.0 technology, as well as empowering *Warga* TM through future-ready talent development and learning programmes.

3. Enhancing workforce productivity through lean and an agile way of working.

4. Strengthening leadership capability through various development programmes, deepening the leadership bench through effective succession planning and strategic hiring.

OUR FOCUS IN 2021

WHAT WE DID

New TM Culture

- Launched the new Culture Statement called #IniCaraKita in Sept 2021 to reenergise the organisation
- Infused OHI measurement into leaders' KPIs to strike the right balance between organisational performance and organisational health
- Implemented a comprehensive culture change programme throughout all levels of the organisations to align mindsets, and ensure #IniCaraKita behaviours permeate into the day-to-day work habit of employees

Stakeholders Employees

WHAT WE ACHIEVED

- Culture Statement #IniCaraKita launched with **12** winning behaviours expected of each employee
- Unified and strong public commitment by top management to embrace and role-model #IniCaraKita
- Introduced culture microsite as central point of reference, and held quarterly talkshows to generate interest and understanding
- Over **100** Culture Champions handpicked, trained and ready to drive #IniCaraKita at various levels
- **33** sessions of immersive and interactive culture training conducted from October to December for top management followed by next level teams

Future-Ready Employees

- Equipping *Warga* TM with the skills to drive the organisation's new growth areas such as 5G, cloud, cybersecurity and IR4.0
- Intensified the Now Everyone Can Sell (NECS) upskilling programme to rally and prepare non-sales employees to contribute to revenue growth

Stakeholders Employees Customers

- **2,144** employees trained in 5G
- Organised trainings in data centre, cloud and cybersecurity, resulting in potential sales/deals worth **RM166.0 million** and closed deal of **RM123.6 million**
- NECS training generated close to **22,000** physical sales generated, contributing to **RM58.6 million** in revenue

COVID-19 Initiatives

- Consistently keeping abreast of and complied to the latest SOPs and guidelines set by authorities
- Supported the national vaccination effort by turning Multimedia University (MMU) Cyberjaya and Melaka campuses into vaccination centres (PPV), as well as deploying volunteers at PPVs nationwide
- Provided a holistic support system for employees affected by COVID-19
- Protected employees and customers as well as ensuring continuity of TM's operations by driving vaccination rates
- Intensified multi-faceted communication and well-being programmes to ensure employees physical and mental health are supported, and spirits are kept high

Stakeholders Employees Government & Regulators

- **109** COVID-19 communications sent to employees from 2020-2021
- **99.6%** of TM employees vaccinated
- **RM6.4 million** spent on COVID-19 Special Allowance for frontliners
- **176** well-being 360 programmes held virtually to support *Warga TM* including virtual fitness sessions, health talks and webinars
- **24** mental health sessions held, with more than **3,700** employees attending

OUR FOCUS IN 2021 (CONT'D)

WHAT WE DID

Driving High-Performance

- Strengthening performance management culture with goals that are aligned to the overall organisational strategies. Driving discipline to ensure performance feedback and review are conducted on timely basis
- Sharpening pay-for-performance through differentiated rewards for high performers
- Reinforcing Employee Performance Enhancement Programme (PEP) to manage and improve below-expectation performers
- Enhancing efficiency and employee experience by migrating performance management system for Non-Executive (MAPSNE) employees into a single platform

Stakeholders Employees, Shareholders & Investment Communities

For more details on our Human Capital management, please see pages 107 to 112.

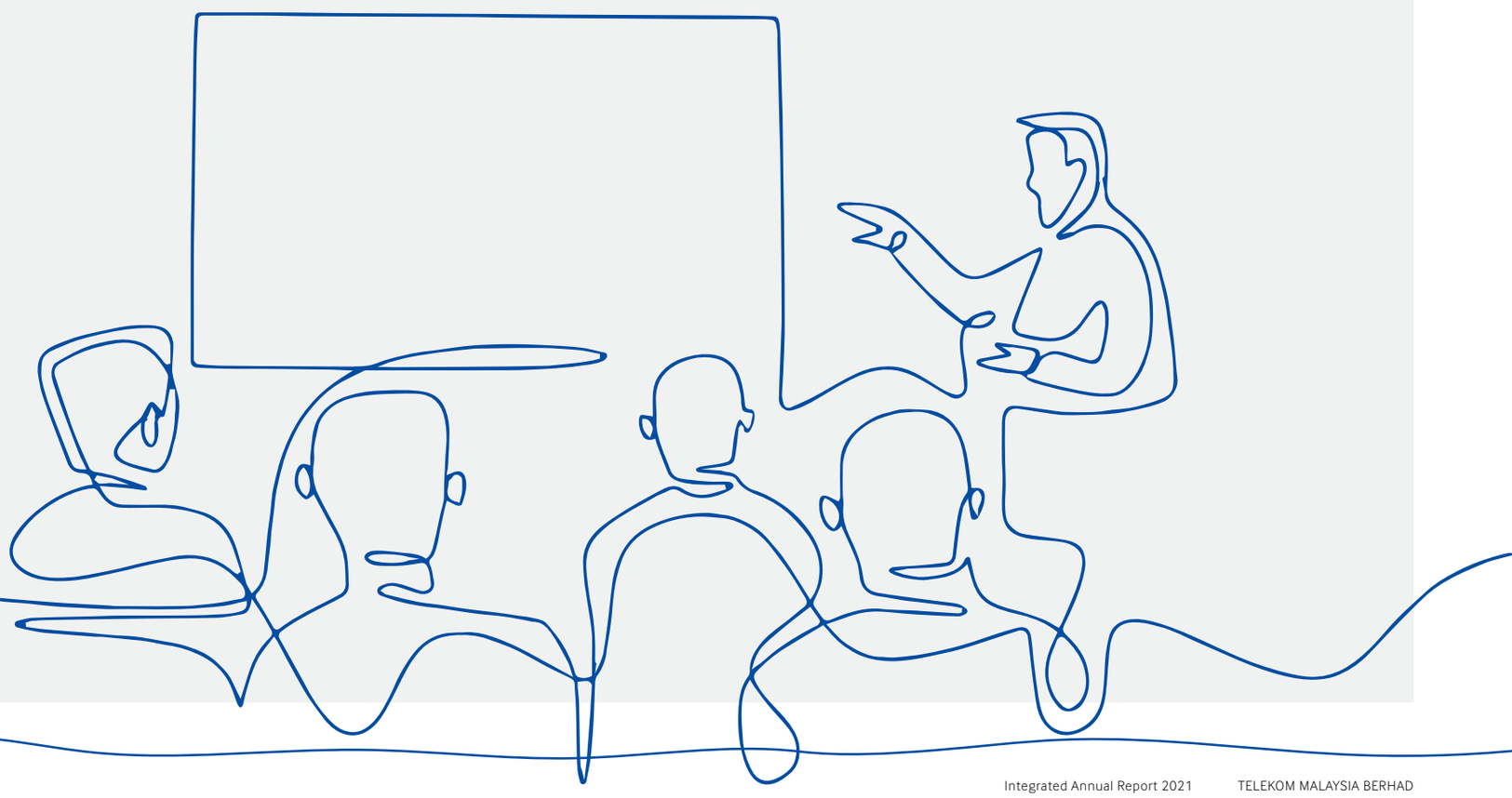
WHAT WE ACHIEVED

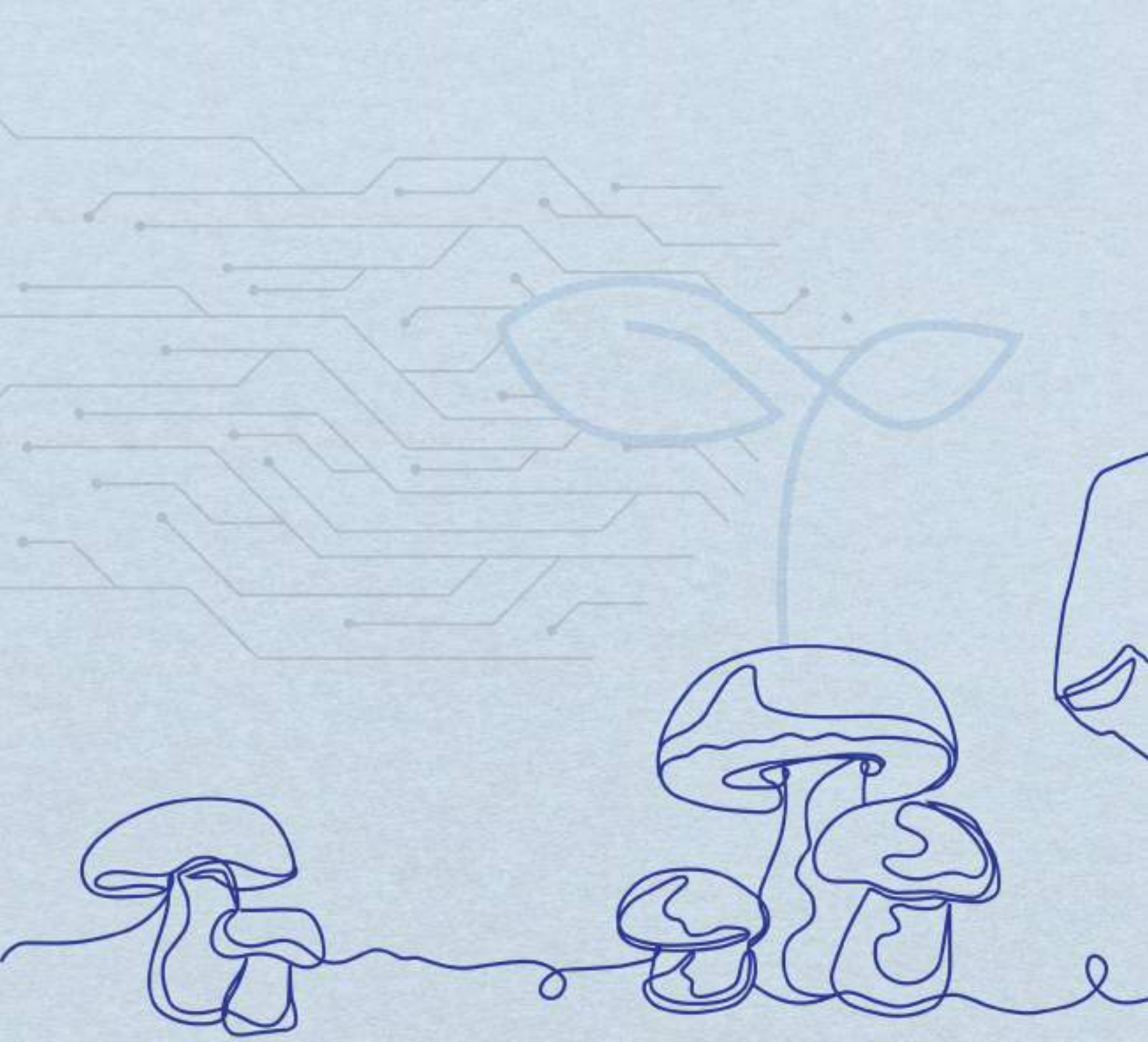
- **98%** completed mid-year and year-end performance reviews ahead of schedule
- **100%** of Non-executives in TM are onboard the new performance management system (MAPSNE)

MOVING FORWARD

In 2022, GHCM will continue to drive business strategies through timely and effective HR initiatives, in support of the New TM transformation. GHCM will build on the foundation laid in 2021 to future-proof our workforce, inculcate a high-performance culture, strengthen talents and capabilities, turbo charge our way of working through agile practices, redesign our operating model and optimise our organisation.

Through its efforts, GHCM strives to strengthen TM's reputation as the 'Employer of Choice' and to realise its aspiration to become a human-centred technology company.





Business made easier

To facilitate the nation's transition to digital business, inclusive ecosystems are put in place to ensure that businesses, regardless of scale, are able to compete on an even footing. Priority concerns relevant to this segment are ease of use and accessibility, to better accommodate the digital fluency of potential users

unifi business

Mushroom farmers in Pahang have leveraged their newfound digital solutions by unifi business to complement their existing repertoire, to great success

THE BACKBONE OF OUR NETWORK

Group Network & Technology (GNT) continues to play a central role in supporting JENDELA and closing the digital divide, which has been particularly crucial with the ongoing COVID-19 challenges. As the nation faced repeated MCOs, we witnessed increased consumer bandwidth consumption, changes in customer behaviour and higher expectations for stable connectivity. Through a proactive network management approach, GNT stepped up to meet the surge in internet traffic, while expanding our infrastructure network to deliver connectivity to rural communities.

WHAT WE DO

As the backbone of the Group, GNT is responsible for the planning, building, operating and maintenance of the TM network infrastructure, delivering critical connectivity to customers. GNT's core focus is Connectivity Excellence. This means continuously improving operational efficiency for better service quality, as well as modernising the network infrastructure to meet future demands. GNT aligns the overall network modernisation strategy with the New TM Compass, which contributes to growth for all business units. It also continues to optimise costs for network/technology investment and network operations and maintenance. By taking care of our critical network, GNT plays a central role in our ability to create stakeholder value.

OUR FOCUS IN 2021

WHAT WE DID

Network Expansion & Optimisation

- Accelerated fibre rollout to increase network coverage to more households and businesses
- Decommissioned legacy copper network into fibre network for faster internet speeds
- Implemented Mobile Network Smart Rollout to optimise our Long-Term Evolution (LTE) rollout plan focusing on profitable and strategic driven sites
- Optimised network capacity and simplified processes through automation to improve customer experience
- Leveraged our partners for targeted Multi-Operator Core Node (MOCN) sites activation to mitigate the 3G sunset impact
- Deployed intelligent technologies, SDN and NFV to improve network efficiency and productivity

Stakeholders Customers | Government & Regulators | Communities | Shareholders & Investment Communities

For more details of our network infrastructure, please see pages 86 to 90.

WHAT WE ACHIEVED

- **5.77 million** fiberised households in 2021*
- **800Mbps** internet speed delivered
- **RM67.5 million** in cost savings through network optimisation
- **1,183,890** new service installations and **1,058,235** network ports deployed in 2021 (**record-breaking**)

* As declared to MCMC

MOVING FORWARD

GNT will continue to drive the Group's network excellence in the years to come as we continue to enable a Digital Malaysia. This includes Network Modernisation in areas such as Next-Generation Transport Network, Telco cloud, Edge cloud facility, IPTV, Broadcast and Next Generation Voice Platform, which allows us to explore creative solutions for autonomous operations to elevate the customer experience. On the submarine cable system, GNT is developing an international cable (SMW6) and a few domestic cables for increased capacity and coverage.

As the leading service provider in Malaysia, GNT will continue venturing into predictive and proactive service capabilities; leveraging solutions developed in-house by TM R&D. GNT's National Network Operation Centre (NNOC) will utilise the award-winning intelligent analytical platform (CAMELIA) to manage our network. At the same time, GNT continues to develop 5G backhaul for DNB, with services offered to unifi Mobile customers within coverage areas. Lastly, GNT will continue to future-proof our access infrastructure by expanding fibre coverage whilst decommissioning the legacy copper network.

PAVING THE WAY TOWARDS DIGITAL

Group IT & Digital (GITD) continued to propel the Group's digital development forward in 2021. Guided by the New TM Compass, GITD remained focused on strengthening its position as a technology enabler and data-driven in-house organisation. Throughout the year, GITD greatly exceeded multiple of its organisational optimisation targets. This includes TM's RPA robot taking over annual human work hours by almost 150% more than the initial and the Value Programme's headcount optimisation of over 200% of the year's target. By championing digital and technological solutions, GITD contributed RM14.7 million in EBIT for the Group, making us on track to achieving our target of RM65.0 million by 2023.

AWARDS & ACCOLADES

- "**Best Use of AI/Automation to Increase Productivity**" from INSPIRE Tech Awards 2021
- "**Digital Transformation Award**" from Asia Pacific Cloud & Data Centre Awards 2021

WHAT WE DO

The industry is undergoing fundamental and disruptive transformation, underpinned by the emergence of new smart technology ecosystems and digital players driving a radical shift in value enablement. As a response, we established GITD two (2) years ago to transform TM accordingly, into a "Lean, Mean and Clean" organisation via "Simple, Standard and Stable" principles. GITD catalyses the Group's digitalisation agenda and creates greater stakeholder value. GITD focuses on creating a future-proof organisation through two (2) methods—Automation & Digitalisation and Digital Hybrid Workplace.

Through innovative technological solutions, GITD helps the Group improve process efficiencies, generate higher revenue, optimise cost savings and, more importantly, make life easier for our customers and people. Additionally, GITD's IT Transformation Plan has enabled TM to be among the 25% of communication service providers in Malaysia developing programmes to participate in digital ecosystems, thus giving us a head start on the competition. Despite its relatively 'young' age, GITD continues to make commendable progress in cost optimisation, future-proofing the business and charting the path for TM to transform into a human-centred technology company.

Business Strategy & Innovation Enablement

Incorporate **Innovation** practices & culture as part of strategy

Strengthen IT & Digital Technology **Governance**

Optimisation

Manpower and Other Cost **Optimisation**

65.0 million EBIT uplift in three (3) years

Transformation

IT Transformation & Value Programmes

Lean, Mean & Clean

Technologies

Platform & technology enabler for New TM

Simple, Standard, Stable

DIGITAL GOVERNMENT | DIGITAL ECONOMY | DIGITAL SOCIETY | DIGITAL INDUSTRY

DigitalMalaysia Powered by TM

OUR FOCUS IN 2021

Value Programme (VP)

WHAT WE DID

- **Stellar Project**: Championed the BSS transformation by migrating unifi Mobile customers onto a new platform
- **CX Transformation**: Implemented interactive bill management system (IBill), Campaign Management System (CMS) and SPICE.ai to improve customer processes
- **Cloud Infrastructure**: Implemented iGrid as a micro-services and multi-cloud ready platform together with an advanced implementation of security protection against threats

Stakeholders Customers, Shareholders & Investment Communities

WHAT WE ACHIEVED

- **RM14.7 million** in operational savings, exceeding the target by **245%**
- **195** headcounts optimised, exceeding the target by **214%**
- **20** applications decommissioned due to application standardisation

Productivity

- **ROBIN**: Expanded TM's RPA to take over annual work hours throughout the organisation
- **Digital Tools**: Developed in-house digital solutions to improve productivity i.e., 'Trust' (Productivity App) and 'Tribe' (agile resource management and tracking system)
- **Project Hijrah**: Consolidated multiple tools/applications into a single platform to create a Digital Hybrid Workplace

Stakeholders Employees, Shareholders & Investment Communities

- **41** RPAs deployed in 2021, with **132,000** annual work hours off-loaded
- **104%** workforce productivity enabled via in-house digital tools.
- **RM1.2 million** costs saved annually through the Hijrah project

People Optimisation

- **ISO Certifications**: Obtained certifications to improve the digital and IT of our people. These certifications include:
  - Information Security Management System (ISMS)
  - Test Maturity Model Integration (TMMI) Level 3
  - Software Asset Management (SAM) Maturity Level 1

Stakeholders Employees, Shareholders & Investment Communities

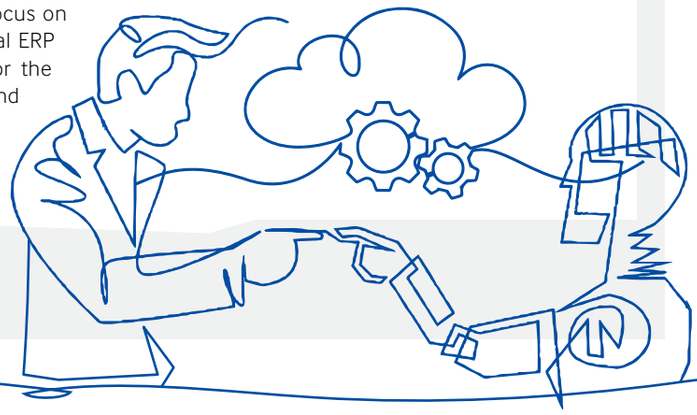
- **109** certifications obtained in strategic knowledge areas

MOVING FORWARD

In 2022, GITD will continue to build its momentum in the value programmes, driving cost and productivity optimisations while future-proofing the organisation. Following the favourable outcome of GITD value programmes in 2021, new value programmes will be introduced, focusing on strengthening IT Operations and delivery.

The STELLAR ecosystem will progress towards becoming 'a matured and robust BSS platform' capable of serving unifi, TM One and TM Wholesale customers for many years to come. To ensure this, GITD will continue with a subsequent migration plan of unifi Broadband and other fixed services upon completion of unifi Mobile migration activities to ensure continuous improvement of TM FMC offerings.

Additionally, Enterprise Resource Planning (ERP) Transformation will focus on more efficient and sustainable business operation with the new Digital ERP implementation and Legacy ERP ecosystem decommissioning. As for the cloud, GITD will help TM transition into a hybrid/multi-cloud model and modern application development.



STRENGTHENING CYBERSECURITY FOR BETTER PROTECTION

Throughout 2021, Group Information Security (GIS) has been planning, executing and measuring the effectiveness of cybersecurity programmes to improve governance, compliance, risk and operations management for TM Group. The programmes have strengthened TM's infrastructure protection against cyber threats, protected stakeholders' data and ensured the high availability of TM services at all times. Through GIS, we enable the Group's business resiliency as we progress with our digital aspirations.

WHAT WE DO

GIS is responsible for protecting TM information security assets against cybersecurity threats and vulnerabilities, to which the organisation's attack surface may be exposed and constitute information risk. GIS ensures that the Group's security objectives are consistently met and cyber risks are effectively mitigated, thus contributing to the business continuity, operational efficiency and cost-effectiveness. GIS is always proactive and aligns with high cybersecurity standards in protecting data privacy and security. Through GIS, we are able to provide a more secure customer and stakeholder experience.

OUR FOCUS IN 2021

WHAT WE DID

Security Policies & Standards

- Periodically reviewed and enhanced TM's Information Security Policy according to business needs and emerging risks to business assets
- Complied with various international security standards:
  - Information Security Management System (ISO/IEC27001, ISO/IEC27017, ISO/IEC27018)
  - Payment Card Industry Data Security Standards (PCI DSS)
  - Business Continuity Management System (BCMS)

Stakeholders Customers, Employees, Suppliers, Business Partners, Shareholders & Investment Communities

WHAT WE ACHIEVED

- Received **ISO/IEC 27001** certifications for the following areas within TM:
  - **National Network Operations Centre (NNOC)**
  - **GITD**
  - **TM One MERS 999**
  - **TM R&D**
  - **GIS Security Operation Centre (SOC)**
- Received **PCI DSS** certifications for TM Payment Gateway (PG) System, with ongoing assessment for TM One Cloud Alpha Edge (CAE)

Enhance Cybersecurity Culture

- Organised TM's Cybersecurity Response Drill to increase awareness and preparedness against cyberattacks
- Launched six (6) TM Information Security Policy e-learning modules and cybersecurity webinars for employees
- Distributed information security awareness packs for employees and business partners
- Held continuous fortnightly security awareness and advisory for all employees, subsidiaries, business partners and network administrators

Stakeholders Employees, Suppliers, Business Partners

- **80** employees across 13 LOBs participated in the TM Cyber Drill exercise
- **15,905** employees completed the e-learning modules within three (3) months
- **302** employees reached through cybersecurity webinars, targeted at Senior Management and Secretaries

OUR FOCUS IN 2021 (CONT'D)

WHAT WE DID

Strengthen Security Measures

- Expanded our Centralised Vulnerability Assessment System (CVAS) to continuously scan and identify security issues
- Conducted regular security assessments and penetration testing by internal and external teams
- Assessed TM applications to identify weaknesses and vulnerabilities within our infrastructure
- Fortified Identity and Access Control Management as well as enhancing Endpoint Security Management to protect against security incidents
- Adopted Security by Design to ensure security control standardisation across assets and effectiveness is measurable

Stakeholders Customers | Employees | Suppliers | Business Partners | Shareholders & Investment Communities

For more details on our cybersecurity, please see pages 92 to 93.

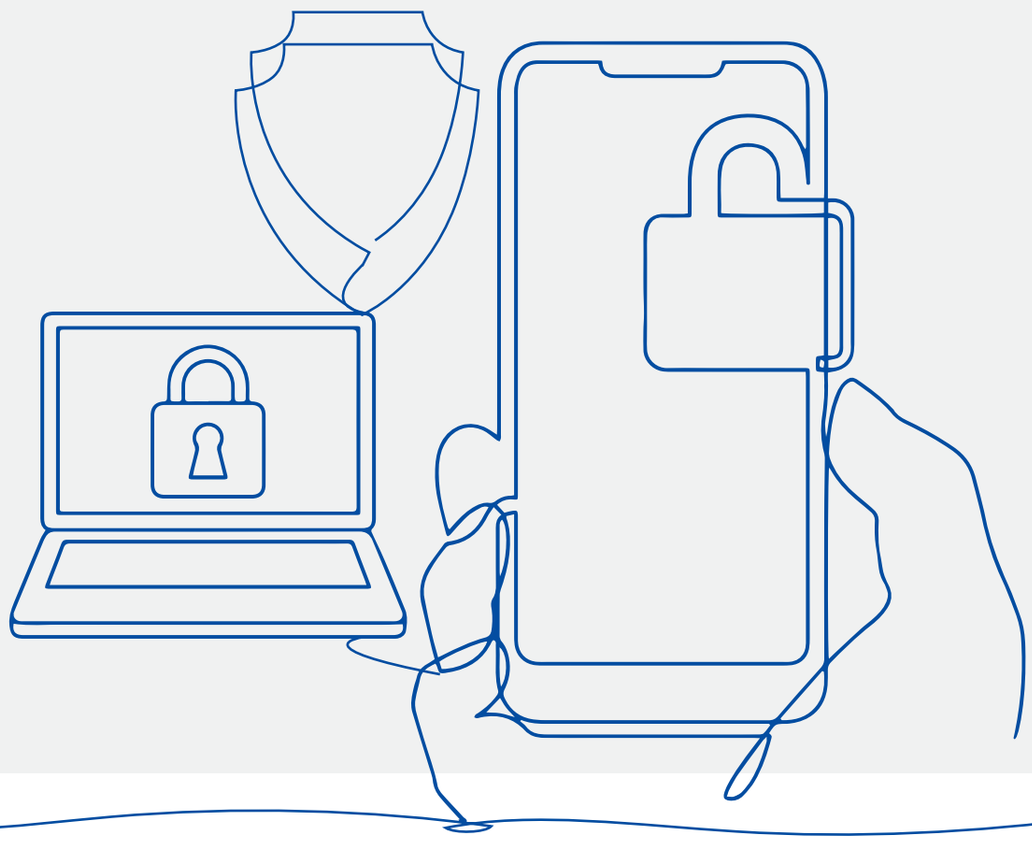
WHAT WE ACHIEVED

- **165** systems/applications with 4,451 assets have been onboarded in CVAS
- Over **1,000** IP addresses underwent security assessments and penetration testing
- **127** applications assessed
- **18,500** corporate devices installed with Endpoint Protections
- Enhanced security of core authentication system involving architecture enhancement, perimeter controls as well as system and application security policies

MOVING FORWARD

In the coming years, GIS will strengthen cyber resilience to improve the Group's ability to prepare, respond and recover from cyberattacks. This is in line with the Group's objectives toward resiliency in digitalisation. GIS will focus on a top-down approach to security baseline for Access Control, Endpoint Controls, Secure Application Development and Network Security, and solution lifecycle in terms of design, development, implementation and maintenance.

Additionally, GIS is establishing a security champion for each LOB with competence in cybersecurity, thus ensuring the adoption of cybersecurity requirements when implementing digitalisation initiatives/operations. The security champion shall become a force multiplier who can address questions, ensure security awareness, and help enforce cybersecurity best practices across the organisation. GIS will also emphasise periodic engagement and assessment of compliance with cybersecurity standards, best practices and industry requirements, thus protecting our business performance and stakeholder value.



Jendela
5G
We connect Malaysia to the world with over
300,000km of submarine cables
worldwide, enough to circle the globe 8 times,
so the first review of your frozen otak-otak can read
정말 맛있어요
(It's really delicious)
#ProgressForAll
OTAK-OTAK
tm.com.my/DigitalMalaysia
DigitalMalaysia
TM

SERVING THE NATION IN TIMES OF NEED

This year has brought real challenges to Progress for All. As Malaysians struggle with the prolonged impacts of the COVID-19 pandemic, we were then hit hard by severe flooding in late 2021. These disasters have impacted lives and livelihoods. It is our duty in nation-building to step-up and help our stakeholders and communities. Through our strong foundation of values and the caring efforts of our people, we were relentless in keeping our customers and communities connected and protected.

CUSTOMERS

How They Were Affected:

- Prolonged service restorations and installations
- Business customers were unable to operate during the MCO
- Service disruption from floods

How We Provided Support:

- Provided 24-hour Service Restoration Guarantee and maintained services throughout the MCO
- Regularly updated customers on installation and restoration progress
- Offered low-cost services to customers eligible for Bantuan Prihatin Rakyat (BPR)
- Set up an online directory for SMEs to expand their customer reach
- Allocated RM13.0 million to replace customers' flood-damaged equipment
- Offered a two-week bill waiver from customers' bills estimated at RM5.0 million, and a 60-day credit term extension to flood-affected customers

EMPLOYEES

How They Were Affected:

- Health risks to frontline employees, particularly for those with existing medical conditions
- Challenges to employee motivation and productivity

How We Provided Support:

- Implemented COVID-19 policies, guidelines and flexible work arrangements
- Offered COVID-19 benefits such as allowances, free screening and medical benefits
- Intensified our 360 Well-being programmes
- Helped employees get vaccinated
- Sent out regular alerts and email blasts on COVID-19 related issues
- Deployed digital tools and applications to help employees WFH

ALWAYS THERE FOR THE NATION

Beyond times of crisis, TM remains at the forefront of empowering people and keeping them safe. As a national telecommunications provider, we take pride in our unique role in safeguarding the well-being of Malaysians while driving the nation forward.

KEEPING THE NATION SAFE 24x7x365

Whether it is for the nation's police force, army, medical emergency team or Government agencies, we ensure our network is resilient, particularly in responding to critical times. Our services are crucial to ensuring the safety and security of the country.

REBUILDING THE COUNTRY THROUGH DIGITAL

As enablers of **JENDELA** and **MyDIGITAL**, we continue to expand our network to improve broadband coverage and quality. Additionally, through partnerships with other operators, local and international players and hyperscalers, we are positioning Malaysia as the region's digital hub. Our aim is to reach all corners of society to ensure nobody gets left behind as we propel the nation toward new heights through a Digital Malaysia.

SUPPLIERS

How They Were Affected:

- Impacted income and revenue due to disruptions
- Supply and delivery disruptions due to global supply chain issues

How We Provided Support:

- Accelerated payments to minimise their financial constraints
- Implemented TM's PERINTIS Vendor Financing Programme (VFP) to improve their cash flow and liquidity
- Engaged with key regulatory bodies to obtain operational approvals for suppliers and manufacturers during the MCO
- Worked closely with local manufacturers to produce sufficient network materials

GOVERNMENT

How They Were Affected:

- Pressure to minimise socio-economic contraction
- Public expectation to mobilise aid and support during floods

How We Provided Support:

- Supported the Government's JENDELA and MyDIGITAL plan to expand our network
- Collaborated with GLC Demi Rakyat dan Negara (GDRN) (formerly known as GLC/GLIC Disaster Response Network to help the Government's COVID-19 response
- Accelerated the delivery of fibre infrastructure solutions in support of the Government's recovery plan

COMMUNITIES

How They Were Affected:

- Impacted the livelihoods and income of B40 communities
- Loss of homes and bare essentials amidst the flooding disaster

How We Provided Support:

- Collaborated with various NGOs and humanitarian bodies to distribute financial assistance and essential items
- Mobilised our volunteers, TMROVers, to distribute relief packs and essential aid to communities affected by the MCO and floods
- Established MMU campuses in Melaka and Cyberjaya, and Kompleks TM Taiping as Vaccination Centres (PPV)
- Set up Tabung Solidarity COVID-19 to collect donations from *Warga TM*
- Expanded broadband services in rural areas to enable them to work and learn from home
- Provided free internet access to B40 school students nationwide
- Allocated RM2.0 million to GDRN in aid of the recovery and flood relief effort
- Distributed over 3,500 care packs to flood-stricken areas

ACHIEVEMENTS & HIGHLIGHTS

CUSTOMERS

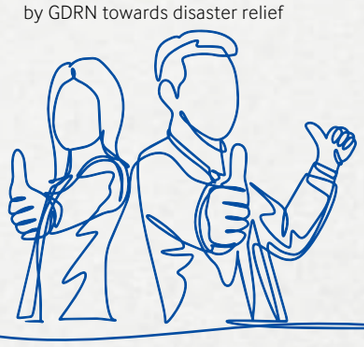
- **Restored** 74% of customers' internet services within 24 hours to reduce downtime
- **Reconnected** 84,274 **customers** who faced flood-related service disruption
- RM36.4 **million** channelled to help customers affected by the flood with CPE replacements, customer rebates, donation and service restoration efforts

EMPLOYEES

- ~RM2.3 **million** spent on employee COVID-19 screening
- **46 COVID-19 alerts** sent to employees in 2021
- **99.6%** of *Warga TM* vaccinated
- Received awards for actions taken to protect the safety and well-being of employees throughout COVID-19:
  - **Best Companies to Work for in Asia 2020 (Malaysia Chapter) by HR Asia Awards**
  - **WeCare: HR Asia Most Caring Companies Award 2020**

COMMUNITIES

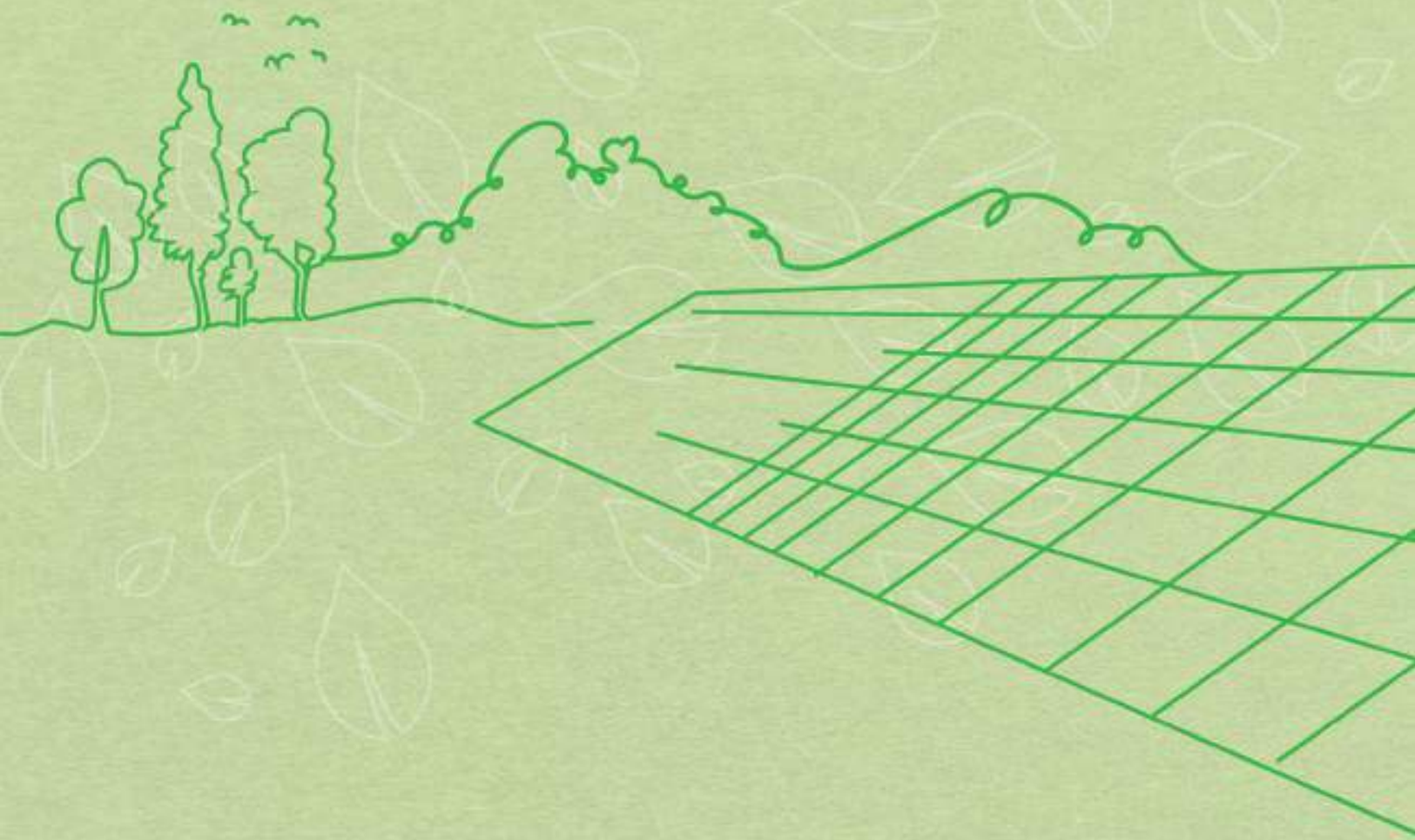
- **Over** RM20.0 **million** in COVID-19 assistance contributed since 2020
- **>** 87,443 individuals and families reached
- **>** 85 NGOs supported
- 2,000 **B40 students** received free internet access, with total contribution of RM500,000
- RM46.0 **million** contributed by GDRN towards disaster relief



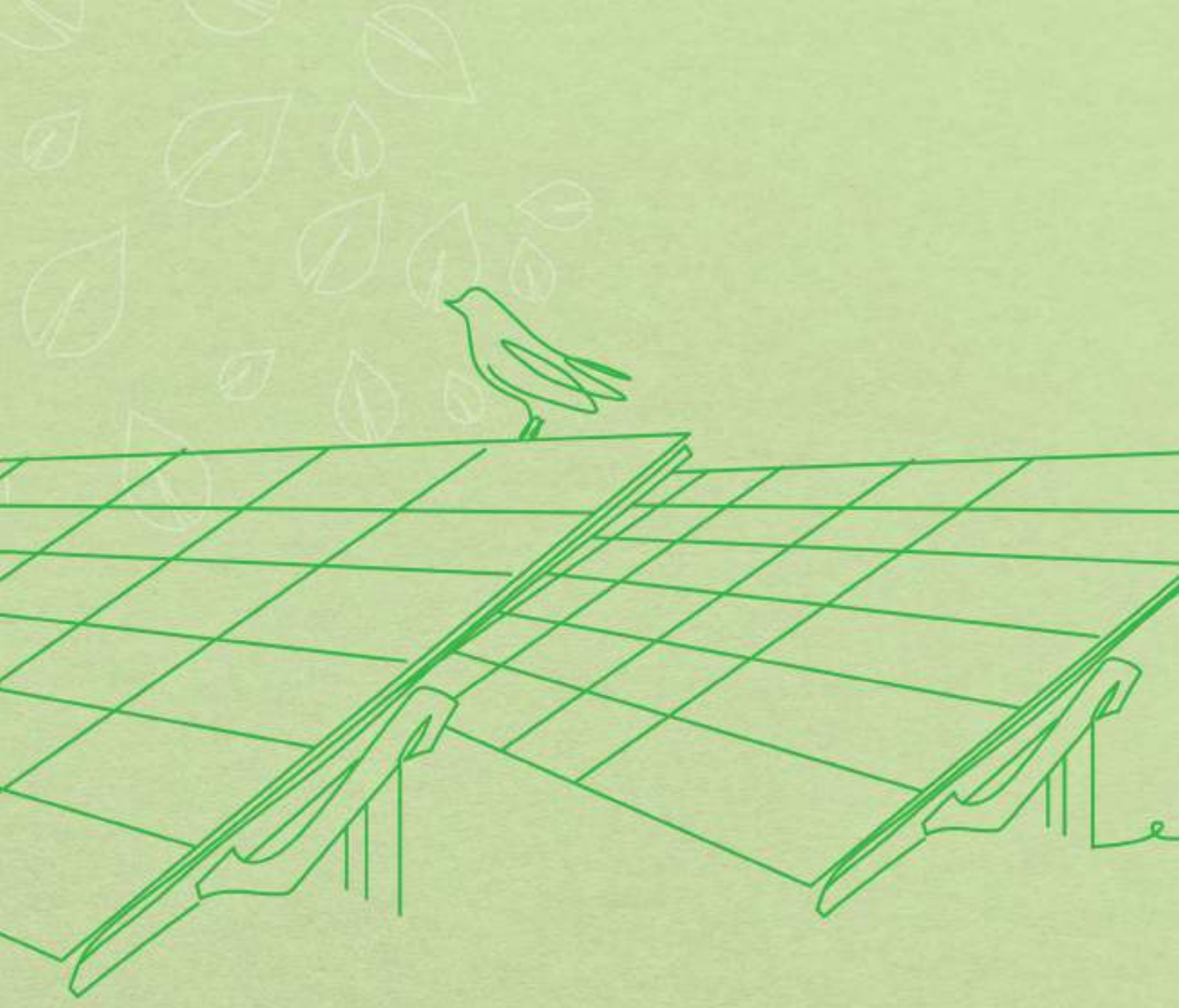
GOVERNMENT

Remain actively committed to serving the nation by upholding the national agenda through JENDELA Plan:

- **Achieved over** 100% of TM's 2021 JENDELA target
- Installed **over 1.0 million** broadband ports nationwide
- Expanded the 4G and **5G fibre infrastructure**:
  - **Achieved the highest active port subscription** for wholesale High-Speed Broadband (HSBB) access with **more than** 550,000 total ports for other Malaysian fibre broadband telcos
- **Recorded** 190 **new deals** from hyperscalers and global service providers for various wholesale International Data services



As part of our environmental sustainability efforts, we built a solar energy generation installation on an island off the coast of Pahang to power a tower station, an undertaking which earned us an award



SUSTAINABILITY

Conserving tomorrow

Ethical, forward-thinking action. This is the tenet that guides TM through its environmental, social and corporate governance efforts. On a grander scale, we intend to achieve net-zero emissions by 2050, in addition to ensuring that at least 70% of all premises within the nation have access to high-speed internet

Our Commitment to You

DEAR STAKEHOLDERS,

TM has been at the forefront of many milestones in the development of telecommunications in Malaysia. The technology and services deployed throughout its rich 75-year history have resulted in the Malaysia we know today. As society grapples with emerging sustainability challenges, including the lingering effects of COVID-19 or climate-related disasters, TM as a Group will continue to play a central role in moving the country forward.

With an unfaltering commitment to nation-building, TM is accelerating its sustainability journey to help Malaysia navigate a post-pandemic landscape. The past two (2) years have shown how critical digital connectivity have become. More than ever, people need the internet to work and live. As we enable the transition towards a Digital Malaysia, TM is prepared to shoulder its responsibility in ensuring nobody gets left behind. This includes expanding its coverage to all corners of the country, delivering network connectivity to rural communities and closing the digital divide. As we do this, TM ensures it also manages the environmental impact of its network expansion and operations in general. This year, TM expanded its domestic and international fibre network to over 650,000 km.

This nation-building aspirations are very much a part of sustainable development. TM believes in inclusive socio-economic empowerment that leaves behind a better world for current and future generations. This sentiment is the driving force behind its business objectives. With this in mind, TM has made significant progress this year in embedding sustainability into its culture and ecosystem. We have taken a big step forward this year in enhancing our sustainability efforts. To strengthen the alignment of its business and sustainability performance, TM has incorporated sustainability into its strategy, the New TM Compass. At the same time, we sharpened our sustainability strategy by linking each Sustainability Pillar with a Strategic Aspiration, with action plans supported by relevant KPIs to ensure clear accountability and timely implementation.

A particularly notable achievement is the development of TM's ESG Roadmap and its execution plans, in which we have set ambitious near to long-term sustainability targets against the 2019 baseline. TM aims to cut its carbon footprint by 30% in 2024, further lower its emissions by 45% in 2030, and ultimately achieve net-zero emissions by 2050. These targets reflect our sincerity in creating positive impact that benefits everyone.

As TM intensifies its efforts in environmental initiatives, it will also continue to focus on maximising positive social impact. With a diverse network of stakeholders that rely on TM for a range of matters, we commit to always do our best to meet these needs. From responsible supply chain practices and a safe and inclusive work environment to empowering our employees, partners and local communities, TM always put people first. Underpinning its environmental and social contributions, is good governance. TM knows that the only way to achieve its sustainability commitments is to conduct itself with the highest standards of ethics, integrity and transparency, with a zero-tolerance approach to all forms of corruption. Furthermore, TM's ESG roadmap and execution plans are aligned with key global standards and indices, which include FTSE Russell, Carbon Disclosure Project (CDP) and the TCFD among others. This ensures we conduct ourselves according to international best practices.

In the following pages, we are delighted to share our sustainability progress and performance during the year. We hope it provides insight into how far TM has come and where it is headed. On that note and on behalf of TM, we would like to thank all our stakeholders for their role in this commendable sustainability journey. The work we do is shaped by the trust you have placed in TM over the years. As we support Malaysia in its phase of recovery and rebuilding, we are excited to explore new opportunities on how TM can create sustainable value for each of you.

Tan Sri Mohammed Azlan Hashim
Chairman

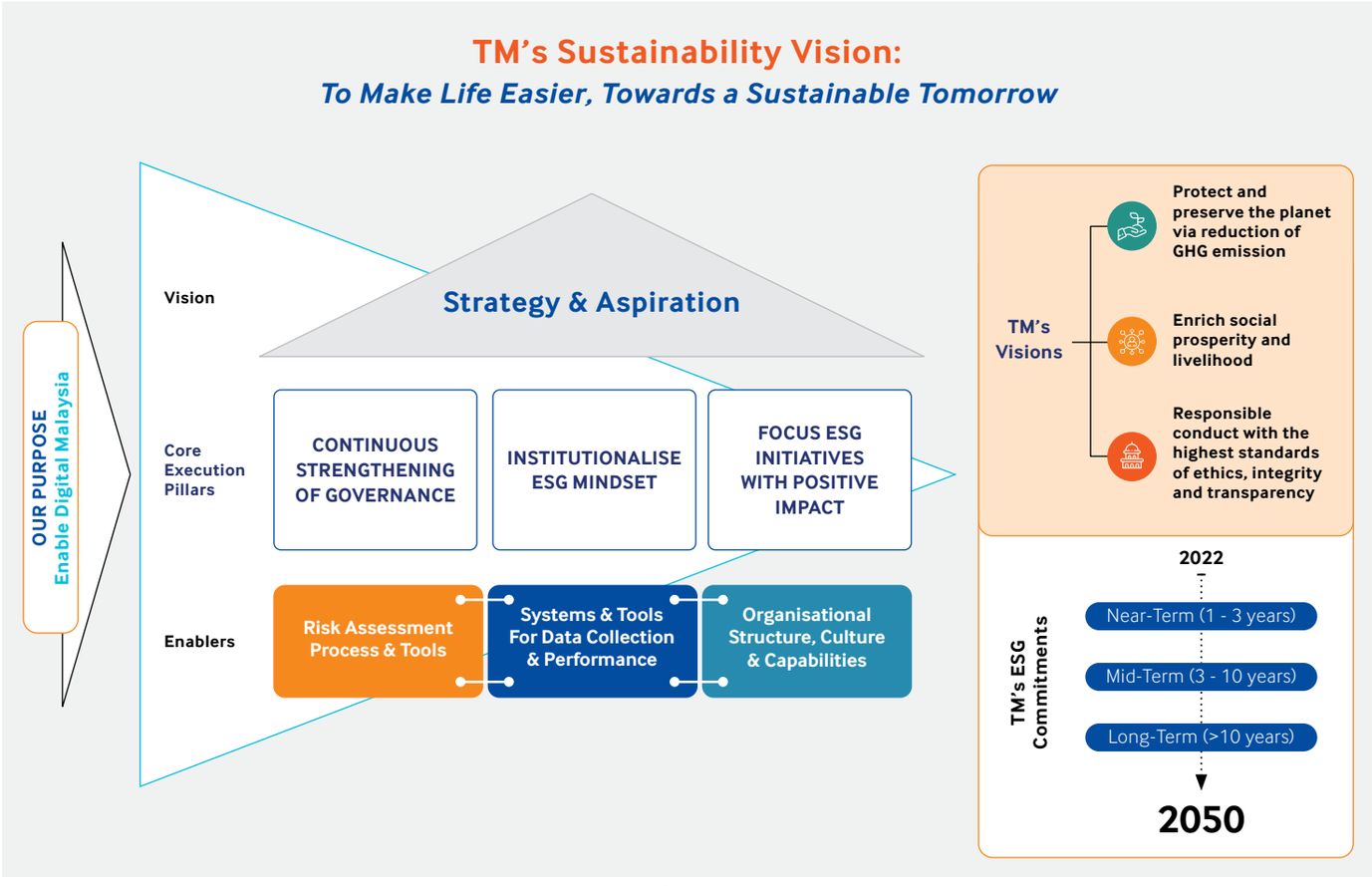
Imri Mokhtar
Managing Director/GCEO

Sustainability at TM

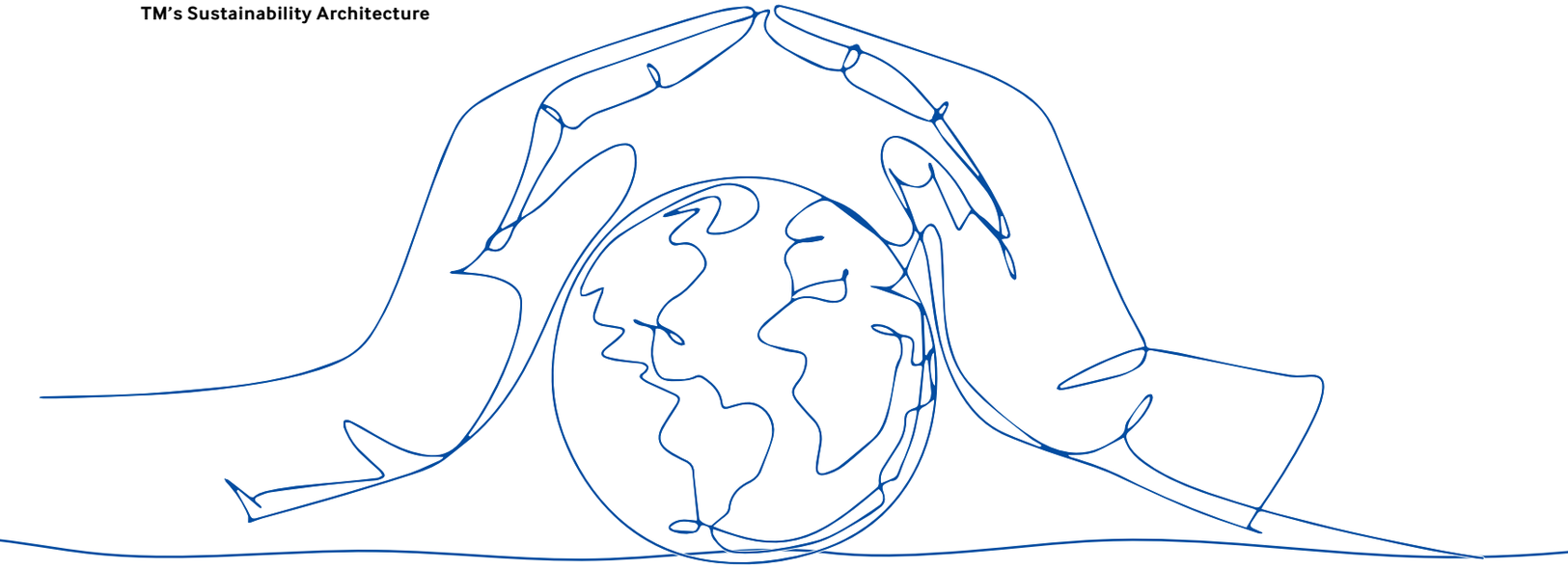
SUSTAINABILITY STRATEGY

We view sustainability as a prerequisite to achieving our long-term value creation goals. It allows us to achieve our commercially-feasible digital aspirations while addressing the sustainability challenges faced by the *Rakyat*. Sustainability is an extension of the way we run our business. It is a source of our competitive advantage.

With this in mind, we aligned our business and sustainability strategies in 2021. Our strategy, the New TM Compass, now includes efforts related to sustainability with enhanced ESG aspiration. The Strategic Aspiration of 'Our Purpose' covers sustainability, thus truly embedding it into TM's ecosystem. Our sustainability objectives are driven by TM's Sustainability Architecture, with execution pillars and enablers to accelerate our sustainability journey. By integrating sustainability into our business objectives, we are on track to achieving our commitments, as outlined in our ESG Roadmap on page 81.



TM's Sustainability Architecture

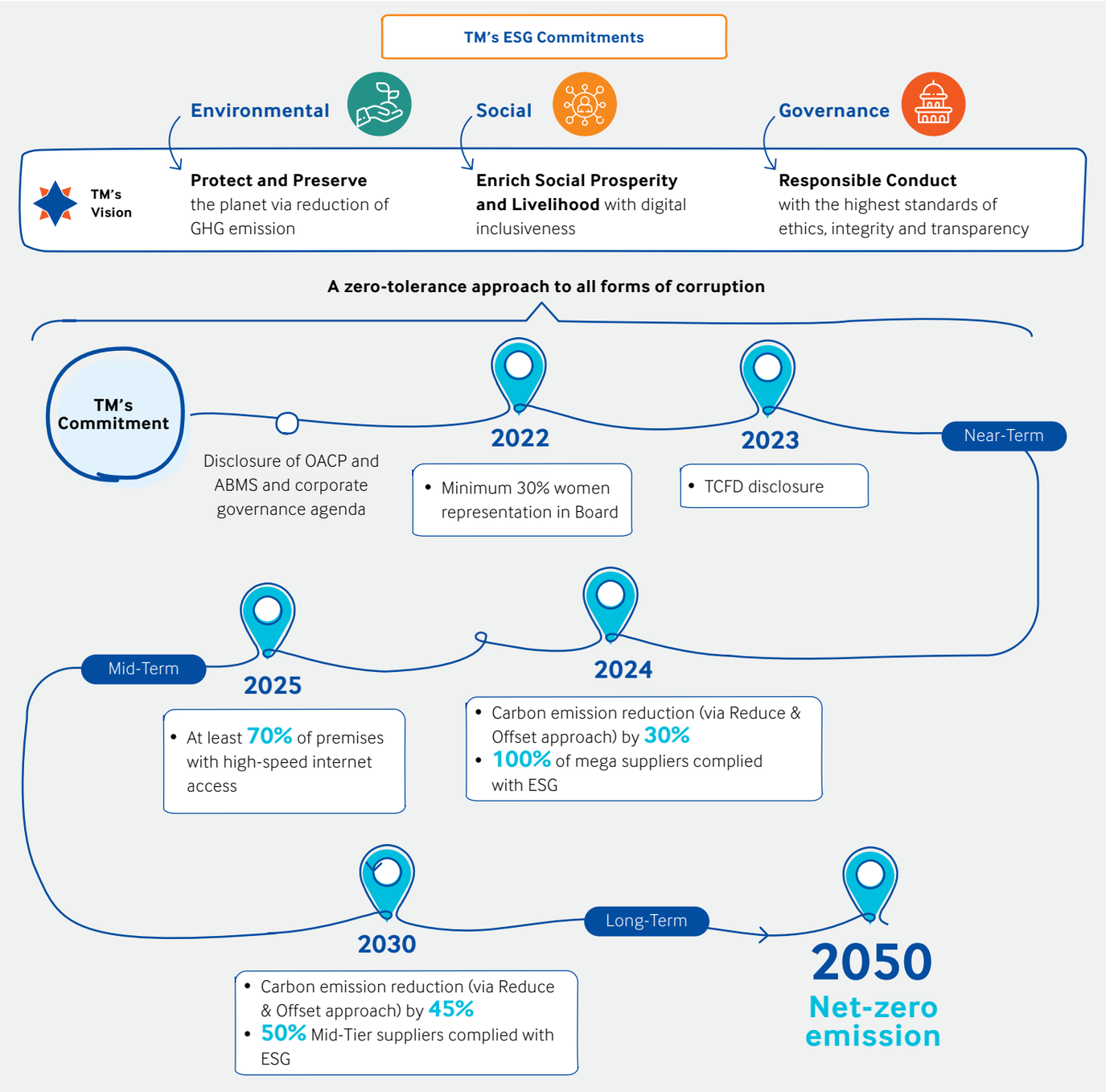


By integrating sustainability into our strategy, we are able to build our business resilience, create inclusive value for stakeholders, meet our nation-building agenda and contribute to solving global sustainability challenges.

Through Our Sustainability Pillars…	…we create sustainable value for our stakeholders…	…and our business performance…	…while contributing to the Government's nation-building ambitions…	…and the UN's Global Goals
Building a Digital Malaysia	**Customers:** Provide innovative and inclusive technological solutions that enable them to thrive in an increasingly digital world **Communities:** Deliver critical internet access to rural areas, thus connecting communities to essential services such as education, banking and healthcare	• Contributes to our long-term financial growth • Reinforces our position as an industry leader • Improves our competitive advantage	**JENDELA:** A five-year action plan to improve the quality and reach of Malaysia's communication network and close the digital divide. **MyDIGITAL:** A national initiative to transform Malaysia into a digitally-driven, high-income nation and a regional digital leader.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Material Matters: M1 Product Innovation, M2 Customer Experience			**New TM Compass:** Our Purpose, Our Business, Our Customer	
Protecting the Planet	**Suppliers:** Strengthen the supply chain through environmental standards/requirements **Communities:** Contribute to ecological resilience to protect society from climate change and other environmental challenges	• Saves costs through improved operational efficiency • Mitigates climate-related damage to our infrastructure • Stays ahead of rising environmental regulations and costs (i.e., carbon tax)	**Malaysia Climate Change Action Council:** Malaysia aims to reduce its greenhouse gas (GHG) emissions intensity by 45% across the economy in 2030, with an aspiration of achieving net-zero emissions by 2050. **Green Technology Master Plan Malaysia:** A national plan to develop green technology and create a low-carbon economy by 2050.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Material Matters: M4 Climate Change			**New TM Compass:** Our Purpose, Our Business	
Putting People First	**Employees:** Create an inclusive and nurturing work environment that builds their careers **Suppliers:** Empowerment of rights and development of everyone in the supply chain **Communities:** Contribute to socio-economic progress through educational and social programmes for underserved communities	• Increases productivity and performance of employees • Strengthens supply chain resilience for minimal disruptions • Improves public trust and brand reputation	**Malaysian Code on Corporate Governance (MCCG):** To encourage gender diversity, Boards must have at least 30% women directors. **Shared Prosperity Vision 2030:** Addresses disparities to protect and empower the *Rakyat* in ensuring that no one is left behind by 2030.	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Material Matters: M3 Responsible Supply Chain, M5 Human Capital, M6 Community Development			**New TM Compass:** Our People	
Strengthening Our Integrity	**Employees:** Create a culture of integrity and fairness for a better work environment **Government & Regulators:** Avoid fraud and corruption that may negatively affect economic growth	• Prevents regulatory penalties and related costs • Strengthens TM's image as a sustainable and responsible company	**The National Anti-Corruption Plan:** An anti-corruption policy that reflects the *Rakyat's* expectations for a greater corrupt-free nation with promised transparency, accountability and integrity.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Material Matters: M7 Governance			**New TM Compass:** Our Business, Our People	

ESG ROADMAP & COMMITMENTS

An exciting milestone in our sustainability journey this year is the development of TM's Sustainability Roadmap. Driven by our headline ESG Vision of Making Life Easier for a Sustainable Tomorrow, the roadmap articulates our near to long-term ESG vision and goals, thus enabling us to track and measure our impact. These goals will be executed through ESG initiatives which are embedded into TM's ecosystem for effective implementation. The roadmap sets a clear path for the Group to achieve its sustainability ambitions, acting as a blueprint for the leadership team, employees, partners and other stakeholders to work together in creating a more sustainable world.



CONTRIBUTIONS TO THE GLOBAL AGENDA

TM's commitment to creating sustainable impact extends beyond the boundaries of Malaysia. We understand that everything on this planet is interconnected; nations, businesses and individuals alike are responsible for the well-being of future generations. As the world continues to face pressing sustainability challenges, we at TM are determined to play our part. Our sustainability agenda aligns with the UN SDGs, enabling us to translate our business activities into meaningful global contributions. An improvement this year is the prioritisation of the UN SDGs. We mapped our activities and material matters against specific SDG targets and indicators. This enabled us to identify SDGs in which we have the most impact and influence, resulting in nine (9) Focus SDGs.

SUSTAINABLE DEVELOPMENT GOALS

SDG Targets	TM's Contributions
Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than RM1.25 a day	• RM6.5 million contributed (including PERMAI Funds) to COVID-19 relief efforts to ease the financial burdens of those affected during COVID-19 lockdowns For more information, kindly refer to page 116.
Target 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	• RM2.0 million pledged for floods relief • >RM870,000 disbursed for humanitarian assistance For more information, kindly refer to page 117.

SDG Targets	TM's Contributions
Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	• RM300,000 contributed to educational programmes for primary/secondary schools through TM Future Skills • >RM7.2 million accumulated contributions in helping students with online learning For more information, kindly refer to page 115.
Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	• Develop future digital leaders through MMU, a comprehensive higher education ecosystem that empowers its students for innovation and entrepreneurship ventures For more information, kindly refer to page 118.
Target 4.b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	• RM15.7 million worth of scholarships disbursed to support the academic ambitions of high-potential students For more information, kindly refer to page 114.

SDG Targets	TM's Contributions
Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• 31% of management positions held by women • 36% of Board members are women For more information, kindly refer to page 112.

SDG Targets	TM's Contributions
Target 8.4: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	• RM167,000 contributed with >1,260 individuals benefitted, and assisted through TM community development programmes • 70 suppliers engaged through Bumiputera Vendor Development Programme (BVDP) For more information, kindly refer to page 118.
Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training	• 187 youths (aged 15-24 years old) provided with employment, education or training • 92% YTM scholars employed within six (6) months of graduating For more information, kindly refer to page 114.
Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment	• 36,202 employees trained on human rights policies/ procedures • 37% workers protected by Collective Bargaining Agreements; 7,572 employees are unionised For more information, kindly refer to page 112.

SDG Targets	TM's Contributions
Target 9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1.0 million people and public and private research and development spending	• RM61.4 million invested in TM R&D • Continue to develop smart solutions to enable Malaysia's digital ecosystem For more information, kindly refer to page 90.
Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in the least developed countries by 2030	• >3.0 million broadband ports • >650,000 km of domestic fiber optic • >320,000 km of submarine cables with 30 submarine cable systems • >3,000 4G backhaul sites, with close to 3Tbps in bandwidth utilisation • >13,000 Wi-Fi hotspots installed • >240,000 km copper cables For more information, kindly refer to pages 86 to 90.

SDG Targets	TM's Contributions
Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average	• 6,000 B40 school students reached through unifi Mobile Package for students • 60 students from B40 families helped via #MYBAIKHATI campaign For more information, kindly refer to page 115.

SDG Targets	TM's Contributions
Target 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage	• RM957,000 invested in cultural/natural heritage programmes For more information, kindly refer to page 118.
Target 11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global GDP caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations	• RM2.0 million pledged for floods relief, with >RM870,000 disbursed for humanitarian assistance and more than 5,000 families assisted For more information, kindly refer to page 117.

SDG Targets	TM's Contributions
Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	• 61.9% reduction in scheduled waste For more information, kindly refer to page 98.
Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• 95 suppliers reached through seminar on Government Incentives in Green Technology Sector • 31% suppliers meet the ESG environment requirements • 67% suppliers meet the ESG social requirements For more information, kindly refer to pages 102 to 106.

SDG Targets	TM's Contributions
Target 13.2: Integrate climate change measures into national policies, strategies and planning	• ESG and climate change risks have been included as part of our BRC agenda • Increase business and operational resilience through robust BCM programme set-up and implementation • Established progressive carbon-reduction targets, with a long-term goal of being net-zero by 2050 For more information, kindly refer to pages 79 and 81.

Our Sustainability Progress

Our ESG approach is based on our sustainability vision of Making Life Easier, for a Sustainable Tomorrow. We continuously strengthen our commitment to creating positive impacts for people and the planet. We embed smart and digital solutions without compromising the human touch, towards building a sustainable Digital Nation that benefits all.

Please click **here** for the three (3) years of Sustainability Performance Data

Building a Digital Malaysia

64% premises reached with fibre internet access by the end 2022
Target
by 2025: 70%

92.2% customer complaints resolved within five (5) days
Target
by 2021: 90%

735 cybersecurity incidents resolved/ handled

23 NPS Score
Target
by 2021: 14

See more on page 86

Protecting the Planet

8% reduction of GHG emission
Target
by 2024: 30%
by 2030: 45%
by 2050: 100%

4.6% reduction of Scope 1 emission,
9.2% reduction of Scope 2 emission
Target
by 2030: 45%
by 2050: 100%

61.9% reduction of scheduled waste

80.1% reduction of Air-Travel Emissions

See more on page 96

Putting People First

67% of suppliers meet the ESG social requirements

31% of suppliers meet the ESG environment requirements

~RM3.0 billion total payment to local suppliers

RM1.1 billion total operating cost distributed to Bumiputera Vendors

36% women representation in Board
Target
by 2024/2025: 30%

31% of women in Management
2020: 28%

30 average total hours of training per employee

37% of employees with collective bargaining agreements

See more on page 102

Strengthening Our Integrity

99% OACP action plan completion
Target
by 2024/2025: 100%

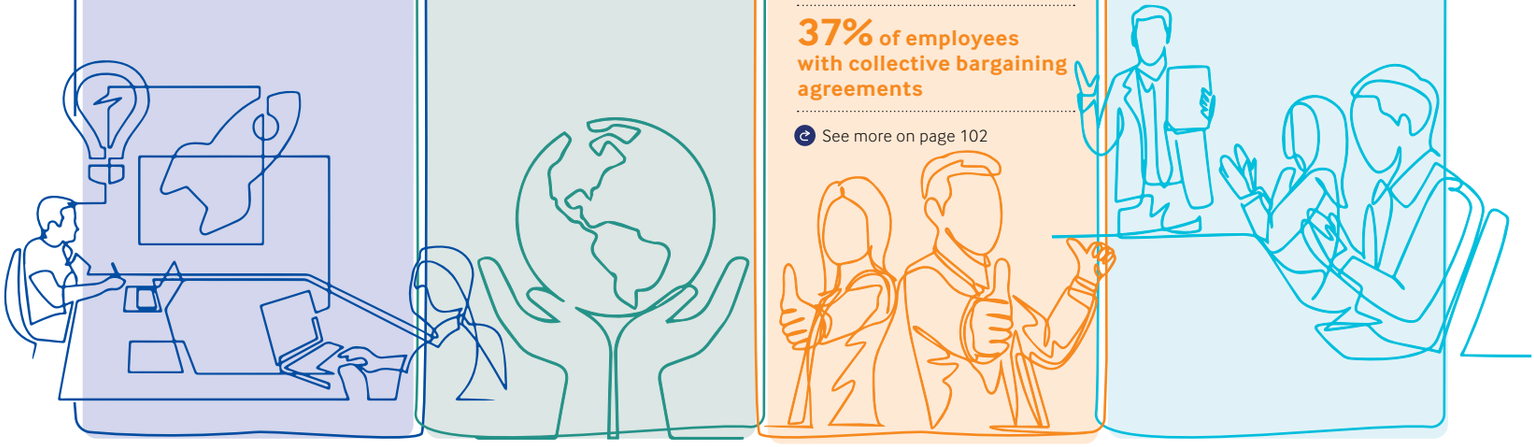
100% ABMS certification
Target
by 2024/2025: 100%

20 operations effectively assessed and managed for corruption risks

93% misconduct/ malpractice reports resolved

Achieved
Remuneration linked to ESG related KPIs

See more on page 121



Achievements

ESG Rating:

CDP DISCLOSER 2021 **CDP Rating = C**

Constituent of **FTSE4Good Bursa Malaysia** with 4 out of 4 stars rating

FTSE Russell **Rated by FTSE Russell**

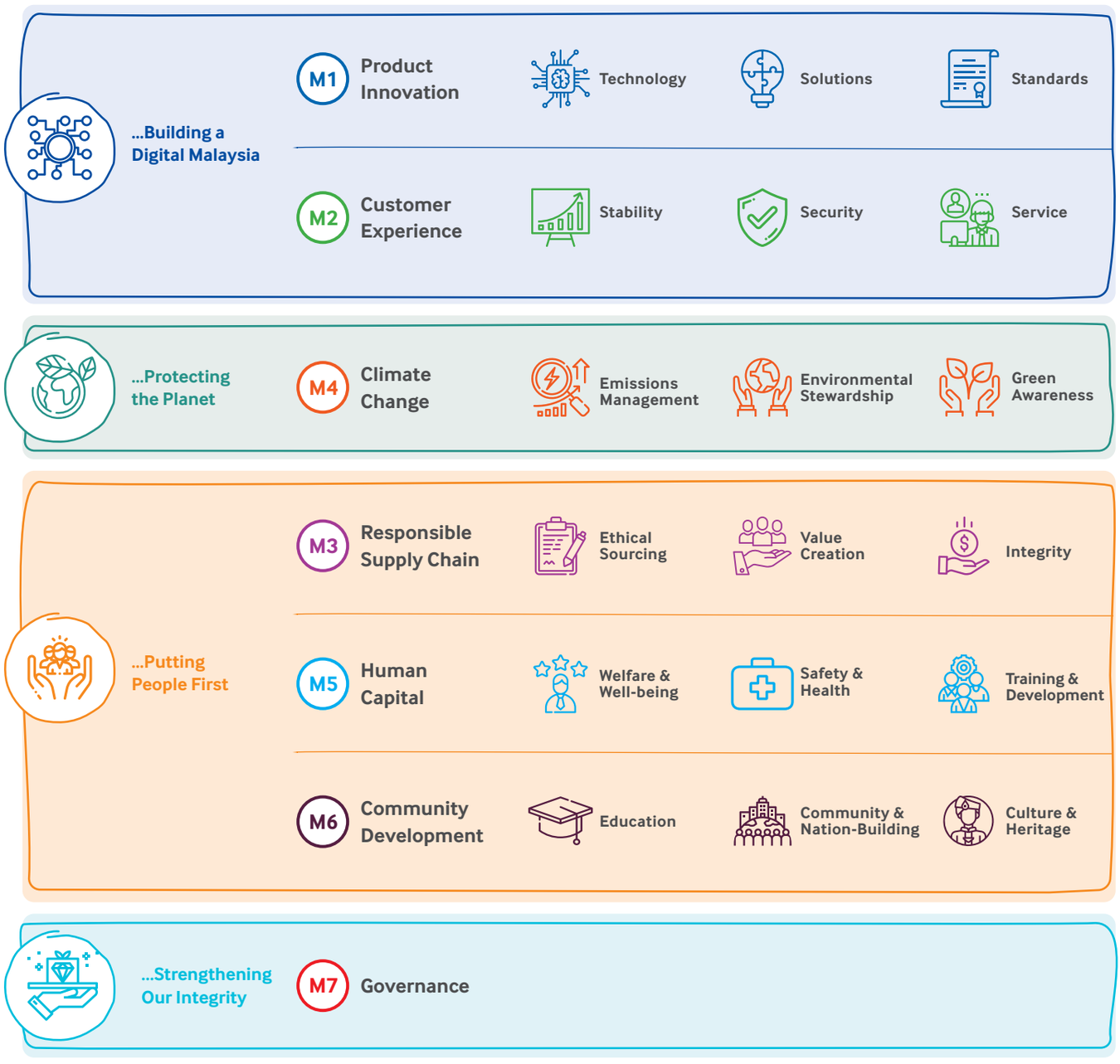
We Create Value By...

As a stakeholder-centric organisation, we view sustainability as a key aspect of our value creation story. We are motivated to improve the lives of every person that interacts with TM. More than just generating profits, we aim to deliver value to all our stakeholders. This commitment is the driving force behind our sustainability goals. By contributing to socio-economic progress and environmental preservation, we create a better Malaysia for current and future generations of stakeholders.

For each of our sustainability pillars, we address material matters that impact both our business and stakeholder value. By focusing on material matters, we further strengthen the integration of sustainability into our business activities. The material matters are also supported by key drivers of sustainable value creation, as shown below. For more information on our materiality process, please see page 25.

The following pages describe our sustainability performance in 2021, particularly regarding how we addressed our material matters and created value for stakeholders.

We Create Value By...



...Building A Digital Malaysia

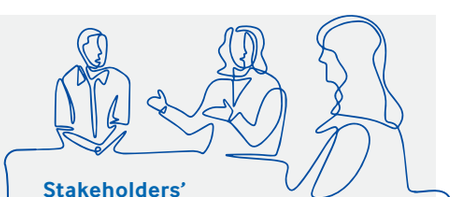
Over the past 75 years, TM has been at the forefront of connecting Malaysians to their loved ones. With a future-ready approach, TM will continue to drive the country forward as the Group evolves into a human-centred technology company. TM will develop cutting-edge technology, develop innovative product solutions, and contribute to the national JENDELA programme of bridging the digital divide. At the same time, TM continues to protect the best interests of its customers through unparalleled customer experience and a robust cybersecurity system.

In This Section:

M1 PRODUCT INNOVATION
- TECHNOLOGY See page 87
- SOLUTIONS See page 88
- STANDARDS See page 89

M2 CUSTOMER EXPERIENCE See page 91
- STABILITY See page 92
- SECURITY See page 92
- SERVICE See page 93

M1 PRODUCT INNOVATION



Stakeholders' Expectations

- Affordable and superior technology
- Seamless connectivity and dependability
- Consistent and quality service standards

THE REASON WE CARE

Technology is fundamental to improving the lives of the nation. Through continuous innovation, we can meet the evolving connectivity needs of Malaysians, address social and environmental challenges, as well as improve our competitive edge and business performance. This has been our story for the past 75 years. Throughout our history, we leverage new technologies to deliver critical connectivity and improve the lives of all Malaysians, while simultaneously establishing ourselves as a leading telco player. The expansion of our network infrastructure also ensures inclusive socio-economic growth by closing the digital divide, thus contributing to the Government's JENDELA action plan. As Malaysia's Digital Enabler, we understand the key role we play in driving the nation forward via innovative solutions.

OUR APPROACH

Our approach to product innovation furthers the Digital Malaysia vision while positioning TM as a digital enabler and leader. Through cross-functional collaboration, we develop creative solutions that meet the rapidly-changing expectations of our customers. This often includes developing products that address economic, environmental and social challenges. The products we develop go through rigorous standards and processes to ensure the quality and safety of our customers. Our top priority is to improve the accessibility and affordability of our products and services. In line with our vision of 'Making Life and Business Easier for a Better Malaysia', we strive to expand our network coverage for underserved communities, thus improving the lives and livelihoods of all Malaysians.

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

TECHNOLOGY

Leveraging new technologies are important in developing smart solutions that make lives easier for customers. Through co-creation with TM's innovation arm TM R&D and Line of Businesses (LOBs), we release innovative products and solutions that address Malaysia's most material connectivity and digital needs. For 2021, we focused on developing smarter solutions to improve efficiencies, accelerate digital transformation and enhance customer experience.

TM's SMART SOLUTIONS

	WHAT IS IT?	IMPACT
CAMELIA	An intelligent support system for passive network fault diagnostic and prediction. The system leverages best-in-class technologies transitioning from reactive to proactive/predictive troubleshooting capabilities.	**Improved customer's network restoration time to within 24 hours.**
TM Force	An intelligent workforce management platform to help unifi improve its restoration services.	**Enhanced CTTI within four (4) days; and optimised Meeting Customer Appointment Time (MCAT).**
SPICE.ai	An integrated AI-driven customer experience platform that includes Automatic Speech Recognition (ASR), Mesh Wi-Fi offering, single view billing information, holistic 360-view and service assurance.	**Reduced frontliners' call handling time for each user.**
TROIKA	An intelligent demand management system targeting 'Zero' waiters within JENDELA requirements.	**Accelerated waiters' clearance time within 14 days, thus improving customer experience.**
SWIM	A water management system that increases productivity with automated water meters, water level and water quality sensors. It improves response to water leakage or water pollution by detection/ prediction analytics on water level and quality.	**Improved the usage visibility of each user by 3,000%.**
5G Backhaul	A provision of backhaul and fronthaul solutions enabling 5G network services deployment to all Mobile Network Operators (MNOs) in Malaysia for their subscribers.	**Enabling MNOs to offer 5G services to end users in proliferating digital penetration nationwide and improving the socio-economic status of Malaysians.**
TM Internet Exchange (TMiX)	A single Point-of-Interconnect facility that offers peering infrastructure which enables networks in the telecom ecosystem to interconnect and exchange traffic.	**Deliver a comprehensive internet ecosystem via open interconnection internet exchange for greater internet and digital experience for end-users.**

We have also been supporting the Government's aspirations towards 5G, positioning TM as the strategic Network Partner for Malaysia's 5G rollout in Malaysia. We continue to expand our 5G integrated infrastructure offerings, including fibre leasing, site leasing, data centre and other data services. When 5G arrives, the fibre optic infrastructure is already available and depending on the spectrum that will be used, the Radio Access Network (RAN) site will require minimal software upgrade.

5G Demonstration Project (5GDP)

We deployed six (6) of our 5G use cases at TM's 5GDP in Subang Jaya and Langkawi. The use cases demonstrate how 5G improves *Rakyat's* lives through smart solutions.

Malaysia Agro Exposition Park (MAEPS)

Since 2020, we participated in another 5GDP at MAEPS, in which we deployed our Early Warning, Alert & Response (EWAR) technology. EWAR helps medical teams safely and accurately screen temperatures at COVID-19 quarantine and treatment centres.

ENABLING MALAYSIA'S 5G ECOSYSTEM

5G Centre of Excellence

We established a 5G centre that facilitates technology transfer to stakeholders across the value chain. The centre is furnished with equipment to test 5G coverage, speed, latency and interference. Visitors can also test the compatibility of any IoT model with 5G.

5G Stations

We have implemented several 5G stations in The Greater Klang Valley to support DNB's 5G network. Beginning September 30, 2021, TM will provide connectivity to 4,000 locations nationwide until the end of 2022 as well as provide services to mobile network operators in Malaysia.

SOLUTIONS

We focus on bringing solutions that bridge the digital divide, particularly by improving connectivity and infrastructure expansion. This aligns with the Government's JENDELA action plan and TM's aspirations of delivering affordable, accessible and inclusive connectivity to all Malaysians. In doing so, we increase the number of people connected to our network for greater financial outcomes, while, more importantly, ensuring that everyone will benefit from a Digital Malaysia.

TM SUPPORTS THE NATIONAL DIGITAL ECONOMY BLUEPRINT - MYDIGITAL

MyDIGITAL KKMM

Jendela – Jalinan Digital Negara

Active and Major Fibre Contributor

- Greatly improve broadband coverage and quality to home and business premises
- Fiberisation of mobile towers to improve current 4G service quality and more significantly, to expedite 5G rollout

5G

Fibre Foundation Key to 5G

- Primed to support the 5G Special Purpose Vehicle (SPV), TM's fibre network nationwide enable fast and cost-effective rollout of the 5G infrastructure
- Allows more focus in rapidly bringing next generation services to our multi-industry customers

Sole Home-based Cloud Service Provider

- Cloud 1st Strategy – 80% migration of Government data to cloud by 2022
- Greater collaborations with Government agencies to accelerate and enhance Digital Government

Support Global Connectivity and ASEAN Hub

- Ever growing global network of close to 30 submarine cable systems spanning >320,000 km
- Strong relationships with global telco and content partners, including hyperscalers

In 2021, we continued to invest in future growth by modernising its network and technology platforms to deliver the best current and future solutions for its multi-segment customers. Our network capital expenditure for the year stood at RM1.3 billion, of which 85% was for network access, while 15% for support systems and others. We aim to provide fibre infrastructure access to 6.0 million premises by the end of 2022.

Through unifi, we are also accelerating the migration programme of Streamyx service customers (copper network) to higher quality unifi fibre networks. The expansion of fibre networks is not limited to residential and business premises but also allows the fiberisation of mobile towers to improve the quality of 4G services while accelerating the launch of 5G.

Internationally, we upgraded submarine cable capacity in strategic routes, particularly to the US through the Pacific Ocean route and Europe through the Indian Ocean route. We also enhanced our international footprints with the expansion of CDN nodes and greater PoPs coverage for diversified core and adjacent businesses worldwide.

Infrastructure and footprints expansion in both domestic and international markets provide integrated and seamless solutions in enhancing domestic digital inclusivity as well as bringing Malaysia closer to the world.

FAST INTERNET FOR RURAL AREAS (FIRA)

WHAT IS IT?

To enable broadband services in rural areas without infrastructure expansion. This is done by actively commercialising our fixed wireless broadband solution, FIRA, for customers located at the cell edge and up to 8 km from our 4G base stations.

WHAT WE DID

We installed FIRA at Pusat Komuniti Desa Parit Sapran, Pontian, Johor. The community centre is located in a rural area, with internet speeds of less than 1Mbps.

Impact:

Provided more than 25Mbps broadband connectivity at the premise, hence turning it into an internet centre for the community.

We deployed FIRA at Sekolah Kg. Batu Laut, Selangor, a school in a rural area outside of our fibre network coverage.

Impact:

Helped teachers and students stay connected during COVID-19 restrictions.

STANDARDS

Our customers deserve the best. This means delivering world-class products that truly make their lives easier. By adhering to quality standards, we are able to deliver safe and reliable products to our customers. TM's focus on standards includes efforts to upskill its servicing staff, improve the quality of products by working with sourcing partners, and manage the overall environmental and social impacts associated with delivering safe and quality services.

Most of our commercialised solutions released in 2021 include information on how to safely use the products and derive maximum value. Customers can refer to the installation manual as well as the customer support page. We also continue to ensure full compliance to OSH requirements for all our products and services.

Furthermore, according to the Quality of Service (QoS) assessment conducted on TM's fibre technology by MCMC, we managed to deliver at least 90% of the subscribed speed for over 90% of the download and upload processing period.

OVERALL IMPACT & ACHIEVEMENTS

Smart Solutions

- **RM61.4 million** invested in TM R&D

Expansion of Coverage

- **>3.0 million** broadband ports
- **>650,000 km** of domestic fibre-optic cables
- **>320,000 km** of submarine cables (▲ 3%) with **30** submarine cable systems
- **>3,000 4G backhaul sites** (▲ 4%), with close to 3Tbps in bandwidth utilisation (▲ 7%)
- Commencement of **5G** infrastructure roll-out for Digital Nasional Berhad (DNB)
- **>80** CDN nodes (▲ 29%)
- **>13,000** Wi-Fi hotspot installed
- **>240,000 km** copper cables
- **28** international gateway PoPs worldwide
- **9** data centres (including 3 world-class Tier III/Rated 3 data centres)

Product Certifications

- ISO 27001:2013 certification for Centurion, TM's self-service security scan automation
- SIRIM/MCMC Certification from year 2019 for TM's Smart Helmet, a helmet that leverages IoT for improved safety features
- SIRIM certification for FIRA, our fixed wireless broadband solution

Product Safety & Quality

- **100%** compliance to related regulations

Awards & Recognitions

- International Innovation Awards
- Malaysia Technology Excellence Awards
- Global Business Outlook Awards
- Regional Innovation Showcase on Team Excellence (RISTEx) 2021 by Malaysia Productivity Corporation (MPC)
- Annual National Productivity and Innovation Showcase (ArtSe) 2021 by MPC
- International Convention on Quality Control Circle (ICQCC) 2021 in Hyderabad, India
- Asia Pacific Zero Outage Supplier Award 2020 by T-Systems International GmbH
- Excellent Carrier Partner Award 2021 under the Regional Strategic Partner category by China Telecom Global Limited
- Network and Resources Cooperation Award 2021 by China Unicorn Global Limited

M2 CUSTOMER EXPERIENCE

Stakeholders' Expectations

- Stable and reliable internet connection
- Robust cybersecurity and data privacy
- Seamless and personalised customer experience

THE REASON WE CARE

Customers are at the heart of TM's business. Our long history is built on the trust and loyalty of our customers. To continue serving them for the next 75 years, we need to make sure we continue to meet their needs far into the future. The services offered to customers are shifting from simple connectivity to fast and seamless experiences, resulting in rising expectations of what we can offer. Additionally, the telecommunications sector is becoming increasingly crowded, with new players competing for their share. Our competitive advantage relies on creating safe, smarter and more meaningful connections with our customers as we work to improve the lives of both our business and individual customers.

TM's ESG Commitments: **70% of premises with high-speed internet access** to enable Digital Malaysia by **2025**

OUR APPROACH

At TM, we adopt a 'Customer First' approach that optimises each stage of the customer journey. This begins with delivering stable and reliable connectivity for a more seamless experience. We are continuously strengthening our resilience against disruptions, through TM's BCM framework that ensures fast recovery of outages (page 190). We also strive to protect customers' privacy and data against online threats through robust cybersecurity measures. This contributes to improved customer experience as we assure customers and provide confidence when using our services.

Finally, we integrate digital solutions at TM touchpoints for more convenient services, while our frontliners deliver a more personalised experience that caters to each individual customer. With a customer-first mindset, we strive to deliver exceptional customer experience through three (3) key principles:

- **Simple** - Improve accessibility and availability for customers so that everyone can connect
- **Personalised** - Targeted and customer-driven according to each customer's needs
- **Contextual** - Leverage data analytics to deliver the perfect experience at the right time and right place

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

STABILITY

As people and businesses increasingly transition to online, stable internet connection has become a critical aspect of our customers' lives. Across the nation, people rely on our network connectivity to live, work and play. Even a second of downtime can affect them and their productivity. By actively protecting customers from network issues, we minimise disruption to their daily lives, thus contributing to a more seamless experience. As Malaysia's digital enabler, delivering a secure and stable connection is an essential component of our sustainability agenda.

HOW WE ADDRESS NETWORK DISRUPTION

TOP THREE (3) ISSUES RELATED TO NETWORK DISRUPTION	IMPROVEMENT MEASURES
1 **Access related to Fibre Distribution Panel (FDP) issues**	Identify areas for focus improvements by adding new distribution panels (DP) or tie-DP for long span issues and replacing those quality compromised connectors/splitters.
2 **Power-related issues**	Strengthen collaboration with power utility companies; install trip breakers and work closely with customers' building management.
3 **Fibre-cut issues by third parties**	Conduct internal process risk assessment and mitigation improvements, and strengthen external engagements with third parties.

LASER

WHAT IS IT?

A system developed to monitor customer's service performance. The key features of LASER are on-the-go alert notification, real-time latency monitoring, and network script automation.

Impact:

81% productivity improvement in troubleshooting, from 270 minutes to 53 minutes. Reduction of complaints was due to latency and packet loss and the issue being tackled prior to customer complaints.

We are continuously strengthening our network resilience through TM's BCM Framework and DRP. These are designed to ensure fast recovery of outages caused by external factors, thus minimising disruption to customer service. This year, we conducted four (4) simulation exercises to improve our preparedness to potential threats that may disrupt our service, which include cybersecurity breaches, riots, cellular disaster recovery equipment, and disruption to logistic operations due to theft/robbery.

For more information on BCM and DRP, please see page 190.

SECURITY

A more connected world brings many benefits to people and at the same time also increases our exposure to cyberattacks. Customers and stakeholders trust TM to protect their critical data from online threats. They deserve to know that by using our services, their personal data is in safe hands. At TM, cybersecurity and customer experience go hand-in-hand. By creating a secure online environment, we are able to ensure positive experiences that further differentiate us from our competitors.

Through GIS, we periodically review and enhance TM's Information Security Policy aligned with the business needs, and emerging risks and threats to the business assets. We also ensure consistent compliance with international security standards, such as Information Security Management System (ISO/IEC27001, ISO/IEC27017, ISO/IEC27018), Payment Card Industry Data Security Standards (PCI DSS) & BCMS.

HOW WE STRENGTHENED CYBERSECURITY & DATA PRIVACY

	WHAT WE DID
Organised cybersecurity awareness programmes to improve preparedness and response against cyberattacks	• Implemented TM's Information Security Policy e-learning modules and cybersecurity webinars for employees • Distributed security awareness pack for employees and business partners • Organised a Cybersecurity Response Drill for selected response and business continuity teams • Held continuous fortnightly security awareness and advisory for all employees, subsidiaries, business partners and network administrators
Proactively identified vulnerabilities before external threats can take advantage	• Expanded the Centralised Vulnerability Assessment System (CVAS) to continuously execute security scanning and identify security issues • Continuously conduct security assessments and penetration testings by internal and external teams • Assessed TM applications to identify weaknesses and vulnerabilities of our infrastructure
Enhanced Identity and Access Control Management and Endpoint Security Management to protect against security incidents	• Improved the security of our Identity Management (IDM) to increase resiliency against identity infrastructure attacks • Deployed state-of-the-art endpoint security solutions on business-critical/mission-critical server assets • Secured remote access by expanding the coverage of Multi-Factor Authentication (MFA) for accessing internal systems and applications
Adopted security by design to ensure security control standardisation across assets and effectiveness is measurable	• Secured 5G Horizon Infrastructure and Services with various security measures at controls, management and user planes • Deployed enhanced security monitoring, orchestration and automation capabilities
Implemented TM's Security Strategy Roadmap, which included implementing cybersecurity technologies for better protection	• Invested in sustaining, enhancing and introducing security layers of control for: - Endpoint security - Identify and authentication - Perimeter control - Security assessment - Security operations - People development • Implemented the following information security control projects: - Seven (7) key strategic security projects implementation. - Six (6) security projects to support security posture - Nine (9) renewal of security control maintenance and support - Two (2) ad-hoc projects to address mitigation of security incidents

For more information on BCM and DRP, please see page 190.

SERVICE

Customers are accustomed to increasingly fast and seamless interactions with their service providers. At the same time, meaningful and personalised connections are still a key part of the customer journey. Our role as the nation's digital enabler is to continuously meet these customer needs. Our digital platforms make it easy for customers to connect with us, while our skilled frontliners are trained to deliver excellent service.

We listen to our customers' concerns to find out how we can improve our services. With this in mind, GCXM launched the new #unificares campaign in 2021 as part of our customer journey transformation. We channelled RM1.0 billion into revolutionary initiatives designed to uplift the customer experience in both customer support capabilities and network improvements. Through our Care Crew, we are able to connect with our customers and show how TM will always be there for them.

For more information on our #unificares campaign, please see page 51.

ADDRESSING TOP CUSTOMER CONCERNS

TOP THREE (3) CUSTOMER SERVICE COMPLAINTS

1 Technical complaints on long fault restoration time

WHAT WE DID

Service Restoration Guarantee

What Is It? An industry-first 24-hour Service Restoration Guarantee, with billing compensation for premium customers.

Impact: 74% of customers' internet services were restored within 24 hours, thus reducing customer downtime to keep them connected. The remaining 26% of customers will be compensated for restorations beyond 24 hours.

Service Tracker/Real-Time Tracker

What Is It? A myunifi app feature that tracks real-time progress and restoration updates.

Impact: Customers are kept well-informed of the progress and status of their restorations, including details of their technicians and appointments.

unifi Elite

What Is It? unifi's expertise extends beyond the network and includes customers' devices and optimisation of Wi-Fi experience, while providing consultation and restoration guarantee for customers.

Impact: Customers receive peace of mind with a team of Wi-Fi experts optimising coverage and maximising speed.

2 Technical complaints on repeated service faults

WHAT WE DID

Proactive Service Alert

What Is It? An alert system that provides early detection, proactive trouble ticket and resolution to customers impacted by connectivity failure.

Impact: Save customers' time and efforts by avoiding around 10,000 monthly reactive interactions at touchpoints. Customers receive real-time notifications to address network issues, with 19% of impacted customers proactively managed.

Easy Fix/Self-Diagnostics

What Is It? A self-troubleshooting tool on myunifi app that enables customers to self-diagnose and troubleshoot internet connection, telephony and IPTV performances, with auto-creation of trouble tickets if unresolved.

Impact: 47% of customers completed self diagnose troubleshooting on their unifi service, thus empowering them with fast and reliable assistance on technical issues.

3 Billing complaints on invalid charges

WHAT WE DID

i-Bill

What Is It? More interactive and personalised billing statements, with insights into billing and payment behaviour.

Impact: 13.9% reduction in billing enquiries, reflecting a clearer bill statement for customers.

OVERALL IMPACT & ACHIEVEMENTS

NPS Score

- **23** (▲ **2021 Target:14**)

Customer complaints

- Reduction in customer complaints (▼ **-3.4%**)
- **75.2%** customer complaints resolved within three (3) days (▲ **2020: 71.5%**)

Digital solutions

- **66%** digitised customer interactions (**Target = 67%**)

Online security

- **20** online breaches recorded (▼ **97.3%**)
- **3** cases of data loss (▼ **99.5%**)
- **735** cybersecurity incidents resolved/ handled
- **13** data related incidents recorded (▲ **18.2%**)
- **18,500** corporate devices installed with endpoint protections
- **15,905** employees completed data security e-learning modules
- **Zero (0)** fines and penalties related to cybersecurity breaches

Customer Experience

- **RM1.0 billion** invested in ensuring unifi's 24-hour Service Restoration Guarantee
- Improved serving time for registration from 45 minutes to **14** minutes
- **74%** of customers' internet services were restored within 24 hours, thus reducing customers downtime to keep them connected

...Protecting The Planet

Our stakeholders rely on TM's critical network infrastructure and services to function in their daily lives. We are committed to building its resilience and response against climate change. As a green champion, we continue to make great strides in improving the environmental impact of our business and stakeholders. During the year, we introduced a series of carbon emission targets that align with national and global goals. To achieve these targets, we are intensifying our efforts in reducing energy use, leveraging renewable energy and investing in green technology. We are also collaborating with Mega-Partners and key suppliers to exchange ideas and adopt new technologies that support a more green and circular economy, thus reinforcing our position as a Sustainability Thought Leader.

In This Section:

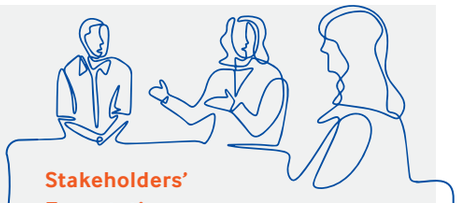
M4 CLIMATE CHANGE

- EMISSIONS MANAGEMENT — See page 97
- ENVIRONMENTAL STEWARDSHIP — See page 99
- GREEN AWARENESS — See page 100

M4 CLIMATE CHANGE

THE REASON WE CARE

The world is grappling with the reality of climate change. We are already witnessing extreme weather events, such as the heavy floods experienced by Malaysians late this year. Without meaningful action, we will continue to face increasing disasters and destruction that will impact every aspect of our lives, with the most vulnerable communities hit hardest. For TM, climate change is a major threat to our ability to deliver critical services to Malaysians and achieve our nation-building purpose. Environmental resilience is crucial for both socio-economic well-being as well as business sustainability. We are determined to play our part in climate action, from navigating physical risks to our network infrastructure to transitioning towards a low-carbon economy.



Stakeholders' Expectations

- Low carbon emissions from operations
- Environmental protection of surrounding areas
- Environmentally-conscious programmes

TM's ESG Commitments

30% carbon emissions **reduction** by **2024**	**45%** carbon emission **reduction** by **2030**	**Net-zero emissions** by **2050**

OUR APPROACH

TM continues to progress in our climate action efforts. We have a climate change risk management strategy to help us navigate climate-related risks. The aim is to protect our critical network infrastructure from climate-related events so we can continue to deliver uninterrupted connectivity to our customers, as well as smoothly transition our business towards a zero-carbon economy. Aligning with the Paris Agreement, we strive to progressively minimise our operational emissions to keep global temperatures within the 1.5°C limits. We look to improve our operational efficiencies, investing in low-carbon technologies, embarking on renewable energy and carbon offset initiatives. We are also improving our climate change reporting by complying towards the TCFD, which we aim to disclose by 2023. This includes conducting a Climate Scenario Analysis to understand and quantify the risks and uncertainties we may face under different hypothetical futures.

In addition to climate action, we also monitor our environmental impact on other issues, such as air and water quality, which shields us against potential environmental penalties. Beyond compliance, we educate our stakeholders on the importance of taking care of the environment. We believe that everyone has an important role to play in leaving a better world for future generations.

For more information on our climate-related risk management, please see page 152.

HYBRID SOLAR PV SYSTEM FOR TELECOMMUNICATION STATION AT PULAU SERI BUAT (PSB), PAHANG

WHAT IS IT?

The Hybrid Solar PV system is a reliable, feasible, and environmentally-friendly solution for powering the telecommunication repeater 24 hours a year at PSB. This case study demonstrates the success of integrating sustainable aspects into our operational system, delivering a longer lifespan and more cost-effective solution. This project has won National Energy Award (NEA) 2021 Category 2: Renewable Energy Off-Grid (Power).

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

EMISSIONS MANAGEMENT

Our fight against climate change starts with our own operations and activities. We are continuously intensifying our efforts to reduce the emissions of our business. A major milestone this year is the setting of progressive carbon-reduction targets, with a long-term goal of being net-zero by 2050, and we are already on track with an 8% overall emissions reduction in 2021. These will be achieved by increasing our consumption of renewable energy, implementing energy-reduction initiatives, and venturing into carbon offsetting, with 2019 as the baseline year. These targets will be achieved through various carbon-reduction initiatives, tracked according to the GHG Protocol Corporate Accounting and Reporting Standard.

The scope of our zero-carbon efforts is based on three (3) categories:

Scope 1: Direct Emissions from Vehicle Fleet

We track the amount of fuel consumed by our vehicle fleet and convert them into the equivalent carbon emissions using Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, 2006.

FUEL-SAVING INITIATIVES

Vehicle Optimisation Programme

Reduced the number of vehicles used by our LOBs and subsidiaries, thus lowering overall carbon emissions.

Smart Fleet Monitoring System (TM CONVES BIZ)

Deployed TM CONVES BIZ, a holistic solution by TM R&D for vehicle management that monitors usage, efficiency and status of vehicles.

TM EZFleet (Car Sharing)

Expanded our TM EZFleet service to enable vehicle sharing among employees via a digital platform.

Impact:

- **Lowered fuel consumption by 0.21 million litres**
- **Reduced number of vehicles from 3,917 to 3,779**
- **Lowered vehicle fleet's carbon emission by 4.6%**
- **Expanded EZFleet service to all 14 locations nationwide**

Scope 2: Indirect Emissions from Electricity Consumption

We calculated our indirect emissions based on data collected from TM buildings that have implemented an Environmental Management System (EMS), contributing to a 9.2% reduction in scope 2 emissions this year. Our Scope 2 reporting boundary covers eight (8) sites across our operations. As part of our continuous improvement, we aim to significantly expand this to cover 100% of all TM operations nationwide by 2022. The carbon emissions are converted according to The Study on Grid-Connected Electricity Baselines in Malaysia 2017.

ENERGY-SAVING INITIATIVES

Enterprise Energy Management System (EENT)

Implemented TM's unified electricity monitoring solution with multi-tenancy, advanced energy behaviour analytics, CO_2 emission, alert mechanism, and event tracking features and gamification.

Impact:

- **Accumulative: 1.142 ktCO$_2$e drop in emissions since 2018**

Energy Performance Contract (EPC)

Enhanced our facilities system by outsourcing an EPC. This enhancement involved retro-fitting air conditions and replacing conventional lights with LEDs at selected sites.

Impact:

- **63 EPC sites installed with an energy-efficient cooling system**
- **YoY: 11.4 million kWh reduction in energy consumption**
- **Accumulative: 60.3 million kWh reduction since 2018**

Energy Efficiency Optimisation (EEO) for Facilities and Network

Focused on low-hanging solutions and low-cost measures, i.e. improve thermal operation such as temperature optimisation and control. We also performed network grooming on legacy equipment.

Impact:

- **121 sites implemented with EEO**
- **YoY: 1.1 million kWh reduction in energy consumption**

Network Equipment (NE) Shutdown

Reduced electricity consumption by shutting down the NE that have zero utilisation or are underutilised (low subscribers).

Impact:

- **4.8 million kWh reduction in energy consumption**
- **RM2.4 million in cost savings**

Note: The impacts listed above are outside the eight (8) sites of the reporting boundary.

Scope 3: Indirect Emissions from Waste Production

Similar to electricity data, we collect waste generation data at eight (8) sites that have implemented an Environmental Management System (EMS). The data is converted into carbon emissions based on the IPCC Guidelines for National GHG Inventories, 2006.

WASTE-REDUCTION INITIATIVES

SOLID WASTE

- Held awareness campaigns to reduce waste i.e., paperless initiatives via the 3R concept (Reduce, Reuse and Recycle)
- Reduced plastic and polystyrene usage within TM's buildings and tenants

Impact:

- **19,542.99 kg increase in solid waste (▲ 4.4% YoY)***

SCHEDULED WASTE

- Continued to manage waste according to Department of Environment (DOE) requirements
- Implemented best practices for scheduled waste at the eight (8) TM sites certified with the EMS
- Set a target to progressively expand EMS best practices across other TM locations. This includes investing in better waste management infrastructure and employee training

Impact:

- **2,151.32 kg reduction in scheduled waste (▼ 62% YoY)***

** At the eight (8) EMS sites*

Scope 3: Indirect Emissions from Air-Travel

Air-travel emissions were calculated based on detailed tracking of employees' flight information, which include distance flown, number of travellers and travel class. The Civil Aviation Organisation (ICAO) Carbon Emissions Calculator was used to convert the distance travelled into total CO_2 released during the flight.

AIR-TRAVEL REDUCTION

GOING DIGITAL

Following COVID-related restrictions, we have significantly reduced employees' air-travel. Instead, we leveraged virtual platforms to conduct meetings and other necessary engagements. Even with the loosening of travel restrictions, we continue to minimise business-related travel to not only save costs but also improve our Scope 3 emissions.

Impact:

- **13 business-flights in 2021 (▼ 80.1% reduction)**

ENVIRONMENTAL STEWARDSHIP

As we extend our reach to improve the lives of all Malaysians, we have a moral and social responsibility to manage our environmental impact. By protecting the environment, we also protect the livelihoods and well-being of nearby communities. We adopt a proactive approach to Environmental Stewardship by actively monitoring the air, noise and water quality surrounding our operations across the Group. This enables us to maintain consistent compliance with DOE's requirements for environmental monitoring. However, in 2021, we could not conduct our regular monitoring activities due to COVID-19 restrictions.

WATER-SAVING INITIATIVES

Awareness Campaigns

Held awareness campaigns to educate employees on how they can improve their water footprint. These campaigns were held through email blasts, bulletin boards and digital signage within our offices.

Water Recycling

Continued to recycle water collected from our surau to be reused for other applications, such as watering plants around our building.

Impact:

- **2,342.85 m^3 of water recycled**
- **0.80 tCO_2e of emissions avoided from recycled water**

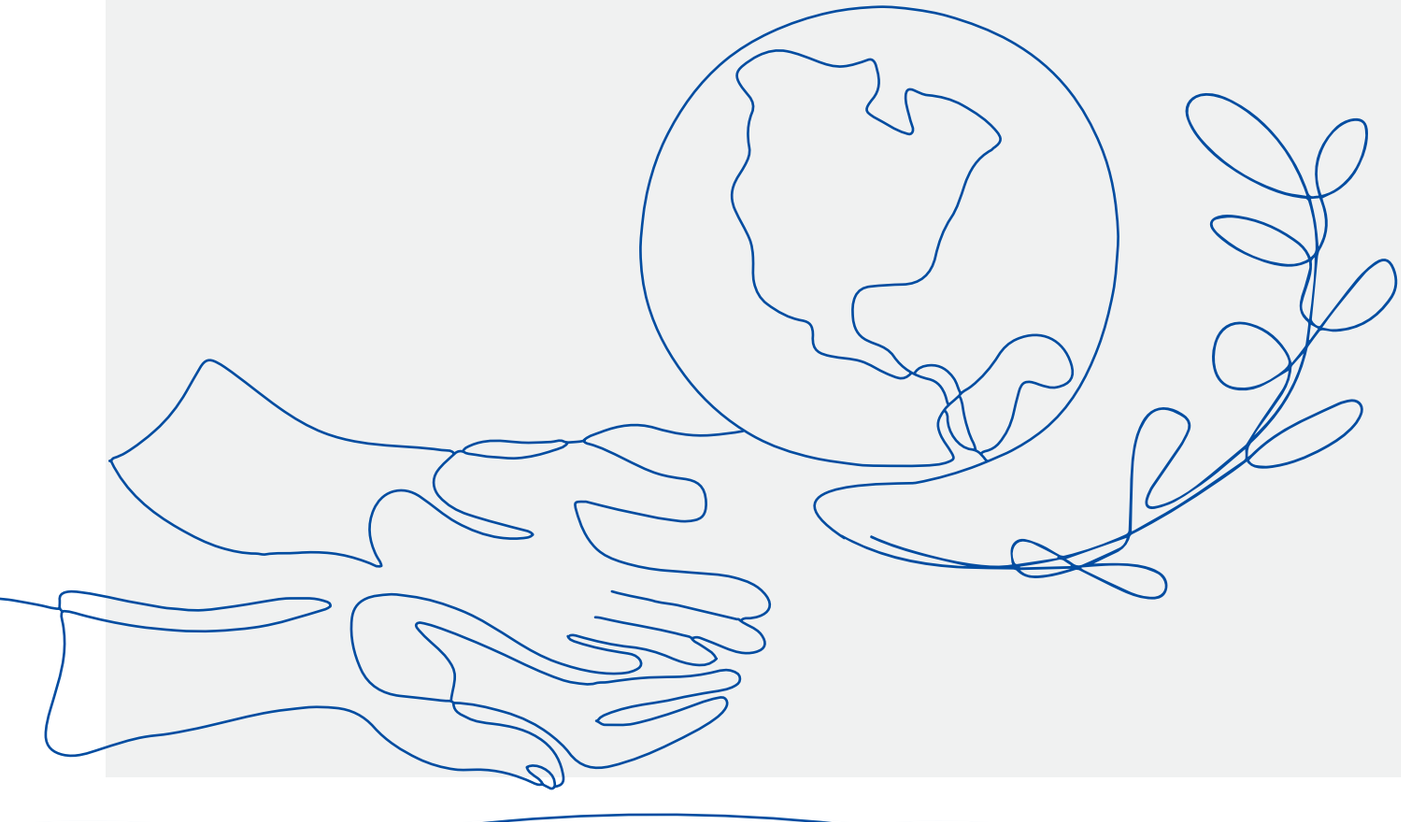
GREEN AWARENESS

Collaborative and collective action is key to achieving national and global environmental goals. Businesses, Government and individuals alike need to play their part in addressing environmental challenges. To do this, there needs to be greater environmental awareness among the public. As a Sustainability Thought Leader, TM remains committed to shifting society's behaviours towards becoming more environmental savvy. We implement programmes that help people understand the impact of their actions and how to act in more environmentally-responsible ways.

Since the COVID-19 pandemic started, we had to temporarily suspend our flagship environmental programmes as the safety of people comes first. Nevertheless, we still leveraged any opportunity to raise the environmental awareness of our stakeholders.

ENVIRONMENTAL PROGRAMMES HELD IN 2021

	What Is It?	Impact:
Zero-Plastic Movement	Implemented a zero-plastic initiative at all restaurants and cafes operating in Menara TM.	**Minimised the amount of single-use plastic used by stakeholders visiting Menara TM.**
Sustainability Awareness Series	Sent out email snippets to all employees regarding the importance of sustainability.	**Raised employee awareness on ways they can integrate sustainability into their daily lives.**
Seminar on Government Incentives in Green Technology Sector	An engagement session with suppliers to guide them on a range of platforms, incentives and resources within the green sector. This encourages our suppliers to adopt greener products and services and see that going green can also be good for their business.	**95 supply chain partners reached.**



OVERALL IMPACT & ACHIEVEMENTS

GHG Emissions

- **35,555316 tCO_2e*** (▼ 8%)

Scope 1

- **10,997.03 tCO_2e** (▼ 4.6%)
- **<0.2 million litres** in fuel consumption

Scope 2

- **24,549.12 tCO_2e*** (▼ 9.2%)

Scope 3

- Waste-related Emissions: **1.918 tCO_2** (▲ 4.4%)
- Air-Travel Emissions: (**7.09 tCO_2e** (▼ 80.1%)

Waste Management

- Solid Waste: **467,125 kg** (▲ 4.4%)
- Scheduled Waste: **1,323.4 kg** (▼ 61.9%)

Water Management

- **75.34 tCO_2e** in water-related emissions (▼ 3%)
- **221,590 m^3** of water consumed
- **2,342.85 m^3** of water recycled
- **0.80 tCO_2e** of emissions avoided from recycled water

Compliance

- **Zero (0)** fines and penalties for environmental non-compliances/breaches

Awards & Recognitions

- National Energy Award (NEA) 2021 Category 2: Renewable Energy Off-Grid (Power) for Hybrid Solar PV System at Pulau Seri Buat

...Putting People First

TM is more than a technology company; we rely on people to create value for people. As a human-centred organisation, we strive to create a safe and conducive environment for everyone involved. From improving gender diversity and inclusiveness in leadership positions to improving the footprint of its suppliers, we continue to deliver on their needs while preparing them for excellence in a more digital, sustainable world. Beyond that, we fulfil our nation-building agenda through flagship programmes that develop community members into successful entrepreneurs and future digital leaders.

In This Section:

M3 RESPONSIBLE SUPPLY CHAIN
- ETHICAL SOURCING — See page 103
- VALUE CREATION — See page 104
- INTEGRITY — See page 105

M5 HUMAN CAPITAL
- WELFARE & WELL-BEING — See page 107
- SAFETY & HEALTH — See page 110
- TRAINING & DEVELOPMENT — See page 110

M6 COMMUNITY DEVELOPMENT
- EDUCATION — See page 114
- COMMUNITY & NATION-BUILDING — See page 116
- CULTURE & HERITAGE — See page 118

M3 RESPONSIBLE SUPPLY CHAIN

THE REASON WE CARE

To meet Malaysia's connectivity needs, we rely on the products and services offered by our supply chain partners. It is essential to develop meaningful relationships across the value chain while strengthening its resilience to disruptions. With over 5,000 suppliers, we also see our supply chain as a way to drive our sustainability agenda forward. By prioritising local suppliers with sustainable practices, we can influence positive change across the value chain while contributing to the local economy. Sustainable supply chains ensure the protection of workers and the environment while protecting our business from supply disruptions. It is also an opportunity to work with Mega-Partners who bring best-practice solutions and technologies. We can leverage their vast expertise to create greater stakeholder value and accelerate Malaysia's transformation into a digital nation.

Stakeholders' Expectations

- Responsible ESG practices by suppliers
- Contributions to local economy
- Protection of human/labour rights

TM's ESG Commitment: **100% of mega suppliers** complied with ESG by **2024** and **50% of Mid-Tier suppliers** complied with ESG by **2030**

OUR APPROACH

Our supply chain resilience is built on stringent requirements for suppliers, which include sustainability best practices. We undertake regular performance evaluations of suppliers on a variety of indicators. At the same time, suppliers undergo training and development programmes designed to improve their sustainability knowledge. This is our way of helping suppliers respond to a more sustainability-focused market, thus enabling them to thrive in the long term. We also prioritise local suppliers as this improves the income of local businesses and contributes to Malaysia's economic growth. Sourcing locally also minimises our environmental footprint by emitting less emissions related to transportation. Where possible, we look to hire under-utilised businesses, such as Bumiputera suppliers and SMEs, to create a greater and more inclusive socio-economic impact.

We also look for opportunities to capture insights and solutions from our Mega-Partners. As major global players across a range of industries, our relationship with Mega-Partners extends beyond sourcing. We collaborate with them to learn more about new technologies, covering key areas like network equipment, energy management and monitoring solutions. They help us understand what is available in the market and its readiness for adoption.

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

ETHICAL SOURCING

We see ethical sourcing as part of our social and environmental responsibility. At TM, creating a positive impact extends beyond the boundaries of our operations and includes all activities across the value chain. This means ensuring all suppliers conduct themselves in a responsible manner, with zero-tolerance for human rights breaches and environmental malpractice. By improving the sustainability practices of our suppliers, we help drive the sustainability agenda across the market.

This year, we enhanced our online platforms for suppliers to make it more user-friendly and easier to navigate, so suppliers can easily access information on our of ethics, integrity and responsible practices. We also continue to engage with our suppliers to share sustainability best practices. We held number of engagement sessions with our Mega-Partners and Mid-Tier suppliers to discuss our sustainability expectations as well as learn about new technologies and solutions that support our ESG aspirations. We will continue to enhance TM's suppliers' labour practices compliance to ESG standards especially for our Mega and Mid-Tier suppliers supporting our Ethical Supply Chain efforts.

As we continue to ensure regulatory compliance by our suppliers, we also strengthened the sustainability criteria of our evaluation and selection process:

Regulatory Compliance

We take great steps to safeguarding the rights of suppliers, the environment and society as a whole. This begins by strict adherence to relevant laws, rules and regulations within our supply chain, thus protecting our stakeholders across the value chain.

- Federal Constitution
- Employment Law 1955
- Industry Relations Act 1967
- Social Employee's Social Security Act 1969 (SOCSO)
- Occupational Safety and Health Act (OSHA) 1994
- Industrial Relations Act 1967
- Trade Unions Act 1959
- Environmental Quality Act 1974
- Malaysian Anti-Corruption Commission Act (MACCA) 2009

Beyond Compliance

We prioritise business that share our vision of creating positive impacts, with sustainability-related clauses embedded in our procurement policies and contracts. For example:

- **Economic Clauses**: The products and services procured should benefit Malaysia, with locally-sourced equipment and personnel to contribute to the economy. Suppliers should also engage in the transfer of technology and know-how to drive the industry forward.
- **Environmental Clauses**: Suppliers need to consider the environmental impact of their products and services, prioritising environmentally-responsible materials and technology. They are encouraged to comply with globally accepted environmental standards, such as the United Nations Environment Programme (UNEP), US Environmental Protection Agency (EPA), ITU-T, ETSI and ISO standards.
- **Social Clauses**: All precautions need to be taken by our suppliers to protect the human and labour rights of everyone impacted by their operations, including employees, other contractors and surrounding communities. They need to always put the safety and health of people first and where possible, promote shared prosperity through structured programmes (i.e. Bumiputera/local suppliers, capacity-building etc).

VALUE CREATION

As a key stakeholder group, our value creation efforts are extended to our suppliers. Our vision "To Make Life and Business Easier" includes TM's supply chain partners. Our procurement practices take into account how we can improve the lives of our suppliers. We regularly engage with them to capture their concerns and understand how to create real value for them. Our engagement programmes include training and development opportunities to help them grow and excel.

SUPPLIER ENGAGEMENT

	What Is It?	Impact:
Bumiputera Vendor Development Programme (BVDP)	Established a comprehensive process to develop Bumiputera suppliers' capabilities, enabling them to penetrate regional and global markets.	• **70 suppliers enrolled** • **57 vendors graduated** • **13 vendors becoming National Champions** • **3 vendors becoming Regional Champions**
TM Supplier Forum	A platform for TM and suppliers to share best practices and improve collaboration towards achieving an excellent customer experience.	**1,500 views**
Seminar on Government Incentives in Green Technology Sector	A briefing session for suppliers to educate them on various platforms, incentives and resources within the green sector, including MyHIJAU Mark, Government Green Procurement (GGP), Green Technology Tax Incentive, Green Training Guideline, NEA & International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2021.	**95 suppliers reached**

Our vision of "Make Life Easier" extends to our suppliers. We are continuously enhancing our digital procurement technology to optimise process efficiency, thus improving suppliers' experience when interacting with TM.

DIGITAL SOLUTIONS TO SIMPLIFY PROCUREMENT

Registration of Supplier (ROS)

What Is It?

An online platform for TM, subsidiaries, business partners, suppliers and vendors to complete registration applications. Eliminates hardcopies submission of documents and registration can be done anywhere.

Supplier Self-Service (SUS) Screen

What Is It?

A one-stop portal for the registered TM business partners, suppliers and vendors to conduct procurement-related self-service activities, such as viewing purchase orders, submitting invoices, participating in quotation and tenders, and self-update company information.

Lapasar

What Is It?

A seamless purchasing portal similar to other commercial platforms, providing the best competitive prices without compromising controls. It offers cost savings via the removal of two (2) key processes (i.e. manual purchase order issuance and approval) and required no investments.

Impact:

- **Faster application approval (three (3) working days)**
- **Eliminates hardcopies submission of documents for improved efficiency and environmental footprint**
- **Easily addresses technical queries from suppliers**
- **Improves supplier experience through user-friendly platforms**
- **100% acceptance rate of Lapasar by suppliers and vendors**
- **Reduced cycle time via Lapasar**

INTEGRITY

Due to the complex nature of our supply chain, our suppliers can be exposed to misconduct and corruption. This exposes our supply chain to governance issues that impact our ability to create stakeholder value. Corruption not only hurts our business; it also impacts socio-economic progress and hits underserved communities the hardest. Therefore, we have a moral obligation to ensure all activities within our supply chain are conducted in an ethical manner.

Our supply chain ethics are designed to protect the best interests of suppliers. They are offered similar protection as our employees, including fair and transparent contracts as well as access to our whistle-blowing platform. We also have the following policies and management systems in place to further protect the integrity of the supply chain:

SUPPLIER NON-COMPLIANCE & MISCONDUCT

	2019	2020	2021
Blacklisted	3	1	-
Suspended	5	1	2
Terminated	1	-	1
Total	9	2*	3

* The remaining four (4) cases were given monetary penalties and warning letters.

HOW WE PROTECT SUPPLY CHAIN INTEGRITY

Anti-Corruption Policy	We have a zero-tolerance policy for improper solicitation, bribery and other corrupt activities, which extends beyond our business into our supply chain.
Whistle-blowing Policy	We provide a safe platform (TM Ethics Line) for suppliers to channel their concern about improper conduct not limited to illegal, unethical or improper business activities.
Anti-Bribery Management System (ABMS)	We obtained the MS ISO 37001:2016 ABMS Certification by SIRIM in promoting good governance and integrity.
No Gift Policy	We do not offer or accept gifts from any of our stakeholders, including our suppliers, to maintain the integrity of our business relationships.
Code of Conduct & Business Ethics (CBE)	We provide guidance to suppliers in resolving any business, legal and ethical issues that they may encounter in conducting business, as well as the standards of behaviour we expect from them.
Anti-Corruption Guide (ACG)	We clearly set out the policy statements and guidelines related to improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.
Integrity Pact	We have a set of declaration processes for TM employees, particularly those involved in procurement activities, procurement committees and TM business partners.
Procurement Ethics	We have three (3) key tenets of ethical conduct within our procurement process: • Zero-tolerance on corruption • No or transparent conflicts of interest • Honest representation of capabilities
Integrity Screening	We leverage MACC's Integrity Screening E-System to conduct due diligence on the background of new vendors.

As part of our capacity-building and engagement programmes for suppliers, we strive to raise their awareness of our high expectations and standards on integrity. These engagement sessions aim to enhance integrity among our suppliers to reduce misconduct, corruption and non-compliances.

UNCOMPROMISING INTEGRITY WEBINAR

This year, Group Procurement (GP) collaborated with Group Integrity and Governance (GIG) and Group Strategic Communications (GSC) to organise a webinar on integrity for our suppliers and employees that work closely with them.

Purpose of Webinar:

a. Provide ongoing awareness to suppliers and business partners on ethics and integrity
b. Share with suppliers and business partners on ethics and procurement governance
c. Provide awareness on the provision of Corporate Liability and the steps that need to be taken to ensure that corrupt activities can be prevented
d. Share examples of misconduct related to corporate responsibility in a Malaysian & international context

Reach:

1,800 views

OVERALL IMPACT & ACHIEVEMENTS

ESG practices

- **67%** of suppliers with social policies in place
- **31%** of suppliers adhered to our ESG environment requirements

Procurement Maturity Index (PMI) Score

- **8.1** (▲ **2020:1.25%**)

Supplier Satisfaction Index (SSI)

- **8.60** (▲ **2020:11.7%**)

Integrity Pledge (IP)

- **100%** of suppliers signed TM's IP
- **561 new suppliers** signed TM's IP

Types of Suppliers

- **1,827** local suppliers and **123** international suppliers

Contribution to suppliers*

- **RM3.8 billion** total contributions to suppliers (▲ **2020: RM3.5 billion, 8.8%**)
- **~RM3.0 billion** total payment to local suppliers (Bumi & Non-Bumi) (▲ **2020: RM2.6 billion, 2.6%**)
- **RM1.1 billion** total operating cost distributed to Bumiputera vendors (▲ **2020: RM1.08 billion, 1.0%**)

** 2020 and 2019 figures were updated and aligned according to the most recent procurement process for a more accurate comparison against 2021*

M5 HUMAN CAPITAL

Stakeholders' Expectations

- Effective employee engagements
- Safe work environment
- Learning and upskilling opportunities

THE REASON WE CARE

Our continued achievements over the past 75 years are attributed to the dedication and commitment of *Warga TM*. This sentiment is what will continue to drive the company for the next 75 years, as employees remain critical to creating sustainable value creation. The world is rapidly changing, from digitalisation to global environmental challenges, so it is important that our employees evolve as well. They need to be equipped with future-ready skills capable of navigating the changing landscape while staying engaged and productive despite emerging challenges. As a responsible employer, it is our duty to create a safe, nurturing and inclusive work environment that enables our people to thrive today and far into the future.

TM's ESG Commitments: A minimum of **30% women in Board by 2022**

OUR APPROACH

Through GHCM, we empower our employees to realise their full potential. As a first step, we regularly engage with employees to capture their concerns and understand how we can improve their professional lives. Then we set up policies and programmes designed to address their concerns, consequently boosting their morale and improving productivity. We have robust systems in place that protect employee health and well-being and ensure employees are always treated with the utmost respect and dignity. Employees are encouraged to report any work-related hazards through TM's Management of Enterprise Risk, Compliance, Insurance, Incident and Information Security System (MERCIS) or raise the issue at our regular Occupational Safety, Health and Environment (OSHE) committee meeting. We also support the need for unions in protecting the rights of our employees and maintaining industrial harmony. Collective bargaining agreements help establish strong bonds with employees, contributing to a successful working relationship. At the same time, we prioritise diversity within the workforce, particularly in leadership roles, which contributes to innovative and well-balanced ideas.

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

WELFARE & WELL-BEING

From remote working arrangements and changing customer expectations, employees are forced to navigate a rapidly changing work environment. We understand the stress this may bring, thus are committed to helping them adjust. This means maintaining meaningful dialogue and employee engagement so we can better support their needs. We encourage freedom of expression and open communication with our employees, supported by various engagement platforms. These include employee surveys, TM's ethical hotline (whistle-blowing channel), Jom Bersama Q&A with the management team and more. This year, we held 179 virtual and physical employee engagements, as well as sent out 1,372 email blasts to employees with pertinent information to keep them well-informed and engaged.

Understanding the importance of employee work-life balance, we have measures in place to prevent employees from overworking. For example, no meetings are allowed beyond 6.00 pm or on a Friday morning. Additionally, flexible working arrangements ensure employees are able to spend more time with their loved ones without compromising their productivity.

KEEPING EMPLOYEES HAPPY, ENGAGED & PRODUCTIVE

WELL-BEING 360 PROGRAMMES

What We Did:

Organised physical and virtual events to help maintain overall employee well-being and motivation, covering key topics such as Physical, Emotional, Spiritual, Financial, Environmental, Social, Intellectual and Occupational health. We also provided a Life Coach that offered counselling services to our employees to help them manage their mental health.

Impact & Achievements:

- **179** well-being programmes organised for employees
- **209** Life Coach counselling sessions held
- More than **26** Mental Health talk sessions held, with **3,936** employees in attendance

KICKING-OFF THE NEW TM CULTURE

What We Did:

Implemented a Culture Value Programme to transform TM's culture according to our strategic priorities. This included developing a New TM Culture Framework and conducting an OHI survey to identify improvements to our organisational health management and define a New TM culture based on our strategic aspirations.

Impact & Achievements:

- **82** score on the OHI Index

COVID-19 EFFORTS & BENEFITS

What We Did:

Introduced additional benefits to help employees deal with COVID-19 challenges. These include allowances for frontliners, free screening, flexible working arrangements, and expanded medical benefits (i.e. swab tests) for employees.

Employees were also encouraged to get vaccinated through the Lindung TM Vaccination Campaign, where we arranged vaccination appointments for our frontliners. Additionally, employees received regular updates and communications on COVID-19 safety guidelines.

Impact & Achievements:

- **~RM2.3 million** spent on employee COVID-19 screening
- **46** COVID-19 alerts sent to employees in 2021, with 109 alerts sent out since 2020
- **Over 15** Lindung TM awareness messages sent out
- **99.6%** of *Warga TM* vaccinated in 2021
- **60%** of employees have been working from home since the MCO

COLLECTIVE BARGAINING AGREEMENTS

What We Did:

Maintained industrial harmony with unions through the commencement of Collective Agreement Negotiations for 2022-2024 (CA 2022-2024). To effectively execute CA 2022-2024, we formed a squad involving the union management team and respective stakeholders. We also established a platform for discussions with union leaders at headquarter and state level.

Impact & Achievements:

- Obtained **strategic decisions** from the management prior to the negotiation process
- **100% completion** of strategic analysis on the key items in CA 2022-2024
- **Zero** grievance issues raised by unions due to proactive action taken

BOOST INDIVIDUAL PRODUCTIVITY (BIP) PROGRAMME

What We Did:

Implemented a consequence management process in which we engage with low-performing employees to improve their morale, motivation and productivity.

Impact & Achievements:

- **76%** of supervisors involved in BIP attended a workshop to help them manage below-expectation performers
- **55%** of BIP participants attended a motivational course

KEEPING EMPLOYEES HAPPY, ENGAGED & PRODUCTIVE

EMPLOYEE INCENTIVES & COMPENSATIONS

What We Did:

Implemented annual increment for all eligible employees, and awarded bonuses to high-performing employees to further incentivise their good work. We also held the GCEO Merit Awards 2021 to incentivise eligible employees for their achievements and high performance.

Impact & Achievements:

- **RM29.0 million** distributed in annual increment
- **RM229.0 million** total distribution for bonuses and rewards
- **1,420** recipients of the GCEO Merit Awards 2021, with a cost of impact of **>RM1.2 million**

LEADERSHIP ENGAGEMENTS

What We Did:

Held regular communications between leaders and employees via Jom Bersama – a quarterly town hall where employees can share their queries and feedback directly to the Management. Other activities include Turun Padang by Leaders and divisional town halls.

DIVERSITY CELEBRATIONS

What We Did:

Held various engagements throughout the year to celebrate diversity in TM, which include celebrating International Women's Day, Mother's & Father's Day, Hari Raya, Chinese New Year, Deepavali and Bulan Kebangsaan.

INCLUSIVE FACILITIES

What We Did:

Established family-friendly facilities to help parents balance their work-life commitments. These include a designated car park for pregnant women, lactation rooms for breastfeeding mothers and "TM Dynamic Kids", a full-fledged childcare centre for working parents.

DIGITAL SOLUTIONS TO IMPROVE THE WORK EXPERIENCE

Digital Application/Platform	Reach:
ERA A single portal/mobile app for employees to easily access HR services, including internal job vacancies, job applications and other HR digital platforms.	• **13,735** downloads
NEO An enhanced centralised online platform that enables employees to easily apply and manage overtime claims.	• **579,197** claims submitted • **48,266** average overtime claims submitted monthly
GROW A performance management system/mobile app that allows employees to manage their performance goals, action plans, achievements and appraisal's online.	• Reached **45%** of mobile users
TM Medic A medical app that provides access to various health services and information such as medical utilisation and guarantee letter requests.	• **14,194** active users • **22,053** guarantee letters issued via app
TM Learn An online portal for digital learning and upskilling opportunities.	• **10,265** employees accessing the app monthly

SAFETY & HEALTH

OSH has always been a top priority for the Group. We have a moral duty to protect all workers from injuries and accidents, especially for high-risk workers involved in network expansion and maintenance. With the ongoing OSH challenges related to the pandemic, we have intensified our safety and health culture. We swiftly responded with measures that protect all stakeholders, particularly our employees.

For more information on our COVID-19 response for employees, please see page 74.

This year, we effectively implemented the Occupational Safety and Health Management System (OSH MS) in accordance with the ISO 45001:2018, receiving certification from National Institute for Occupational Safety and Health (NIOSH) Certification Sdn Bhd. OSH MS covers all workplaces and business activities within TM.

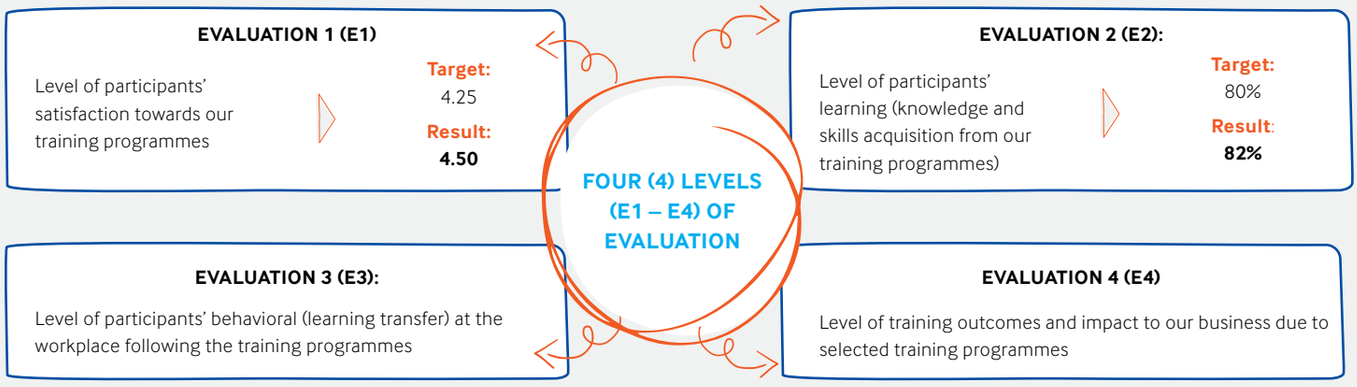
ENHANCING OUR SAFETY AND HEALTH CULTURE

	What Is It?	Impact:
Mental Health Webinar	Workplace-related mental issues are an issue that needs to be addressed and the results of a survey conducted in 2020 on workplace mental problems do exist. As a measure to provide awareness and understanding on mental issues webinar sessions were held and information was shared by psychologists covering management of stress, depression and anxiety in the workplace.	**1,108** employees attended online sessions
OSH Training Programmes	Developed training programmes on OSH risks and related control measures to reduce the level of risk and impacts in terms of injury and disease. The training programmes covered a range of topics including: 1. Simulation on road safety – improve contractor knowledge on safe working on the road 2. Ergonomic E-Learning – provide information on best practices to prevent musculoskeletal injuries and disease	• **67** sessions conducted on simulation of Safety Requirements of Working on the Road • **8,234** employees enrolled in online e-learning sessions
Noise Risk Pre-Assessment	Assessed the noise levels of our operations according to the Industry Code of Practice for Management of Occupational Noise Exposure and Hearing Conservation to evaluate the risk level for employees exposed to loud noises. The assessment results were presented to relevant management teams to develop control measures to reduce the noise exposure and better protect employees.	**28** TM locations assessed
Engagement with OSH Stakeholders	Ensured participation and cooperation from all regarding the effectiveness of TM's OSH management. The purpose of the engagement is to exchange ideas and insights into best OSH practices.	• **6** engagement sessions held for employees • **3** engagement sessions held with union members (Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia (NUTE), Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sarawak (UTES) & Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah (SUTE))

TRAINING & DEVELOPMENT

The work landscape, particularly within telecommunications and ICT, is quickly changing. Upskilling and reskilling employees are critical to future-proofing them against these changes while maintaining their confidence and morale. We strive to help employees build their careers through relevant L&D programmes, which ensure they can execute our business objectives for the years to come.

To align our training programmes with the skill gaps in our workforce, employee skills/competencies are measured and evaluated based on four (4) levels (E1 – E4) of evaluation based on the Kirkpatrick Model, which consists of the following four (4) levels:



In 2021, we formed the Value Programme Right Skilling (VPRS), a dedicated squad in charge of planning, implementing and monitoring the effectiveness of our competency development programmes.

TRAINING & DEVELOPMENT PROGRAMMES 2021

Future Skills

Aim:

To equip employees with future-ready skills in areas such as cloud, RPA, 5G, SDN and NFV technologies, data analytics, smart services, IoT, digital, agile, cybersecurity and other related areas.

Impact/Achievements:

- **13,118** employees trained

Area	Employees Trained
Agile	4,167
5G Technology	582
Cloud	934
Security	387
Data Centre	85
IoT	278
SDN NFV	207
Data Analytics	508

- Total business opportunity (based on total revenue value):
  - Cloud training: Close to **RM53.0 million**
  - Cybersecurity training: Close to **RM14.0 million**
  - Data centre: Close to **RM99.0 million**

Enhancing Current Skills

Aim:

To reskill and upskill *Warga TM* into multi-skilled employees in key business areas, including product development, marketing, compliance, strategy and information technology.

Impact/Achievements:

- **10,990** employees trained

High-Performance Culture

Aim:

To cultivate and transform our workforce into a performance-driven culture, with high integrity and an agile way of working. This includes executing numerous initiatives towards creating a sustainable discipline in performance management.

Impact/Achievements:

- **3,825** employees trained
- **88%** of employees completed their Goal Setting in Feb 2021 compared to 83% in 2020
- **98%** of employees completed their mid-year review compared to 92% in 2020

Leadership Development

Aim:

To strengthen the leadership skills of high-potential employees and prepare them for high-level positions within the Group.

Impact/Achievements:

- **410** employees trained through Institute for Management Development (IMD) and MMU learning modules

Now Everyone Can Sell (NECS)

Aim:

To upskill and reskill all employees to promote a sales and service culture across the Group.

Impact/Achievements:

- **21,853** physical sales attributed to NECS
- **RM58.6 million** contributed to revenue (based on contract value)

EQWAY Programme for Frontliners

Aim:

To develop a warm and empathic team of frontliners, with an ultimate goal of improving our NPS across various touchpoints.

Impact/Achievements:

- Increase in NPS*:
  - **3%** at TMpoint
  - **6%** at NMO
  - **6%** at Contact centres

** Comparison between Q4 of 2020 vs 2021*

OVERALL IMPACT & ACHIEVEMENTS

Employee Engagement

- **82** scoring in OHI Survey
- **4.74/5.00** Overall Satisfaction Score
- **5,937** employees trained in future skills and other key functions (▲ **33.78%**)
- **597** certified employees in future skills area
- **36,202** employees trained in human rights policies and procedures

Training & Development

- **88%** of employees completed their Goal Setting (▲ **2020: 83%**)
- **98%** of employees completed their mid-year review (▲ **2020: 92%**)
- **41** average training hours per employee (▲ **2020: 20 hours**)
- **RM20.2 million** total investment in employee training and development
- **100%** of employees received their KPI assessments

Collective Bargaining

- **37%** employees covered by unions (= **2020: 37%**)

Agreements

- **100%** completion of strategic analysis of key items in collective agreements

Women in Management

- **39.8%** women in workforce (**Total: 8,105**)
- **31%** of women in management (▲ **2020: 28%**)
- **36%** of women in Board (▲ **2020: 32%**)

OSHE

- **71** total recordable injury cases recorded (▼ **2020: 76**)

Awards & Accolades

- M100 Leading Graduate Employers 2021
- Graduates' Choice Award 2021/2022
- GRADUAN Brand Awards 2021
- LinkedIn's 2021 Top Companies
- HR Asia Best Companies to Work for In Asia 2021
- Asia's Best Employer Brand Award 2021

M6 COMMUNITY DEVELOPMENT

Stakeholders' Expectations

- Quality educational opportunities
- Digital empowerment for businesses
- Employee volunteer programmes

THE REASON WE CARE

As a nation-building organisation, we strive to create a better place for all segments of society. We are strong advocates of inclusive and shared prosperity; we cannot truly excel as a nation if there are those getting left behind. Furthermore, we are grateful for the communities that have allowed us to succeed over the years. We believe it is every company's moral obligation to give back to these communities. We take pride in being a responsible corporate citizen and a productive member of Malaysian society. We are committed to creating a positive, long-term impact for the communities we operate in, which extends to all corners of the country.

OUR APPROACH

Our philanthropy work goes beyond making charitable donations. We adopt a hands-on approach to community development, focusing on areas where we can create a real difference. Our focus is on economic recovery and building resiliency via community/sustainable livelihood and welfare for marginalised communities, including women, the special needs community, senior citizens and the B40 group. We leverage entrepreneurship programmes with digital business skills and knowledge, on top of our continuous support in humanitarian aid.

Our impact in social empowerment are driven through two (2) primary bodies:

Yayasan TM (YTM) has been actively involved in empowering the nation's educational landscape for more than 27 years, disbursing scholarships to the next generation of future digital leaders. This year, YTM embarked on a transformation journey to become a more social-impact based foundation. This is also in support of the New TM Compass, which focuses on ESG, as well as strengthening the TM Group's aspirations in enabling Digital Malaysia. YTM focuses on three (3) key pillars of social impact, as shown below:

IMPACT IN SOCIAL EMPOWERMENT

Multimedia University (MMU) is a leading private university in Malaysia, specialising in ICT, and engineering. By delivering a transformative learning experience, MMU continues to create talents who can thrive in IR4.0. The university also implements social programmes that help vulnerable communities, including its B40 students. Started in 2020, a new strategic plan called "MMU Plus U" has been executed to drive for university excellence and financial sustainability. MMU PLUS U was crafted to focus on five (5) key areas: Population & Popularity, Learning, University Reputation, Sustainability & Unity.

TM'S PURPOSE

Commercial Sustainability to allow us to fulfil business objectives and support nation-building

Nurturing Future-Ready Digital Leaders from Primary to Tertiary Level, and Beyond via:

- Holistic and structured development programme for YTM scholars
- Education programmes for primary, secondary, tertiary and vocational students
- Promote digital literacy
- Embed entrepreneurship skills

Strengthening Recovery and Building Resilience for Communities by Integrating Education, Connectivity & Well-being via:

- Nation-building initiatives
- Community socio-economic development
- Sustainable livelihoods
- Humanitarian aid

Preserve and Celebrate Arts, Culture and Heritage via Commercial and Digital Experience

- Muzium Telekom
- Telegraph Museum Taiping
- Menara KL
- Menara Alor Setar
- Build a stronger community through art & culture
- Preservation of national heritage for our future generations

Through YTM and MMU's flagship programmes, we are able to track and measure our impact on the community. We channel resources into educating future digital leaders, helping budding entrepreneurs realise their full potential, and empowering marginalised and underserved communities.

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

EDUCATION

We believe that every Malaysian should have access to good education. Quality education is a critical tool in creating a prosperous and inclusive society. It fosters better understanding between citizens and helps break the cycle of poverty. As an enabler of Digital Malaysia, we strive to close the education gap and develop future leaders capable of accelerating the country's progress.

EDUCATIONAL EMPOWERMENT

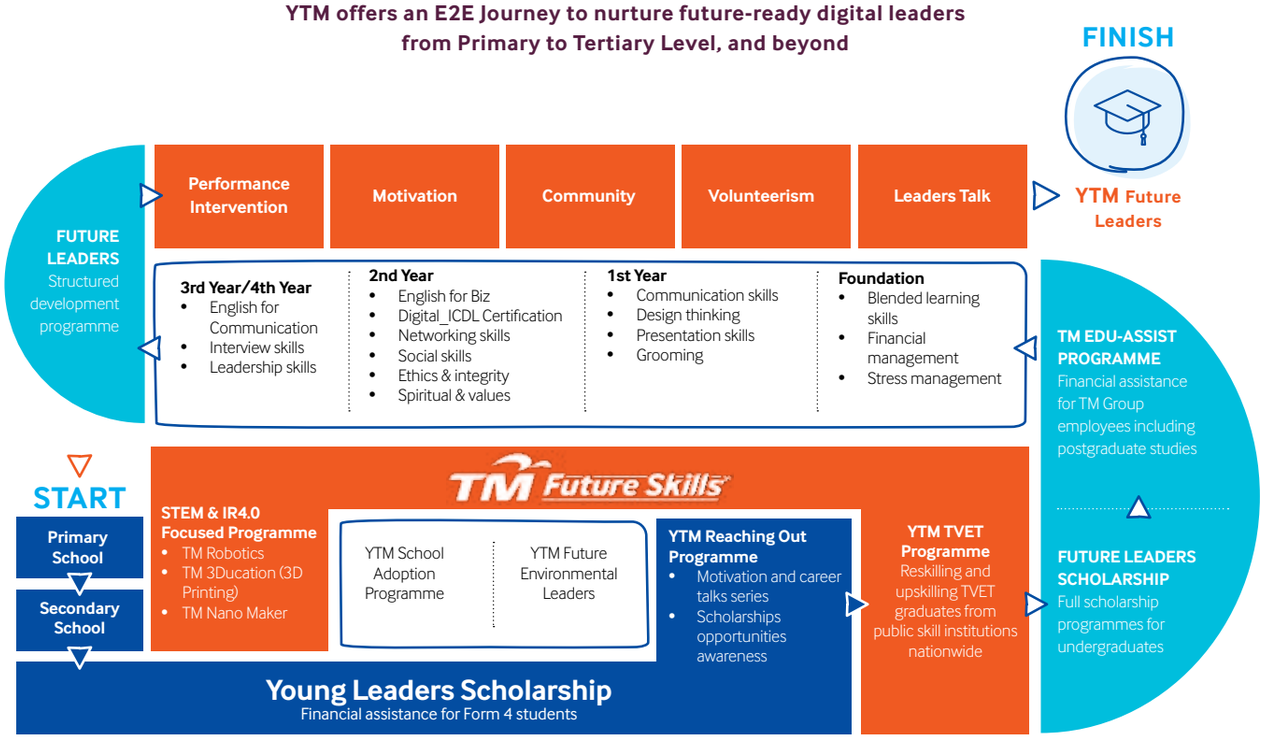
Future Leaders Scholarship

Aim:
To develop a holistic education journey in nurturing future-ready digital leaders from primary to tertiary level to drive a digital workforce.

Collaborators:
YTM

What We Did:
We continue to support the academic ambitions of high-potential students, enabling them to study in well-established institutions in Malaysia and abroad

YTM offers an E2E Journey to nurture future-ready digital leaders from Primary to Tertiary Level, and beyond



Impact:

Total Contribution
RM15.7 million

Total Reach

- Future Leaders **449 students**
- Young Leaders **187 students**
- One-off Assistance **1,000 students**
- TM Edu-Assist (Staff) **76 staff**

83
of scholars achieved First Class degree

92%
YTM scholars employed within six (6) months of graduating

Nurturing Future-Ready Leaders

Aim:

To nurture a generation of young digital leaders equipped with great employability skills.

What We Did:

We delivered the International Certification of Digital Literacy (ICDL) modules to YTM scholars to help them develop key digital skills as they pursue academic excellence in various fields.

Collaborators:

YTM, MMU, INTEC Education College

Total Contribution:

RM174,000

Impact:

- **212 scholars from seven (7) cohorts certified with ICDL**

TM Future Skills

Aim:

To equip students and teachers with IR4.0 knowledge and skills through Project-Based Learning (PBL) in developing digital talent for a future-proof ready workforce.

What We Did:

We started with 23 schools under Bangsar Pudu District Education Office (PPDBP) in 2020. This year, we expanded our reach to teachers and students from 339 schools across Malaysia with the IR 4.0 technology modules. We use a PBL approach to teach 3D modelling and printing, data logging & analytics and programming to enhance students' interest in Science, Technology, Engineering and Mathematics (STEM) subjects. We also created a STEM community-based portal via www.stem.org.my to encourage interactive learning through gamification. We offer certification to the participants to demonstrate the programme's value.

Collaborators:

YTM, Pusat STEM Negara, Jabatan Pendidikan Wilayah Persekutuan Kuala Lumpur (JPWPKL)

Total Contribution:

RM300,000

Impact:

- **6,500 teachers and students reached**
- **339 schools reached**

HELPING STUDENTS WITH ONLINE LEARNING

ENABLING ONLINE LEARNING

unifi Mobile Package for students

Aim:
To facilitate home-based teaching and learning for B40 students during the MCO.

Collaborators:
YTM, AEON Co. Bhd., Bank Rakyat, Yayasan Raja Muda Selangor, Yayasan Sukarelawan Siswa, Ministry of Education (MOE)

What We Did:
We provided free internet access to school students from B40 facilities nationwide. The students were given unifi Mobile #BEBAS 15GB LTE sim cards package with one (1) year of free internet access worth RM250.

Total Contribution:
RM1.5 million

Impact:

- **6,000 B40 school students reached**

CERDIK Initiative

Aim:
To provide unifi Mobile sim cards and laptops to enable remote learning during COVID-19.

Collaborators:
Yayasan Hasanah, Ministry of Education (MOE)

What We Did:
Under CERDIK Initiative, we distributed 20,320 free one-year subscription of unifi Mobile #BEBAS 15GB LTE sim cards package and 320 laptops to identified B40 students.

Total Contribution:
RM5.5 million

Impact:

- **20,320 students connected via unifi Mobile #BEBAS 15GB LTE sim cards package**
- **320 students equipped with laptops**

#MYBAIKHATI Campaign

Aim:
To collect and distribute used communication devices to B40 families to enable remote learning during COVID-19.

Collaborators:
YTM, Malaysia Communications & Multimedia Commission (MCMC), Ministry of Education (MOE)

What We Did:
#MYBAIKHATI campaign is a crowdsourcing initiative to collect and repair used communication devices such as laptops, tablets and smartphones from businesses and members of the public to be distributed to the lower income group, especially the B40.

We distributed refurbished laptops to B40 students under Bangsar Pudu District Education Office (PPDBP) for Home-Based Learning and Teaching (PdPR) sessions in the new norm. The laptops included unifi Mobile #BEBAS 15GB LTE sim cards package for a better learning experience.

Total Contribution:
RM209,017

Impact:

- **60 students from B40 families helped**
- **200 smart devices collected**
- **115 devices refurbished**

COMMUNITY & NATION-BUILDING

In line with the new Yayasan TM 2.0 aspiration to become a social impact-driven foundation, TM via Yayasan TM aims to build community resilience by empowering marginalised groups through entrepreneurship and upskilling programmes for sustainable livelihood. We play active roles in GDRN as a joint-secretariat with Yayasan Hasanah to coordinate and mobilise humanitarian assistance due to natural disasters, such as floods and COVID-19. We deploy our 'TM Reaching Out Volunteers' (TMROVers) to provide on-the-ground support to communities in need. The care and dedication of TMROVers have been particularly essential this year during COVID-19 lockdowns and flood relief missions.

COVID-19 HUMANITARIAN EFFORTS

TM Syawal Contribution

Aim:

To help those affected by COVID-19 during Ramadhan

What We Did:

We worked with various NGOs to conduct humanitarian and charity programmes to help those in need.

Collaborators:

YTM, Non-Governmental Organisations (NGO), TM State Offices

Total Contribution:

RM495,000

Impact:

65 NGOs supported

Tabung Bakul Prihatin Negara

Aim:

To provide food aid nationwide for a families affected by the pandemic.

What We Did:

We contributed RM2.0 million to Yayasan Kebajikan Negara for food aid (worth RM100) to feed struggling families during the pandemic.

Collaborators:

YTM, Yayasan Kebajikan Negara

Total Contribution:

RM2.0 million

Impact:

20,000 families reached

Tabung Solidarity COVID-19 TM (Employees Contribution)

Aim:

To enable employees to play their part in helping communities during COVID-19.

What We Did:

We established a platform for TM employees to contribute to the Government's Tabung Bantuan Bencana Negara (TBBN), which provides aid to affected communities. The total funds raised by employees were also matched by the Group.

Collaborators:

YTM, Agensi Pengurusan Bencana Negara (NADMA)

Total Contribution:

>RM1.6 million (a total of TM and TM employees' contribution)

Impact:

RM1.0 million donated to TBBBN via NADMA

MOF-GDRN PERMAI Relief Fund

Aim:

To provide support and critical aid during disaster relief, including COVID-19.

What We Did:

We received MOF-GDRN PERMAI Relief Fund Matching Grant based on our COVID-19 efforts in 2020, enabling us to provide financial and non-financial assistance (i.e., food packs, school supplies and vaccinations) to affected communities and businesses during disaster events. Through Inisiatif Tolong Menolong, we purchased food and basic items from SMEs affected by the pandemic.

Collaborators:

YTM, TM State Office, UMission for Peace Malaysia, Kelab Kebajikan Bekas Pelajar Sekolah Menengah Dato' Mohd Taha (SMDT) 1989, Malaysian Relief Agency, Pertubuhan Kebajikan Al-Firdausi Kuala Lumpur, Sabah Relief, Pertubuhan Gabungan Bantuan Bencana NGO Malaysia (BBNGO), Kelab Bantu Dia, Pertubuhan Sahabat Jariah, Yayasan Taat, Pertubuhan Ikatan Kasih Ummah, Pertubuhan Kelab Pemilik Desmo Malaysia, Kelab Kebajikan Nur Insaniah Selangor, Pertubuhan Amal & Kebajikan Nur Qasih, HIKMAH Sarawak, Kelab Skuad Lembah Pantai Di Hatiku, Pusat Khidmat Kebajikan AbgManjoi, Persatuan Sukarelawan Pendidikan Minda Kreatif Kuala Lumpur, Persatuan OKU Sentral, Persatuan Membantu Orang Kelainan Upaya Malaysia (PMOKUM), PINTAR Foundation, and Kelab Belia Anak Wilayah Lembah Pantai.

Total Contribution:

RM3.0 million

Impact:

- **28,743 families and 151 SMEs reached;**
- **23 NGOs**
- **2,420 students benefitted**
- **235 frontliners assisted**
- **7,071 person with disabilities (PWD) and their guardians benefitted for vaccination**

TOTAL IMPACT:

- **Total contributions: RM6.5 million, including PERMAI Funds**
- **People Reached:**
  - **> 87, 443 individual/families benefitted**
  - **151 SMEs supported**
  - **88 NGOs supported**

FLOOD RELIEF EFFORTS

GLIC/GLC Disaster Response Network (GDRN)

Aim:

To streamline GLC's and GLIC's humanitarian support in assisting the Government's response to natural disaster as well as COVID-19.

What We Did:

We played an active role in GDRN, acting as co-chair with Yayasan Hasanah to coordinate various relief of medical-related supplies and non-medical related supplies worth RM46.0 million. During the major floods that occurred late in the year, we pledged RM2.0 million to help the affected communities.
We also deployed 144 TMROVers for the National COVID-19 Immunisation Programme and mobilised over 350 TMROVers for post-floods assistance for house cleaning and essential items distribution for communities affected, especially in Selangor and Pahang. These items include food packs, household items and school supplies.

Collaborators:

YTM, Yayasan Hasanah, Rakan GDRN, Kelab Bantu Dia, Project Asal, Yayasan Amal Sejahtera Insan Islam Nusantara Malaysia, Pertubuhan Sahabat Jariah and Pertubuhan Gabungan Bantuan Bencana NGO Malaysia (BBNGO).

TOTAL IMPACT:

Total Contribution:
RM46.0 million

Medical-Related Supplies
RM26.5 million

Non-Medical Related Supplies
RM19.5 million

Contributed by GDRN

Non-Medical Related Supplies *supported by GDRN contributions*

People Assisted & Beneficiaries

Individuals	Families	Students	Frontliners	Orang Asli
28,072	**25,792**	**25,765**	**9,950**	**2,104**

Cultural Workers	Schools & Universities	Volunteers Deployed	Implementing Partners
1,500	**54**	**469**	**182**

Medical-Related Supplies *supported by GDRN contributions*

People Assisted & Beneficiaries

Individuals	PWDs	COVID-19 Assessment Centres (CACs)
24,016	**12,600**	**75**

Vaccination Centres (PPVs)	Hospitals	Volunteers Deployed	Implementing Partners
34	**18**	**1,165**	**50**

TMROVers:

RM2.0 million pledged for floods relief	**>RM870,000** disbursed for humanitarian assistance	**>5,000** families assisted

EMPOWERING ENTREPRENEURS

RAPIDE TVET Entrepreneurship Programme

Aim:

To reskill and upskill TVET graduates from B40 groups, SMEs and women entrepreneurs.

Collaborators:

YTM, GIATMARA

What We Did:

We upskilled TVET graduates and small entrepreneurs, including women entrepreneurs, with digital business knowledge and solutions via an online training platform to help boost their sales and income.

Total Contribution:

RM150,000 since 2020

Impact:

- **1,161 GIATMARA students and entrepreneurs completed the online course, since 2020**

Smart Farming with Senior Citizens

Aim:

To enhance the quality of life and well-being of the ageing community via home gardening.

Collaborators:

YTM, Pusat Aktiviti Warga Emas (PAWE) Putrajaya (PAWE Putrajaya), Malaysia Research Institute on Ageing (MyAgeing)

What We Did:

We organised a series of workshops for senior citizens to run an in-house garden and generate additional income for their family/ neighbourhood.

Total Contribution:

RM17,000

Impact:

- **100 senior citizens trained**

TOTAL IMPACT:

- **Total contributions: RM167,000**
- **People Reached:**
  - **>1,260 individuals benefitted**

CULTURE & HERITAGE

As a nation-building organisation, we remain true to our technological roots, marrying technology and human creativity to create something new. In the past, it was connecting people, today it's converging communications, content and mobile together. In the future, it will all be about placing the human experience, right in the middle of technological development and advancements. It is a necessary part of the preservation and celebration of our nation's heritage but also a key foundation to building our future. This year, we invested around RM957,000 into building Malaysia's cultural heritage and arts – the pride of the nation.

Promoting Public Arts & Supporting the Arts Community

Aim:

To raise public awareness and instil pride in Malaysia's national heritage while helping artists, artisans and performers whose livelihoods were affected by COVID-19.

Collaborators:

YTM, MMU, TM R&D, TM One, Cultural Economy Development Agency (CENDANA)

What We Did:

We transformed the Muzium Telekom as an engaging public art space for artists and performers affected by the pandemic during Art in The City KLWKND. We carry the exhibition theme of Traverse – Motions Through Time to showcase art and technology traversing without borders across time, mediums and cultures in a vibrant interdependent ecosystem. We promote local artists, a new form of art-making, digital arts and showcase the extraordinary visual talents of gifted artists in Malaysia for a charity sale during the event. We also promoted new content produced by MMU students, faculty and alumni, as well as showcasing TM R&D and TM One innovations.

TOTAL IMPACT:

- **>3,000 visitors experienced arts tour**
- **221 musicians & crew**
- **93 arts performers**
- **21 visual artists**
- **10 People with Disability Visual Artists**
- **50 digital artists for NFT-JAM challenge**
- **135 MMU students for digital arts showcase**
- **17,000 online viewers for digital forums/webinars and metaverse**

Preserving Our National Heritage

Aim:

To raise public awareness and instill pride for Malaysia's national heritage.

Collaborators:

YTM, Akademi Jawi Malaysia

What We Did:

Organised a series of online awareness and competitions related to our national heritage, with contestants consisting of Primary, Secondary and University students in Malaysia.

TOTAL IMPACT:

- **> 800 submissions received for the short video competition**

OVERALL IMPACT & ACHIEVEMENTS

Yayasan TM

- **RM582.3 million** worth of scholarships disbursed since 1994
- **418** scholars at local universities
- **39** overseas scholars in the UK, USA, Canada, Korea, Japan, Germany and France

MMU

- **3,309** highly-skilled, digital savvy graduates produced
- **22%** increase in student intake (5,658 new students)
- SETARA: 5-Star Rating
- Malaysia Research Assessment Ratings (MyRA): 4-Star Rating
- QS World University Ranking Asia: 189
- THE Asia University Ranking: 401
- Ministry of Higher Education (MOHE) Entrepreneurial Awards 2021:
  - First Place for Outstanding Student Entrepreneurship Award
  - Finalist in the category of Institutional Award
  - Finalist for Outstanding Graduate Student Enterprise Award
  - Finalist for Outstanding Entrepreneurship Mentor Award
- Graduates' Choice Award 2021
- Malaysia's Most Attractive Employer to Work for (Education Category)

Community & Nation-building

- **RM14.9 million** total investment/contributions towards community
- **RM300,000** invested in TM Future Skills
- More than **6,500** teachers and students reached

COVID-19 Efforts

- Over **RM20.0 million** contributed (2020-2021)
- **>87,443** individual/families benefitted
- **>85** NGOs supported

Flood Relief Efforts

- **>144** TMROVers involved in the National COVID-19 Immunisation Programme
- **>RM850,000** disbursed
- **>5,000** families assisted
- **>350** TMROVers deployed

Culture & Heritage

- **RM957,000** contributed to culture and heritage
- **529** artists, artisans and performers supported
- **20,000** people reached through various events/programmes

...Strengthening Our Integrity

Good governance is an essential aspect of TM's sustainability efforts. We are able to create positive impact and stakeholder value through good integrity and business ethics. This sentiment is encapsulated in TM's Core Values (KRISTAL), which is cascaded throughout the Group and is an expected practice by *Warga TM*. As we continue to make great strides in our sustainability journey, we remain committed to applying the highest standards of conduct and ensuring that the best interest of all our stakeholders is always protected.

In This Section:

M7 GOVERNANCE

M7 GOVERNANCE

Stakeholders' Expectations

- Responsible ESG practices by suppliers
- Contributions to the local economy
- Protection of human/labour rights

THE REASON WE CARE

Good governance is crucial to ESG and inclusive stakeholder value. It ensures that we manage our business in a way that protects the interests of all stakeholders. At the same time, strong corporate governance protects our business, partners and related stakeholders from fraud and corruption, which inevitably impacts economic growth. Maintaining good governance and integrity in everything we do is critical in achieving our nation-building and sustainability aspirations.

TM's ESG Commitments:

Zero-tolerance approach to all forms of corruption

Disclosure on anti-corruption (OACP and ABMS) and corporate governance agenda

OUR APPROACH

We ensure that the Group is managed in an ethical, transparent and accountable manner by having strong governance processes and structures in place. We protect the integrity of our business and value creation through a strong foundation of policies and guiding principles, as shown on page 151. Our corporate governance system is designed to promote ethical behaviour, accountability, transparency and stakeholder value. It is built on the TRUST Principles:

- Top-Level commitment
- Risk assessment
- Undertake control measures
- Systematic review, monitoring & enforcement
- Training & communication

Through these principles, we continue to take steps to cultivate awareness and put anti-corruption monitoring and corrective measures in place, while creating a culture of integrity within TM through various initiatives. For allegations of corruption and misconduct, GIG will conduct a preliminary investigation to determine its validity, before commencing a full investigation. If misconduct is found, GIG will escalate the allegation to the Industrial Relations (IR) unit to determine the course of action.

Deployed Capitals: ***Met Strategic Aspirations:*** ***Stakeholders Affected:***

VALUE CREATION IN 2021

TOP-LEVEL COMMITMENT

Integrity and ethics begin with our leadership team, with the Board and upper management team leading by example. Through this top-down approach, TM's values of good governance and accountability cascade across the organisation.

Integrity Message During *Jom Bersama* GCEO – Uncompromising Integrity

As the GCEO shared pertinent information on TM's performance, strategy and aspirations during an engagement session with employees nationwide, he reminded everyone on the importance of upholding TM's high standards of ethics and integrity.

The integrity message included:

- Corporate Liability Section 17A of the MACC Act 2009
- KRISTAL Values on Uncompromising Integrity
- Whistle-blowing channels
- Ethics and integrity initiatives

TM Integrity Day

To demonstrate our commitment to high integrity, governance and transparency. TM's leadership team were actively involved in the event to promote a culture of integrity within the Group.

The event saw the launch of our Organisational Anti-Corruption Plan (OACP) by TM's Chairman and GCEO, which was witnessed by Dato' Sri Ahmad Khusairi Yahaya, Deputy Chief Commissioner (Operation) of Malaysian Anti-Corruption Commission (MACC). Other special guests include:

- Datuk Norazlan Mohd Razali, Deputy Chief Commissioner (Prevention) of MACC
- Dr. Mohammad Mohan, President of Transparency International Malaysia (panelist)
- Puan Anis Rizana Mohd Zainudin @ Mohd Zainuddin, TM Director (moderator)

RISK ASSESSMENT

We conduct regular corruption risk assessments to identify high-risk areas and implement appropriate controls. This year, we assessed corruption risks across all 20 divisions within the Group, as required by ISO37001. The risk profile is reviewed by each division on a quarterly basis to get ahead of any unethical or corruption risks. Based on 2021's risk assessment, Abuse of power has been identified as a significant risk to our integrity and governance. As a response, we developed 91 Action Plans in TM OACP based on four (4) focus areas by 20 Divisions in TM. We target to complete 100% of these action plans between 2021 to 2025. To date, 99% of TM OACP has been completed.

UNDERTAKE CONTROL MEASURES

We have a strong foundation of policies and guidelines in place to protect the integrity of the Group as well as the best interests of our stakeholders.

PROTECTING OUR INTEGRITY

A Strong Foundation

Code of Conduct & Business Ethics (CBE) and Anti-Corruption Guide (ACG)

Acts as a primary reference for employees when dealing with internal and external stakeholders, ensuring all interactions are conducted in an open, honest and ethical manner.

Whistle-blowing Policy

Provides an avenue for employees and other stakeholders to safely report any improper conduct such as illegal, unethical or corrupt activities.

What's New This Year

Organisational Anti-Corruption Plan (OACP)

Developed OACP to further strengthen our existing ethics and integrity ecosystem. The OACP clearly defines the focus areas and strategic initiatives to mitigate corruption, integrity and governance risks.

ISO37001 ABMS certification

ISO37001 ABMS helps to prevent, detect & respond to the occurrence of corrupt practices/bribery in relation to TM business activities. ABMS includes all TRUST principles in relation to the Guidelines on Adequate Procedures issued by PM's Department pursuant to Section 17A Corporate Liability Provision.

Enhanced Process and Procedures to address the new corporate liability provision of MACC Act 2009

Updated the CBE, ACG and TM Sponsorship Management Guideline (TM SMG) to reflect the new corporate liability provision. This ensures TM has adequate controls to eradicate corrupt practices, thus protecting our business and stakeholders.

SYSTEMATIC REVIEW, MONITORING & ENFORCEMENT

During the year, we continue to make great strides in strengthening our governance and integrity. This is done by regularly assessing the effectiveness of our control measures through regular audits. Furthermore, we reinforce appropriate action on employees, partners and relevant stakeholders who are involved in bribery, corruption and other unethical business practices, with guilty parties undergoing a proper process of consequence management.

For more information on our audit process, please see page 183.

GETTING AHEAD OF INTEGRITY RISKS

TM OACP

What We Did:

Based on holistic assessments with 20 divisions, we outlined action plans to address potential corruption, integrity and governance issues in TM. We have four (4) mechanisms in place to execute the OACP initiatives:

- GIG – the secretariat that monitors and tracks the implementation of the action plans
- ERM MERCIS – a system that monitors corruption risk and action plans.
- OACP Monitoring Form – used to report to the Board Audit Committee (BAC) on a periodic basis
- ABMS – a tool that ensures the action plans are implemented in compliance with ABMS requirements

Highlights/Achievements:

- **91** action plans under four (4) focus areas, four (4) strategies and ten (10) strategic initiatives

ISO 37001 ABMS

What We Did:

As part of the review and monitoring of ABMS implementation, we conducted internal and external audits for our certified divisions as well as other support functions.

Highlights/Achievements:

- **Internal audits conducted for six (6) key divisions** under ABMS scope and other support divisions
- **Achieved our objectives** in identifying and implementing improvements in our internal processes

GETTING AHEAD OF INTEGRITY RISKS

ETHICS LINE & INFORMATION

What We Did:

The complaints and information received from whistle-blowers and stakeholders ensure the enforcement of policies, procedures and guidelines. All information received is transparently investigated to determine the validity and severity of potential misconduct.

Highlights/Achievements:

- **83** complaints received through whistle-blowing channel
- **92%** of complaints **resolved**, with pending 8% to be resolved in 2022

TRAINING & COMMUNICATION

Ongoing awareness, briefing sessions and communications are essential for TM employees to sufficiently understand our CBE and values. By having these sessions, employees are equipped with the knowledge of acceptable and unacceptable business conduct and zero-tolerance against all forms of corruption. We also organised mandatory virtual training programmes to ensure full compliance with relevant acts and regulations.

More than 8,000 employees, including Business Partners, have attended the awareness session and special events such as TM Integrity Day, webinars, workshops and onboarding sessions, both physically and virtually.

BUILDING A CULTURE OF INTEGRITY & COMPLIANCE

TM INTEGRITY DAY

Aim:

To demonstrate TM's commitment to upholding high integrity, governance and transparency in its business operations through an engaging whole-day event. The event saw a company-wide pledge to combat corruption, and the launch of TM's OACP

Highlight:

- TM pledged its commitment to company-wide combat against corruption
- Initiatives organised to inculcate a corruption-free culture
- Launched TM's OACP aligned with the National Anti-Corruption Plan (NACP)
- TM's senior management signed a corruption-free pledge as a testament to our anti-corruption aspirations

Reach:

- **TM employees nationwide**

UNCOMPROMISING INTEGRITY E-LEARNING PROGRAMME

Aim:

To raise awareness on the understanding of ethics and integrity, the new provision of corporate liability, good governance and anti-corruption.

Reach:

- **20,912 employees**

OVERALL IMPACT & ACHIEVEMENTS

OACP action plan completion

- **99%** action plan completed for 2021

ABMS certification

- **100%** completed against 2021 target

Operations assessed for corruption

- **20** divisions completed corruption risk assessment

Misconduct/ Malpractice

- **5** confirmed incident of corruption (▼ **2020: 8**)
- **29** reports received (▼ **2020: 37**)
- **93%** misconduct/malpractice reports resolved (▲ **2020: 81%**)

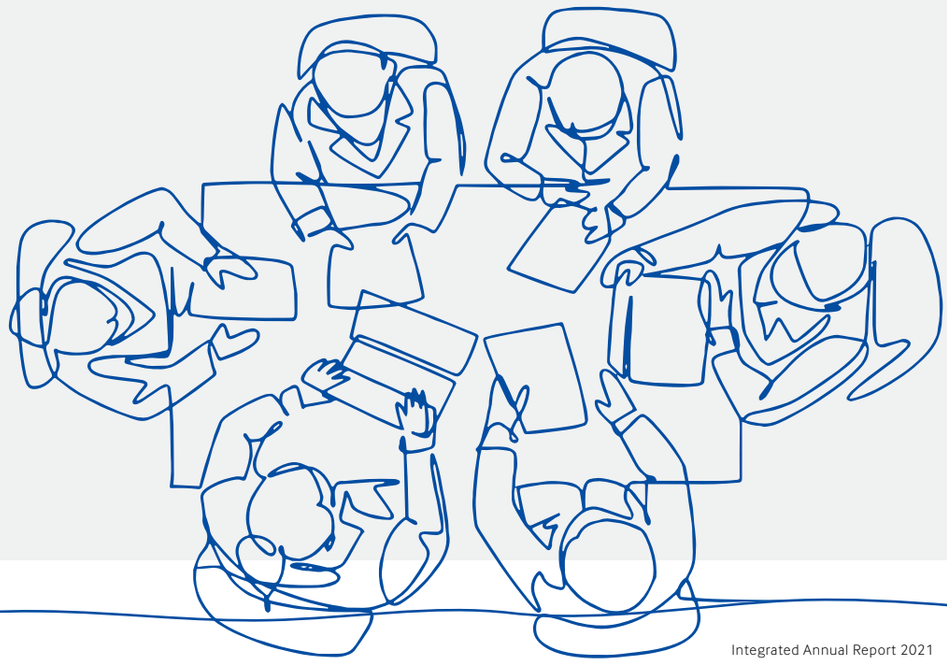
Employees' Declaration

- **100%** of employees completed the Declaration of Assets and Interests (DOA)
- **100%** of employees signed the IP

Telecommunication Fraud

- **0.01%** in Telco Fraud loss against TM's revenue (compared to 0.3% in 2005 and against global benchmark* of 1.7%)

* Communication Fraud Certified Association (CFCA)



In addressing diversity, both in terms of views and inclusivity, we currently retain women in nearly half of our management team

GOVERNANCE

Leadership + Governance

Beyond the distinction of leadership is the weight of responsibility. To this end, TM is determined to continue pursuing its aspirations, resolutely steered by the highest standards of ethics, integrity and transparency

Corporate Governance Overview

The Board of Directors is committed to the highest standards of corporate governance which are crucial in delivering consistent financial performance, creating long term economic and sustainable value to all stakeholders. Despite the challenges in 2021, our Company delivered strong returns to our shareholders by embedding the principles of accountability, governance, ethics and integrity in the conduct of our business and continuously adhering to strong corporate best practices and values.

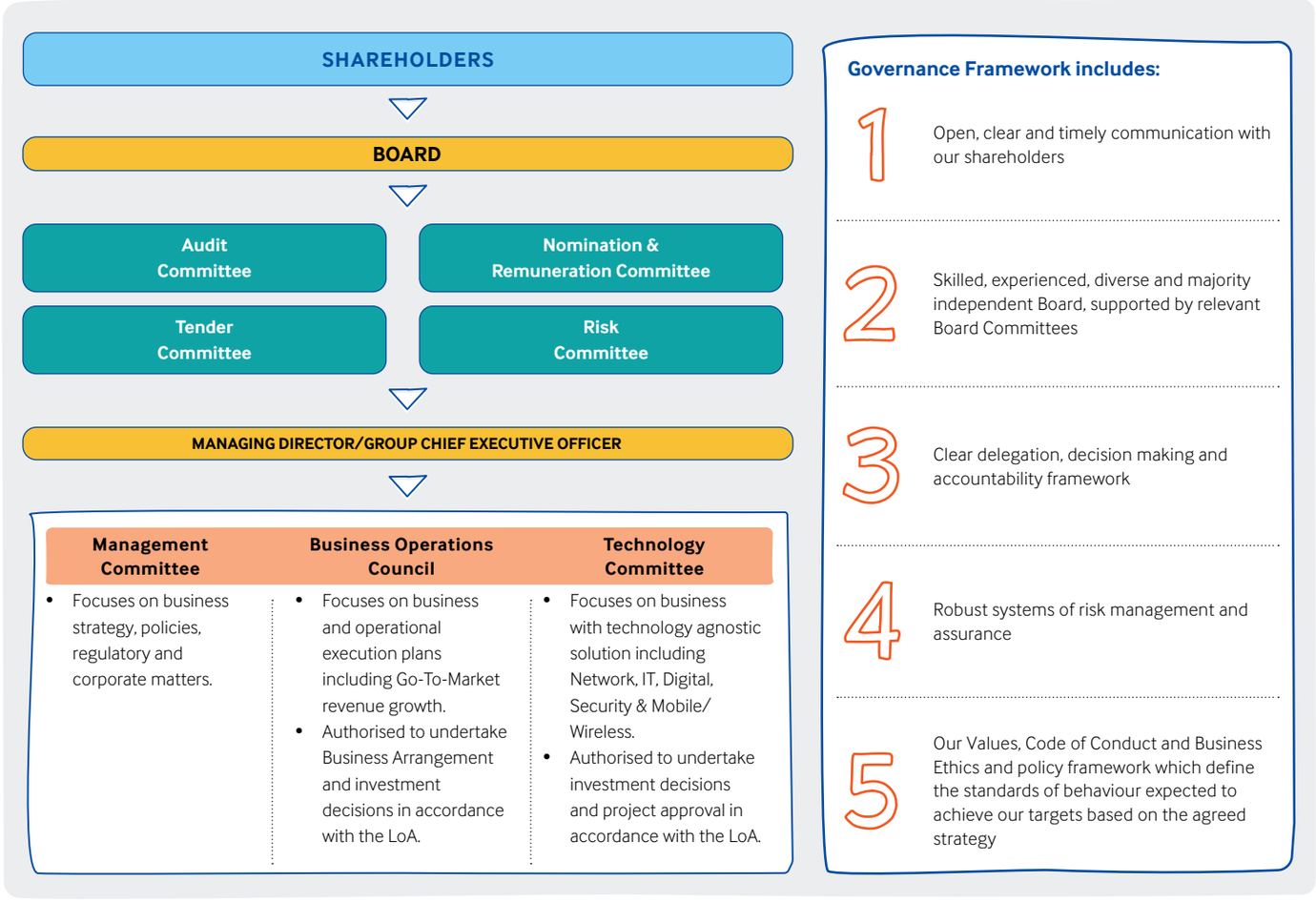
The Board continuously align TM's purpose in fulfilling its dual role as a Public Listed Company (PLC) and a Government-Linked Company (GLC). As a GLC, TM plays a key role in driving national initiatives towards Digital Malaysia, ensuring acceleration of digital adoption in the country and also provides support to the nation via various Corporate Responsibility initiatives.

OUR GOVERNANCE FRAMEWORK

TM's Governance Framework is guided by the principles and best practices of corporate governance as prescribed by the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance 2021 (MCCG), Corporate Governance Guide, international best practices and standards on corporate governance.

As part of the Group's Governance Framework, specific powers of the Board are delegated to the relevant Board and Management Committees.

The Governance Framework is supported by the Board Charter, Limits of Authority Matrix (LoA) and Business Policy and Governance (BPG). Annual review is conducted on the Board Charter, whilst the LoA and BPG are reviewed and updated as and when required to adapt to the business environment, changes in strategic direction and to reflect the Group's key business policies and governance.



During the year, the Board via the Nomination and Remuneration Committee (NRC) has reviewed the structure and composition of the respective board committees arising from the 2020 Board Effectiveness Evaluation (BEE). Taking into consideration the 2020 BEE result, in June 2021, the Board endorsed NRC's recommendation on the disbandment of the LTIP Committee whereby the duties and responsibilities as provided in its Terms of Reference (ToR) as well as the LTIP By-Laws, were assumed by the NRC. In addition, based on the assessment conducted by Ernst & Young Consulting Sdn Bhd, NRC and the Board in September 2021 agreed on the disbandment of the Board Investment Committee (BIC) and consequently, the expansion of the role of Board Risk Committee (BRC) to include the review of strategic investment proposals focusing on Management's identification of key risks and mitigation plans. This ensures all risk assessment is comprehensively deliberated for the Board's consideration in making strategic investment decisions.

The following sections outline how TM has applied the three (3) key principles of the MCCG:

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

As at 31 December 2021, TM has adopted 44 recommended practices in the MCCG. The CG Overview Statement is to be read together with the Corporate Governance Report (CG Report) 2021 which further elaborates on how the Practices of the MCCG are applied, as well as the departures and alternative measures adopted for the financial year 2021 and up to the date of the statements. The CG Report is available on the Company's website.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

DISCHARGING THE BOARD RESPONSIBILITIES

The Board's principal focus is on the long-term success of our Company and the delivery of sustainable value to our shareholders. It is imperative for the Board to review and set the overall strategic direction, development and control of the Group in an effective and responsible manner. The Board takes collective responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight. It also collectively assumes responsibilities for the Company's leadership and is responsible for meeting the objectives and goals of the Company.

Directors have fiduciary duties to act in good faith, exercise reasonable care, skill and diligence to safeguard the interest of the Company as well as ensuring high ethical standards are applied throughout the organisation. In discharging its roles and responsibilities, the Board is also mindful of the need to protect the interests of all stakeholders.

Board activities are structured to facilitate the Board in providing an effective management oversight to support the MD/GCEO and Management Team. As part of the ongoing transformation plans, three (3) Board Strategy Retreats were held in 2021 to re-assess the Group's business direction and strategy. In December 2021, the Board approved TM Group's mid-term strategic direction and Annual Operating Plans for 2022-2024.

In 2021, several changes to the leadership and Board composition were implemented, with the appointment of Tan Sri Mohammed Azlan Hashim as the new Non-Independent Non-Executive Chairman (NINEC), appointment of Muhammad Afhzal Abdul Rahman as a Non-Independent Non-Executive Director (NINED) and Rossana Annizah Ahmad Rashid as new Independent Non-Executive Director (INED). The Directors have extensive experiences and have complemented the board diversity, contributing to healthy, engaging and robust discussions during the Board meetings.

The Board has assessed its performance on execution of Board Responsibilities including General Responsibilities, Strategic Planning, Performance Management, Risk Management and Internal Controls, Sustainability, Human Capital Management and CG in the 2021 BEE.

The Board's deliverables were also monitored via the Board Performance Improvement Programme (BPIP) and reported to NRC.

Board Charter

The Board Charter comprises the ToR of our Board and Board Committees, practices, principles and guidelines. It is a primary source of reference for the Board on our governance practices and Board policies and guidelines. It serves as a comprehensive guide for Directors on matters relating their roles, power, duties, functions and processes.

The Board reviews the Board Charter from time to time to ensure it remains relevant to the Company's objectives and strategies in alignment with current rules and regulations. During the year, several revisions were made to the Board Charter arising from the disbandment of the BIC and LTIP Committee and enhancements to BRC's ToR. Several key changes were also made to the ToR of Board Audit Committee (BAC) primarily on the enhancement of its independent function. Reviews to the NRC's ToR were also made in line with the updated MCCG and Main LR.

Please click here for more information about CG Report and Board Charter

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Demarcation of Responsibilities between the Board, Board Committees and Management

The Board Charter clearly demarcates the roles and responsibilities of the Board, Board Committees and Management, and identify the specific roles and responsibilities of the Chairman, Senior Independent Director (SID), Non-Executive Director (NED) and the Executive Director (ED). Such clear demarcation of functions provides a balance of authority within the Board and safeguards against one individual or group dominating the decision-making process of the Company. The positions of Chairman and MD/GCEO at all times are held by different individuals with clear and distinct roles as documented in the Board Charter.

ROLES AND RESPONSIBILITIES

1 Chairman

- Provides leadership to the Board and ensures its effectiveness.
- Leads the Board in providing oversight of the Management.
- Acts as liaison between the Board and Management and carries out other duties as requested by the Board as a whole, depending on need and circumstances.
- Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of our Company.

Given his extensive experience in the corporate sector and well known for upholding governance and integrity, Tan Sri Mohammed Azlan Hashim has been able to provide strong leadership to the Board, encouraging participation of all directors and allowing dissenting views for robust discussions at board meetings. He has been consultative but decisive to ensure effective decision making process. TM Chairman does not sit on any Board Committees.

2 Senior Independent Director

- Leads confidential discussions with other NEDs in any concerns which may not have been considered by the Board as a whole.
- Provides an alternative channel of communication for shareholders and other stakeholders to convey their concerns and issues.
- Promotes high standards of corporate governance and ensures that the Company's obligations to shareholders are understood and complied with.

Tunku Afwida Tunku Dato' A.Malek continues to play a strong role as a SID in upholding integrity and governance. She is also a sounding board for the Chairman and acts as intermediary for other directors, when required.

3 Executive Director

- Implements the broad policies approved by the Board and to report and discuss at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments.
- Ensures the smooth running of the day-to-day operations of the Company.
- Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of the Company.

Imri Mokhtar continues to lead the Management Team and focuses on the business and day-to-day management of the Company.

Fostering Commitment of the Board

The commitment of the Board is evidenced by the attendances and time spent at Board and Committee Meetings. The schedule for Board and Committee meetings and establishment of key board agenda was presented to the Board and shared with all Directors at the beginning of the year to ensure Directors' time commitment.

All Directors complied with the minimum attendance of at least 50% of Board and Board Committee meetings held during the financial year. Decisions made at Board Meetings were mostly on consensus or via majority votes where dissenting views were recorded. Whilst, resolutions in writing shall be valid and effective if signed by majority of Directors or the Alternate, majority of whom are Independent Directors.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Summary of Board and Board Committees' memberships, number of meetings, attendance and time spent during 2021:

BOARD

Tan Sri Mohammed Azlan Hashim (Chairman) *(Appointed on 1 August 2021)*	9/9
Imri Mokhtar	23/23
Anis Rizana Mohd Zainudin @ Mohd Zainuddin	22/23
Dato' Mohamed Nasri Sallehuddin	22/23
Muhammad Afhzal Abdul Rahman *(Appointed on 1 December 2021)*	1/1
Tunku Afwida Tunku Dato' A.Malek	23/23
Balasingham A. Namasiwayam	22/23
Hisham Zainal Mokhtar	23/23
Saheran Suhendran	21/23
Datuk Siti Zauyah Md Desa	23/23
Rossana Annizah Ahmad Rashid *(Appointed on 22 November 2021)*	2/2
Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)*	1/1

FORMER DIRECTORS

Tan Sri Dato' Seri Mohd Bakke Salleh (Chairman) *(Resigned on 31 July 2021)*	14/14
Dato' Mohd Naim Daruwish *(Resigned on 16 October 2021)*	14/19
Dato' Ibrahim Marsidi *(Resigned on 16 October 2021)*	15/19

Board Meeting Hours: **126** hours **5** minutes

NUMBER MEETINGS HELD & ISSUANCE OF CIRCULAR RESOLUTION (CR)

Board	**23** 7 DCRs	**BRC**	**7** 1 CR
BAC	**10** No CR	**BIC**	**7** 1 CR
NRC	**15** 3 CRs	**LTIP**	**2** No CR
BTC	**9** 1 CR		

Total Board & Board Committees' Meeting Hours

258 hours **10** minutes

BOARD AUDIT COMMITTEE (BAC)

Hisham Zainal Mokhtar (Chairman)	10/10
Tunku Afwida Tunku Dato' A.Malek	10/10
Balasingham A. Namasiwayam	10/10

PERMANENT INVITEE

Imri Mokhtar	7/10

FORMER MEMBER

Dato' Ibrahim Marsidi *(Resigned on 16 October 2021)*	6/9

BAC Meeting Hours: **30** hours **40** minutes

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Tunku Afwida Tunku Dato' A.Malek (Chairperson)	15/15
Dato' Mohamed Nasri Sallehuddin	14/15
Balasingham A. Namasiwayam	15/15
Datuk Siti Zauyah Md Desa *(Appointed on 24 September 2021)*	3/3

PERMANENT INVITEE

Imri Mokhtar	15/15

FORMER MEMBER

Dato' Ibrahim Marsidi *(Resigned on 16 October 2021)*	7/13

NRC Meeting Hours: **38** hours **25** minutes

BOARD TENDER COMMITTEE (BTC)

Datuk Siti Zauyah Md Desa (Chairperson)	9/9
Anis Rizana Mohd Zainudin @ Mohd Zainuddin	8/9
Dato' Mohamed Nasri Sallehuddin	8/9
Balasingham A. Namasiwayam	9/9
Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)*	1/1

PERMANENT INVITEE

Imri Mokhtar	9/9

FORMER MEMBERS

Dato' Ibrahim Marsidi *(Resigned on 16 October 2021)*	5/8
Hisham Zainal Mokhtar *(Resigned on 24 June 2021)*	5/5

BTC Meeting Hours: **29** hours **35** minutes

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RISK COMMITTEE (BRC)

Balasingham A. Namasiwayam (Chairman)	7/7
Tunku Afwida Tunku Dato' A.Malek	7/7
Anis Rizana Mohd Zainudin @ Mohd Zainuddin *(Appointed on 24 September 2021)*	3/3
Saheran Suhendran	7/7
Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin) (Appointed on 24 September 2021)*	N/A

PERMANENT INVITEE

Imri Mokhtar	6/7

FORMER MEMBER

Dato' Mohd Naim Daruwish *(Resigned on 16 October 2021)*	4/5

BRC Meeting Hours: 15 hours 30 minutes

BOARD INVESTMENT COMMITTEE (BIC) *(DISBANDED W.E.F. 23 SEPTEMBER 2021)*

Tunku Afwida Tunku Dato' A.Malek (Chairperson)	7/7
Anis Rizana Mohd Zainudin @ Mohd Zainuddin	7/7
Dato' Mohamed Nasri Sallehuddin	7/7
Dato' Mohd Naim Daruwish	6/7
Hisham Zainal Mokhtar	7/7
Saheran Suhendran	7/7
Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)*	N/A

PERMANENT INVITEE

Imri Mokhtar	6/7

BIC Meeting Hours: 15 hours 35 minutes

LTIP COMMITTEE (DISBANDED W.E.F. 24 JUNE 2021)

Tunku Afwida Tunku Dato' A.Malek (Chairperson)	2/2
Balasingham A. Namasiwayam	2/2
Saheran Suhendran	2/2

PERMANENT INVITEE

Imri Mokhtar	2/2

LTIP Meeting Hours: 2 hours 15 minutes

MEETING DATES

JANUARY
BOD – 18, 21, 22, 25
BAC – 18
NRC – 8, 14
BTC – 22
BIC – 7, 15, 18

FEBRUARY
BOD – 24
BAC – 22
NRC – 15
LTIP – 8
BTC – 10
BIC – 3
BRC – 4, 22

MARCH
BOD – 29
NRC – 9, 10, 26
BTC – 17
BIC – 18

APRIL
BOD – 6, 28
BAC – 1, 20
BTC – 15

MAY
BOD – 24, 27
BAC – 20
BTC – 11
BIC – 5, 18
BRC – 6

JUNE
BOD – 14, 24
NRC – 16
LTIP – 9

JULY
BOD – 22, 28
BAC – 14
NRC – 1, 15
BTC – 12

AUGUST
BOD – 5, 6, 25, 27
BAC – 16, 19
NRC – 25
BTC – 11
BRC – 20

SEPTEMBER
BOD – 23
NRC – 15, 20
BRC – 28

OCTOBER
BOD – 11, 12, 22
BAC – 14
NRC – 15
BTC – 7

NOVEMBER
BOD – 11, 18, 25
BAC – 18
NRC – 17
BTC – 15, 23
BRC – 11

DECEMBER
BOD – 20, 21
NRC – 15
BRC – 13

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

KEY FOCUS AREAS DISCUSSED BY THE BOARD IN 2021

1. Strategic Business Direction including strategic projects and future growth
2. Performance Management
3. Human Capital Management
4. Risk Management
5. Operations
6. Board Issues and Governance
7. Other Board Matters

Corporate Integrity

The conduct of TM Board, Management, employees and all business partners of TM Group are governed by the Code of Conduct and Business Ethics (CBE) which sets out TM's values on Uncompromising Integrity.

Details of the above can be referred to the Integrity section of this IAR.

Board Commitment to ESG

In 2021, the following initiatives were implemented to bring TM's ESG practices and maturity a step ahead that help to create positive impact and value to our business and stakeholders, amongst others:

- ESG embedded into New TM Compass
- Establishment of TM ESG Roadmap 2022-2024 covering TM's visions, commitments and execution plans
- Establishment of TM's Climate Change Risks
- Voluntary Disclosures in Carbon Disclosure Project
- CEO Action Network (CAN) active participation and involvement in roundtable discussion and summit

The Board has strengthened group-wide sustainability management through establishment of the Sustainability Blueprint for 2022-2024. The blueprint is aligned with TM's Strategic Shift 2022-2024, to bring TM's sustainability to the next stage, at par with other major players and create competitive advantage with transition to sustainable business practices.

Details of TM's ESG targets and initiatives can be referred to the Sustainability section of this IAR.

BOARD COMPOSITION

The Board composition represents a mix of skills, knowledge and expertise relevant to TM's business. As at 16 March 2022, the Board comprises ten (10) NEDs and one (1) Executive Director who is also the GCEO of the Company. Of the 11 Directors, six (6) are INEDs. Other than the nominee of the Special Shareholder, none of the Directors appoint alternate director.

Details of the Directors, including their qualifications, experience and details on duration of their service (up to date of this report), can be referred to in the Profile of Directors section of this IAR.

Representing the Interest of TM's Special and Major Shareholders

- Tan Sri Mohammed Azlan Hashim
- Anis Rizana Mohd Zainudin @ Mohd Zainuddin
- Dato' Mohamed Nasri Sallehuddin
- Muhammad Afhzal Abdul Rahman
- Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)*

Participation on behalf of Management and Representative of Special Shareholder

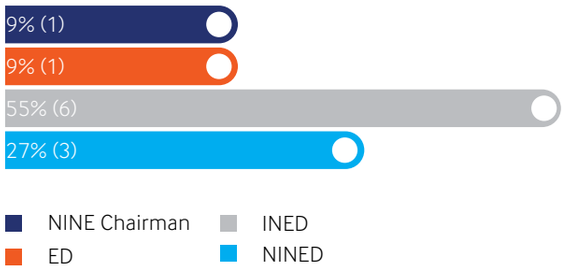
- Imri Mokhtar

Representing Minority Shareholders and the Public

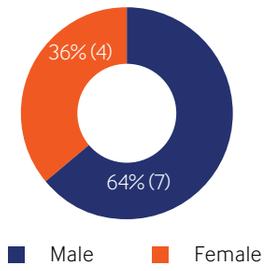
- Tunku Afwida Tunku Dato' A.Malek
- Balasingham A. Namasiwayam
- Hisham Zainal Mokhtar
- Saheran Suhendran
- Datuk Siti Zauyah Md Desa
- Rossana Annizah Ahmad Rashid

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

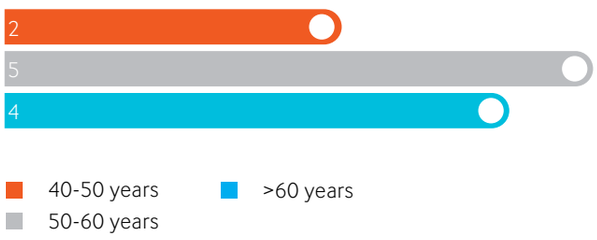
Board Composition



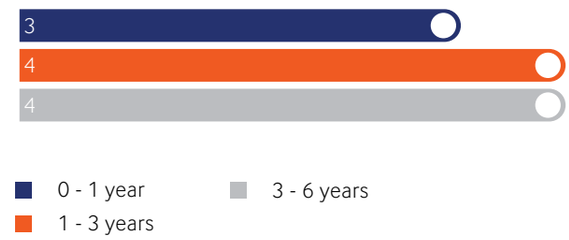
Gender



Age Group



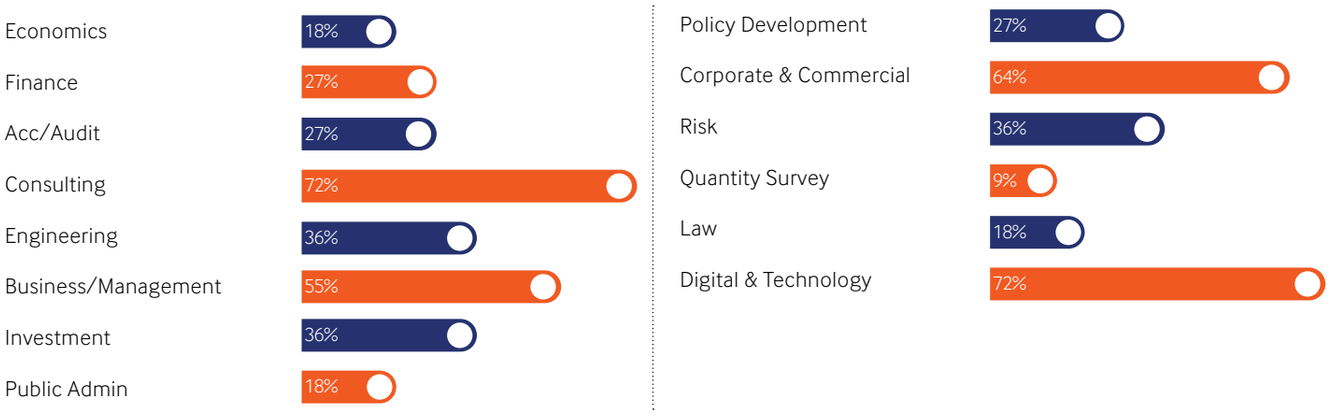
Director's Tenure of Service



Board Skills & Expertise

NRC assists the Board in reviewing and ensuring the Directors possess the right mix of skills, competencies, experience and other qualities required in managing a highly regulated and competitive telecommunication environment. New directors appointed during the year have greatly contributed to the Board's competencies especially in mobile, digital and technology.

Board Skills and Expertise



Domain Expertise

Technical skills based on academic qualifications or roles played such as Accountant, Lawyers

- Business/Management
- Finance
- Economics

Industry Knowledge

Industry involvement through previous held positions

- Financial Services/Banking
- Professional Services
- Public Services
- Digital Technology

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board Independence

The Board with the advice from NRC assesses the independence of Directors, including the NEDs on annual basis and prior to their re-appointment vide the BEE. The NRC also assesses the independence and objectivity of new directors prior to appointment. The Directors' skills, experience, contributions as well as their backgrounds and family relationships are considered and NRC determines whether the Directors can continue to bring independence and objective judgement to the Board. The NRC also determines, according to the character and judgement, whether there are relationships or circumstances, which could affect, or appear to affect the INED's judgment.

DISCLOSURE ON INTEREST

Directors are well aware of the need to disclose their interest or any possible conflicts of interest on any matter put forth for the Board's consideration. Any interested Director shall not participate and abstain from deliberation to allow unbiased and free discussion and decision making.

COMPLIANCE TO MCCG

The Board has adopted Practice 5.4 of the MCCG on the limitation of nine (9) years cumulative tenure for INED without further extension. As at the date of this IAR, none of our INEDs' tenure exceed the cumulative term limit of nine (9) years.

Board Diversity

Diversity is not limited only to gender, but encompasses ethnicity/race, nationality, religious beliefs, cultural or socio-economic backgrounds, and age. Bringing together a diverse range of skills and experience is an important aspect of good governance and a pre-requisite for a constructive and challenging Board.

The Board is committed in promoting boardroom diversity in terms of experiences, skills, competencies, race, gender, culture and nationality, to enable the Company to maximise business and governance performance. The Board believes the existing appointment process of new members is adequate, with relevant assessment on skills-set, experience, competency and knowledge of the individual candidate with gender diversity forming a vital consideration in the selection of potential candidates. The Board will identify suitable candidates as Directors on continuous basis to fulfil any vacancy as and when required. The existing number of female directors on the Board is four (4) comprising 36% of the total number of directors.

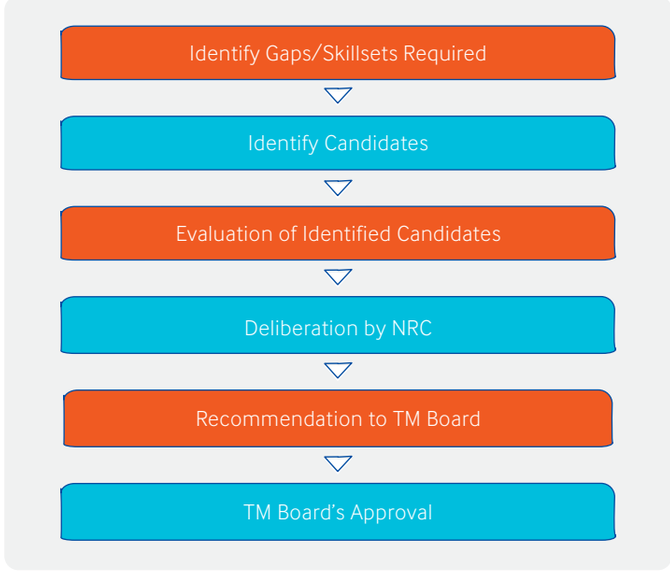
Board Appointment

Formal and transparent procedure for the appointment of new directors is embedded in the Company's Constitution. An effective board should include the right group of people, with an appropriate mix of skills, knowledge, experience, independent elements, age, cultural background and gender that fit the Company's objectives and strategic goals. All nominees to the Board are first considered by the NRC, taking into account the mix of skills, competencies, experience and other qualities required to manage a highly regulated communication business, before they are recommended to the Board.

NRC is delegated the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. NRC evaluates the nominees' ability to discharge their duties and responsibilities before recommending their appointment as Directors to the Board for approval.

In year 2021, the NRC having considered their respective qualifications, skills, experience, areas of competency including their time and commitment, recommended to the Board the appointment of Tan Sri Mohammed Azlan Hashim, Muhammad Afhzal Abdul Rahman and Rossana Annizah Ahmad Rashid. These recommendations were then duly endorsed by the Board.

A typical TM Board appointment process is depicted below:



PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Directors' Retirement and Re-election

The Board has conducted an assessment on the Directors' performance and contribution based on the Self and Peer Assessment results via the 2021 BEE as well as the independence of the Independent Directors who are seeking re-election at this 37th AGM. The assessment includes the Directors' participation and contribution to the Board deliberations, their character, integrity, competency and commitment. The level of independence demonstrated by the Independent Director, and his/her ability to act in the best interests of the Company in decision-making were also considered. The Board is satisfied that they complied and satisfied the independence criteria as required by the Main LR which is also provided in the Board Charter.

TM's Constitution

Clause 106(2)

Any Director appointed shall hold office only until the next AGM and shall then be eligible for re-election

▽

The following Directors who were appointed since the last AGM and standing for re-election as Directors at the forthcoming AGM, have consented to be re-elected as Directors of the Company:

- Tan Sri Mohammed Azlan Hashim
- Rossana Annizah Ahmad Rashid
- Muhammad Afhzal Abdul Rahman

Clause 112

All Directors shall retire from office once at least every three (3) years, but shall be eligible for re-election. At every AGM of the Company, one third of the Directors of the Company for the time being or if not a multiple of three (3), nearest to one third, shall retire by rotation.

▽

At the forthcoming AGM, 3 out of 8 eligible Directors are to retire in accordance with Clause 112 of the Constitution:

- Dato' Mohamed Nasri Sallehuddin
- YM Tunku Afwida Tunku Dato' A.Malek
- Balasingham A. Namasiwayam

The profiles of Directors seeking re-elections are set out in the Profile of Directors' section on pages 154 to 164 inclusive, of this IAR.

Tan Sri Mohammed Azlan Hashim, the NINEC, brings extensive experience from the corporate sector, including financial services and investment. He has demonstrated strong leadership to the Board, encourages participation of all directors for robust discussions, and drives open and consultative environment. He balances all views and summarise salient points of discussion to arrive at informed decisions. He has been able to commit his time to TM for Board meetings and other engagements, despite his senior positions in Khazanah, EPF and other listed and non-listed companies. Based on the BEE, Tan Sri Mohammed Azlan was rated favourably and the NRC and the Board recommended his re-election.

Rossana Annizah Ahmad Rashid, INED, brings with her more than 30 years' corporate experience to the Board. Being a career professional, she has fitted well in the boardroom environment, actively participates in discussions, meticulous in putting forth her arguments at the Board and Committee meetings. She also demonstrated strong principles in upholding governance and integrity. The NRC and the Board were of the opinion that Rossana is imperative to the board dynamics and recommended her for re-election.

Muhammad Afhzal Abdul Rahman, NINED, represents the interest of our Major Shareholder, EPF. Within a short period of time since his appointment, he has demonstrated good understanding of the telecommunication industry and TM's business which enabled him to actively participate in board's discussions. He is inquisitive in seeking clarification, objective and confident in raising any issues or views and able to provide independence of judgment. The NRC and the Board recommended Afhzal to be re-elected as Director of the Company.

Dato' Mohamed Nasri Sallehuddin, NINED, represents the interests of our Major Shareholder, Khazanah. He actively participates in discussions and is thorough in putting forth his views. He has demonstrated independence of judgement and provided valuable inputs for the Board's deliberation. Based on the BEE, Dato' Nasri was rated favourably and as such, NRC and the Board recommended his re-election.

Tunku Afwida Tunku Dato A.Malek, SID, has actively provided constructive opinion, critical feedback and insights at Board and Committee meetings. She continues to demonstrate her strong principle on governance and integrity related matters. Tunku Afwida was rated favourably in the BEE's peer assessment, and NRC and the Board recommended her re-election.

Balasingham A. Namasiwayam, INED, actively participates in discussions and is cohesive in making his points and arguments. He continued to demonstrate his capabilities, commitment, and dedication towards the Board and Company through the years. Based on the BEE's peer assessment, the NRC and the Board were of the opinion that Balasingham provides the required diversity to the board and recommended him for re-election.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board Effectiveness Evaluation (BEE)

In August 2021, the Board adopted the recommendation of Practice 6.1 of the MCCG 2021 in relation to engagement of independent expert to conduct board assessment at least every three (3) years. This allows the Board flexibility to determine the appropriate time to appoint a suitable independent expert. Pursuant thereto, the Board has entrusted the Group Company Secretarial Division (GCSD) to conduct the BEE assessment for 2021.

The previous BEE for 2020 was conducted by an independent expert, Willis Towers Watson (WTW). Further to the findings and recommendation by WTW, action plans recommended were implemented and duly completed in 2021, namely:

- Strengthen the Board's composition, structure and diversity;
- Optimising Board Committees to drive future goals; and
- Review the composition of Board Committees.

Save for the two (2) directors appointed by end 2021 and alternate director, nine (9) directors and eight (8) Senior Management participated in the 2021 BEE. GCSD has acted professionally and maintained an objective evaluation methodology in the 2021 BEE assessment. Candid assessment by the Directors are well kept to maintain the confidentiality of the feedback givers. The findings were then presented to the NRC and Board for discussion. The Board believes that the process was well managed without any due interference from Directors and Management.

The 2021 BEE was structured into three (3) sections for a holistic and balance evaluation:

Section	1	**Board Leadership and Effectiveness** Evaluation on the overall performance of Board, Chairman and MD/Group CEO
Section	2	**Board Committee Assessment** Evaluation on the effectiveness of Board Committees
Section	3	**Board & Directors' Self/ Peer Assessment** Evaluation on the Individual Board Member's contribution to the Board and aspects on personal qualities and attributes

The 2021 BEE was designed to ascertain the overall level of effectiveness of the Board and identify areas of improvement for the Board. As part of the assessment, the following key areas were covered:

- Corporate Strategy & Direction Setting
- Board Governance & Oversight
- Board Composition
- Boardroom Conduct & Dynamics
- Board Management & Operation
- Board Remuneration

The 2021 BEE revealed that the Board is seen to be effective and provides effective governance and strategic execution monitoring. The Board ensures that the integrity of the Company is aligned to financial and regulatory requirements and internal processes. The Board is consistent on the need to continue to keep abreast of developments and initiatives in relation to ESG. The BEE also indicated that the Board Management and Operation have been sufficiently addressed in 2021.

The BEE also assesses the effectiveness of the Board Committees, particularly their structure and processes, accountability and responsibility. All Board Committees are rated more than 4.0 indicating that the Committee members have discharged their duties and responsibilities well with commitment and professionalism and areas of improvements were shared with the Committees. Directors have rated both Chairman and MD/GCEO favourably indicating they are effective in their respective roles.

Self and Peer Evaluation are conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results was rated above 4.0.

Board Training Programme (BTP)

Effective 2021, BTP has been accounted as part of Board Agenda at Board Meetings to provide equal opportunities for all Board members to keep them abreast with current developments in the marketplace. The relevant topics once identified was tabled to the Board in June 2021 to be approved as part of the Board Agenda.

Directors were also provided with opportunities to attend TM programmes, and other external programmes/seminars on the areas related to their functions/roles for continuous development and to facilitate them to discharge their duties effectively.

In addition to the above, the aforesaid programme has also been tailored for Board committees as part of knowledge sharing programme to enhance members' skillset based on the requirements of the respective Committees. For the year 2021, the BRC and BTC have spearheaded this to be followed by the other Board Committees, NRC and BAC in 2022.

Details of the training attended by the Board are further elaborated in the CG Report.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

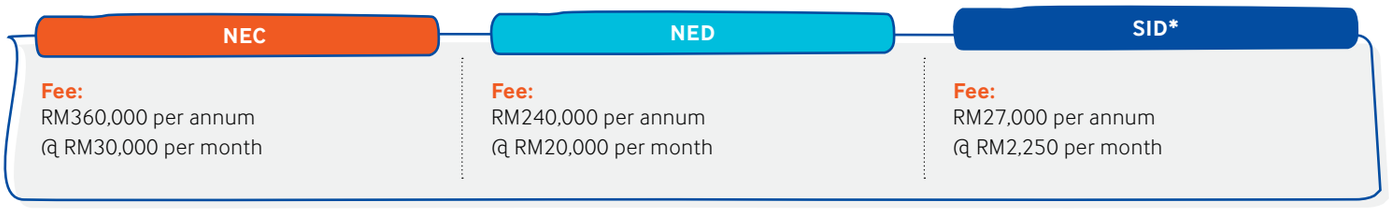
DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION

The Board ensures that the Group's remuneration policy remains competitive and equitable. The remuneration packages have been carefully aligned with industry practices taking into account the appropriate calibre of each talent, while upholding the interest of our shareholders.

The policy and framework for the overall remuneration of the ED and NEDs are reviewed against market practices by the NRC, following which recommendations are submitted to the Board for approval.

Non-Executive Directors (NEDs)

NEDs' remuneration package is determined by the Board as a whole. Director's fee is based on a standard fixed fee while meeting allowances are paid based on attendances at Board and Committee meetings.



*Note: * On top of NED fees.*

The above fee was approved by the shareholders at the 36th AGM, from the date of the 36th AGM until the next AGM of the Company. No revision is proposed to the existing Directors Fees. NEDs are not entitled to participate in any employees share scheme or variable performance linked incentive schemes.

In January 2022, a single consolidated Subsidiary Tiering Framework (STF) was adopted which categorises TM subsidiaries into tiers based on its business importance, shareholding structure and profit contribution. Based on the STF, the revised Tier 1 subsidiaries currently comprise Webe Digital Sdn Bhd (webe), TM Digital Innovation Sdn Bhd and GITN Sdn Berhad. The STF also governs the remuneration for TM subsidiaries whereby Directors' Fee for Tier 1 Subsidiaries has been maintained at 50% of TM Board Remuneration Framework. At the previous 36th AGM, shareholders had approved the payment of fees for NEC and NEDs appointed on the Boards of Tier 1 Subsidiaries of RM15,000 per month and RM10,000 per month, respectively until the 37th AGM.

The Board has ascertained that subsidiaries that are no longer categorised as Tier 1 Subsidiaries such as Universiti Telekom Sdn Bhd (UTSB), Fibrecomm Network (M) Sdn Bhd (FCN) and Fiberail Sdn Bhd (FSB) are allowed to retain its respective remuneration structures.

The benefits payable applicable to NEC and NEDs based on the Board Charter are meeting fee, emoluments and claimable benefits. In the effort to alleviate the BAC's independent function and to recognise its oversight role, the Board has endorsed NRC's recommendation for BAC Chairman not to be a member or chairman of any Board Committees or directors of TM subsidiaries. In view of the enhanced function and responsibility of BAC Chairman, the Board agreed on the revision to his meeting fee. The meeting fee for NEC was also revised to reflect his roles and responsibilities. The Chairman and BAC Chairman recused themselves from deliberating on the proposals at Board Meetings.

The updated quantum for the said benefits are as below:

(i) Meeting fee structure for Board and Board Committees:

	Meeting Allowance per Attendance (RM)				
	Board	BAC	NRC	BTC	BRC
Chairman	5,000	4,750	2,500	3,250	2,500
NED	3,000	2,500	2,000	2,500	2,000

Note: Board is authorised to determine the fees for ad-hoc Board Committee

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

(ii) Meeting fees for TM subsidiaries:

CATEGORY OF TM SUBSIDIARIES	NEC	NED	Committee Fee	
	Meeting Fee (RM)	Meeting Fee (RM)	Chairman Meeting Fee (RM)	Member Meeting Fee (RM)
Tier 1	1,500	1,000	500	300
Tier 2	1,500	1,000	Nil	Nil

(iii) Customary benefits such as claimable benefits on annual overseas business development trips, leave passage, business equipment, telecommunication bills, insurance and medical coverage.

(iv) Meeting attendance allowances are payable to NEDs only and payable for each Board and/or Board Committee meeting held on per meeting basis. The said allowances are payable to Alternate Director who attend meetings in the absence of his substantive Director.

Shareholders' approval will be sought at the coming 37th AGM for the payment of Directors' fees and any benefits payable to NEDs according to Section 230(1) of the CA 2016.

Details of the total remuneration of each Director of the Company received from TM Group of Companies, categorised into appropriate components for the financial year ended 31 December 2021, are as follows

NAME OF DIRECTORS	SALARY (RM)	VARIABLE PAY (RM)	ALLOWANCE (RM)	BENEFIT IN KIND (RM)	TOTAL AMOUNT (RM)
			TM		
NON-INDEPENDENT AND EXECUTIVE DIRECTORS					
Imri Mokhtar	2,294,446.00 [a]	178,662.30 [b]	60,000.00 [c]	239,664.28	2,772,772.58
TOTAL AMOUNT (RM)	**2,294,446.00**	**178,662.30**	**60,000.00**	**239,664.28**	**2,772,772.58**

NAME OF DIRECTORS	DIRECTOR FEE (RM)		BENEFITS PAYABLE			TOTAL AMOUNT (RM)
			ALLOWANCE (RM)		BENEFIT IN KIND (RM)	
	TM	SUBSIDIARY	TM	SUBSIDIARY		
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS						
Tan Sri Mohammed Azlan Hashim *(Appointed on 01/08/2021)*	150,000.00	-	28,000.00	-	24,499.47	202,499.47
Anis Rizana Mohd Zainudin @ Mohd Zainuddin	240,000.00	-	105,000.00	-	65,631.24	410,631.24
Dato' Mohamed Nasri Sallehuddin	240,000.00 [d]	-	130,000.00 [d]	-	11,211.07	381,211.07
Muhammad Afhzal Abdul Rahman *(Appointed on 01/12/2021)*	20,000.00 [e]	-	-	-	189.75	20,189.75
INDEPENDENT AND NON-EXECUTIVE DIRECTORS						
Tunku Afwida Tunku Dato' A.Malek	360,000.00 [f]	120,000.00	210,000.00 [f]	4,000.00	98,460.65	792,460.65
Balasingham A. Namasiwayam	420,000.00 [f]	120,000.00	179,500.00 [f]	9,000.00	72,584.90	801,084.90
Hisham Zainal Mokhtar	240,000.00	180,000.00	133,000.00	-	99,773.38	652,773.38
Suhendran Sockanathan	240,000.00	-	98,000.00	-	142,947.67	480,947.67
Datuk Siti Zauyah Md Desa	240,000.00	-	105,250.00	-	112,056.80	457,306.80
Rossana Annizah Ahmad Rashid *(Appointed on 22/11/2021)*	26,000.00	-	3,000.00	-	485.50	29,485.50
ALTERNATE DIRECTOR (NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR):						
Iszad Jeffri Ismail *(Alternate to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)*	-	-	5,500.00	-	18,501.45	24,001.45
FORMER NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS						
Tan Sri Dato' Seri Mohd Bakke Salleh *(Resigned on 31/07/2021)*	210,000.00	105,000.00	49,000.00	4,500.00	94,866.94	463,366.94
Dato' Mohd Naim Daruwish *(Resigned on 16/10/2021)*	190,322.58 [e]	-	63,000.00	-	61,442.50	314,765.08
FORMER INDEPENDENT AND NON-EXECUTIVE DIRECTOR						
Dato' Ibrahim Marsidi *(Resigned on 16/10/2021)*	190,322.58	95,161.29	93,500.00	3,000.00	71,609.70	453,593.57
TOTAL AMOUNT (RM)	**2,766,645.16**	**620,161.29**	**1,202,750.00**	**20,500.00**	**874,261.02**	**5,484,317.47**

Notes:

a Inclusive of Company's contribution to provident fund
b Bonus payment
c Car allowances in lieu of provision of company car
d Director's fees and allowances paid directly to Khazanah
e 50% of director's fees paid directly to EPF
f Inclusive of fees and allowances received from TM on behalf of a subsidiary

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

MD/GCEO and Senior Management

MD/GCEO and Senior Management are paid salaries, allowances, performance based incentives including bonus and other customary benefits as appropriate to Senior Management. A significant portion of the Senior Management's compensation package has been made variable depending on the Company's performance during the financial year, which is determined based on the individual KPIs, and aligned to TM Group's Scorecard. The MD/GCEO is not paid Director's fees or meeting allowances for Board and Board Committee meetings that he attends.

The NRC reviews the performances of the MD/GCEO as well as that of the Pivotal Positions (PP) and the Group Company Secretary on annual basis, and recommends to the Board suitable adjustments to their remuneration and/or reward payments, reflecting their contributions for the year. The performance assessment considers both, quantitative and qualitative perspective via the KPI Scorecard, face-to-face performance review and leadership competencies (SUCCESS) rating. These payments are competitive in line with the Group's corporate objectives and strategy.

The definition of PP was updated to include direct reports to GCEO and positions that are critical to TM's business, namely C-Suite Management members, Executive Vice Presidents of Lines of Business (LOBs). NRC may also determine any other positions that are deemed strategic to the Company from time to time.

GCEO has recused himself during deliberations on his performance rewards and remuneration review at NRC and Board meetings.

TM has adopted Practice 8.2 of the MCCG and disclosed the remuneration components of the top five (5) senior management on named basis since 2018. For the financial year 2021, the disclosure of the remuneration packages of the top five (5) senior management as approved by the NRC and the Board (including fixed and performance-related elements) in year 2021 are reflected below:

Range of Remuneration (RM)	Name of Top 5 Senior Management
1,650,000 – 1,700,000	Ir Ts Azizi A Hadi, Chief Operating Officer (Commercial and Technology)
1,450,000 – 1,500,000	Razidan Ghazalli, Group Chief Financial Officer
1,250,000 – 1,300,0001[1]	Shanti Jusnita Johari, Chief Marketing Officer
1,100,000- 1,150,000	Tengku Muneer Tengku Muzani, Chief Strategy Officer
600,000 – 650,0002[2]	Sarinah Abu Bakar, Chief Human Capital Officer

Note:
[1] Appointed on 1 February 2021
[2] Appointed on 15 June 2021

TM has in place a Long-Term Incentive Plan (LTIP) for all eligible employees and ED as approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 April 2016. The main objectives of the LTIP are to encourage performance culture and as a retention tool. The LTIP comprises Restricted Share (RS) and Performance Share (PS) grants, whereby the main differences are on the eligibility of the employees in terms of their job grades in the Group, the performance metrics to be met which will be determined prior to the grant being made and the vesting periods of the Grant to the Eligible Employees.

There were no granting or vesting of the LTIP during the financial year ended 31 December 2021 and no PS grants accorded to the MD/GCEO to-date. Further details on the grants status to-date are disclosed under Financial Statements on pages 81 to 86.

PRINCIPLE A | **BOARD LEADERSHIP AND EFFECTIVENESS**

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Chairperson:

Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Members:

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director

Datuk Siti Zauyah Md Desa
Independent Non-Executive Director

Rossana Annizah Ahmad Rashid
Independent Non-Executive Director

Former Members who served during the year under review:

Dato' Ibrahim Marsidi
Independent Non-Executive Director

Balasingham A. Namasiwayam
Non-Independent Non-Executive Director

Key Objectives

The NRC carries both nomination and remuneration roles since its inception. Both roles were combined for the purpose of expediency and practicality, whereby the same members are entrusted with both functions. In addition to the nomination and remuneration roles, NRC also oversees board governance matters.

Membership

Since the last report, there were several changes to NRC's membership arising from the review of composition of Board Committees as approved by TM Board. The existing number of four (4) members was maintained, all of whom are Non-Executive Directors, with majority being independent directors. Tunku Afwida, being the SID, continues her role as Chairperson, effectively providing the required leadership to the NRC.

Changes in NRC's composition since the last report were as follows:

- Appointment of Datuk Siti Zauyah Md Desa on 24 September 2021
- Resignation of Dato' Ibrahim Marsidi on 16 October 2021
- Resignation of Balasingham A. Namasiwayam on 1 February 2022
- Appointment of Rossana Annizah Ahmad Rashid on 1 February 2022

Responsibilities

In executing its nomination function, NRC's primary role is to assist the Board in reviewing and determining its appropriate size and balance, and ensuring the Directors bring characteristics to the Board which provide the required mix of responsibilities, skills and experiences. NRC ensures the Board composition meet the needs of the Company and develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of directors. NRC also considers the nomination of PP, prior to making any recommendation to the Board.

NRC's primary remuneration function is to support the Board in maintaining, assessing and developing policy framework on all elements of the remuneration for EDs and PP including terms of employment, reward structure and benefits, with the aim to attract, retain and motivate, as well as maintaining and administering remuneration entitlements of the NEDs.

NRC also support the Board in ensuring efficiency and transparency of board governance matters primarily on BEE, Board Performance Improvement Programmes and Board Operations, including other matters as may be directed by the Board.

Overview

Throughout the year in review, NRC continues to be active and has provided critical support to the Board, especially on the changes in the Board and Senior Management. Key matters deliberated were on the succession plan for the Board and PP. Supported by independent search consultants, NRC has undertaken rigorous assessments in identifying and recommending new candidates as INED and PP. NRC also deliberated on the succession plans for PP and their remuneration, in the effort to strengthen the leadership bench. Other key issues deliberated by NRC are the performance assessment and evaluation of the respective PP as well as the review of the Company's Scorecard and KPIs. Arising from the results of the 2020 BEE, NRC recommended the disbandment of BIC and the proposal was endorsed by the Board. Arising thereto, the role of assessing risk for strategic investments has been assumed by BRC. NRC also deliberated on the merits of collapsing the LTIP Committee. Upon endorsement by the Board, the LTIP Committee was disbanded on 24 June 2021 and its roles and responsibilities as provided in its ToR and LTIP By-Laws, were assumed by NRC moving forward.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Main Activities of NRC in 2021

The Board recognised NRC's contributions and its role in providing valuable advice and recommendation in regards to nomination, remuneration and board governance matters. During the year, the NRC have undertaken the following activities:

Nomination Function

Considered and where applicable, made recommendations to the Board, on the following matters:

- Re-appointment and re-election of Directors at the 36th AGM.
- Appointment of new Chairman of the Company.
- Appointment of new NINED and INED.
- Engagement of independent search consultants for Board and Senior Management succession plan.
- Succession Plan for the Board.
- Succession Plan and appointment of PP.
- Annual assessment and review of composition of all TM Board Committees.
- Disbandment of BIC and enhancement of BRC ToR.
- Disbandment of LTIP Committee and assumption of the function by NRC.
- Annual assessment of independence status of the INEDs.
- Review of board membership of TM Group of companies.
- Adoption of new Subsidiary Board Representation Framework.

Remuneration Function

Considered and where applicable, made recommendations to the Board on the following matters:

- Performance evaluation of MD/GCEO, PP as well as the Company Secretary against pre-set KPIs.
- Performance Reward Pool and Salary Increment for TM employees.
- Adoption of 2021 TM Group Scorecard and KPIs for PP.
- Remuneration for new PP.
- Eligibility for vesting of PS pursuant to the LTIP.
- Consolidated STF framework.

Governance Function

Considered and where applicable, made recommendations to the Board on the following matters:

- Conduct of the 36th AGM pursuant to relevant guidelines and best practices.
- Status of Directors' continuing education programme in compliance with the Board Training Programme (BTP).
- Observance and monitoring of governance requirements by the Directors pursuant to the Main LR.
- BEE assessment for 2021.
- Periodic review of the Board Charter.
- Assessment on the application of the new MCCG 2021.
- Amendments to NRC's ToR.
- CG Overview Statement and CG Report.

NRC Effectiveness Review and Performance

Based on the 2021 BEE findings, Board acknowledged that NRC has performed its duties efficiently, providing significant value in assisting the Board. NRC's composition provides the appropriate balance in terms of skills, knowledge and experience to uphold the interests of all stakeholders and to meet the needs of the Group.

PRINCIPLE A | **BOARD LEADERSHIP AND EFFECTIVENESS**

LTIP COMMITTEE (LTIP)

Chairperson:

Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Members:

Balasingham A. Namasiwayam
Independent Non-Executive Director

Saheran Suhendran
Independent Non-Executive Director

Key Objectives

LTIP Committee was established as a sub-committee to the NRC to implement and administer TM's LTIP in accordance with the LTIP By-Laws as approved the shareholders during inception of the scheme in 2016, and supported by its own ToR as approved by the NRC and the Board.

Membership

There was no change to the LTIP Committee's composition prior to its dissolution on 24 June 2021.

Main Activities prior to Disbandment

Two (2) meetings were held in 2021. LTIP Committee considered the proposed maximum LTIP grant allocation for MD/GCEO for recommendation to NRC, and was endorsed by the Board. However, the proposal was reviewed in line with the revised Total Remuneration Framework for TM employees. LTIP Committee also deliberated on the proposed enhancement to the existing granting and vesting LTIP parameters.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

BOARD TENDER COMMITTEE (BTC)

Chairperson:

Datuk Siti Zauyah Md Desa
Independent Non-Executive Director

Members:

Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Non-Independent Non-Executive Director

Muhammad Afhzal Abdul Rahman
Non-Independent Non-Executive Director

Balasingham A. Namasiwayam
Independent Non-Executive Director

Iszad Jeffri Ismail
Alternate Member to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

Former Members who served during the year under review:

Hisham Zainal Mokhtar
Independent Non-Executive Director

Dato' Ibrahim Marsidi
Independent Non-Executive Director

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director

Key Objectives

BTC is tasked to consider all procurement proposals in TM Group based on the approved LoA in line with the Board's delegation of powers. BTC facilitates the Board in ensuring more transparent, efficient and faster decision making process, whilst ensuring all procurement policies and procedures are fully adhered to.

Membership

BTC currently comprises four (4) members. Since the last report, the following changes to BTC's composition were recorded:

- Resignation of Hisham Zainal Mokhtar on 24 June 2021
- Resignation of Dato' Ibrahim Marsidi on 16 October 2021
- Resignation of Dato' Mohamed Nasri Sallehuddin on 1 February 2022
- Appointment of Muhammad Afhzal Abdul Rahman on 1 February 2022

Responsibilities

The key responsibilities of BTC are summarised as follows:

- Ensure the procurement process is in accordance and complies with all applicable procurement ethics, policies and procedures.
- Verify the validity of technical and financial capabilities of tenderers including their registration certificates with relevant authorities.
- Consider and approve or recommend offers which will benefit the Company and Group taking into consideration various factors, such as pricing, utilisation of goods/services, quantity, delivery/commissioning timeframes and other relevant factors.
- Ensure the objectives of the Bumiputera Entrepreneurship Development Programme and Vendor Programme are achieved through strict monitoring of the performance and track records of the companies/vendors under these programmes.

Overview

The powers, duties and responsibilities of BTC are stipulated in the Board Charter available in the Company's website at www.tm.com.my.

BTC is supported by management procurement committees chaired by the MD/GCEO, GCFO and CPO, depending on the level of authority accorded to them. The COO and CPO are invited to attend throughout the BTC meeting and relevant process owners are invited to present Management's justifications for their respective procurement proposals to BTC.

Main Activities of BTC in 2021

During the year, BTC has deliberated on the following matters:

- Procurement proposals in accordance with LOA.
- Procurement risk profiles based on procurement categories.
- Procurement Framework for Bumiputera Empowerment Agenda.
- Technology updates, procurement plans and strategies.
- Performance reports, updates and status summaries.
- Identified procurement issues to be addressed.

BTC Effectiveness Review and Performance

BTC has identified and addressed the gaps on procurement issues on continuous basis. Based on the BEE 2021 results, BTC has effectively discharged its roles as per the ToR and adds significant value to the Board.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

BOARD INVESTMENT COMMITTEE (BIC)

Chairperson:

Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Members:

Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Non-Independent Non-Executive Director

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director

Dato' Mohd Naim Daruwish
Non-Independent Non-Executive Director

Saheran Suhendran
Independent Non-Executive Director

Hisham Zainal Mokhtar
Independent Non-Executive Director

Iszad Jeffri Ismail
Alternate Member to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

Key Objectives

BIC was established to consider and evaluate strategic equity investment and/or divestment related proposals of TM Group for recommendation to the Board. It is also tasked to consider, deliberate and recommend to the Board proposals relating to TM Group's properties (i.e. land and buildings) and funding plans.

Memberships

There was no change in BIC composition prior to its disbandment on 23 September 2021.

Main Activities prior to Disbandment

Seven (7) meetings were held in 2021. BIC has deliberated and recommended to the Board, where applicable, the following matters:

- Proposals on strategic investments and opportunities.
- Moving forward, rationalisation and/or monetisation of non-core assets and business units.
- Updates on strategic projects.
- Considered and reviewed proposed amendments to BIC's governance.
- Land and property matters.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE (BAC)

Chairperson:

Hisham Zainal Mokhtar
Independent Non-Executive Director

Members:

Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Saheran Suhendran
Independent Non-Executive Director

Rossana Annizah Ahmad Rashid
Independent Non-Executive Director

Former Members who served during the year under review:

Dato' Ibrahim Marsidi
Independent Non-Executive Director

Balasingham A. Namasiwayam
Independent Non-Executive Director

Key Objectives

BAC plays a crucial role in assisting the Board in fulfilling its oversight responsibilities through independent review of financial information and provides an unbiased review on the effectiveness and efficiency of the Group's internal control as well as overseeing ethics, integrity and governance matters within the Group under the purview of Group Integrity and Governance (GIG).

Membership

BAC currently comprises of four (4) members, majority of whom are INEDs. Since the last report, the following changes in BAC composition were recorded:

- Resignation of Dato' Ibrahim Marsidi on 16 October 2021.
- Resignation of Balasingham A. Namasiwayam on 1 February 2022.
- Appointment of Saheran Suhendran on 1 February 2022.
- Appointment of Rossana Annizah Ahmad Rashid on 1 February 2022.

BAC continues to be chaired by Hisham Zainal Mokhtar, a Chartered Financial Analyst. In line with the updated guiding principles on Directors' participation in Board Committees, the Board has agreed that BAC Chairman is not to sit on other Board Committees, save for the BAC, to maintain his objectivity oversight. Following this and as at the date of this report, Hisham has relinquished his membership in other Board Committees.

Tunku Afwida is a member of the Malaysian Institute of Accountants (MIA) and a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW), whilst Rossana Annizah is a member of CPA Australia. Both complies with the requirement of Paragraph 15.09(1)(c)(i) of the Main LR. Saheran Suhendran, an experienced legal practitioner further strengthened the BAC's composition. None of the BAC members are alternate Directors.

All BAC members, as shown by their profiles on pages 159 to 164, are financially literate. They have sound judgement, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry. With diverse skills and experience, they were able to discharge their duties responsibly.

Responsibilities

The powers, duties and responsibilities of BAC are stipulated in the Board Charter available in the Company's website at www.tm.com.my.

BAC has reviewed and TM Board has accordingly approved the amendments to BAC ToR to ensure compliance with relevant changes in the Main LR and MCCG. The independence of CIA and Group Internal Audit (GIA) functions were also enhanced to provide clarity in providing their independent assurance of the Group's internal controls and risk assessments.

How the Committee operates

BAC held ten (10) meetings in 2021. Members attendances are as per provided in page 131 of this IAR.

Attendance at all BAC meetings in 2021 met the requisite quorum as stipulated in its ToR. The BAC meetings were structured into two (2) deliberation clusters namely financial results and other audit matters, ensuring efficient planning by Management and sufficient time spent for the members to deliberate and discuss the various matters.

The Company Secretaries act as the Secretary in all BAC meetings. The BAC invites the MD/GCEO, Group Chief Financial Officer (GCFO), CIA and the external auditors to attend each meeting where the quarterly, half-yearly and year-end results are discussed. BAC holds its private sessions twice a year separately with the external auditors without the presence of management and private sessions with GIA, as and when necessary. BAC Chairman also meets regularly with each of the GCEO, GCFO, CIA, external auditors and the Chief Integrity and Governance Officer (CIGO) when required.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

Reports on the proceedings of the BAC are presented to the Board while minutes of BAC meetings are circulated to all members and extracts of the decisions made are escalated to relevant process owners for action. Any significant matters reserved for the Board's approval are tabled at TM Board meetings.

Main Activities of BAC in 2021 (and up to the date of this report)

1. Financial Reporting

a) Reviewed the quarterly financial statements of TM Group in compliance with Malaysian Financial Reporting Standards (MFRS) 134 and the Main LR prior to recommending the same for approval by TM Board.

b) Reviewed the draft announcements of the quarterly financial results to Bursa Securities, to ensure compliance with applicable accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval.

c) Discussed the quarterly internal audit reviews to ensure compliance with MFRS 134.

d) Reviewed and recommended for the Board's approval, the audited financial statements of TM Group for the financial year ended (FY) 31 December 2021. BAC concluded that the financial reports presented a true and fair view of the Company's financial performance for the year and complied with regulatory requirements.

e) Reviewed and recommended the dividend pay-outs, in ensuring compliance with the provisions of the Companies Act 2016 (CA 2016).

2. Internal Control

a) Deliberated on the Directors' Statement on Risk Management and Internal Control (SORMIC), which was reviewed by the external auditors, in February 2021 and 2022 for inclusion in the IAR 2020 and 2021.

b) Reviewed the reports on the adequacy, effectiveness and reliability of internal control systems based on controlled self-assessments performed annually by the Management of the Lines of Business and subsidiaries.

c) Deliberated and monitored the progress and status of the audit issues for TM Group raised by both internal and external auditors, respectively.

d) Deliberated on the reports from the Best Practice Committee (BPC), a BAC sub-committee headed by the GCFO, in ensuring compliances and best practices for TM Group in terms of statutory, regulatory and financial standards in TM Group's disclosures.

e) Monitored specific issues or concerns affecting the Company's efficiency and performance until BAC is satisfied sufficient controls are in place.

3. External Audit

a) Reviewed the external auditor's report for the FY 31 December 2020 and FY 31 December 2021, and the respective 2020 and 2021 SORMIC in February 2021 and February 2022, before recommending to TM Board for approval.

b) Reviewed the Internal Control Memorandum (ICM), together with Management's response to the findings. The audit issues raised by the external auditors were deliberated and monitored by GIA and Group Finance. The activity, status and progress thereof were reported on a quarterly basis to BAC by CIA and GCFO.

c) Recommended the re-appointment of external auditors for FYE 31 December 2020 and 31 December 2021.

d) Reviewed the 2020 and 2021 external auditor's audit plan for TM Group.

e) Reviewed and monitored the non-audit engagement of the external auditors, whilst ensuring there was no impairment of independence or objectivity.

BAC has authorised the GCFO to approve the proposed non-audit engagement valued below 50% of the cumulative value of the statutory audit fee for the current year and to report such engagement to BAC at every quarter.

Non-audit fees paid to the external auditors and member firms of EY during the year and the value relative to the statutory audit fees are as follows:

Particulars	RM ('000)	
2021 Audit Fees	**Company**	**Group**
• Statutory Audit	1,367.9	2,800.0
• Other Audit Related Services	400.0	400.0
Total Audit and Audit Related Services	1,767.9	3,200.0
2021 Non-Audit Fees		
• Other services approved in previous financial years	-	206.0
• Consultancy services approved in current financial year	118,8	121.7
Total Non-Audit Fees	**118.8**	**327.7**
Percentage of Non-Audit Fees over Statutory Audit & Other Audit Related Services & Fees	6.7%	10.2%

The Company engaged the external auditors and its affiliates for the following non-audit work:

- Consultancy on projects including review of BIC scope, identity management systems and IT compliance tools; and
- Tax advisory and compliance services.

PRINCIPLE B **EFFECTIVE AUDIT AND RISK MANAGEMENT**

4. Internal Audit

a) Reviewed the internal audit plan and its budget to ensure adequate scope and comprehensive coverage of the Group's activities.

b) Reviewed the 2021 and 2022 KPIs target, performances, competency and resources of the internal audit functions to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties.

c) Recommended the performance evaluation of CIA and CIGO for FY2021 for Board's approval.

d) Deliberated on the internal audit reports, audit recommendations and Management's action plan.

e) Reviewed Management's implementation of the internal audit recommendations on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses were properly addressed.

f) Ensure the internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

g) Reviewed the assistance and co-operation given by TM's officers to the Internal Auditors.

5. Related Party Transactions (RPTs), Recurrent Related Party Transactions (RRPTs) and Conflicts of Interest

a) Reviewed reports of RPTs and possible conflict of interest transactions, ensuring they were in the best interest of TM, fair and reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders.

b) Reviewed the estimated RRPT Mandate for the ensuing year and Circular to Shareholders on the Renewal of Shareholders Mandate and Additional Shareholders Mandate for RRPT, and recommended the same for TM Board's approval.

c) Periodically reviewed the RRPTs that were mandated at the 36th AGM and tracked the transactions against their mandated amount.

6. Integrity, Ethics and Governance

a) Reviewed 2021 and 2022 KPI's target performances, competency and resources of GIG to ensure that, collectively, GIG has the required expertise and professionalism to discharge its duties.

b) Deliberated on GIG reports on performance and operational matters at every quarter.

c) Deliberated and monitored the status of the Organisational Anti-Corruption Plan (OACP).

7. Annual Reporting

a) Reviewed the IARs 2020 and 2021 and recommended their adoption by the Board.

8. Training

During the year as part of the BTP, BAC members attended various conference, seminar and training programme to enhance their knowledge in order to efficiently discharge their duties as Directors of the Company.

BAC Effectiveness Review and Performance

The review of the effectiveness of BAC, including its structure and process, performance, accountability and responsibilities as well as the member's term of office and performance was duly assessed as part of the annual BEE.

Based on the 2021 BEE, BAC has been rated effective in assisting the Board in discharging its duties.

PRINCIPLE B | **EFFECTIVE AUDIT AND RISK MANAGEMENT**

BOARD RISK COMMITTEE (BRC)

Chairperson:

Balasingham A. Namasiwayam
Independent Non-Executive Director

Members:

Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Non-Independent Non-Executive Director

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director

Saheran Suhendran
Independent Non-Executive Director

Iszad Jeffri Ismail
Alternate Member to Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

Former Member who served during the year under review:

Dato' Mohd Naim Daruwish
Non-Independent Non-Executive Director

Key Objectives

BRC was established to assist the Board with the followings:
- providing oversight of the effectiveness of the Company's Enterprise Risk Management (ERM) framework and policies.
- ensuring adequate processes and systems for identifying and reporting risks and deficiencies including emerging risks.
- ensuring the execution and implementation of sustainability strategy, in order to continue generating economic value.
- managing other stakeholders' concerns on risks matters.

Following the disbandment of BIC on 23 September 2021, BRC's role has been expanded to include the review of strategic investment proposals focusing on the assessment and identification of related key risks and mitigation plans.

Membership

BRC currently comprise five (5) members, majority of whom are INEDs. Since the last report, the following changes in BRC composition were recorded:
- Appointment of Anis Rizana Mohd Zainudin @ Mohd Zainuddin and Iszad Jeffri Ismail as her alternate on 24 September 2021.
- Resignation of Dato' Mohd Naim Daruwish on 16 October 2021.
- Appointment of Dato' Mohamed Nasri Sallehuddin on 1 February 2022.

Responsibilities

Key responsibilities are:
- Enhance Corporate Governance practices of TM Group with focus on risks issues.
- Ensure Management maintains a sound and robust ERM framework and policies to safeguard shareholders' interest and the Group's assets.
- Oversee risk appetite and risk tolerance appropriate to the business.
- Oversee compliance with the stated risk appetite and policies and procedures related to risk management governance and the risk controls framework.
- Monitor the principal risks and emerging risks affecting the business.
- Review, evaluate and deliberate on risk assessment for strategic investment proposals, prior to the proposals being tabled for approval by the Board.
- Monitor the progress of our sustainability initiatives against the targets set.

Overview

The powers, duties and responsibilities of BRC are stipulated in the Board Charter available in the Company's website at www.tm.com.my.

BRC continues to work closely with the GIA and BAC and cross-reference information and issues to ensure better monitoring of risks in TM Group.

BRC has assisted the Board to continuously review and improve the monitoring systems and processes. It continues to be proactive in highlighting corporate, strategic and emerging risk issues, and was open in discussing its views, concerns and/or reservations and provided guidance to Management on the risk controls to mitigate and/or pre-empt the risks.

Management is more aware and mindful of the possible risks under BRC's guidance in managing and monitoring the Group's risks impacting the Group's operations, business direction and reputation.

Main Activities of BRC in 2021

- Reviewed and approved TM's updated Corporate Risk Management Policy and Risk Appetite Statement.
- Reviewed and approved the establishment of Corporate/Operational Risk Tolerance & Measures.
- Reviewed the proposed amendments to the ToR of BRC and made recommendation to the Board on the proposed amendments.
- Continued its monitoring of the ERM and Corporate Risk Report on quarterly basis to ensure that the risks are monitored and mitigated to improve the risk movements.
- Requested Management to enhance focus on strategic and emerging risks including cybersecurity, credit management, climate change and sustainability.
- Continued reviewing of TM Sustainability Programmes Update and Cybersecurity Update.
- Reviewed key risks and mitigation plans for strategic investment and divestment.
- Reviewed report on a high-risk project and endorsed the moving forward recommendation.

BRC Effectiveness Review and Performance

BEE 2021 results indicated that BRC is effective in facilitating the Board in addressing and managing risks.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the importance of an effective communication channel between itself and stakeholders, institutional investors and the investing public at large to provide a clear picture on the Group's performance and position. TM has continued to disseminate relevant and material information on the Group in order to maintain effective, comprehensive, timely and continuing disclosure of information. An Internal Communication Policy and Best Practices was established to facilitate the handling and disclosure of material information. The Policy, based on openness and transparency, two-way communication, accountability, timeliness, accuracy and simplicity, ensures compliance with the disclosure requirements of the Main LR and other relevant laws.

Since the pandemic, TM has utilised all virtual platforms (MS Teams, Zoom, Webex) and teleconferences to engage with investors and shareholders. Aside from this, TM also communicated with investors and shareholders using various other tools including direct email service to our investor mailing list for any updates & events from TM Investors Relations.

In 2021, TM has held various types of engagement with key shareholders, institutional investors, analysts, fund managers and other market participants including the general public. These include organizing quarterly analyst briefing via teleconferencing with presentation from the MD/GCEO and Group CFO, hosting investor spotlight sessions, participating in external conferences/group meetings and providing feedback to the general public from queries received through our investor relations email.

CONDUCT OF GENERAL MEETING

The 36th AGM was again held virtually due to the COVID-19 pandemic, in line with the guidelines per the Guidance Note from the Securities Commission. The Chairman, BAC Chairman, NRC Chairman, MD/GCEO, Group CFO and Group Company Secretary were present in person at the Broadcast Venue whilst the rest of the directors attended the meeting remotely. Shareholders, corporate representatives and proxies participated in the 36th AGM remotely via live streaming and online voting using Remote Participation and Electronic Voting (RPEV) Facilities.

A total of 935 shareholders and proxies registered and participated remotely via the Boardroom Lumi AGM system. The proceedings of the 36th AGM included the GCEO's presentation of the Company's 2020 performance and long term strategies as well as responses to the points raised by the Minority Shareholders Watch Group. Questions raised by shareholders during the meeting were relayed to the Chairman and GCEO via an online system and relevant responses were provided live and also via email after the AGM. CIA was assigned as the independent adjudicator to oversee that all pertinent questions posed by the shareholders during the AGM have been responded accordingly for an interactive and meaningful engagement.

The results of the online voting were scrutinized by the independent scrutineers, Sky Corporate Services Sdn Bhd, before the results were announced by the Chairman.

COMPLIANCE STATEMENT

This Statement together with the CG Report set out the manner in which the Company observes the Intended Outcome as prescribed in MCCG. The Board remains committed and steadfast in strengthening the Group's governance practices to protect the interest of all its stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors duly passed on 6 April 2022.

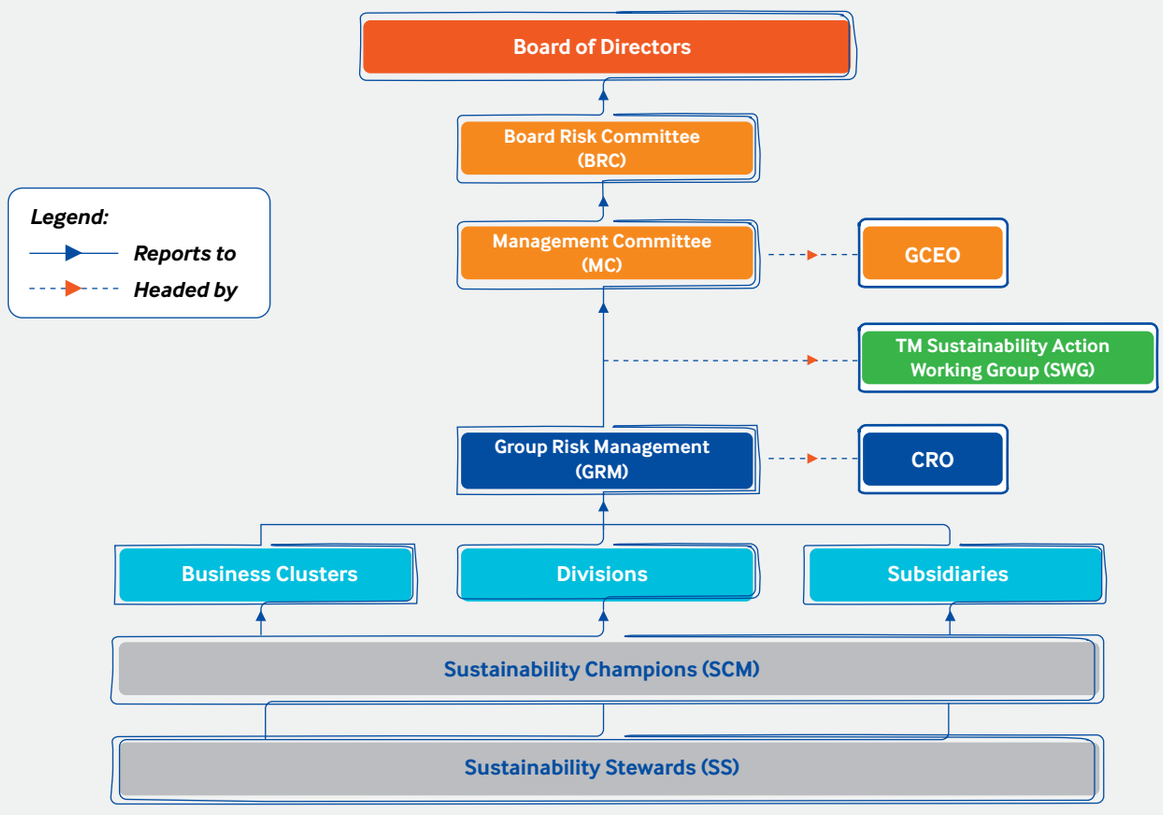
Sustainability Governance

SUSTAINABILITY GOVERNANCE SYSTEM

To be a truly sustainable business, we are integrating our sustainability goals throughout TM's governance systems and processes. We have been continuously strengthening our sustainability governance to efficiently plan and execute our objectives across operations. This includes a structured governance system made up of specific roles and responsibilities, from sustainability decisions made by the leadership team to its implementation by different departments and business units. Every aspect of TM has a part to play in achieving our sustainability goals.

This year, we made significant progress in our sustainability governance system. The most notable milestone is the setting up of a dedicated sustainability-related agenda for TM's management and Board meetings, along with the establishment of ESG related KPIs for pivotal positions. This is part of our top-down approach to incorporating a sustainability mindset across the Group. We also established TM Sustainability Action Working Group (TM SWG), a collaborative platform that ensures all stakeholder voices are heard when making sustainability-related decisions. The SWG acts as an information enabler across the Group and its stakeholders, ensuring shared values, goals and understanding.

TM's Sustainability Governance Structure



1. **Board of Directors:** Approves and validates all sustainability-related decisions.
2. **GCEO:** Oversees deployment of effective strategies to meet sustainability aspirations of TM as well as acts as a key mediator between the Board and CRO.
3. **SWG:**
   - Acts as a platform for a consistent and focused sustainability key improvement areas, cross functional decisions and actions; and cross functional ESG problem solving.
   - Oversees the execution of improvement initiatives, performance management and reporting; and advises MC on sustainability-related matters.
4. **CRO:** Spearheads the Group's risk management and sustainability function, as well as champions the integration of TM's sustainability principles and values into the risk management framework.
5. **BRC:** Reviews the Group's sustainability risk profile and the associated policies and practices.
6. **MC:** Deliberates on TM's sustainability strategies and action plans.
7. **GRM:** Acts as the custodian of TM's Sustainability Management. This includes implementing sustainability strategies and tracking progress against overall targets/objectives. Together with Group Strategy and GSC will ensure the alignment of sustainability risks and overall approach with the Group's strategy and progress.
8. **Business Clusters, Divisions and Subsidiaries:** Adopts and implements relevant sustainability programmes and initiatives.
9. **SCM:** Identifies and assesses sustainability risks in their areas of responsibility.
10. **SS:** Facilitates sustainability-related communication and data compilation.

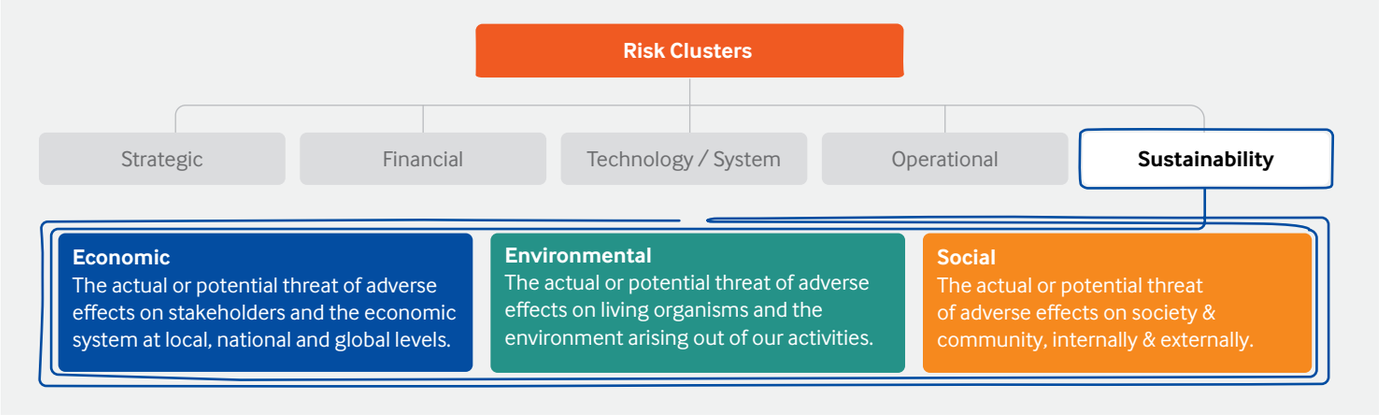
SUSTAINABILITY RISK MANAGEMENT

We view sustainability as not only a way to create a positive impact. It is also a key component of effective risk management. Sustainability allows us to remain proactive in dealing with emerging sustainability risks, which in turn protects both stakeholder value and business performance in the long term. With this in mind, we adopt a holistic approach in navigating sustainability risks, enabling us to future-proof our business and meet Malaysia's connectivity needs for the years to come.

How Do We Manage Sustainability Risks?

1. **Enterprise Risk Management (ERM) Framework:** Since 2020, TM's ERM has included a Sustainability Risk cluster comprising of Economic, Environmental and Social sub-clusters. This is our first line of defence against existing and emerging sustainability risks that threaten our ability to create value for stakeholders.

More details of TM's ERM Framework are shown on page 186.



2. **Climate Change Risk Management:** Through the ERM, we have intensified our efforts in building resilience against climate-related risks. By adopting TCFD approach, we look at physical and transition climate risks, their projected time horizons and potential financial / non-financial impacts. Our management team reviews the context and impact of climate change through key action items:

- Evaluate internal factors, such as products, devices and supply chain activities, that require long-planning horizons to adapt to climate change. This focuses on factors that are in particularly vulnerable locations or sensitive to weather events.
- Identify potential collaborations with stakeholders as well as new requirements by the Government in climate risk management.
- Review and amend the BCMS scope, with respective leaders evaluating long-term considerations and non-disruptive threats / opportunities.

This year, we included climate change risks as part of our BRC agenda, thus ensuring the Board regularly deliberates on these risks. Additionally, we established a sub-working group for operational carbon emissions to discuss, identify and implement action plans, and resolve cross-functional issues. To improve our readiness in addressing physical climate change risks, we have various business continuity programmes that further improve the effectiveness of our BCP and DRP. By 2022, climate change risks will be a key corporate risk discussed, tracked and monitored across the Group.

	Impact to TM	Mitigation	Adaptation
Physical Risk (Service Disruption Risks)	Disruption to our business operations and services during major disaster events. Physical damages to TM's Asset due climate related disaster. Other potential/actual impacts to TM: 1. Disruption to supply chain 2. Safety & health of workers 3. Financial loss 4. High cost of recovery 5. Increased insurance premiums and reduced availability of insurance of 'high-risk' assets **Risk Rating: SIGNIFICANT**	1. Implement BCM & DRP to restore critical network & essential services 2. Build network resiliency via system/ physical redundancy and hardening by design 3. Ensure all fire prevention, fire detection, fire fighting/suppression system, warning systems and other relevant systems are in working condition 4. Actively manage OSH & supply sustainability risks 5. Risk transfer via insurance programme to cushion the recovery costs	1. Manage sustainability related issues holistically through TM's Sustainability Management Programme 2. Execute climate related/ environmental initiatives: a) Energy saving initiatives b) Renewable energy c) Waste and water reduction efforts 3. Carbon offsetting through reforestation project to develop TM's carbon sink and increase green space 4. Transition to green technology and energy efficient equipment and green technology

	Impact to TM	Mitigation	Adaptation
Transition Risk	Costs to transition to low emission technology & carbon offsetting Tightening energy efficiency standards for TM's assets Required investment in new green technology Increased pricing due to carbon tax, Enhanced emissions- reporting obligation, Mandates on regulations Changing market and customer behavior, and increased cost of raw materials Shifts in consumer preferences & increased stakeholder concern or negative stakeholder feedback **Risk Rating: MODERATE**	1. Implement TM's ESG execution plan to address the climate-related risks 2. Leverage our suppliers and Mega-Partners for best practices and adoption of their technologies 3. Continuously review TM's policy to support transitioning to a low-carbon economy 4. Inculcate a sustainability mindset into TM's business & decision making	1. ESG and climate change risks has been part of our BRC agenda 2. Manage sustainability related issues holistically through TM's Sustainability Management Programme 3. Actively participate and contribute to the collaborative ESG platform e.g. CEO Action Network (CAN) to benchmark and gather best practices in managing climate-related risks 4. Increase efforts to learn and understand more on climate-related risks and systems

More details of TM's climate change efforts are shown on page 81.

3. **Business Continuity Management (BCM) Framework:** Potential climate change vulnerabilities can lead to increased power outages and service disruption. A prime example is the recent flood disasters in late 2021 that impacted our network and threatened customers' connectivity and experience. Fortunately, we were able to swiftly respond and recover through TM's BCM, which improves our preparedness and recovery for events that may disrupt our essential services. Under the BCM, we have a robust BCP and DRP implemented at TM Command Centres to minimise the impact of climate-related disasters to our operations and customer experience.

More details of TM's BCM Framework are shown on page 190.

INDUSTRY THOUGHT LEADERSHIP

To create real positive change, we cannot work in isolation. Collaboration is crucial for solving crises and widespread sustainability challenges. As we continue to make great strides in our sustainability journey, we believe it is our responsibility to share what we know with other industry players. This is part of our commitment to being an Industry Thought Leader, dedicated to driving transformational change for a better tomorrow.

CEO Action Network (CAN)

We are proud participants of CAN – A closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity-building, action and performance. CAN aspires to catalyse its members towards shaping future-ready and ESG-integrated business models and ecosystems.

Since 2019, TM has become one (1) of the 54 Members of CAN. We are also actively involved in one (1) CAN workstreams: Awareness and Capacity-Building. As a member, we are committed to engage with various stakeholders including our supply chain, regulators and policy makers, Government, as well as our peers across various sectors to forge partnerships that are committed to responsible business practices and sustainable development. In the process, we will not only exchange industry best practices, but also share proven strategies and future-proof ideas with CAN participants. Most recently, in September 2021, we joined CAN members to pledge and publicly announce 14 Collective Commitments to be achieved under three (3) categories, namely environment, people and governance by 2023. This aligns with our recently developed ESG Roadmap and Commitments.

Malaysian Communications and Multimedia Commission (MCMC) National Disaster Preparedness

We are active contributors to MCMC's National Disaster Management Working Committee, which is part of the National Disaster Management Agency (NADMA). As a committee member, we work with Government agencies, relevant statutory bodies and other telco players to mitigate and respond to major disaster events. This includes improving the preparedness and resilience of the nation's telco infrastructure.

In the event of a disaster, our main focus is to protect our physical assets, which are classified as Critical National Information Infrastructure (CNII). We are progressively strengthening our BCM through Disaster Simulation Drill exercises. The drill exercises were meant to test the joint readiness of TM and other committee members in the event of natural and man-made disasters, such as landslides, fires and tower collapse at hill stations.

GLC Demi Rakyat dan Negara (GDRN)

GDRN coordinates with Government-Linked Investment Companies (GLIC) and Government-Linked Companies (GLC) to help the Government respond to any disaster event. As a convener, collaborator, and catalyst of change, TM actively collaborates with GRDN members to address the country's most pressing issues. We work with policymakers, civil society organisations, corporations and local communities to collectively drive positive impact for people and the environment.

TM's contributions in 2021 include:

- Flood relief missions
- GDRN Swift Water Safety and Humanitarian Response
- Emergency Response & Humanitarian Logistics Management training with NADMA & MCMC
- Humanitarian Disaster Relief 2020-2021

Board of Directors' Profile

Tan Sri Mohammed Azlan Hashim

Chairman
Non-Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	65/Male	1 August 2021	NA	7 Months

BOARD COMMITTEE

- None

QUALIFICATIONS

- Bachelor of Economics, Monash University, Melbourne, Australia
- Fellow Member, Institute of Chartered Accountants, Australia
- Member, Malaysian Institute of Accountants
- Fellow Member (Hon), Malaysian Institute of Chartered Secretaries and Administrators

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- D&O Green Technologies Berhad
- Marine & General Berhad
- IHH Healthcare Berhad

Public Company:

- Khazanah Nasional Berhad

OTHER INFORMATION

- Non-Executive Chairman (NEC) nominated by Special Shareholder of TM, the Minister of Finance (Incorporated), a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc.).

WORKING EXPERIENCE

Tan Sri Mohammed Azlan has extensive experience in the corporate sector, including financial services and investment having served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of the then Kuala Lumpur Stock Exchange Group (now Bursa Malaysia Berhad).

He is currently a Board member of Khazanah Nasional Berhad and a Board member and Chairman of Investment Panel of the Employees Provident Fund. He is also the Chairman of Yayasan Telekom Malaysia (YTM) as well as Chairman of several public listed entities including D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad.

Imri Mokhtar

Managing Director (MD)/Group Chief Executive Officer (GCEO)
Non-Independent Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	48/Male	1 August 2020	25 May 2021	1 Year 7 Months

BOARD COMMITTEE

- None

QUALIFICATIONS

- Bachelor of Electronics Engineering and Management Studies, (First Class Hons), University College London (UCL), UK
- Attended Leadership Programmes at Cambridge Judge Business School and Harvard Business School

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- None

OTHER INFORMATION

- Executive Director (ED) nominated by MOF Inc.

WORKING EXPERIENCE

Imri brings with him over 25 years of experience in telecommunications and strategy. His last position was Chief Operations Officer at Celcom Axiata Berhad since 1 May 2020. Imri previously served as TM's Chief Operating Officer (COO) responsible for overseeing the business operations of TM Group with special focus on unifi, TM One and TM Global (now known as TM Wholesale) and the Performance Improvement Programme. During his time as COO, he also served as TM's Acting Group Chief Executive Officer from 16 November 2018 until 13 June 2019.

Prior to his appointment as COO, Imri was the Executive Vice President (EVP) of unifi. He first started his career with TM in 1996 and re-joined TM in 2005 and served in various positions in TM including as Vice President (VP), Programme and Performance Management Office and EVP, Consumer. Prior to re-joining TM in 2005, Imri was with a pay-TV operator in Malaysia and before that a consultant with a global management consulting firm.

Imri is the Deputy Chairman of YTM and a Director and Chief Executive Officer of Webe Digital Sdn Bhd (webe), the mobile arm of TM. He is also a Director of TM Digital Innovation Sdn Bhd and GITN Sdn Berhad (GITN), wholly-owned subsidiaries of TM.

Anis Rizana Mohd Zainudin @ Mohd Zainuddin

Non-Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	52/Female	1 July 2020	25 May 2021	1 Year 8 Months

BOARD COMMITTEES

- Member of Board Tender Committee (BTC)
- Member of Board of Risk Committee (BRC)

QUALIFICATIONS

- Master of Business Administration (Finance), Graduate School of Management, Universiti Putra Malaysia (UPM)
- Diploma in Public Administration, National Institute of Public Administration (INTAN), Kuala Lumpur
- Bachelor of Business Administration (Finance), Western Michigan University, Kalamazoo, USA
- Diploma in Investment Analysis, Mara Institute of Technology (ITM), Shah Alam, Selangor
- Completed Advanced Leadership Management Programme at INTAN, Advanced Management Programme (AMP) Harvard Business School, Boston, USA and Advanced Leadership Development Programme, Razak School of Government

DIRECTORSHIPS

Listed Issuer:

- Telekom Malaysia Berhad

Public Companies:

- Pelaburan Hartanah Berhad
- Aset Tanah Nasional Berhad

OTHER INFORMATION

- Non-Executive Director (NED) nominated by MOF Inc.

WORKING EXPERIENCE

Anis Rizana is currently the Deputy Secretary General to the Treasury (Investment) with the Ministry of Finance (MOF).

She started her career in early 1993 serving the private sector in the stockbroking firms and manufacturing industry before joining the public sector in 1994. She was appointed as the Senior Private Secretary to the Minister of Finance in 1999. She also served as the Principal Assistant Secretary for few divisions under MOF such as Finance Division, Minister of Finance (Incorporated) (MOF Inc.); Privatisation and Coordination Division, Loan Management and Finance Policy Division, Economics and International Division and Budget Management Division. In 2008, she was appointed as the Deputy Under Secretary at the Investment, MOF Inc. and Privatisation Division and subsequently after her two (2) years stint at Malaysia Airports Holdings Berhad as the General Manager, Corporate Planning under the Cross Fertilisation Programme (Khazanah Nasional Berhad/Public Service Department), served as the Head of Economic Stimulus Secretariat Unit, MOF. In 2009, Anis Rizana also served as Special Functions Officer to Chief Secretary of the Government under the Prime Minister's Department. Subsequently in 2012, she was appointed as the Deputy Under Secretary, Remuneration Policy, Public Money, and Management Services Division.

Anis Rizana served as Director of the Integrity and Governance Division (NKRA Against Corruption), Prime Minister's Department in 2014, before she moved to be the Senior Research Fellow and thereafter assumed the responsibility as the Head of Cluster for Development and Policy Research at INTAN, Bukit Kiara. In 2018, she was appointed as the Head of Cluster for the Economics and Public Finance Cluster in INTAN. She was thereafter promoted as the Deputy Secretary General (Operations) for the Ministry of Women, Family and Community Development in 2019 before assuming her current position.

She is currently a Director of Retirement Fund (Incorporated) (KWAP), Lembaga Tabung Angkatan Tentera (LTAT) and Member of the Energy Commission. She also serves as Director in private companies under the purview of MOF.

Dato' Mohamed Nasri Sallehuddin

Non-Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	51/Male	26 August 2019	10 June 2020	2 Years 6 Months

BOARD COMMITTEES

- Member of Board Nomination and Remuneration Committee (NRC)
- Member of BRC (Appointed on 1 February 2022)
- Member of BTC (Resigned on 1 February 2022)

QUALIFICATIONS

- Master of Business Administration, University of Strathclyde Business School, UK
- Utter Barrister by the Honourable Society of Gray's Inn
- LLB (Hons), Aberystwyth University, Wales

DIRECTORSHIPS

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- UEM Group Berhad

OTHER INFORMATION

- NED nominated by Khazanah, a major shareholder of TM

WORKING EXPERIENCE

He is currently the Executive Director of Corporate & Support Services, Company Secretary and Head of Legal at Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Government of Malaysia. He oversees several key operational and administrative aspects of the organisation including Legal, Government Relations, Asset and Facilities Management, Procurement, ICT, Cybersecurity and Secretarial.

Prior to joining Khazanah on 1 September 2009, Dato' Mohamed Nasri was a partner with a leading law firm in Malaysia, advising clients on corporate law and the legal aspects of corporate restructuring, take-overs and mergers.

Dato' Mohamed Nasri is a member of Khazanah's Management Committee, Digital and Technology Council and is a permanent invitee to the Investment Committee.

Muhammad Afhzal Abdul Rahman

Non-Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	46/Male	1 December 2021	NA	3 Months

BOARD COMMITTEE

- Member of BTC (Appointed on 1 February 2022)

QUALIFICATION

- Bachelor of Science Degree in Electrical Engineering, Columbia University, New York, USA

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- None

OTHER INFORMATION

- NED nominated by EPF, a major shareholder of TM

WORKING EXPERIENCE

Afhzal is currently the Employees Provident Fund's (EPF) Chief Digital Technology Officer (CDTO). He joined EPF in 2017 as Senior Manager with the IT Department and was subsequently promoted to his current position in 2019. As CDTO, he is responsible for driving digital technology strategy, business digital enablement, technology adoption and operations comprising 345 technology personnel.

He has over 23 years of experience in Technology in areas of strategy and architecture, business transformation and enablement, technology implementations for large scale enterprises in the financial services and oil & gas industries. Out of these, he spent over 16 years with global multinational organisations such as Maybank, Shell, T-Systems, DHL, IBM and Esso (now ExxonMobil) in the execution and implementation of strategic technology initiatives that deliver business outcomes.

Afhzal is a Director of TM Digital Innovation Sdn Bhd.

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	56/Female	28 April 2016	10 June 2020	5 Years 11 Months

BOARD COMMITTEES

- Chairperson of NRC
- Member of Board Audit Committee (BAC)
- Member of BRC

QUALIFICATIONS

- Bachelor of Science (Hons) in Economics and Accountancy, City University, UK
- Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of Malaysian Institute of Accountants

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- SAM Engineering & Equipment (M) Berhad
- ENRA Group Berhad

Public Company:

- DXN Holdings Berhad

OTHER INFORMATION

- None

WORKING EXPERIENCE

Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was the CEO and Executive Director of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was the CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd.

She is currently a Director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission (SC) of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

Tunku Afwida is also the Chairperson of webe and a Director of GITN, subsidiaries of TM.

Balasingham A. Namasiwayam

Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	70/Male	28 April 2016	10 June 2020	5 Years 11 Months

BOARD COMMITTEES

- Chairman of BRC
- Member of BTC
- Member of BAC (Resigned on 1 February 2022)
- Member of NRC (Resigned on 1 February 2022)

QUALIFICATIONS

- Bachelor of Science (Hons) in Electrical Engineering, Portsmouth Polytechnic, UK
- Diploma in Electrical Engineering, Technical College, Kuala Lumpur
- Fellow of the Institution of Engineers, Malaysia
- Member of the Institution of Engineering and Technology, UK
- Professional Engineer of the Board of Engineers, Malaysia

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- None

OTHER INFORMATION

- None

WORKING EXPERIENCE

Balasingham has been involved in the telecommunications industry for more than 45 years. He began his career with Jabatan Telekom Malaysia in 1972 as Technical Assistant, and thereafter served in various capacities, covering planning, implementation, maintenance and control of key technical projects and operational aspects within TM Group. His last position in TM was General Manager of Specialised Network Services, responsible for the marketing, implementation, operation and maintenance of networks for various customers.

In 2003, he was appointed as CEO of Fiberail Sdn Bhd (Fiberail), TM's joint venture company, which are involved in the deployment of fibre cable and sale of fibre products. In 2008, he was appointed Business Advisor of Fiberail, assisting the Board and Management in all aspects of the company, until the expiry of his contract in June 2009. He was previously a director of TIME dotCom Berhad from July 2009 until mid-April 2016.

He is a Director and member of Board of Governors of Universiti Telekom Sdn Bhd, a wholly-owned subsidiary of TM and the operator of Multimedia University. He is also the Chairman of Fiberail and a Director of Fibrecomm Network (M) Sdn Bhd, subsidiaries of TM.

Hisham Zainal Mokhtar

Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	60/Male	3 October 2018	25 May 2021	3 Years 5 Months

BOARD COMMITTEE

- Chairman of BAC
- Member of BTC (Resigned on 24 June 2021)

QUALIFICATIONS

- Chartered Financial Analyst, CFA Institute
- Master of Business Administration, Massachusetts Institute of Technology, USA
- Master of Science in Mathematics, Illinois State University, USA
- Bachelor of Science in Mathematics, Illinois State University, USA

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- KPJ Healthcare Berhad

Public Company:

- None

OTHER INFORMATION

- None

WORKING EXPERIENCE

Hisham served as a Director in the Group Managing Director's Office at Malaysian Industrial Development Finance Berhad Group since July 2018 until 31 March 2019, and is a Business Coach at Asia School of Business since August 2018.

He was the Chief Operating Officer with Astro Overseas Limited from July 2014 until June 2018 and Director in the Investments Division at Khazanah Nasional Berhad from April 2009 to June 2014. He joined Khazanah in May 2005 from Tricubes Berhad where he was an Executive Director and Vice President of Corporate and Financing Planning.

He started his career in the insurance industry at Universal Life and General Insurance in 1987 and thereafter William M. Mercer Sdn Bhd in 1988 before becoming an investment analyst initially with Crosby Research (M) Sdn Bhd in 1991. He later joined Barings Research (Malaysia) Sdn Bhd in 1994 and subsequently, UBS Research (Malaysia) Sdn Bhd in 1996. In 1998, Hisham became a financial consultant at Sithe Pacific LLC, a regional independent power producer before he ventured out to set up a boutique investment advisory firm, KE Malaysia Capital Partners Sdn Bhd with another partner.

Hisham is a Director of KPJ Healthcare Berhad and also sits on other private companies. He is also a member of the Investment Panel for Lembaga Tabung Haji.

Saheran Suhendran

Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	61/Male	3 October 2018	25 May 2021	3 Years 5 Months

BOARD COMMITTEES

- Member of BAC (Appointed on 1 February 2022)
- Member of BRC

QUALIFICATIONS

- LLM from the University of Cambridge, UK
- LLB (Hons), University of London, UK
- Barrister-at-law of Gray's Inn

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- None

OTHER INFORMATION

- None

WORKING EXPERIENCE

He is currently a consultant with Messrs. Sanjay Mohan. He has been practicing law for over 35 years including as a partner at Zul Rafique & Partners and Kadir Andri & Partners before forming Messrs. Sanjay Mohan in 2019.

Saheran has extensive experience in corporate and commercial disputes as well as corporate restructuring and insolvency work. He is highly regarded in the niche practice of corporate and commercial malpractices and corporate and shareholder disputes and has appeared in derivative actions and oppression petitions. He has considerable experience advising on contentious acquisitions and take-overs and has successfully defended many notable financial institutions and Government-Linked institutions. He is a member of IPAM (Insolvency Practitioners Association of Malaysia).

Datuk Siti Zauyah Md Desa

Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	62/Female	10 June 2020	25 May 2021	1 Year 9 Months

BOARD COMMITTEES

- Chairperson of BTC
- Member of NRC (Appointed on 24 September 2021)

QUALIFICATIONS

- Master in Business Administration (International Banking), University of Manchester, UK
- Bachelor of Science (Hons) in Quantity Surveying (Second Class Upper), University of Reading, UK
- Diploma in Public Administration (Excellent), INTAN
- Completed the Oxford High Performance Leadership Programme, Said Business School, University of Oxford, UK

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- Westports Holdings Berhad

Public Companies:

- Cagamas Holdings Berhad
- Cagamas SRP Berhad

OTHER INFORMATION

- None

WORKING EXPERIENCE

Datuk Siti Zauyah began her career in civil service in 1982 as a Quantity Surveyor with the Public Works Department and later moved on to hold several other positions with a higher learning institution and several private sectors before pursuing her Diploma in Public Administration at INTAN. Upon graduation, she joined the Ministry of Finance Malaysia (MOF) and served in the Contract Management Division as Assistant Secretary from 1989 to 1993 before pursuing her Master and graduating in 1995. She continued to serve as Assistant Secretary with the Tax Division and Finance Division at MOF before being promoted as Principal Assistant Secretary in 2001.

In 2003, she was seconded to the Asian Development Bank, Manila as Director's Advisor until August 2006. Upon her return, she continued her service with MOF in the Loans Management Division and was appointed as the Deputy Secretary (Economy, Public Transportation and Infrastructure), Investment, MOF (Inc.) and Privatisation Division in April 2008. She was promoted as Secretary, Loan Management Division in November 2012 and later as Secretary, Government Investment Company Division on 13 January 2014 and subsequently serve as Director of National Budget, National Budget Office from 12 December 2014 until 1 February 2016. Datuk Siti Zauyah was then appointed the Deputy Secretary General (Policy) from 2 February 2016 until her retirement on 13 November 2019.

Datuk Siti Zauyah is currently a Member of Board of Trustee of Capital Market Development Fund and the Chairperson of GITN.

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	56/Female	22 November 2021	NA	3 Months

BOARD COMMITTEES

- Member of BAC (Appointed on 1 February 2022)
- Member of NRC (Appointed on 1 February 2022)

QUALIFICATIONS

- Bachelor of Arts in Banking and Finance, Canberra College of Advanced Education (now known as University of Canberra), Australia
- Member of Certified Public Accountant (CPA), Australia

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- Cycle & Carriage Bintang Berhad
- Astro Malaysia Holdings Berhad

Public Company:

- Bank Simpanan Nasional Berhad
- Prudential BSN Takaful Berhad

OTHER INFORMATION

- None

WORKING EXPERIENCE

She was a career professional having held several leadership positions in the telecommunications and banking sectors. She previously served in various senior management roles with TIME dotCom Berhad, Maxis Berhad and RHB Bank Berhad, after beginning her career with Citibank Malaysia.

With more than 30 years of experience, she has gained broad experience in business strategy, identifying sustainable monetisation models, understanding customers and competition, as well as the need for reviewing monetisation models with a focus on revenue and cost management.

Rossana is presently the Malaysia Country Chairman for Jardine Matheson. She is also the Chairman of Bank Simpanan Nasional Berhad and Prudential BSN Takaful Berhad, Deputy Chairman of Cycle & Carriage Bintang Berhad and a Director on the Board of Astro Malaysia Holdings Berhad. She is also serving as a member of the Investment Panel and Investment Panel Risk Committee of Employee Provident Fund Malaysia. She was previously on the Board of IHH Healthcare Berhad serving nine (9) years as the Independent Non-Executive Director, where she was the Chairman of the Audit Committee and Risk Management Committee.

She is also the Chairperson of TM Digital Innovation Sdn Bhd and Director of webe.

Iszad Jeffri Ismail

Non-Independent Non-Executive Alternate Director

Nationality	Age/Gender	Date of Appointment	Date of Last Re-election	Length of Tenure
Malaysian	41/Male	1 July 2020	NA	1 Year 8 Months

BOARD COMMITTEES

- Alternate member to Anis Rizana Mohd Zainudin @ Mohd Zainuddin in:
  - BTC
  - BRC

QUALIFICATIONS

- Masters in Science from Daniels College of Business, University of Denver, USA
- Bachelor of Financial Engineering, Multimedia University, Cyberjaya

DIRECTORSHIPS

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Keretapi Tanah Melayu Berhad

OTHER INFORMATION

Alternate Director to Anis Rizana Mohd Zainudin @ Mohd Zainuddin, NED nominated by MOF Inc.

WORKING EXPERIENCE

Iszad is currently a Principal Assistant Secretary at the Government Investment Companies Division, MOF, responsible for managing and monitoring corporate matters, investment and strategic direction of MOF Inc. companies, particularly on land public transportation sector. Apart from that, he is also the covering Section Head of Strategic Sector, which also covers MOF Inc. companies and interests in utilities, energy and telecommunication sectors. Due to his portfolio, he is involved in monitoring mega infrastructure projects such as Mass Rapid Transit (MRT) Line 1, MRT Line 2, East Coast Rail Link (ECRL), Rapid Transit System (RTS) and KL-Singapore High-Speed Rail. He also serves as director in private companies under the purview of MOF.

Prior to his current position, Iszad was a Senior Private Secretary to the Minister of Finance II, responsible for managing and administering ministerial affairs for the said Minister. Iszad also served as Principal Assistant Secretary at the Economic and International Division, MOF for six (6) years, where he was involved in the macro-economic policy and budget strategy formulation. He was also involved in the National Blue Ocean Strategy (NBOS) initiatives at MOF level. Iszad was a member of the National Budget Speech Team, responsible for drafting and formulating the national budget speech.

He also serves as Director in private companies under the purview of MOF.

Additional Information of the Board of Directors

Family Relationship	:	*Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of TM.*
Conflict of Interests	:	*Save as disclosed, none of the Directors has any conflict of interests with TM.*
Conviction for Offences	:	*None of the Directors has any conviction for offences, other than traffic offences, for the past 5 years.*
Public Sanction or Penalty	:	*None of the Directors has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2021.*

Profile of Company Secretaries

HAMIZAH ABIDIN
Group Company Secretary

Nationality
Malaysian

Age/Gender
51/Female

QUALIFICATIONS

- Bachelor of Law (Hons) (First Class Honours), International Islamic University of Malaysia
- Licenced Company Secretary since December 1998

WORKING EXPERIENCE

Hamizah started her career in private legal practice and was a qualified advocate and solicitor of the High Court of Malaya. She joined TM in 1996 and promoted to Assistant General Manager in 2007. She was appointed as Joint Secretary on 15 July 2011 and thereafter as General Manager of Company Secretarial Unit of Group Legal, Compliance and Company Secretarial Division in 2012. She was appointed as the Group Company Secretary of TM on 1 January 2017, heading the Group Company Secretarial Division of TM. She left TM on 31 December 2019 and re-joined on 1 September 2020.

Hamizah brings with her more than 25 years of experience in corporate secretarial and governance matters of public listed and private companies. She is qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. As the Group Company Secretary of TM, she provides active support to the Board, Board Committees and Management of TM and its group of companies.

MOHAMMAD YAZMI MAT RASCHID
Joint Secretary

Nationality
Malaysian

Age/Gender
48/Male

QUALIFICATIONS

- Chartered Secretary of The Institute of Chartered Secretaries and Administrators (ICSA), now known as The Chartered Governance Institute, UK
- Associate of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) since 2001

WORKING EXPERIENCE

A graduate from Institut Professional Baitulmal Kuala Lumpur, Yazmi started his career in a company secretarial service firm in 1996. He joined TM in 2001 as an Assistant Company Secretary and was promoted to Assistant General Manager in 2013. He was appointed as Joint Secretary following his appointment as General Manager, Group Company Secretarial Division on 1 January 2020. Yazmi has over 22 years experience in corporate secretarial matters, corporate governance, compliance, special projects and due diligence exercises.

Profile of Senior Management

IMRI MOKHTAR
Managing Director (MD)
Group Chief Executive Officer (GCEO)

Nationality
Malaysian

Age/Gender
48/Male

Date of Appointment: 1 August 2020

QUALIFICATIONS

- Bachelor of Electronics Engineering and Management Studies, (First Class Hons), University College London (UCL), UK
- Attended Leadership Programmes at Cambridge Judge Business School and Harvard Business School

WORKING EXPERIENCE

Imri brings with him over 25 years of experience in telecommunications and strategy. His last position was Chief Operations Officer at Celcom Axiata Berhad since 1 May 2020. Imri previously served as TM's Chief Operating Officer (COO) responsible for overseeing the business operations of TM Group with special focus on unifi, TM One and TM Global (now known as TM Wholesale) and the Performance Improvement Programme (PIP). During his time as COO, he also served as TM's Acting GCEO from 16 November 2018 until 13 June 2019.

Prior to his appointment as COO, he was the Executive Vice President (EVP) of unifi. He first started his career with TM in 1996 and re-joined TM in 2005 and served in various positions in TM including as Vice President (VP), Programme and Performance Management Office and EVP, Consumer. Prior to re-joining TM in 2005, Imri was with a pay-TV operator in Malaysia and before that a consultant with a global management consulting firm.

Imri is the Deputy Chairman of YTM and a director and Chief Executive Officer of Webe Digital Sdn Bhd (webe), the mobile arm of TM. He is also a Director of TM Digital Innovation Sdn Bhd and GITN Sdn Berhad (GITN), wholly-owned subsidiaries of TM.

DIRECTORSHIP

Listed Issuer:
Telekom Malaysia Berhad

Public Company:
None

RAZIDAN GHAZALLI
Group Chief Financial Officer (GCFO)

Nationality
Malaysian

Age/Gender
59/Male

Date of Appointment: 1 November 2019

QUALIFICATIONS

- Bachelor of Commerce (Accounting & Finance), University of Tasmania, Australia
- Post Graduate Diploma in Marketing, Chartered Institute of Marketing, UK
- Certified Practising Accountant (CPA), CPA Australia
- Chartered Accountant of the Malaysian Institute of Accountants
- Associate member of the Chartered Institute of Marketing, UK

WORKING EXPERIENCE

Razidan first joined TM as Financial Advisor on 16 September 2019 and subsequently appointed as GCFO on 1 November 2019.

He has more than 35 years of working experience in public accounting and the commercial sectors within the telecommunications, plantation and oil & gas industry. He has a strong grasp of core finance functions including treasury corporate finance, merger and acquisition and corporate restructuring & transformation including international experiences in Indonesia, Vietnam, Germany, Singapore, Australia, Iran and Netherlands, amongst others.

Razidan also sits on the board of several subsidiaries of TM Group including Tulip Maple Berhad, Mobikom Sdn Bhd, Menara Kuala Lumpur Sdn Bhd and Telekom Technology Sdn Bhd.

DIRECTORSHIP

Listed Issuer:
None

Public Company:

- Tulip Maple Berhad

TENGKU MUNEER TENGKU MUZANI
Chief Strategy Officer (CSO)

Nationality
Malaysian

Age/Gender
47/Male

Date of Appointment: 1 August 2019

QUALIFICATIONS

- Bachelor of Science Business Administration majoring in Finance, The Daniel's College of Business, University of Denver, Colorado, USA
- Attended Strategy & Leadership Programme for Senior Management, INSEAD

WORKING EXPERIENCE

Tengku Muneer was appointed as CSO of TM on 1 August 2019. He has over 23 years of experience in Strategy, Branding, Marketing, Sales, Retailing, Operations and Customer Service and Experience. He had an early stint in TM between 2006 and 2010 at Content and Digital Homes and Group Performance and Programme Management Office.

He subsequently moved to Celcom Axiata Berhad between 2010 to 2017 and held various senior positions as its Head of Strategy and Business Planning, Head of Enterprise Sales, Head of Touchpoint Strategy and Retail Operations, Head of Marketing and Head of Turnaround. He was also a talent under the Axiata Group Accelerated Development Programme (GADP). He was briefly in Malaysia Airports Holdings Berhad as its General Manager of Corporate Planning before joining Altel Holdings Sdn Bhd as its Chief Strategy and Implementation Officer. He was instrumental in the turnaround of the Company's MVNO business and completion of the national Digital Terrestrial Television (DTT) Project.

He is a Director of Mobikom Sdn Bhd and Menara Kuala Lumpur Sdn Bhd.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

SHANTI JUSNITA JOHARI
Chief Marketing Officer (CMO)

Nationality
Malaysian

Age/Gender
46/Female

Date of Appointment: 1 February 2021

QUALIFICATIONS

- Masters of Business Administration, Universiti Teknologi Malaysia with Tampere University, Finland (Strategic Management)
- Bachelor of Engineering (Electronics), Vanderbilt University, USA

WORKING EXPERIENCE

Shanti was appointed as CMO of TM on 1 February 2021 and is responsible for the overall strategy, transformation and management of TM brand & marketing, customer experience (CX) and Touchpoints.

She has 24 years experience in various strategy, commercial and operational roles in the telecommunication industry, mainly in areas of marketing, product management and sales both for Consumer and Enterprise market segments. Prior to joining TM, she was the Chief Customer Experience & Digital, Celcom Axiata Berhad where she was responsible for end-to-end CX, customer service operations and digital touchpoints.

Grown from TM's own talent pool, she started her career with TM in 1997 under the Corporate & Multinational Sales division, where she held roles in key account management, sales and product consultancy. In 2005, Shanti joined TM Retail Business Strategy & Management office, responsible for the strategic development and management of TM Retail operations. She was later appointed as General Manager, Business Strategy in 2007 where her responsibility included the strategic development and management of TM's business strategy and plan. Shanti was subsequently appointed as EVP, TM SME in 2009, where she was responsible for commercial management of TM's business in the SME segment.

She left TM to join Maxis Berhad in 2011 as its Vice President (VP), Marketing Strategy where her roles included Consumer marketing strategy. She was later appointed as Head of Enterprise Marketing & Product of Maxis from 2013 to 2019 where she was responsible for overall marketing, value proposition and product management of mobile, fixed and cloud enterprise solutions. She then moved to Celcom Axiata in 2019 and rejoined TM as CMO on 1 February 2021.

As part of her personal development, she completed the Directorship Technical Training by MINDA in 2018.

Shanti is the Chairperson of Telekom Sales & Services Sdn Bhd.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

SARINAH ABU BAKAR

Chief Human Capital Officer (CHCO)

Nationality: Malaysian

Age/Gender: 56/Female

Date of Appointment: 15 June 2021

QUALIFICATIONS

- Master in Business Administration, University of South Australia
- Bachelor's Degree in Chemical Engineering, the Queen's University of Belfast, United Kingdom

WORKING EXPERIENCE

Sarinah was appointed as TM's CHCO on 15 June 2021 and is responsible to deliver a future-proof organisation to realise New TM aspirations.

She has over 30 years of diverse experience including strategic human resources business partnering with global portfolio, organisational transformation, integrated talent management, executive coaching and merger & acquisition across global industrial technology companies. She brings with her HR best practices and strong stakeholder management in highly complexed and demanding environments.

Prior to joining TM, she was with Honeywell International as VP of HR for Asia Pacific as well as VP of HR for Global High Growth Regions.

Sarinah is currently a member of Board of Trustees of YTM.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

Ir. AZIZI A HADI

Chief Operating Officer (Commercial & Technology)

Nationality: Malaysian

Age/Gender: 57/Male

Date of Appointment: 15 June 2011

QUALIFICATIONS

- Masters in Business Administration, Universiti Putra Malaysia (UPM)
- Bachelor of Science in Electrical Engineering, Wichita State University, USA
- Attended various leadership programmes at Harvard, Cambridge and Stanford universities

WORKING EXPERIENCE

Ir. Azizi was appointed as Chief Operating Officer (Commercial & Technology) on 1 September 2020. He served as Chief Network Officer (CNO) from 26 August 2019 until 31 August 2020 and responsible for the strategy, rollout and management of nationwide network. He has more than 30 years of experience in the telecommunications industry, which includes engineering, operations, sales, product development and management in both fixed and mobile industry.

He started his career with the Royal Malaysian Army as an Engineering Officer in the Royal Signals Regiment from 1987 to 1996, where his main responsibilities were in planning tactical radio networks, evaluating new equipment and training. He was also the Country Business Development Manager of Global One Communications as international telecommunications service provider where he was entrusted with the country's MNC sales in 1999. Prior to joining TM in 2006, he was with Maxis Communications Berhad as the Head of Broadband Business Unit and in Network Engineering and Operations.

Ir. Azizi first joined TM as the General Manager, Technology & Innovation in 2006. He was then promoted to Vice President (VP) of Retail Product on 1 February 2009 where he was responsible for the development and commercialisation of TM's products and services. He then became the Executive Vice President (EVP), SME in 2011 before assuming his role as Chief Operating Officer of webe in 2014 and later as Executive Director and Chief Executive Officer of webe on 1 August 2016. He was subsequently appointed EVP, TM One on 15 May 2017 to lead TM One through its transformation journey as a fully integrated digital enabler for enterprises and public sector.

Ir. Azizi is the Chairman of VADS Berhad and also Director of other subsidiaries of TM including Universiti Telekom Sdn Bhd, webe, Fibrecomm Network (M) Sdn Bhd and Fiberail Sdn Bhd.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
VADS Berhad

ANAND VIJAYAN
Chief Commercial Officer/EVP, unifi

Nationality
Malaysian

Age/Gender
47/Male

Date of Appointment: 1 February 2020

QUALIFICATIONS

- Masters in Business Administration in (e-Commerce), Charles Sturt University, Australia
- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology (RMIT) University, Australia
- Certified Practising Accountant from CPA Australia
- Certified Information Systems Auditor (CISA) from Information Systems Audit & Control Association (ISACA)

WORKING EXPERIENCE

Anand was appointed Chief Commercial Officer (CCO) on 1 February 2020 and is primarily responsible for the unifi business. He has vast and diverse experience in consultancy, risk management, business turn-around and most notably telecommunications.

Prior to joining TM, he was with Time dotCom Berhad from 2009 until 2018. He served as an EXCO member and covered various portfolios including several strategic business units. It was under his leadership that the Consumer segment experienced exceptional growth. In 2017, he was appointed as the Chief Operating Officer and Executive Director at Symphony Communication in Bangkok, a Public Listed Company within the Time dotCom Group and was instrumental in the turn-around of the company.

He started his career in 1996 in the professional services space and spent several years in the big four (4) accounting firms working in assurance and advisory services across several countries including in Kazakhstan, Bulgaria, Russia, Albania and Uzbekistan.

Anand also sits on the board of several subsidiaries of TM Group.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

SHAZURAWATI ABD KARIM
EVP, TM One

Nationality
Malaysian

Age/Gender
48/Female

Date of Appointment: 1 January 2022

QUALIFICATIONS

- Masters of Arts and Masters of Engineering, Cambrige University, United Kingdom
- Bachelor of Arts, Hons (Electrical Engineering), Cambridge University, United Kingdom
- Completed a leadership programme at Stanford University, USA

WORKING EXPERIENCE

Shazurawati was assigned to cover the role of EVP TM One effective 1 August 2021 in addition to her role as Vice President (VP) Business Services, TM One. She was appointed as EVP TM One on 1 January 2022. She has held various leadership capacities in the past 20 years, across multiple domains and portfolios within TM Group.

Prior to her current roles, Shazurawati was the Vice President at TM Chief Operating Officer (COO) and Transformation Office driving the Group performance improvement programmes. She also served as VP, Partnership, where she led TM One's partnership programmes and alliances across the industry verticals, technologies, products, services and solutions with both local and global partners.

She was the COO of VADS Berhad, overseeing the ICT business nationwide delivery and operations for large enterprises across various industries and economic sectors.

As the VP, Technology and Innovation, Shazurawati was responsible for the technical design and development of TM's commercial products and offerings, customer premises equipment design and technology business strategy blueprint.

She is also a Director in several operating companies under TM One.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
VADS Berhad

AMAR HUZAIMI MD DERIS
EVP, TM Wholesale

Nationality
Malaysian

Age/Gender
46/Male

Date of Appointment: 1 September 2018

QUALIFICATIONS

- Masters in Business Administration, Deakin University, Australia
- Bachelor of Commerce (Accounting and Finance), Monash University (Clayton), Australia
- Fellow Certified Practicing Accountant Australia (FCPA Australia)
- Attended various leadership programmes, including Proteus, London Business School, UK

WORKING EXPERIENCE

Amar joined TM in 1998 under the Group Financial Controller Division, where he was involved in various business and operational capacities including revenue management and assurance; billing and invoicing; and strategic costs management. In 2005, he joined the Group Internal Audit Division and responsible for the effectiveness of TM risk management, internal controls and governance processes. In July 2009, he was promoted to Deputy Chief Internal Auditor in the same office and a year later as a General Manager (GM), Group Corporate and Regulatory, responsible for Economic Regulation.

In 2011, Amar was appointed as GM, Group CEO's Office where he was entrusted to manage key strategic initiatives portfolio for the Group and ensures its execution effectiveness. In October 2016, he assumed the position of VP Carrier Sales of TM Global, responsible to foster domestic and international carrier business opportunities; and managing TM regional offices in the UK, USA, Hong Kong, Singapore, Dubai and Australia. On 1 September 2018, he assumed the role of EVP TM Global overseeing the Group's global and wholesale business. He was redesignated as EVP TM Wholesale on 1 February 2020 following the realignment of TM Group structure.

Amar also sits on the board of several subsidiaries of TM Group under TM Wholesale cluster including Fiberail Sdn Bhd, Fibrecomm Network (M) Sdn Bhd and ACASIA Communications Sdn Bhd, a business alliance with 7 ASEAN countries.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

AWARDS/RECOGNITIONS

- CPA Australia's 40 Young Business Leaders in 2012 which showcases highly talented individual across regions and sectors.
- Included in Capacity Media's First Edition of Power 100, a global index on 100 of the most influential people in the Global Wholesale Telecommunication sector in 2019.

KRISHNENDU DATTA
CEO, Credence

Nationality
Singaporean

Age/Gender
56/Male

Date of Appointment: 1 November 2021

QUALIFICATIONS

- MBA in Marketing and Strategy, the European Business School, University of Surrey, United Kingdom
- Bachelor of Science in Applied Physics/Classical Physics, University of Calcutta, India
- Completed the Global Leadership Development Programme, INSEAD, France

WORKING EXPERIENCE

Krish Datta was appointed as EVP, Digital Services on 1 November 2021, joining TM with over 34 years of technology industry experience, having built and lead several enterprise technology-based businesses across ASEAN, India, Japan, Australia and the Middle East. He is a passionate business and people leader who have demonstrated successful track record in Asia with well-established global MNCs and start-up companies.

Krish was in SAP Asia Pacific for over 16 years holding various leadership positions. He established SAP in Indonesia, Philippines, Vietnam and went on to hold the position of President, SAP South East Asia, responsible for all aspects of the business from sales, marketing, sales operations, presales, partner and eco-system, finance, support, HR and consulting.

Upon leaving SAP in 2011, he started Back Office Associates (now known as Syniti) in Asia Pacific, Japan and Middle East region as its CEO. He went on to build the business over the next eight (8) years and exited after building a manicured business, including key technology and delivery capabilities which included global delivery centres in India, Philippines and Profit & Loss (P&L) across 9 countries.

He became the Co-Founder and CEO of Xampr which started no-code low-code mobile platform for mobile application development, focusing on integration, last mile process and flexible template-based workflow and adoption. In 2021, he founded DIVIT NuTech as its CEO, focusing on digital enterprises services. Krish is an art lover and also established an art online platform Mayinart.com.

Krish is the CEO of TM Digital Innovation Sdn Bhd, also referred to as Credence, the operating company for TM's digital services business.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

MOHAMED TAJUL MOHAMED SULTAN
Chief Network Officer (CNO)

Nationality
Malaysian

Age/Gender
51/Male

Date of Appointment: 1 November 2020

QUALIFICATIONS

- Masters in Business Administration, International Business School, Universiti Teknologi Malaysia
- Bachelor Degree in Electrical Engineering, Hanyang University, Seoul, South Korea

WORKING EXPERIENCE

Tajul was appointed as CNO of TM on 1 November 2020 where he is responsible for the end-to-end network planning, rollout and operations of TM network. His focus will be on TM network modernisation, process simplification and automation, as well as to ensure the best customer experience through excellent technical delivery, fulfilment and assurance for unifi, TM One and TM Wholesale customers.

Tajul has over 26 years extensive experience in spearheading full spectrum of new technology adoption, operations management, service enhancements along with network infrastructure transformation within the telecommunication domain.

He started his career with TM at the Seberang Perai office in 1994 as a Switching Operation Executive. In 2002, he worked with a team that was responsible to set up Switching Operation Centre in Kuala Lumpur. Later between 2007 to 2011, he was tasked to oversee several roles in Northern Region Network Operations & Management prior to his promotion as General Manager, Network Management and Operations of Southern Region in 2012. He was then assigned to establish and lead Petaling Jaya State Business Unit in 2015 where he was successful in transforming and turning around the business. He went back to lead Network Management & Operations in 2017 and was promoted as Vice President in 2019 before assuming his current position as CNO.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

NOR AZURA AB. WAHAB
Chief Procurement Officer (CPO)

Nationality
Malaysian

Age/Gender
52/Female

Date of Appointment: 1 October 2021

QUALIFICATIONS

- Bachelor Degree in Accountancy, Sheffield University, United Kingdom
- Completed Postgraduate Diploma in Accountant, Demontfort University in Leicester, United Kingdom
- Master in Business Administration (MBA), Multimedia University (MMU), Cyberjaya

WORKING EXPERIENCE

Azura has been appointed as CPO for TM effective 1 October 2021 in which she is responsible to lead the overall TM Procurement strategy and contract management services in supporting the business requirement whilst ensuring full compliance to TM's policy, process and governance.

A TM home grown talent, Azura has more than 20 years of experience working in TM in different areas and divisions. She started her career as an Account Executive in 1996 in Telekom Publication Sdn Bhd (a wholly owned subsidiary of TM) before joining TM Group Internal Audit (GIA) as an Internal Auditor, where she was in charge to lead and manage the audit plan for various divisions such as corporate units, MMU and international subsidiaries. In 2006, she was promoted as the Deputy Chief Internal Auditor (CIA) to oversee overall execution of the audit plans by the GIA to provide the required assurance on TM's Internal control.

In 2009, Azura was transferred to Group Procurement as GM Strategic Sourcing where she was responsible to manage and oversee all TM procurement and sourcing activities whilst ensuring compliance to TM's policy and governance accordingly. In 2014, she was assigned to be part of the Line of Business (LOB) under TM One undertaking multiple roles and accountabilities such Head of TM One Transformation Office and GM Business Technology which oversees the execution of TM One transformation, focusing on organisational structure and process improvements. In 2019, Azura was appointed as Head of Partnership for TM One whereby she successfully centralised the partnership function and transformed the overall partnership process and governance as part of internal control improvements.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

MOHAMAD MOHAMAD ZAIN
Chief Risk Officer (CRO)

Nationality
Malaysian

Age/Gender
58/Male

Date of Appointment: 1 September 2014

QUALIFICATIONS

- Chartered Insurance Practitioner
- Associate Member of the Chartered Insurance Institute, UK
- Member of the Society of Fellow Chartered Insurance Institute, UK
- Diploma in General Insurance from the Australian Insurance Institute
- Master of Communications Management from the University of Strathclyde, Glasgow, UK
- Member of Chartered Institute of Procurement & Supply, UK

WORKING EXPERIENCE

Mohamad was appointed as CRO on 1 October 2019 primarily responsible for identifying business challenges and driving risk strategies for the future sustainability of TM.

He gained vast experience in insurance services while serving a UK-based insurance company for six (6) years including as officer in charge for agency and direct client underwriting, claim management and re-insurance, designing insurance for credit card company and bank assurance, serving both domestic and multinational corporation clients.

He joined TM in 1993 as Assistant Manager and has been tasked with managing the corporate insurance programme and implementing the Enterprise Risk Management programme for TM in 2001. In 2007, he was appointed as GM, entrusted with an expanded portfolio of Group Business Assurance (GBA) covering enterprise risk management, revenue assurance, fraud management, insurance management, credit management policy & monitoring, corporate compliance, business continuity management and enterprise business management. In 2011, he was promoted to Vice President, GBA and later became the CPO in 2014 prior to assuming his current role as CRO.

Mohamad sits on the board of several subsidiaries of TM Group including TM Facilities Sdn Bhd and TMF Autolease Sdn Bhd. He is also a Director of Labuan Reinsurance (L) Ltd.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

HAIKEL ISMAIL
Chief Internal Auditor (CIA)

Nationality
Malaysian

Age/Gender
47/Male

Date of Appointment: 1 November 2019

QUALIFICATIONS

- Master of Business Administration, Edinburgh Business School of Heriot Watt University, UK
- Bachelor of Commerce & Management, Lincoln University, New Zealand
- Associate, Chartered Management Accountant (ACMA), Chartered Institute of Management Accountants (CIMA), UK
- Chartered Global Management Accountant (CGMA), Chartered Institute of Management Accountants, UK
- Certified Internal Auditor (CIA), The Global Institute of Internal Auditors, USA
- Certification in Risk Management Assurance (CRMA), The Global Institute of Internal Auditors, USA
- Certified Fraud Examiner (CFE), The Association of Certified Fraud Examiners, USA
- Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA)

WORKING EXPERIENCE

Haikel joined TM as the Head of Advisory and Strategic Reorganisation within the Group Internal Audit Division on 1 March 2019 and subsequently was appointed as the CIA on 1 November 2019. He brings over 24 years of experience in internal audit, risk management and corporate governance.

He started his career with the Renong Berhad Group in 1997 as a Management Trainee and eventually moved into leadership roles within the group. Overall, Haikel has led various internal audit and risk management functions at both private and public listed companies covering industries that includes construction, oil and gas, property, power, water utilities, telecommunication, infrastructure, public transportation and service industries.

Haikel is currently a member of the Board of Governors at the Institute of Internal Auditors Malaysia.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

ABDUL RAZAK DERAOF

Chief Integrity & Governance Officer (CIGO)

Nationality: Malaysian

Age/Gender: 55/Male

Date of Appointment: 16 July 2021

QUALIFICATIONS

- Master of Management in Science, Universiti Utara Malaysia, Kedah
- Bachelor's Degree in Human Resource Development, Universiti Putra Malaysia, Selangor
- Professional accreditation in International Training Methodology Course from INTAN, Kuala Lumpur

WORKING EXPERIENCE

Abdul Razak was appointed as CIGO of TM on 16 July 2021 and is responsible to spearhead TM's strategy in combatting corruption through prevention, education and awareness as well as enforcement in ensuring an ethical culture in TM Group.

He has over 29 years of experience in various roles in the Malaysian Anti-Corruption Commission (MACC). He started his career in MACC Selangor in 1992 and in 1997 served MACC's Training Department. Abdul Razak then pursued his Masters in 2001 and upon returning, was assigned to MACC's Community Education Division in Putrajaya. He was subsequently assigned to MACC Sabah in 2006 and MACC Headquarters in Kuala Lumpur in 2010.

In 2011, he was seconded to Amanah Raya Berhad as Deputy Chief Integrity Officer responsible for implementing the organisation's Integrity Plan and integrity awareness programmes for its officers, employees and vendors. He was then assigned to Prasarana Malaysia Berhad as Chief Integrity Officer responsible for various integrity initiatives such as Integrity Plan, Code of Business Ethics for employees and vendors, Whistle-blower Policy as well as implementing comprehensive awareness programmes throughout the organisation.

In 2016, Abdul Razak was assigned as Deputy Director (Management) of the Malaysian Anti-Corruption Academy (MACA) and in 2018, served in the Deputy Commissioner (Prevention) Office, MACC Putrajaya. He then served as Deputy Director (Operations) in MACC Sarawak and in 2019, was assigned as Chief Integrity Officer in the Ministry of Education Malaysia. Prior to joining TM, he was the Deputy Director of MACC Selangor.

Abdul Razak is a Certified Integrity Officer (CeIO) from MACA since 2010.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

HAMIZAH ABIDIN

Group Company Secretary

Nationality: Malaysian

Age/Gender: 51/Female

Date of Appointment: 1 September 2020

QUALIFICATIONS

- Bachelor of Law (Hons) (First Class Honours), International Islamic University of Malaysia.
- Licenced Company Secretary since December 1998.

WORKING EXPERIENCE

Hamizah started her career in private legal practice and was a qualified advocate and solicitor of the High Court of Malaya. She joined TM in 1996 and promoted to Assistant General Manager in 2007. She was appointed as Joint Secretary on 15 July 2011 and thereafter as General Manager of Company Secretarial Unit of Group Legal, Compliance and Company Secretarial Division in 2012. She was appointed as the Group Company Secretary of TM on 1 January 2017, heading the Group Company Secretarial Division of TM. She left TM on 31 December 2019 and re-joined on 1 September 2020.

Hamizah brings with her more than 25 years of experience in corporate secretarial and governance matters of public listed and private companies. She is qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. As the Group Company Secretary of TM Group, she provides active support to the Board, Board Committees and Management of TM and its group of companies.

DIRECTORSHIP

Listed Issuer:
None

Public Company:
None

Additional Information of the Senior Management (SM)

Date of Appointment	:	*Date he/she was appointed as SM.*
Family Relationship	:	*Save as disclosed, none of the SM has any family relationship with any Director and/or major shareholder of TM.*
Conflict of Interests	:	*Save as disclosed, none of the SM has any conflict of interests with TM.*
Conviction for Offences	:	*None of the SM has any conviction for offences, other than traffic offences, for the past 5 years.*
Public Sanction or Penalty	:	*None of the SM has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2021.*

Directors' Statement on Risk Management and Internal Controls

Under Paragraph 15.26(b) of the Main LR of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed issuers are required to include in their annual report a statement about the state of risk management and internal control of the listed issuer as a group. Accordingly, TM's Board of Directors ("Board") is pleased to provide the following statement that has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed issuers endorsed by Bursa Securities, which outlines the nature and scope of the risk management and internal control within TM Group during the financial year under review.

RESPONSIBILITY AND ACCOUNTABILITY

The Board

The Board is responsible for establishing and overseeing the Group's risk management framework and internal control systems, which manages the Group's risk appetite within acceptable levels of tolerance. The tolerance levels are set by the Board and Management to achieve the Group's goals and objectives in generating returns to shareholders. The Board periodically reviews the effectiveness and adequacy of the framework and systems by identifying, assessing, monitoring and communicating key business risks to safeguard shareholders' investment and the Group's assets.

The two (2) Board committees that have primary risk management and internal control oversight responsibilities are:

Board Risk Committee (BRC)

The primary responsibility of the BRC is to assist the Board in ensuring a sound and robust Enterprise Risk Management framework and its implementation to enhance the Group's corporate governance practices with a focus on risk issues by identifying, assessing and monitoring key business risks. Given the growing importance of sustainability/ESG and cybersecurity risks in 2021, both subjects have been part of the Board's agenda, with BRC being the oversight platform to discuss the related risks and the associated control implementations.

The Terms of Reference (ToR) and primary duties of the BRC concerning risk management are incorporated in the Board Charter, which is accessible on the Company's official website at www.tm.com.my.

Board Audit Committee (BAC)

The primary responsibility of the BAC is to assist the Board in assessing the effectiveness of the Group's internal control structure and review of the financial reporting. To achieve this, the BAC:

- Reviews the Group's internal control systems and management information systems' adequacy and integrity, including compliance with applicable laws, rules, directives, and guidelines through Group Internal Audit (GIA) function.
- Reviews and provide oversight on the Group's management of investigations and prosecutions, fraud and disciplinary issues, ethics, integrity principles and whistle-blowing processes through the Group Integrity & Governance (GIG) function.
- GIA and GIG report directly to the Board Audit Committee.

The BAC's ToR is stipulated in the Board Charter, accessible on the Company's website. The primary duties of the BAC in assessing the adequacy and effectiveness of the internal control systems implemented within the Group are elaborated on pages 147 and 148.

Other Board Committees, such as the Nomination and Remuneration Committee, Tender Committee and Investment Committee, are also established with clearly defined duties and responsibilities to oversee various key business activities involved within the Group.

The Board acknowledges that it remains responsible for all the committees' actions regarding the execution of the delegated roles, including the outcomes of the review and disclosure on key risks and internal control systems in this Integrated Annual Report.

Management

Management is accountable to the Board and responsible for implementing the processes of identifying, evaluating, monitoring and reporting risks and the effectiveness of internal control systems, taking appropriate and timely corrective actions as required. The Management has assured the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the Enterprise Risk Management framework and internal control systems adopted by the Group. In respect of risk management, the Management has implemented the necessary processes to:

- Identify and analyse the risk appetite relevant to the business and determine the level of risk tolerance towards the achievement of the Group's objectives and strategies;
- Design, implement and monitor the ERM framework according to the Group's strategic vision and overall risk appetite; and
- Identify changes to risks or emerging risks, take appropriate actions and bring these promptly to the Board's attention.

ENTERPRISE RISK MANAGEMENT

ERM Framework

ERM remains an integral part of the organisational governance processes in ensuring all inherent and emerging risks are assessed, mitigated and monitored to safeguard the Group's interests.

TM has adopted the ISO 31000:2018 Risk Management Standard, which serves as a guideline for identifying, evaluating, managing and monitoring significant risks by the Group to align its ERM process with industry best practices. Figure 1 illustrates TM's ERM framework.

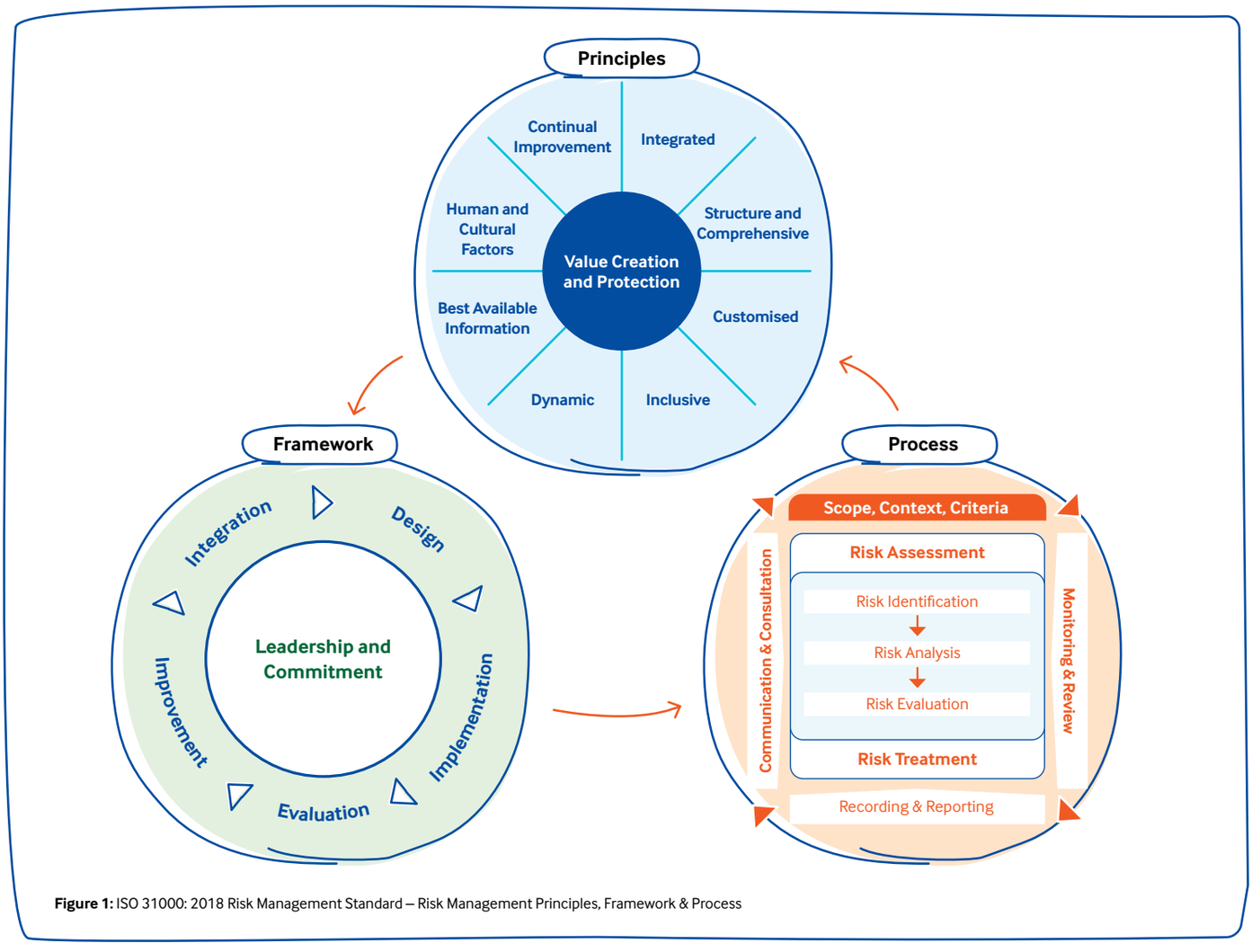


Figure 1: ISO 31000: 2018 Risk Management Standard – Risk Management Principles, Framework & Process

The ERM practice has been progressively implemented throughout TM, including its subsidiaries, to support the execution of convergence and digital strategies. Figure 2 below illustrates TM's ERM governance and framework.

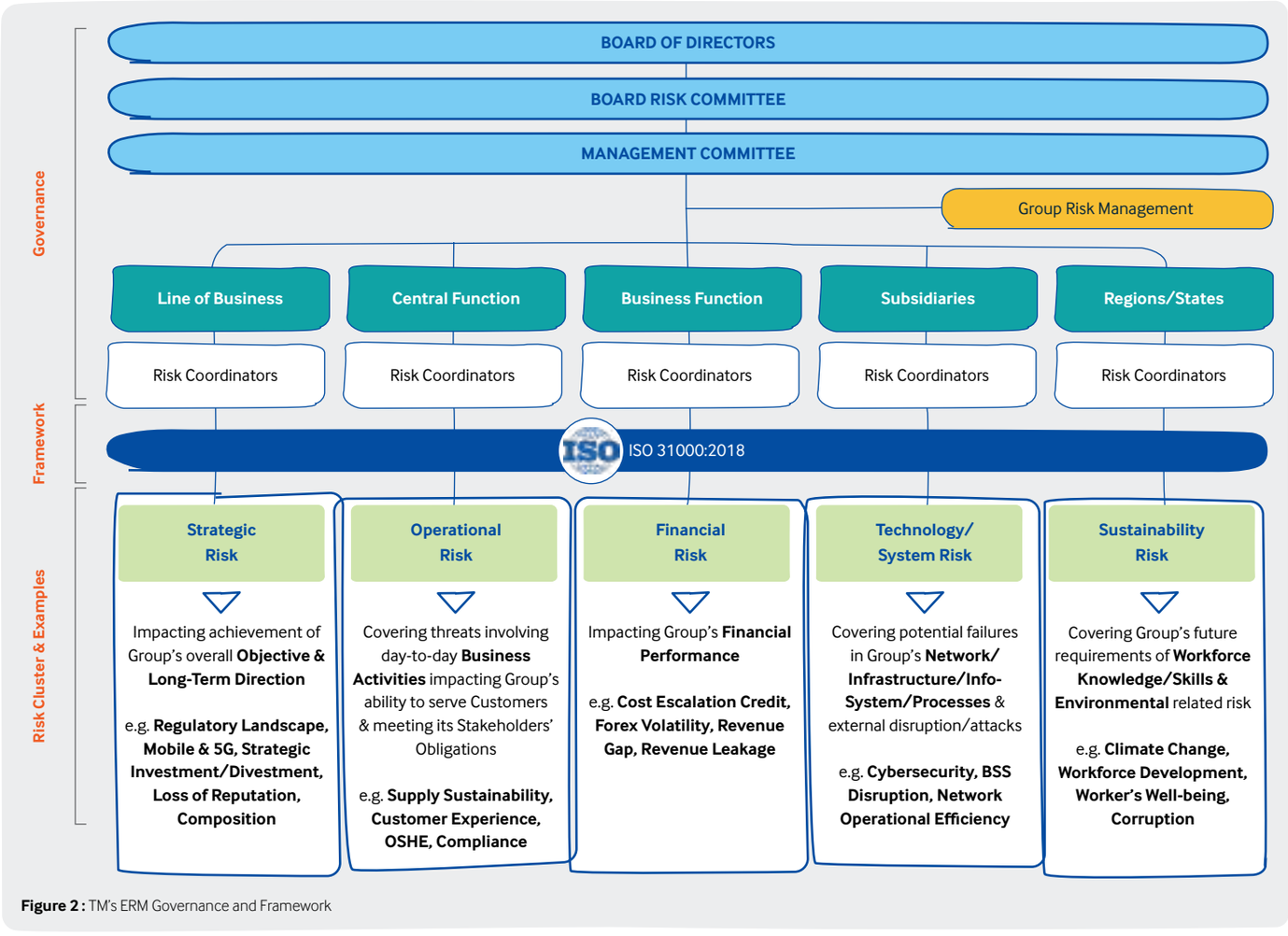


Figure 2 : TM's ERM Governance and Framework

TM's ERM structure spans across the entire organisation, from the Board, right down to the operational level. Through such governance and framework, material risks are consolidated from all Business Segments to the MC, escalated up to the BRC and finally to the Board. There are appointed Risk Coordinators at every LOB, central function, business functions, subsidiaries, and regions/states. They have actively performed their roles in coordinating the risk management activities to build a risk-based decision-making workforce, together with strong accountability and responsibility from the respective Head of Divisions to ensure the discipline is successfully instituted. The outcome is reflected through the encouraging positive feedback of the Annual Risk Management Self-Assessment Survey. In all ERM activities, the importance of the staff's role is always emphasised.

TM Corporate Risk Management Policy and Risk Appetite Statement

Established in 2005, TM Risk Management and Internal Control Policy Statement ("Policy Statement") emphasises TM's commitment to a systematic and proactive approach to risk management practices. It provides reasonable assurance to achieve business objectives and highlights the responsibility and accountability relating to risk management. The Policy Statement was enhanced in 2021 to incorporate the **Corporate Risk Appetite Statement**.

With this incorporation, it has been renamed to "**TM Corporate Risk Management Policy and Risk Appetite Statement**", which aims at minimising risks and optimising opportunities in line with TM Group's risk appetite as stipulated below:

- TM Group is committed to delivering shareholders' value through sustainable growth without compromising our integrity, ethical values, and reputation by continuously upholding our brand promises, best customer experience, resilient network, compliance to regulatory requirements, and ensuring a safe and healthy working environment for all TM's workforce.
- TM Group will defend, improve and expand our market position in Malaysia and selected overseas locations through a good risk management discipline.
- TM Group shall assess and pursue new growth dictated by the evolving industry and market conditions.

Principal Risks

The principal risks are clustered based on five (5) categories: Strategic Risk, Financial Risk, Technology/System Risk, Operational Risk and Sustainability Risk. TM continuously review and updates the risks, including incorporating relevant emerging risk within the telecommunication industry to ensure relevance and adequate risk coverage. The risks are further prioritised based on their residual risk ratings, key risk indicators, key control indicators and risk outlooks. The principal risks that have been clustered and monitored by the Board are listed on pages 187 to 189.

Exposure to compliance risk is monitored through the Corporate Compliance Dashboard with potential and actual impacts of non-compliance presented to the MC.

The BRC and MC continue to provide oversight and appraise the adequacy and the effectiveness of the ERM practices given the challenging operating environment.

INTERNAL CONTROL

The Board acknowledges that the internal control systems are designed to manage and reduce risks that hinder the Group from achieving its goals and objectives. It provides reasonable assurance against any material misstatement of management, including financial information, business, operational, environmental, compliance, and financial losses or fraud. The internal control systems are embedded within the Group's operating activities and exist for fundamental business reasons.

These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

The internal control systems are developed based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework. They are reviewed regularly throughout the year by the Board, taking into consideration any changes in regulation, applicable laws or the business environment to ensure the adequacy and integrity of the internal control systems.

Key elements of the internal control systems established by the Board that provide good governance and effective internal control systems that supports the sustainability of the Company are further elaborated into four (4) main focus:

- Strengthening our governance and integrity as our foundation;

- Delivering affordable, reliable and inclusive internet connectivity as our support in building a Digital Malaysia;
- Putting our people first, which include the development and well-being of our people; and
- Making impactful contributions towards protecting the planet.

Strengthening Our Governance & Integrity

Good governance is considered material to TM's long-term relationship with our stakeholders. Our corporate governance system is built on Ethics, Transparency, Accountability, and Responsibility principles.

Governance:

- **Clearly Defined Lines of Responsibility and Authority**

  The Group has clearly defined lines of responsibility and authority to facilitate prompt responses in the continuously evolving business environment, adequate supervision of day-to-day business conduct, timely resolution of audit issues and accountability of the internal controls. These include a formal organisation structure and establishing a Limit of Authority (LoA) matrix that clearly outlines the Board and Management's limits and approval authorities across various key processes. The LoA is duly approved by the Board and subject to regular review and enhancement to ensure it reflects changes in accountability and the Group's risk appetite.

- **Strategic Theme, Objectives and Core Values**

  In achieving the vision to materialise "Life and Business Made Easier, for a better Malaysia", TM focuses on delivering a world-class customer experience and becoming Malaysia's service provider of choice. TM is well-equipped to accelerate the transition to Digital Malaysia, with a strong communication backbone, reliable connectivity network, emerging technologies and infrastructure, expert knowledge and experience, and a dedicated leadership team. Moving towards digital will require TM going back to these basics and fixing core issues. TM has embarked on a 3-year transformation journey to strengthen its core connectivity business and invest for future growth.

  The New TM Transformation is guided by the New TM Compass, which anchors on Purpose, Customers, Business and People.

  - Purpose: Commercial sustainability to allow TM to fulfil its business objectives as a PLC and support nation-building as a GLC
  - Customers: Serving all customer segments, with a unique value proposition of connectivity, solutions and customer experience excellence
  - Business: Deliver healthier financials beyond revenue growth; prioritise profit growth and shareholders' return. This includes investing for growth to drive Digital and FMC
  - People: *Warga TM*; stronger execution engine and embrace a more agile work culture with future-ready skills

  The New TM transformation will set TM on a sustainable growth trajectory to create shareholder value and enable a more Digital Malaysia. As an essential enabler, TM plays a leading role in executing the JENDELA implementation plan and realising the MyDIGITAL, which leverages our comprehensive connectivity, digital infrastructure and innovative solutions. This will propel the country towards a full-fledged Digital Malaysia by 2030 – a more Digital Society, Digital Business, Digital Industry and Digital Government.

- **Risk Management and Internal Control Policy Statement**

  The board and management issued our Risk Management and Internal Control Policy Statement to provide reasonable assurance that the Group will achieve the business objectives, while safeguarding and enhancing shareholders' investments and Group's assets. The Group CEO, Heads of LOBs, Heads of Business and Support Groups, and TM subsidiaries' CEOs are responsible for implementing the ERM framework and practices.

- **Product Governance Framework**

  Product Governance Framework is established to govern and oversee TM's value creation and management activities, especially cross-functional collaborations in creating values via Product Initiatives to support TM's Vision.

- **Procurement Policy**

  Procurement policies, processes, and guidelines are established to govern the procurement process, i.e., related activities in the procurement value chain, relevant authority limits, and the stakeholders' accountability, including TM's employees and suppliers. The procurement governance in TM is made referencing the GLC Red Book (the primary procurement guideline for GLCs launched in 2006 under the GLC Transformation Programme) on Procurement Guidelines and Best Practices. The three (3) objectives of the Red Book are to drive value creation for the nation, develop a robust and competitive Bumiputera Commercial and Industrial Community (BCIC), minimise graft, increase corporate transparency, and enhance corporate governance. TM's procurement activities are driven by the 5R, namely Right Quality, Right Quantity, Right Time, Right Place and Right Price.

- **Policy, Manual and Procedures**

  TM's Business Policy & Governance (BPG) is the primary reference document that outlines the overall business policies and governance with clearly defined process owners across key functional areas within the Group. The sub-policies, processes, procedures and guidelines are developed, periodically reviewed and maintained by the respective process owners to provide the details in supporting the overall policies and governance in BPG.

- **Insurance and physical safeguards**

  Adequate insurance and physical safeguards for significant assets are in place to ensure the Group's assets are sufficiently covered to minimise material loss against any mishap.

- **Corporate Committees**

  Three (3) Corporate Committees, namely MC, Business Operations Council (BOC) and Technology Committee (TechCom), were established to provide guidance and decision timely in their respective scope and focus. Demarcation of roles is clearly defined, with specific authority levels assigned to ensure effective and efficient business execution balancing with control.

  MC focuses on strategic and policy matters, while BOC and TechCom concentrate on operational performance, execution, and deployment in areas of business and technology.

- **Best Practice Committee (BPC)**

  BPC is a MC that reports to the BAC. The BPC serves as a platform to update and discuss developments in best practices, corporate governance, and changes in statutory and regulatory requirements set by the relevant regulatory authorities and statutory bodies.

- **Business Continuity Management (BCM)**

  The BCM Steering Committee chaired by the GCEO is committed to enhancing service reliability and resilience via an improved BCM programme implementation. The programme serves as guidance to identify potential adversities to the Group and its impacts on TM's business operations and customer experience. Subsequently, an overall BCM framework was established to build organisational resilience with an adequate response capability mechanism to safeguard TM's key stakeholders' interests, brand reputation, and value-creating activities.

- **Recording to Reporting (R2R) Framework**

  R2R is a financial non-compliance reporting framework adopted by the Management to enhance the quality and integrity of the recording to reporting process by instilling and enforcing behaviour change across the organisation. It serves as a mechanism for determining financial non-compliance incidents and the arising consequence management. At the same time, it promotes awareness of compliance and increases Senior Management's accountability.

- **Procurement Compliance Committee (PCC)**

  PCC was established to ensure effective implementation of procurement consequence management, ensuring compliance with procurement policies and procedures, including the Authority Limits. Procurement personnel as the gatekeepers are required to highlight non-compliances. Subsequently, PCC is responsible for deliberating on the procurement compliance-related matters and identifying the appropriate consequence actions.

- **TM Sponsorship Management Guidelines**

  This guideline was established to ensure a cohesive and systematic approach in planning, implementing and managing sponsorships for TM. Sponsorship activities are streamlined within Units, Divisions, LOBs, States and Subsidiaries. It assists in the effective facilitation of the evaluation of applications for sponsorship to ensure it benefits the deserving target group and will be implemented following TM policies and governance.

- **TM Information Security Council (TMISC)**

  The primary responsibility of TMISC is to govern and discuss the Information Security related matters in TM and plan towards strategic information security governance, compliance, risk management, development, operations and best practices. To achieve this, at minimum, the council shall discuss the Information Security Incident, Information Security Risk, Vulnerability Management updates, Information Security Compliance and Information Security Development Programme. Relevant discussed items will be reported to TM Management and BRC.

- **TM Information Security Policy**

  This policy outlines TM's approach to information security management. It provides the guiding principles and responsibilities necessary to safeguard the security of the TM's information asset. Supporting policies, procedures and guidelines provide further details. It aims to ensure the appropriate confidentiality, integrity, and availability of TM's information following the information security standard ISO/IEC 27001 and National Cybersecurity Policy requirements. The principles defined in this policy will be applied to all of the physical and logical information assets for which TM is responsible.

- **Cybersecurity Programmes**

  TM has been planning, executing and measuring the effectiveness of cybersecurity programmes to improve Governance, Compliance, Risk and Operations Management for TM Group. The programmes have strengthened TM's infrastructure protection against cyber threats, protected stakeholders' data, and ensured the high availability of TM services at all times. Amongst key cybersecurity programmes are continuous Information Security Policy review to address rising threats to business, security certifications to strategic IT and Network domains, cyber response drill to increase cybersecurity awareness, preparedness against cyberattacks for fast incident management, deployment of security controls and cybersecurity awareness through webinars, electronic medium sharing such as email and on-demand e-learning content. A security awareness programme helps employees and contractors to understand that information security is not an individual's responsibility; it is the responsibility of everyone. The programme also explicitly mentions that the employees and contractors are responsible for all assets and activities performed under their identifications.

- **Management Information Systems**

  TM Group utilises key information systems to support processes, promote effective and efficient operations, and timely and accurate communication with internal and external stakeholders. Governing these key systems is the Information Security Policy, which is in place to control and monitor access adequately.

Integrity:

The Group's commitment to upholding integrity in carrying out its duties is evidenced by:

- **TM Code of Conduct & Business Ethics (CBE) and Anti-Corruption Guide (ACG)**

  TM is committed to conducting business in an open, honest and ethical manner. Our CBE and TM ACG have always been the primary reference for all employees when dealing with various internal and external stakeholders. TM CBE is also highlighting on Anti-Corruption Policy, Provision 13, which focuses on the TM zero-tolerance approach against all forms of corruption and our top-level commitment in ensuring the approach is being implemented in TM.

  TM ACG, which supplements the CBE, sets out the policy statements and guidelines for all TM employees concerning the improper solicitation, bribery, or other corrupt activities and issues that may arise in the course of conducting business. TM adopts a zero-tolerance approach to all forms of corruption.

  Ongoing awareness and briefing sessions are essential for TM employees to have sufficient knowledge and understanding of CBE. By having these sessions, employees are equipped acceptable and unacceptable business conduct and zero-tolerance against all forms of corruption. This includes a strong understanding of Corporate Liability Provision Section 17A of MACCA 2009, which has been enforced since 1 June 2020. The sessions include both physical and virtual.

- **Organisational Anti-Corruption Plan**

  In line with the Government's requirements as set out in the National Anti-Corruption Plan (NACP) 2019-2023 and our commitment to total integrity across the Group, OACP has been developed further strengthen our existing ethics and integrity ecosystem. This OACP clearly defines the focus areas and strategic initiatives to mitigate corruption, integrity and governance risks. It also details our actions in strengthening compliance, governance and monitoring.

- **Uncompromising Integrity & Amanah E-Learning**

  In ensuring complete coverage of reaching out to the overall population in TM and taking advantage of technology in line with Digital Malaysia, GIG has rolled out an e-Learning programme known as Uncompromising Integrity. The main objective of this e-learning is to meet the new learning style and need for the *Warga TM* during the WFH, with the knowledge and practices related to TM's CBE and ACG. This programme has been designed and developed to address how employees should demonstrate the value of integrity in their daily work and lives with common workplace scenarios via interactive learning videos and messages based on real case scenarios. More than 20,000 employees have completed this e-Learning exercise, including assessment to gauge the understanding and certification after completion.

- **Snippet Communication**

  Frequent reminders are essential for employees to stay alert on what is permissible under the TM CBE and related policies. This ensures our business is carried out in a clean and transparent environment. Various awareness snippets have been published on Section 17A, Corporate Liability Provision of MACCA 2009, No Gift Policy, Whistle-blowing Policy, OACP, including Management messages.

- **MS ISO 37001: 2016 Anti-Bribery Management System (ABMS)**

  TM has adopted MS ISO 37001, an international anti-bribery management system standard, to help our organisation implement, maintain, and improve the anti-bribery compliance programme to prevent, detect, and respond to occurrences of corrupt practices. ABMS is implemented in phases, where the four (4) main LOBs/ Divisions have been certified in the first phase. For the second phase in 2021, the ABMS scope is expanded to include two (2) other main LOBs/Divisions.

- **Corruption Risk Assessment**

  Corruption risk assessments were performed by all 20 divisions in TM together with GRM. This is in line with the requirements set by ISO37001 ABMS and TM OACP. Each division reviews the risk profile quarterly to ensure any integrity, governance, and corruption risks are identified at the earliest stage and appropriate controls put in place to mitigate the risk.

- **Enhanced Process and Procedures to address corporate liability provision of the Malaysian Anti-Corruption Commission Act 2009**

  In view of the new corporate liability provision of the MACCA 2009, Section 17A, which has been enforced since 1 June 2020, CBE, ACG and TM SMG has been updated to reflect the necessary updates and compliance to address the Section 17A. The review and updates were required to ensure that TM has adequate control to conduct its business with integrity and eradicate corrupt practices.

- **Declaration of Assets & Interest (DOA) and Integrity Pledge (IP)**

  Annual DOA and IP is one of the control measures being implemented in TM to ensure transparency and integrity in daily business dealings and prevent a conflict of interest. In 2021, 100% of TM Employees had completed the DOA and executed the IP via the SAP platform. The declaration of interest includes the employees' declaration of any employment or business outside TM and a declaration for their family members involved in business dealings with TM or who work or provide services to TM's competitor. This is in line with the CBE.

- **Whistle-blowing Policy**

  TM Whistle-blowing Policy enables any employee, supplier or other third party to report actual or suspected malpractice, misconduct or violation of the Group's policies and regulations safely and confidentially through TM Ethics Line.

- **Corporate Investigation**

  TM carries out internal investigations on any misconduct and unethical business practices, including corporate fraud and corruption-related offences committed by employees or parties dealing with TM, as well as investigations on telecommunications fraud.

Putting People First

We nurture a high-performance work culture throughout TM. Through GHCM, we established systems that provide employees with fair and lucrative compensation and policies and unions that allow our employees to work in a comfortable and safe environment.

Among our established policies to ensure controls are in place in managing our internal and external workforce are:

- **Human Capital Policy**

  TM has a comprehensive set of written Human Capital policies and procedures covering all employees that guide the Group in managing and developing its human capital. These policies cover Talent Management, Learning and Development (L&D), Remuneration & Performance Management, Workforce Planning and IR.

- **OSH Policy**

  As national connectivity and digital infrastructure provider, TM is committed to achieving the highest attainable level in providing a safe, healthy and environmentally-sustainable workplace for its employee, contractors, visitors and other persons throughout all of its activities. To achieve this, TM will demonstrate leadership and commitment through its leaders, comply with legislation and other requirements; proactive steps to prevent and eliminate the risk of injuries and health hazards, prevent pollution and damage to properties, awareness and continuous improvement in the OSHE management system.

As COVID-19 pandemic continued globally in 2021, TM also continues to implement key control measures to ensure the safety of our people while adapting to the new normal:

- **Special Work Arrangement (SWA)**

  Our people are given clear guidelines, equipped with standard procedures on WFH and RTW during the MCO period. Digital conferencing tools and applications are provided to ensure staff productivity is not negatively affected due to working from home. This includes the COVID-19@TM App as a platform for Daily Health Declaration, COVID-19 vaccination status update, and ensuring information and communication on COVID-19 for *Warga TM* are up to date at all times. In addition, those working as TM frontliners or in critical functions, which are vital to ensure continuous service connectivity to TM customers, are given special allowances.

- **Crisis Management Plan**

  TM has established COVID-19 Crisis Response Team (CRT) since 28 February 2020 to conduct staff Contact Tracing and provide timely reminders to our people on COVID-19 SOPs compliance, people's safety, and well-being during the COVID-19 pandemic. Subsequently, TM Corporate Crisis Management Team (CCMT) was also established on 23 March 2020 and, up to the date of this report, continues to oversee the situation, provide leadership, guidance and recommendations required to ensure TM business continuity, minimise service disruptions to customers and periodically update the Board. Any staff, tenant or visitor to TM premises must undergo a temperature check and provide a health declaration upon entering the premises.

- **Enhanced SOPs and Guideline**

  Key SOPs and guidelines were continuously enhanced according to the authority's directives to ensure business and operational continuity while at the same time minimising the COVID-19 exposure to TM's field workforce and frontliners. These include Enhanced SOPs/Guidelines for Network Field Staff and Contractors and Guidelines for unifi channels.

- **Vaccination Programme**

  TM fully support the National COVID-19 Immunisation Programme to curb the spread of COVID-19 and move Malaysia towards the endemic phase. As such, TM has internally driven a group-wide vaccination campaign to achieve maximum immunisation rate while at the same time further ensuring the safety and health of *Warga TM* and contractors, especially those who interacts with our customers. To date, almost 100% of both *Warga TM* and contractors have been fully vaccinated. A minimal number that has yet to be vaccinated will not be allowed to enter TM's premises or meet customers to minimise exposure to workplace infection risk.

Protecting the Planet

We are committed to minimising climate change risk in pursuing our contribution as a national telecommunications provider towards building a Digital Malaysia. Our Environmental Policy stated our commitment to conduct operations in a way that is protective of the environment. TM maintains an EMS that serves as a framework to achieve regulatory compliance, reduce pollution, and prevent accidents.

- **Sustainability Management Function**

  Led by the CRO, a dedicated function focuses on the overall sustainability management in TM, including planning and executing sustainability programmes across TM. We have integrated sustainability-related risks as part of our group-wide ERM to further expand our horizon for a holistic view of ERM in the organisation. With structured sustainability management and risk framework in place, TM progressively assesses the emerging ESG risk such as carbon emission, supply chain, labour standard, customer experience & privacy, safety & health and social well-being, with a focus given on environmental particularly climate change risk. In 2021, TM started to alleviate the climate change risk as part of Corporate Risk monitored by the BRC.

  We continue our progressive effort in optimising our opportunities in ESG while at the same time minimising related risks. During the year, as part of our key improvement areas in ESG, we have established our ESG visions and commitments (details as per page 81).

  Environmental

  We are committed to protecting and preserving the planet via reducing GHG emissions. We introduced a series of carbon emission targets that are aligned to the national and global goals. To achieve these targets, we are intensifying our efforts to reduce energy consumption, leveraging renewable energy, and exploring our contributions in carbon offset via reforestation.

Social

Our value creation towards our stakeholders includes enriching the Social Prosperity and Livelihood with digital inclusiveness. As a national telecommunications provider, we included all of our stakeholders in our plan towards ESG, namely our customers, suppliers, communities, and employees.

Governance

We continue to make great strides in our sustainability journey, and we remain committed to applying the highest standards of conduct and ensuring that the best interest of all our stakeholders is always protected.

With the integration of ESG as part of the New TM Compass and at the same time embedded in our strategy and operations, we will prepare the organisation with an appropriate mitigation plan and strategy to address the ESG related risks and minimise impact to the organisation, subsequently improving overall business and sustainability performance.

INTERNAL AUDIT

GIA is an in-house internal audit function that reports to the BAC to provide risk-based and objective assurance, advice, and insight designed to enhance and protect organisational value. GIA helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve ERM effectiveness, control, and governance processes. During the financial year, the internal audit function provided continuous assurance on matters that relate to governance and internal controls. It further evaluated the effectiveness and efficiency of the governance, ERM framework, and internal control systems and provided recommendations for improvement. The Management then followed through and reviewed the status of actions taken on the internal auditors' recommendations.

Audit reviews are carried out on units identified through a risk-based approach, in line with the Group's objectives and policies in the context of its evolving business and regulatory environment, with input from the Senior Management and the Board.

Further information on Internal Audit is provided on pages 183 to 185 of this Integrated Annual Report.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

In the Risk Management Self-Assessment Survey for the year 2021, 93.8% of TM Leaders have responded positively on their self-assessment on the effectiveness, adequacy and integrity of appropriate risk and control framework in their division for 2021. This indicates that TM is on the right path to continue building a risk-based decision making culture amongst the staff with the strong demonstration of accountability and responsibility discharged by the respective Head of Divisions.

*** The Board has received assurance from the GCEO and GCFO that the Group's risk management framework and internal control systems are operating adequately during the financial year under review. Taking into consideration the Management's assurance and input from the relevant assurance providers, the Board is of the view that the risk management framework and internal control systems are satisfactory and adequate to safeguard shareholders' investments, customers' interests and the Group's assets, and have not resulted in any material loss, contingency or uncertainty. TM's internal control systems do not apply to its associate companies, which fall within their majority shareholders' control.

Nonetheless, TM's interests are served through representation on the Boards of Directors and Senior Management posting(s) to the various subsidiaries as well as through the review of management accounts received. These provide the Board with performance-related information to enable informed and timely decision-making on the Group's investments in such companies.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main LR, the external auditors have reviewed this Statement on Risk Management and Internal Controls (SORMIC). Their limited assurance review was performed following the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Audit and Assurance Practice Guide (AAPG) 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

*** This paragraph is subject to Group Internal Audit (GIA) submission and up for deliberation and approval from Board Audit Committee (BAC)

Statement of Internal Audit

Group Internal Audit (GIA) assists TM Group in achieving its business objectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management measures, controls and governance processes. GIA provides independent, objective assurance and consulting services designed to enhance and protect organisational value. The internal audit charter approved by the BAC defines the purpose, authority and responsibility of GIA.

GIA, headed by the Chief Internal Auditor (CIA), reports directly to the BAC to preserve its independence and objectivity, while ensuring audit personnel is free from any relationships or conflicts of interest which could impair their objectivity and independence. The CIA has an administrative reporting line to the GCEO, which enables the requisite stature and authority of Internal Audit to fulfil its responsibilities.

The CIA's detailed background can be found in this annual report's "Profile of Key Senior Management" section.

BAC reviews and approves GIA's annual audit plans, budget and human resources requirements to ensure resources with the relevant competencies are sufficient to carry audit functions aligned with the Group's objectives. The CIA periodically reports on the activities performed by GIA as well as key strategic and control issues to the BAC. In addition to the above, the BAC approves and reviews GIA's and the CIA's performance to observe their progress and achievements.

GIA adopts the International Professional Practices Framework (IPPF)® and its mandatory elements, including Core Principles for the Professional Practice of Internal Auditing, International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA), the definition of Internal Auditing, and Code of Ethics. This enables GIA to effectively manage its functions and perform audit engagements.

PRACTICES AND FRAMEWORK

GIA is guided by the internal policies, procedures and framework as well as the Internal Control Framework of the COSO and Control Objectives for Information and Related Technology (COBIT) in assessing and reporting on the adequacy and effectiveness of the design, implementation and efficiency of the Group's overall internal control system, risk management and governance.

SCOPE AND COVERAGE

GIA continues to adopt a risk-based audit plan approach to provide independent assurance to the Board that the audit plans are prioritised based on the Group's strategies, objectives and key risk areas.

In addition to the 17 assurance related reviews, GIA covered key business areas through the 22 value programme-related audits. GIA provided assurance, insights and advisory related to the identified TM's value programmes.

In total, GIA conducted 39 reviews that covered the following areas:

- Sales Strategy, Planning and Management
- Product Strategy, Marketing and Sales
- Product Management and Governance
- Customer Experience Management
- Service Deliveries, Fulfilment and Assurance Management
- Governance, Monitoring and Oversight
- Partners' Contract Management
- Project Management
- Credit Management
- Risk Management
- Human Resource Strategy and Management
- Accounting and Financial Reviews
- Subsidiaries Operational Efficiency and Effectiveness
- IT and Information Security Controls and Governance
- Data and System Migration Management
- System Development, Implementation and Management
- Network and Infrastructure Management

These audits evolved around the following seven (7) key audit areas:

Key Audit Areas	Definition
1 **Sales Strategy & Conversion**	• To determine gaps and challenges in the sales plan and strategy to achieve sales goals. • To review the detailed processes and best practices, including identifying the target market, performing competitive research, analysing trends and deciding on sales, promotion methods, etc. • To deliver services/products where they are needed. • Focus on evidence in decision-making and planning: forecasting (demand), Product management.
2 **Customer Experience Strategy & Management**	• To identify gaps in the customer journey and touchpoints across channels that affect customer experience and loyalty. • To review the medium-to-long-term customer experience management strategies to help implement a sustainable, cross-departmental customer experience programme. • To deliver programme benefits. • To identify improvements with the help of technology. • Reliable and transparent performance reports: measuring the right thing, leading and lagging indicators/metrics for effective customer experience performance management.
3 **Infrastructure & Capacity Management**	• To ensure that services and infrastructure capacity can deliver the agreed service level targets in a cost-effective and timely manner. • To assess all resources required to deliver the service, and plans for short-, medium- and long-term business requirements.
4 **Cybersecurity**	• To assess the governance framework and management of cybersecurity in terms of enforced security policies, computer software and hardware asset list, data classified by usage and sensitivity, established chain of data ownership, etc. • To identify gaps in employee awareness and training, business practices, IT staff, physical security, data security and active monitoring and testing. • To manage data: quality data, training and knowledge management data, and Records Management. • Security of systems and information.
5 **Supplier/Partner Development & Management**	• To identify gaps in the supplier/partner selection process. • To identify weaknesses in contract design, execution, monitoring, and managing supplier/partner performance. • Fair and transparent procurement process. • To review contract provision and utilisation. • Value for money.
6 **Workforce Strategy & Management**	• To assess the organisation's workforce strategy, policies, practices and processes, including key areas such as recruitment, retention, compensation, performance, training and development. • To identify gaps based on indicators such as turnover, employee satisfaction, etc.
7 **Governance & Compliance**	• To determine gaps and challenges in the oversight of business, projects, and initiatives, including product. • To review the business case's availability for every planned CAPEX to enhance revenue generation. • To ensure accountability for performance. Clear roles and responsibilities.

All internal audit reports are presented to the BAC. Each audit issue is supported by GIA recommendations, and the relevant feedback from the Management was obtained for issue closure. As part of the audit process, GIA monitors and verifies the implementation of the management action to address the audit issues on a monthly basis.

In providing value to the organisation, GIA's key performance indicators include key contribution and value add recommendations to Management in the form of cost avoidance, opportunity loss, cost optimisation, income realisation, revenue recovery, cost reduction, and significant process improvements identified during audit engagements.

In addition to performing audit engagement, GIA has also involved the Management in strengthening compliance teams within their units, sharing best practices as well as knowledge on internal auditing, risk management and internal controls to the various stakeholders in TM.

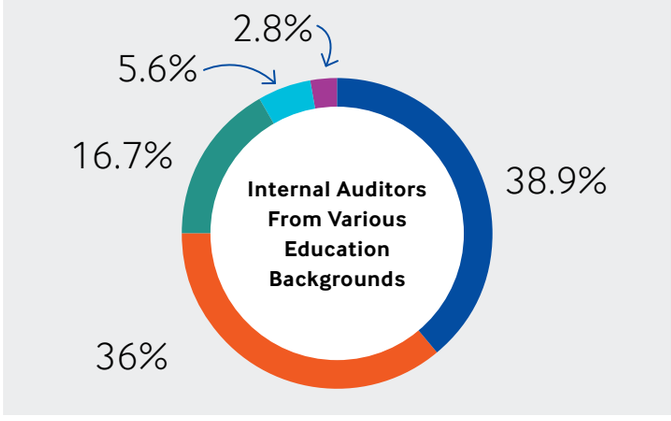
RESOURCES

A total of **RM5.4 million** was spent on internal audit activities in 2021. A summary of the internal audit costs are as follows:

Category	RM (million)	% of the total cost
Manpower	5.21	97.1%
Supplies and Material	0.07	1.4%
Other operating costs	0.05	0.9%
Depreciation	0.03	0.6%
Total	**5.36**	**100%**

Excluding the administrative staff, GIA consist of 36 internal auditors from various education backgrounds, as follows:

Education Background	No. of Internal Auditors as of 31 December 2021
Engineering/Network	14
Accounting & Finance	13
Information Technology/Computer Science	6
Business Administration/Marketing	2
Procurement/ Human Resources/Law	1
Total	**36**



INTERNAL AUDIT QUALITY

The CIA develops and maintains a Quality Assurance and Improvement Programme that covers all aspects of internal audit activities. The quality assurance programme assesses the efficiency and effectiveness of GIA processes and identifies opportunities for improvement via internal and external assessments.

As part of its Quality Assurance, GIA maintains a 3-tier quality review mechanism to ensure relevant, reliable and sufficient assessment to support audit engagement's results and conclusions. Audit reports are prepared by the respective GIA Head of Units, which is then reviewed by the 2 Deputy CIAs and finally by the CIA. This assurance review process ensures that the internal auditors adequately assess all risk areas before communicating the final engagement results to the Management and BAC.

In view of the COVID-19 pandemic, GIA adjusted to remote auditing throughout the year. This ensures that the committed Audit Plan approved by the BAC was not affected. Meetings and interviews were conducted via secure video conferencing channels, while the sharing of documents was via official emails and cloud system, TM One Box as well as OneDrive.

To further improve audit quality through analytics, GIA established a new Audit Data Specialist post in 2021 to accelerate the adoption of analytics throughout the audit lifecycle. From audit planning to testing and reporting, auditors can use data analytics to gain a better in-depth understanding of their review.

In maintaining the quality of audit work, GIA ensures that all audits conform to the Internal Audit IPPF standards. The IPPF was incorporated into an Audit Manual in 2020 that was established for internal auditors to follow, where regular compliance reviews were conducted to ensure that internal audits complied with the Audit Manual.

PROFESSIONAL QUALIFICATIONS & CONTINUOUS COMPETENCY DEVELOPMENT

GIA is committed to equipping its internal auditors with sufficient knowledge, skills and competencies to discharge their duties and responsibilities. The internal auditors are also encouraged to obtain appropriate professional certifications and qualifications. As of 31 December 2021, professional qualifications and/or certifications held by GIA internal auditors are as shown below:

	Qualification	No of Certifications
1)	MBA/Masters	10
2)	FCCA/CPA/CA/ACCA/CMA/CGMA	4
3)	Information Technology Infrastructure Library (ITIL)	3
4)	Certified Internal Auditor (CIA)	3
5)	Certified Fraud Examiner (CFE)	1
6)	Certified Professional Engineer (Ir.)	1
7)	Certified Professional Requirements Engineering	1
8)	Certified Tester, Foundation Level (CTFL)	1
9)	Certified Tester, Advanced Level Test Analyst (CTAL-TA)	1
10)	Qualified Risk Auditor (QRA)	1
11)	Management Consulting Institute (MCI), Level 1: Analyst)	1
12)	Kaizen Lean Six Sigma	1
13)	QMS 9001:2015 Lead Auditor	1
Total		**29**

Note: FCCA – Fellow Chartered Certified Accountant, CPA – Certified Public Accountant, CA – Chartered Accountant, ACCA – Association of Chartered Certified Accountant

In 2021, the internal auditors attended 7,832 hours of external and internal online training in multiple technical disciplines and professional certification programmes to enhance their job performance and career prospects.

GIA continues to strengthen its processes and approach to ensure comprehensive audit coverage. Key strategies implemented by GIA include workforce realignment and continuous upskilling of auditors. The GIA organisation structure is a portfolio focused that supports talent development within GIA and enables the auditors to have adequate exposure performing audits across the entire TM value chain.

Haikel Ismail
Chief Internal Auditor

Hisham Zainal Mokhtar
Chairman, Audit Committee

Enterprise Risk Management (ERM) – Risk Committee Report

The emerging risks arising from the COVID-19 pandemic and the accelerated demand for digital services continue to shape the risk management landscape. The consumer segment migrates into the virtual world at an unprecedented rate in response to the multiple waves of the pandemic. In contrast, the business segment grows its data analytics and AI usage to attain better automation and productivity. All these factors require TM as a service provider to continue to focus on delivering higher quality solutions and connectivity services. The pressure has been further intensified by the Government's JENDELA project to bridge the digital divide, expanding networks into underserved areas while addressing service affordability and digital literacy.

In response to JENDELA as well as the Government's effort to contain COVID-19, TM has been at the forefront in helping consumers and businesses adapt to the new normal through digital solutions. In addition, we put in place a robust risk management practice to ensure our front-liners are able to provide services during the height of the pandemic. The risk-taking exercise with proper controls has enabled TM to continue serving the nation in times of crisis.

For better customer experience, TM continues to innovate, develop and improve its network in line with the JENDELA plan, which was formulated to provide wider coverage and better quality of broadband experience for the nation, whilst preparing the country for the 5G rollout.

We also continue to enhance our offerings to business customers by providing a comprehensive suite of integrated digital products and vertical-specific solutions. Additionally, as one of the nation's cloud infrastructure providers, new uncertainties continue to emerge. These include cybersecurity threats, data privacy and protection, inability to adapt to the digital revolution, shifting market demands, regulatory pressure and impact brought forth by climate change risk.

In 2021, as part of the New TM transformation, Sustainability or ESG is now included as part of TM's purpose under the New TM Compass. The growing importance of ESG among our stakeholders granted us to uplift the oversight role for ESG to the BRC. We continue to recognise ESG related risks and opportunities and we intend to accelerate our actions towards achieving our ESG vision and commitments focusing on the environmental aspect in the coming years. Actions to address our key improvement areas in ESG, particularly reducing carbon emissions from our operations, have been identified and incorporated in our 2022 business plan. Details of our actions and commitments are elaborated in page 81 under the Sustainability Report.

The BRC continues as the platform where the Group's corporate risks are deliberated and assessed. In 2021, BRC's agenda has been expanded to include deliberation on sustainability/ESG given its growing importance, opportunities and foreseeable benefits to TM. Through consolidated risk reporting, which encompasses a wide range of TM risk landscapes, the BRC continues to carry out its oversight and advisory function diligently. This ensures that the appropriate risk impacts are identified, and adequate mitigation actions are taken while balancing with the prospecting opportunities.

SUMMARY OF PRINCIPAL ACTIVITIES

Throughout 2021, various planned activities have been implemented to further enhance the robustness of the Group's ERM implementation in line with MS ISO 31000:2018 Risk Management Standard.

Among key activities carried out include:

Activities	Details
Assessment	• Keeping abreast with changes in the risk domain through analysis of emerging risks and review of internal risk methodologies, policy and guidelines. • Continuing analysis on key risks affecting TM and its stakeholders such as cybersecurity, corruption, mobile and 5G, regulatory and climate change. • Risk heartbeat monitoring to keep the risk outlook within the appetite with adequate controls. • Building up a comprehensive risk landscape encompassing emerging risks and common risks potentially affecting TM. • Driving risk-taking discipline through a balanced risk and opportunity consideration.
Engagement, Awareness and Training	• Syndication with leaders on risk appetite, risk landscape, corporate risk status and moving forward plan. • Continuous communication and engagement session with risk fraternity on risk intelligence, establishment ERM Playbook and Risk Library for common risks to uplift required skill and capability. • A benchmarking session with GLCs risk management team. • Sustainability/ESG related risk engagements with key divisions covering areas of network/technology, procurement, environmental and people.
Organisational Anti-Corruption Plan (OACP)	• Establishment of corruption risk and continuous monitoring by all divisions underpinned the success of OACP implementation in TM.
Cybersecurity	• Implementation of security controls based on key guiding principles. • Establishment of TM Information Security Council (TMISC) to govern and provide leadership on Info-Security related matters in TM and execution of governance, compliance, risk management, development, operations and best practices. • Continuous Information Security Policy review to address rising threats to business security certifications to strategic IT and Network domains. • Cyber response drill to increase cybersecurity awareness and preparedness against cyberattacks for fast incident management. • Deployment of security controls and cybersecurity awareness through webinars, electronic medium sharing such as email and on-demand e-learning content.

MANAGING CORPORATE RISKS

ERM implementation at TM covers the width and breadth of the Group's operations. To provide a more structured overview, the Group's corporate risks are defined by the following risk clusters:

Risk Cluster	Strategic	Operational	Financial	Technology/System	Sustainability/ESG
Context	Risks affecting the achievement of the Group's overall objectives and long-term direction as set out by the Management and the Board arising from both external and internal factors.	Risks involved in the day-to-day activities of TM. It covers threats that may jeopardise the Group's ability to serve its customers or to meet its obligations to its stakeholders.	Risks directly impacting the Group's financial performance or liquidity	Any potential failures or breakdowns in the Group's network infrastructure and information systems or processes, as well as any external disruptions or attacks.	Initiatives to uplift sustainability practices and positioning in the market by addressing the impact of TM's activities on ESG.
List of Key Risks	• Competition • Regulatory Landscape • Loss of Reputation • Mobile and 5G	• Supply Sustainability • Network Operational Efficiency • Customer Experience • OSHE • Compliance	• Credit Risk • Cost Escalation • Revenue Leakage • Revenue gap • Forex Volatility	• Cybersecurity • Prolonged Network Downtime • BSS disruption	• Climate Change – Adverse impact due to natural disaster (e.g. flood and landslide) • Workforce Development • Workers' well-being • Corruption Risk
Key Risk Indicators	• Market Share • New acquisition revenue • Termination rate • No of customers • Regulatory compliance and investor rating • Market and media sentiment • Political instability	• Single vendor dependency • Waiters conversion • Subscription provisioned within specified days • Order drop rate • Lost Time Injury (LTI) • Non-compliance incidences/breach of Acts	• AR days • Collection/Sales • Debtors Aging • % of cost reduction • Revenue leakage incident • Non-performing revenue achievement • Adverse movement of Forex rate	• No. of cyberattack incidences or security breaches • No. of trouble tickets and downtime incidences • Hours taken for service restoration	• Increased CO_2 emission • No. of climate-related incidences (e.g. flood, landslide) • No. of staff re-skilled and trained in future skilling • OHI • Breach of MACCA 2009
Impact	• Revenue erosion • Deterioration of market share and investor confidence. • Non-sustainable business growth	• Shortage of supply affecting customer installation • Unfavourable NPS score • Imposition of penalty/legal consequence	• Increase in bad debt and less collection • Deterioration in credit rating • High Operating Expenditure (OPEX)/CAPEX • Not meeting revenue target • Profitability shortfall • Additional cost due to Forex loss	• Business operation and Service disruption • Data leakages	• Unfavourable ESG rating • Disruptions to business operations/ services and safety of workers • Non-future-proof workforce • Manpower productivity and turnover • Imposition of penalty/legal consequence
Residual Risk Rating	Significant to High	Low to Significant	Low to Moderate	Moderate to High	Low to Significant
Key Mitigations	• Increase promotional campaigns • Increase data centre utilisation and grow cloud services • Active engagement with regulators • Managing negative sentiment of social media	• Diversity in supply chain • Improvement to the end-to-end supply sustainability management • Improvement to the service restoration plan • Effective OSHE enforcement and validation • Compliance self-declaration and active monitoring of corporate compliance to external acts/guidelines	• Monitoring of customer credit ratings • Cost management through aggressive negotiation with service providers/suppliers • Enhancement of revenue assurance coverage and process • Drive aggressive sales campaignes and programmes • Hedge additional borrowings and regular Forex monitoring	• Governance and process improvement • Strengthening of information security policy and updating of cybersecurity hardware and software • Uplift technical expertise of the workforce • Development of a new BSS • Deployment of specific controls addressing specific security risks, especially endpoint security and identity authentication management platform	• TM's BCM & DRP • Establishment of ESG Vision & Commitment • Climate change risk as new Corporate Risk • Development of future skilling subject matter expert - 5G, cloud, Data Analytics and Cybersecurity • Reward, recognition and comprehensive staff benefits • Supplier Labor Practices due diligence • Corruption risk awareness • ABMS certification and the establishment of OACP
Opportunity & Benefits	• Increase innovation by offering products and services tailored to customer's needs • Improve engagement with regulators • Maintain good reputation	• Roll out of the new operating model to improve end-to-end material supply (e.g. CPE, fibre optic cables, installation accessories) management • Strengthen operational processes for improved service and infra delivery and restoration • Strive towards self-regulated OSH implementation at the Divisional level • Maintain and elevate the company's corporate reputation and stature	• Improve credit assessment controls • Better economy of scale with the ability to sell products/services at competitive pricing • Improve revenue position • Avoid unnecessary costs due to Forex	• Building resilience against technology disruption • Enhancing the robustness of systems and operations • Building continuous confidence and trust with customers • Standardisation of security policy, requirements and controls across the organisation • Reinforce endpoint security and identity authentication management	• In tandem with global and Malaysia's commitment for net-zero carbon emission by 2050 • ESG/climate change is now a boardroom agenda • Develop human capital with future skills • Make the Group a future-proof organisation • Spearhead innovation for IR 4.0 • A highly productive and motivated workforce • Maintain and elevate the company's corporate reputation and stature

EMERGING RISKS AND OPPORTUNITIES

The risk landscape continues to face rapid changes, contributed by the increased focus on digital technologies and innovative solutions due to the COVID-19 pandemic, as well as continuous shifts in the market and regulatory expectations. In response, TM remains firm in its core objectives to stay ahead of the curve and is steadfast in applying sound risk management fundamentals in managing the following key emerging risks and the underlying opportunities moving forward.

1 Climate Change

Climate change risk is real, causing adverse weather patterns, which increases **current precipitation and sea level**. Studies show rising **water submerging areas by 2050** in west Malaysia, leading to an increase in **flood-prone areas**. Among identified causes are the industrial revolution and rapid world population growth poised to create a wide array of economic, business and social risks. Besides floods, the impact of climate change is also manifested in the form of frequent landslide incidences and strong wind, which can lead to damage to infrastructure hence service disruption.

Given the above, TM is aligning with the **TCFD** recommendations in addressing the climate risk. This covers Physical Risks (i.e., direct damage to assets and property caused by natural calamity) and Transition Risks (i.e., disruption from adjustment to a low-carbon economy).

In line with the recommendations from MCCG and Bursa Malaysia, TM has also started to register climate-related risk as one of the new corporate risks monitored by the BRC. A key action to address the risk is by reducing our carbon emissions through renewable energy, green technology and carbon offset initiatives that will lead towards our commitment for net-zero by 2050. At the same time, we continue to strengthen our BCM execution.

2 Cybersecurity

With the increasing trend of global cyberattacks such as compromised credentials, phishing, and 3rd party vulnerabilities, TM continues to execute required security controls at all layers, from the network infrastructure, IT/systems, applications and devices to the services offered to our customers. In addition, continuous monitoring and adherence to best practices/standards through ISMS ISO 27001 and Payment Card Industry Data Security Standard (PCI DSS) certifications were also carried out.

Furthermore, following the Cybersecurity Programme Maturity assessment, TM has progressively addressed the relevant gaps with an updated Cybersecurity Strategy and Technology Framework. This includes developing cybersecurity capabilities across domains, mitigating liability within business processes and prioritising essential technology security controls. TM Information Security Policy also has been developed to provide the guiding principles and responsibilities necessary to safeguard the security of TM's information assets both physical and logical whilst ensuring the appropriate confidentiality, integrity and availability following the requirements of the information security standard ISO/IEC 27001 and National Cybersecurity Policy. TM continues to ensure effective security control to protect our business operations and customers from cyberattacks.

3 Digital Innovation

As a result of IR 4.0 and the Government's continuous drive to bridge the digital divide, the demand for innovative digital solutions has grown substantially, increasing competition among service providers. Digital innovation in the telecommunications market is progressing at such incredible speed, requiring TM to continue innovating new digital products and services to maintain the Group's competitive edge in the years to come.

The increase in online/digital transactions, data analytics and AI adoption, as well proliferation of cloud technology due to its inherent advantages, have increased our risk exposure to the likes of cyber threats, data leakage and technological resilience. To mitigate these risks, TM employs in-house capability and collaborates with established security partners to strengthen its IT and security systems at all levels. This includes enhancing Group IT's data protection policies to safeguard against possible threats and leakages.

4 Competition

Given the intense competition among service providers within the industry, TM strives for differentiation by uplifting customer experience through digitalisation to bring convenience to customers. TM also continues to improve its network and services to provide high-quality state-of-the-art products and services tailored to customers' needs and further expand its market share. It also enables the Group to meet the nation's requirements in terms of improved connectivity and network inclusiveness.

5 Regulatory	Regulatory risk is significantly influenced by the political landscape, leading to potential strategic direction changes such as the uncertainties of 5G network deployment. Despite the uncertainties, TM is committed to accelerating the country's digital connectivity aligned with our support to the JENDELA aspiration through widespread deployment of mobile, fibre optic and FWA. In a heavily regulated industry, TM is subjected to continuous scrutiny by the regulators. TM has seen an expansion of infrastructure demarcation as well as stringent parameters for regulated services as stipulated in the Access List (AL). To balance the impact of regulatory policy to industry players while executing the strategy for the business need, TM will continue to proactively engage with regulators, policymakers and industry players to ensure impacts to business operation are minimised and remain favourable to TM.
6 Mobile and 5G	Anchoring on Fixed Mobile Convergence (FMC) strategy, 5G presents new opportunities for TM to offer compelling converged services, including high-speed broadband and FWA, with extended opportunities in enriched content services and cloud-based smart services. Despite the uncertainties in the 5G industry structure and its impact on network deployment, TM is well prepared to support the national 5G agenda and seamlessly transition its existing and new customers to 5G.
7 Future-Proof Organisation	TM is committed to propelling the transformation plan by facilitating positive change in human capital, starting with adopting the agile way of working and advancing the skill set in Digital Services among *Warga TM*, thus addressing the risk on talent gap to meet the needs of the future business. The key focus is to provide targeted groups who are the driving force behind implementing strategic initiatives and value programmes. These groups receive specific training and competency development, namely digital skills, improving tempo and work efficiency, productivity and agility in meeting customer needs, which will consequently contribute to positive business performance.
8 Customer Experience	The ongoing pandemic forces customer behaviours to change. In order to keep up with the accelerated pace of customer expectation, technological change and disruption, TM is highly committed to providing a more personalised and proactive style of customer experience driven by digital tools such as data analytics across multiple channels as well as robust and flexible BSS. In addition, TM also focuses on key improvement areas across TM customer experience journey – "Discover, Join, Use, Engage and Pay" and simultaneously ensures the highest quality of network to provide an enhanced customer experience.
9 Prolonged Pandemic	Increasing vaccination rates and the opening of borders/economies have contributed to a growing sense that life will return to normal soon. However, considering the possibility of a new COVID-19 variant hitting Malaysia, TM continues to be vigilant in abiding by the SOPs to ensure both our employees and customers remain safe while working and during engagements. On the flip side, the shift in customer behaviours and demands for internet connectivity continues to grow, opening more opportunities to upsell TM's products and services.

The year 2021 has been about building sustainability and opportunity from digital innovation amid the ongoing pandemic. Apart from strengthening TM as a leading telco-technology player in Malaysia, we have also embarked on ESG moves that will provide an added competitive advantage to TM, while further benefiting customers, employees, investors and other stakeholders.

As the world continues to contain the contagious new COVID-19 variant, there is a reason to be optimistic about the future. Along with the transformation journey, TM is gearing up towards elevating its competitiveness while mitigating those potential impacts from existing and new threats, while simultaneously seizing the possible opportunities.

Business Continuity Management

Facts at a Glance

a) **TM BCM robust governance** throughout the Group is founded on solid principles of BCM Programme and robust BCP as well as Compliance management practices.

b) TM plays a pivotal role as the provider of **Critical National Information Infrastructure (CNII)** in serving national interests by ensuring the availability of essential services, including the management of **TM Critical Key Points in the event of a disaster or crisis**.

TM BUSINESS CONTINUITY MANAGEMENT (BCM) – CONTEXT

In its 75 years of serving the country, TM continues to evolve in line with technology development, moving towards becoming a human-centred technology company in delivering Digital Malaysia. TM fully supports the continuous infrastructure investment in line with the Government's aspiration to make communication services a basic utility to drive the country towards becoming a digital society in the new normal. TM's leading role as the national connectivity and digital infrastructure provider supports these aspirations by accelerating the country's digital connectivity and solutions through widespread deployment of mobile, fibre and FWA, and paving the way for 5G rollout under the 12MP.

TM BUSINESS CONTINUITY MANAGEMENT - ROBUST GOVERNANCE STRUCTURE & FRAMEWORK

BCM entails enterprise-wide planning and arrangements of key resources and procedures that enable TM to respond and continue to operate critical business functions across a broad spectrum of interruptions scenarios to the business, arising from internal or external events.

Continuous availability of critical and essential services is necessary to promote stakeholders' and customers' confidence, ensuring regulatory compliance and protecting TM's reputation. Therefore, it is crucial for TM to continuously enhance its capabilities to swiftly respond to incidents swiftly and ensure the continuity of critical business functions in the event of business interruption during crisis or disaster.

As part of good governance and prudent risk management practices, TM's Top Management and Leadership (**see Figure 1**) is committed toward group-wide implementation of BCM through BCM strategic focus areas.

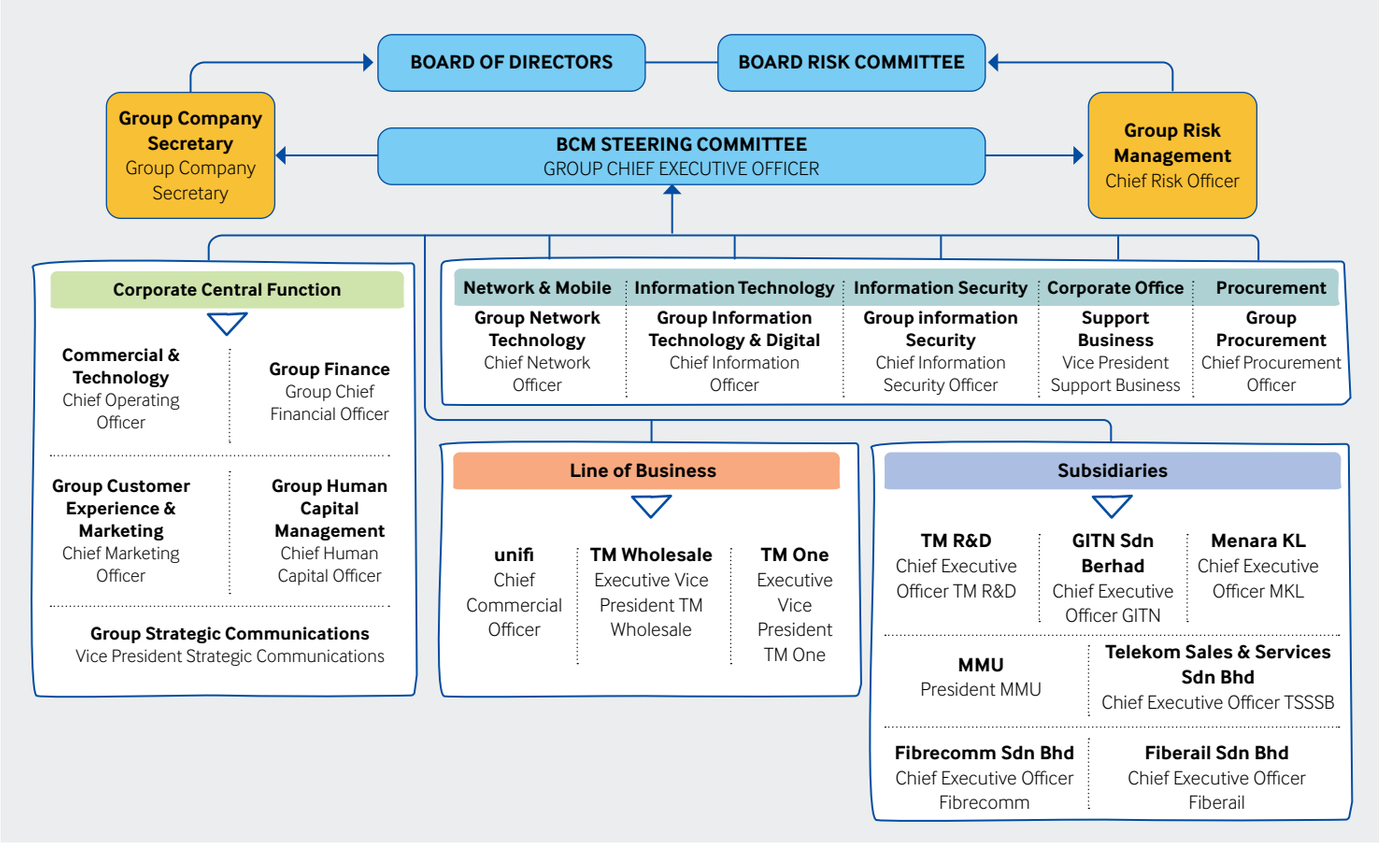


Figure 1: TM BCM Leadership Organisation Structure and Coverage

TM enforces BCM requirements on key divisions, LOBs, State and Subsidiaries in accordance to BCM programme focus areas and critical pillars. This is to ensure the continuity of critical business functions and essential services within a specified timeframe in the event of business interruption during a crisis or disaster. Through sound and effective BCM procedures and practices, TM continues to improve its resilience and readiness for any eventualities.

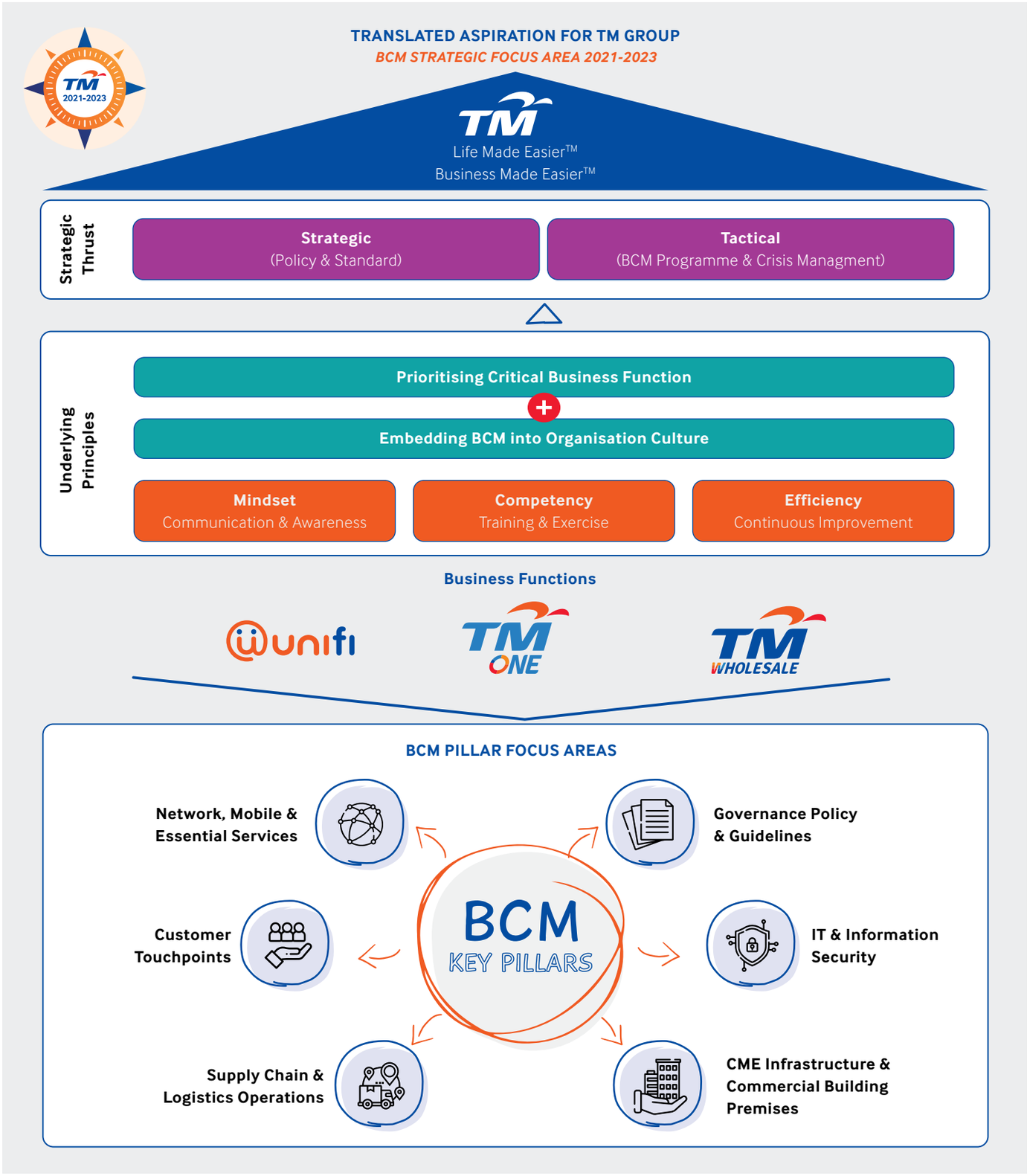


Figure 2: TM's BCM Strategic Focus Areas

TM's BCM strategic focus areas are aligned with TM Business Policy & Guidelines and cover the following key pillars (**see Figure 2**):

- Network, mobile and essential services
- Customer touchpoints
- Supply chain and logistics operations
- CME infrastructure and building/premises
- IT and information security

Continuous assessment of potential disruption scenarios and lessons learnt from past incidents is key in ensuring the adequacy of BCM controls and practices are being executed at these key pillars to sustain a good customer experience according to a well-established BCM framework.

The existing TM's BCM framework, which is adopted from ISO 22301:2019 Security and Resilience - Business Continuity Management Systems (BCMS), provides a structured approach for building organisational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities. This includes the setting of BCM strategy, impact analysis, development of continuity and recovery plan, testing and simulation down to crisis communication. (**see Figure 3**)

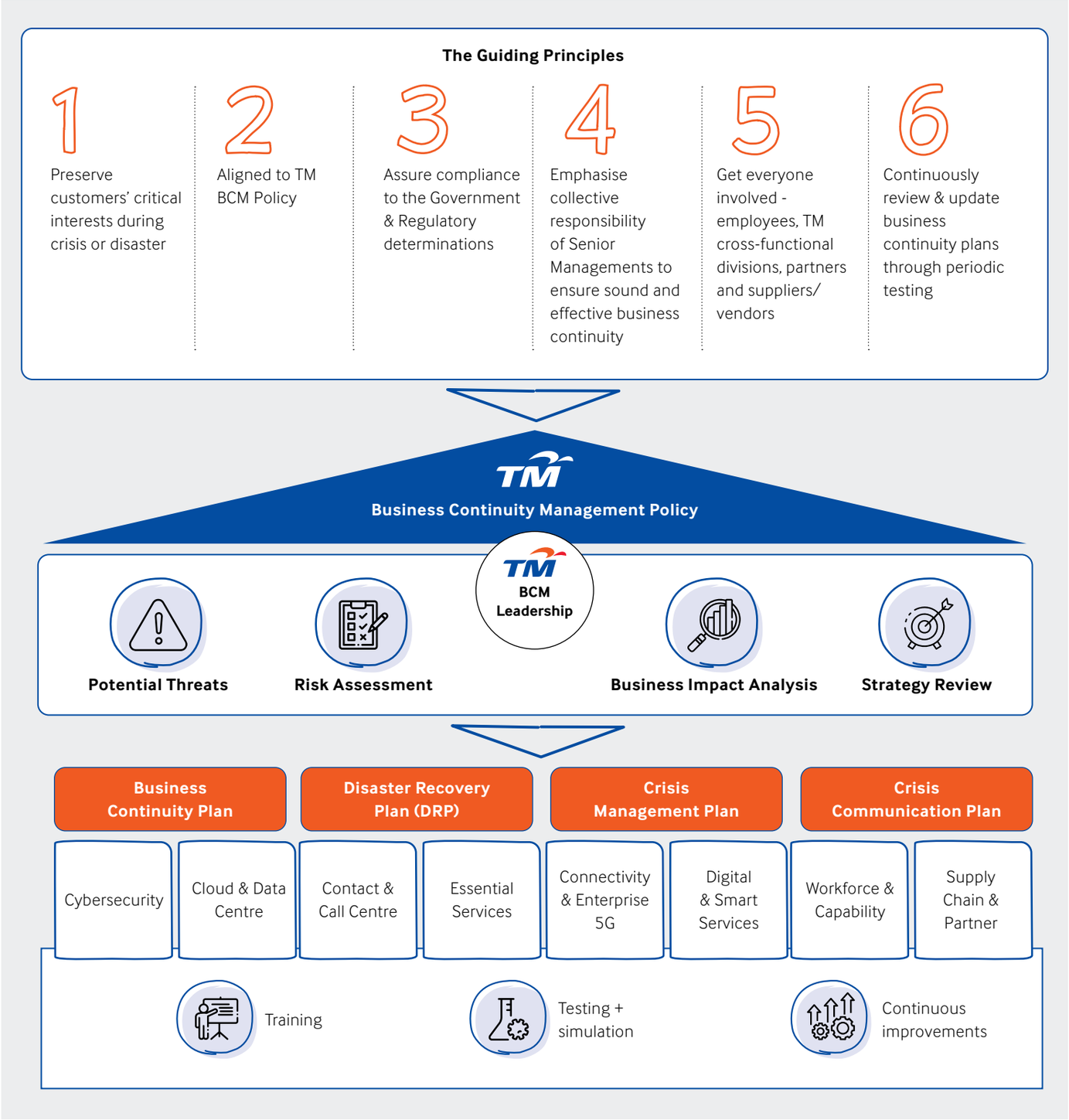


Figure 3: TM's BCM Framework
Source: CGSO & MCMC (The Protection of Critical Key Point, Communications and Multimedia Infrastructure Awareness session to all Service Providers 2019)

The framework is designed to enable a prompt, coordinated and effective response to a crisis and maintain continuity of essential activities as well as protecting human lives, assets, reputation and the environment. This is achieved through effective BCM programme management, which is aimed at ensuring both service continuity as well as sustainable and exceptional customer experience.

While the setting of governance and framework is important, the actual BCM readiness and effectiveness is tested through regular desktop exercises and physical drills. In 2021, four (4) simulation exercises were conducted covering business interruption scenarios caused by a cybersecurity threat, riot/threat to public disorder, cellular disaster recovery equipment mobilisation for flooding events and disruption to logistic operations due to theft/robbery.

These simulation exercises are crucial components of emergency preparedness in validating the emergency response plans and procedures, and to assess the overall TM's capability and capacity in compliance with Communication and Multimedia Act 1998 (CMA) and National Security Council (NSC) Directives No. 18, 21 and 24 (i.e. Crisis of Terrorism, Public Order Threats and National Cyber Crisis Management respectively). The effectiveness of the exercises is manifested through multiple CCMT activations that we have successfully managed, namely the COVID-19 pandemic and major flood/landslide events that have lowered the severity of operational and service disruptions within an acceptable level of service recovery time.

Being the main communication service provider of CNII, TM's BCM set-up is also key to national interest in ensuring continuous availability of essential services residing within TM's locations (i.e. Critical Key Points) in the face of crisis or disaster at the national level.

CRITICAL NATIONAL INFORMATION INFRASTRUCTURE (CNII) PROTECTION AND COMPLIANCE

CNII is defined as assets (physical/ virtual), systems and functions that are vital to the nation in which their incapacity or destruction would lead to a devastating impact on critical sectors (i.e. Defense & Security, Transportation, Banking & Finance, Health Services, Emergency Services, Energy & Water, Information & Communications, Food & Agriculture and Government).

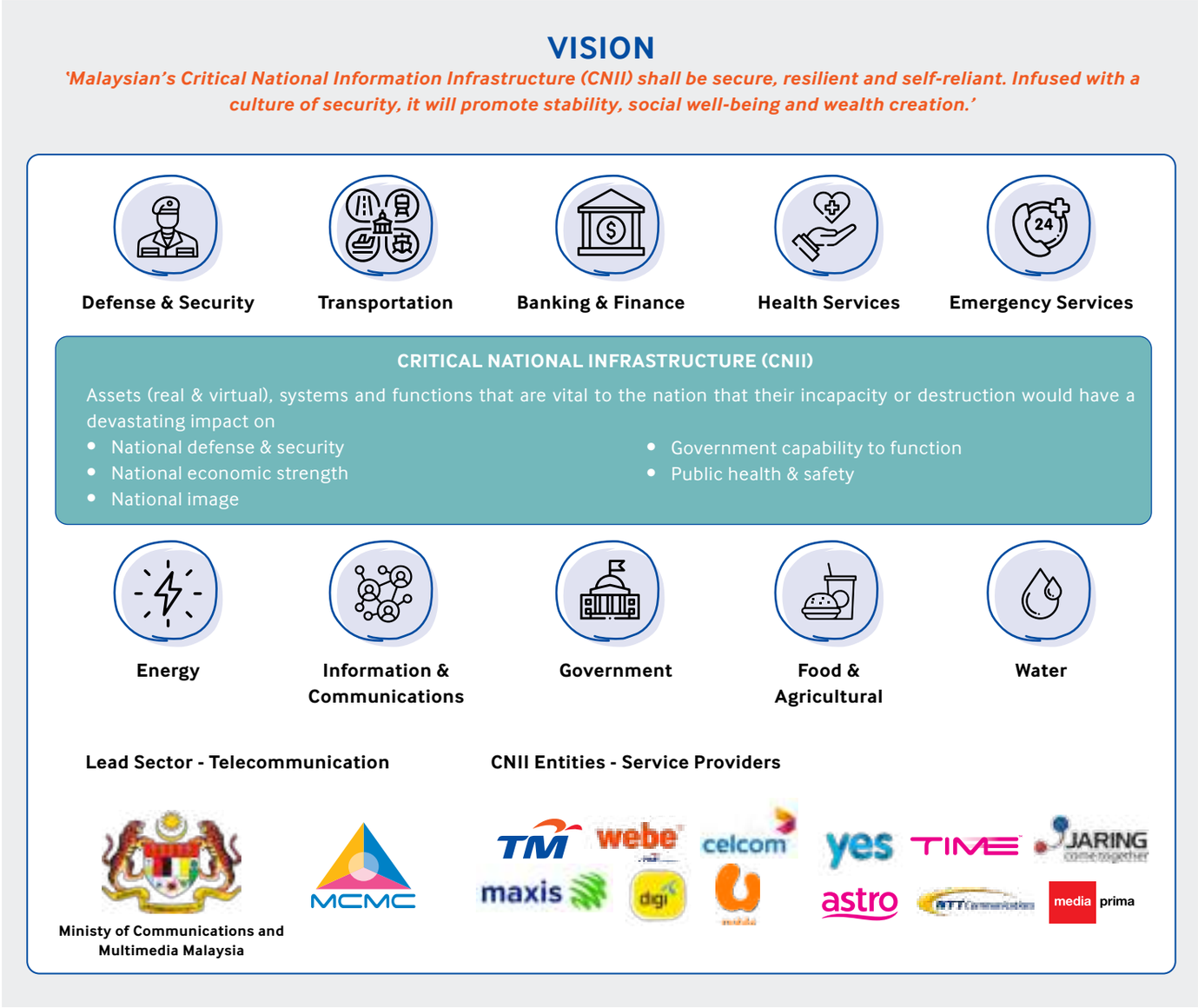


Figure 4: Malaysia's Critical National Information Infrastructure (CNII)
Source: CGSO & MCMC (The Protection of Critical Key Point, Communications and Multimedia Infrastructure Awareness session to all Service Providers 2019)

TM is fully committed to ensuring the country's CNII is secured, resilient and self-reliant through collaborations and regular engagements with MCMC and other key Government agencies, namely, NSC, NADMA, and GDRN for disaster management coordination and recovery.

We continue our role and effort in ensuring any threat is detected and prevented early before it can pose a negative impact on national security and the economy. Key responsibilities assumed by TM with regards to this matter are:

- Ensuring early detection and prevention of threats.
- To safeguard critical assets which may lead to negative impact to Economic, Defense, Security or disruption to Government function and national reputation.
- To ensure continuous services, maintenance and control of essential telecommunication services located at critical sites (i.e. Node/Exchange, Hill Station, Submarine & Maritime Station, Network Operations Centre (NOC) & data centres).

In order to ensure effective management of the Critical Key Points nation-wide, governance has been established (**see Figure 5**) to effectively streamline the roles and responsibilities for smooth operational execution. The establishment of such governance implies the importance of the Critical Key Points to TM and recognising the gravity of impacts on national security should any disruption occur at these locations.

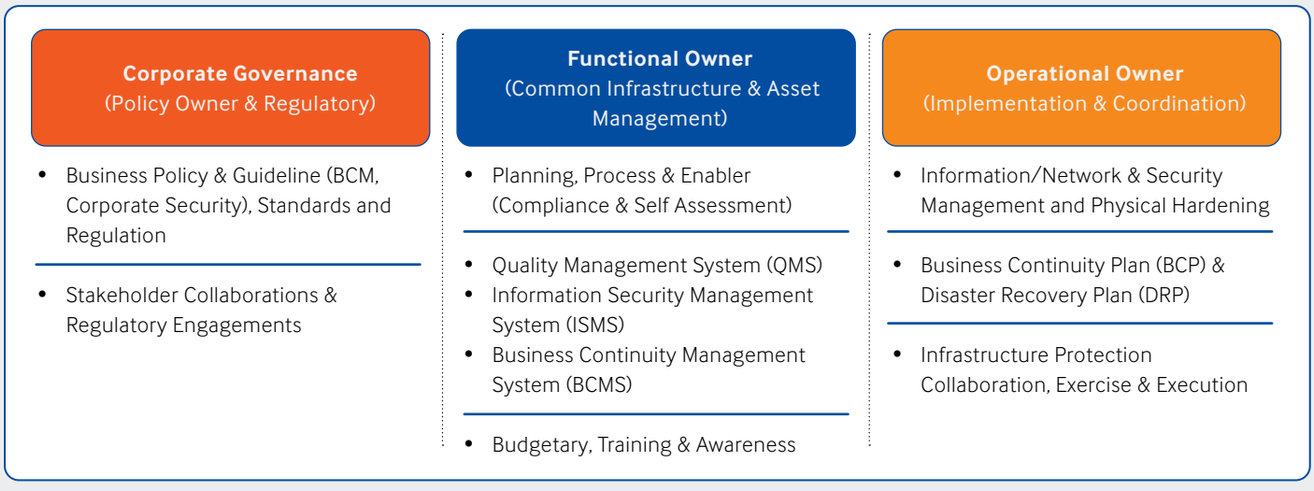


Figure 5: Governance of TM Critical Key Points

MOVING FORWARD

TM continues to ensure its BCM programme is effectively embedded and implemented in critical business functions focusing on high probability scenarios in managing a crisis or disaster-related events. As we forge ahead to become the champion of Digital Malaysia, business continuity impact assessment and review will become even more critical considering our roles, which transcends beyond only servicing the customers/masses, but also key in ensuring the national security and essential services to continue to operate in the face of national-level crisis or disaster.

Additional Compliance Information

The following information is provided in compliance with the Main LR of Bursa Securities:

1.0 UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds from corporate proposals carried out during the financial year.

[Disclosed in accordance with Appendix 9C, Part A, item 13 of the Main LR]

2.0 MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts or any contracts in relation to loans entered into by the Company and/or its subsidiaries involving the interests of the Directors or major shareholders, either still subsisting as at 31 December 2021 or entered into since the end of the previous financial year ended 31 December 2020, except the following:

Transacting Party		General Nature	Consideration passing to or from the listed issuer or any other corporation in the group	Date of the Agreement/ Effective Date	Mode of Satisfaction of Consideration	Relationship
TM	Digital Nasional Berhad (DNB)	Provision of 5G RAN-to-Edge Fronthaul and Backhaul Service	DNB to TM	Term Sheet: 16 December 2021 Effective Date: 28 August 2021	Cash	a) MOF Inc., a body corporate established under the Minister of Finance (Incorporation) Act, 1957, is the holding company of DNB and a person connected to Khazanah Nasional Berhad (Khazanah). b) Khazanah is a major shareholder of TM with an equity interest of 20.1%. c) Tan Sri Mohammed Azlan Hashim (also by virtue of him being a Director of Khazanah), Imri Mokhtar, Anis Rizana Mohd Zainudin @ Mohd Zainuddin and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. d) Dato' Mohamed Nasri Sallehuddin is a nominee Director of Khazanah on TM Board.

[Disclosed in accordance with Appendix 9C, Part A, items 21 and 22 of the Main LR]

3.0 LISTING OF PROPERTIES

The Company has on 3 May 2002, obtained a waiver from Bursa Securities from having to disclose detailed particulars of its properties for the Company's 2001 Annual Report and subsequent annual reports. The waiver is still subsisting to date.

The net book value of land and buildings, and usage of properties for the financial year ended 31 December 2021 are disclosed on pages 94 to 98 and 153 to 154 of Financial Statements.

[Disclosed in accordance with Appendix 9C, Part A, item 25 of the Main LR]

4.0 EMPLOYEE SHARE SCHEME - LONG TERM INCENTIVE PLAN (LTIP)

TM has in place a LTIP for all eligible employees and Executive Director (ED) as approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 April 2016. The main objectives of the LTIP are to encourage performance culture and as a retention tool. The LTIP comprises Restricted Share (RS) and Performance Share (PS) grants, whereby the main differences are on the eligibility of the employees in terms of their job grades in the Group, the performance metrics to be met which will be determined prior to the grant being made and the vesting periods of the Grant to the Eligible Employees.

There was no granting or vesting of the LTIP during the financial year ended 31 December 2021 and no PS grants accorded to the MD/GCEO to-date. Further details on the grants status to-date are disclosed under Financial Statements on pages 81 to 86.

[Disclosed in accordance with Appendix 9C, Part A, item 27 of the Main LR]

5.0 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

At the 36th Annual General Meeting (AGM) held on 25 May 2021, the Company had obtained a general mandate from its shareholders on the RRPT entered into by the Company and/or its subsidiaries as set out in the Circular to Shareholders dated 23 April 2021 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of the forthcoming 37th AGM of the Company to be held on 25 May 2022.

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main LR, details of the RRPT entered into during the financial year ended 31 December 2021 pursuant to the said RRPT Mandate are as follows:

Transacting companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	Value of Transactions (RM'000)
Our Company and/or our subsidiaries	Axiata Group Berhad (Axiata) and/or its subsidiaries (Axiata Group)	MOF Inc., Khazanah, Tan Sri Mohammed Azlan Hashim, Imri Mokhtar, Anis Rizana Mohd Zainudin @ Mohd Zainuddin, Iszad Jeffri Ismail and Dato' Mohamed Nasri Sallehuddin	Khazanah is major shareholder of TM and Axiata with shareholdings of 20.1% and 36.7% respectively. MOF Inc. is a Person Connected to Khazanah. Tan Sri Mohammed Azlan Hashim, Imri Mokhtar, Anis Rizana Mohd Zainudin @ Mohd Zainuddin and her Alternate, Iszad Jeffri Ismail are representatives of MOF Inc. on our Board. Dato' Mohamed Nasri Sallehuddin is Khazanah's representative on our Board.	**Revenue**	
				- Interconnect revenue from Axiata Group.	16,034
				- Provision of leased-line services to Axiata Group.	15,576
				- Provision of data and bandwidth related services to Axiata Group.	81,641
				- Site rental for telecommunications infrastructure, equipment and related charges by TM Group to Axiata Group.	48,755
				- Provision of internet access and broadband services to Axiata Group.	267
				- Provision of contact centre and business process outsourcing services by VADS Berhad (VADS) to Axiata Group.	20,111
				- Provision of fibre optic core and bandwidth services by Fiberail Sdn Bhd to Axiata Group.	544
				- Provision of fibre optic, bandwidth, space and facility by Fibrecomm Network (M) Sdn Bhd (Fibrecomm) to Axiata Group.	2,997
				- Core rental and mobile services charges to Axiata Group	470
				Cost	
				- Interconnect charges by Axiata Group.	23,286
				- Leased-line charges by Axiata Group.	1,164
				- Fibre optic and leased-line charges by Axiata Group to Fibrecomm.	3,744
				- Core rental and mobile services from Axiata Group to TM Group.	1,363
				- Network sharing charges using Domestic Roaming and Multi Operator Core Network by Celcom to Webe Digital Sdn Bhd.	62,791
				- Site rental for telecommunications infrastructure, equipment and related charges by Axiata Group to TM Group.	26,487
				TOTAL	**305,230**
Our Company and/or our subsidiaries	Tenaga Nasional Berhad (TNB) and/or its subsidiaries (TNB Group)	Khazanah and Dato' Mohamed Nasri Sallehuddin	In addition to their shareholdings in our Company, Khazanah is a major shareholder of TNB with direct interest of 25.5%. Dato' Mohamed Nasri Sallehuddin is Khazanah's representative on our Board.	**Revenue**	
				- Provision of connectivity services, ICT equipment and security surveillance devices to TNB Group.	17,738
				- Provision of fibre optic and bandwidth for telecommunication services to TNB Group.	16,240
				- Rental of Office Premises to TNB Group.	2,312
				Cost	
				- Leasing of fibre optic from TNB Group.	15,575
				- Leasing of infrastructure for telecommunication services from TNB Group.	8,538
				TOTAL	**60,403**

Corporate Information

as at 16 March 2022

BOARD OF DIRECTORS

- **Tan Sri Mohammed Azlan Hashim**
  Chairman
  Non-Independent Non-Executive Director
- **Shazril Imri Mokhtar***
  Managing Director/Group Chief Executive Officer
  Non-Independent Executive Director
- **Anis Rizana Mohd Zainudin @ Mohd Zainuddin**
  Non-Independent Non-Executive Director
- **Dato' Mohamed Nasri Sallehuddin**
  Non-Independent Non-Executive Director
- **Muhammad Afhzal Abdul Rahman**
  Non-Independent Non-Executive Director
- **Tunku Afwida Tunku Dato' A.Malek**
  Senior Independent Director
- **Balasingham A. Namasiwayam**
  Independent Non-Executive Director
- **Hisham Zainal Mokhtar**
  Independent Non-Executive Director
- **Suhendran Sockanathan****
  Independent Non-Executive Director
- **Datuk Siti Zauyah Md Desa**
  Independent Non-Executive Director
- **Rossana Annizah Ahmad Rashid**
  Independent Non-Executive Director
- **Iszad Jeffri Ismail**
  Alternate Director to Anis Rizana Mohd Zainudin @ Mohd Zainuddin
  Non-Independent Non-Executive Alternate Director

** referred as "Imri Mokhtar" throughout this IAR*
*** referred as "Saheran Suhendran" throughout this IAR*

SENIOR INDEPENDENT DIRECTOR

- **Tunku Afwida Tunku Dato' A.Malek**
  Email: sid@tm.com.my

COMPANY SECRETARIES

- **Hamizah Abidin**
  LS 0007096
  SSM Practicing Certificate No. 201908001071
- **Mohammad Yazmi Mat Raschid**
  MAICSA 7028878
  SSM Practicing Certificate No. 202008001905

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Malaysia

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STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad
Listing Date : 7 November 1990
Stock Name : TM
Stock Code : 4863
Stock Sector : Telecommunications & Media

SHARE REGISTRAR

- **Boardroom Share Registrars Sdn Bhd**
  Registration No. 199601006647 (378993-D)
  11th Floor, Menara Symphony
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  Seksyen 13, 46200 Petaling Jaya
  Selangor Darul Ehsan
  Malaysia

  Tel : +603-7890 4700 (Helpdesk)
  Fax : +603-7890 4670
  Website : www.boardroomlimited.com
  Email : bsr.helpdesk@boardroomlimited.com

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Malayan Banking Berhad
Registration No. 196001000142 (3813-K)
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100, Jalan Tun Perak
50050 Kuala Lumpur
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- Reach our customer careline at 100.

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- Email : help@tm.com.my
- Reach our general line at +603-2240 9494
- Follow TM on :
  - @myTMgroup
  - @myTMgroup
  - @mytmgroup
  - @myTMgroup
  - TelekomMalaysia

GROUP COMPANY SECRETARY

Hamizah Abidin
Hamizah heads the Group Company Secretarial Division and is responsible for corporate secretarial matters for TM Group, as well as PLC Compliance. Her profile is disclosed on page 166 of the IAR 2021.

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VP CORPORATE FINANCE & INVESTOR RELATIONS

Delano Abdul Kadir
Delano is responsible for the overall planning and implementation of investor relations, providing corporate finance counsel to the senior management team as well as developing and driving treasury functions for TM. He joined TM in 2020 and has over 20 years of experience and had previously served as the Head of Investor Relations at Time dotcom Berhad and Icon Offshore Berhad, where he was instrumental in the listing of the company. Delano has held various roles in the capital markets and advisory divisions in AmInvestment Bank, Kuwait Finance House, Affin Investment Bank and Standard Chartered.

Delano holds a Bachelor of Arts from the University of East Anglia, United Kingdom and a Diploma in Economics from University of London.

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: myunifi app

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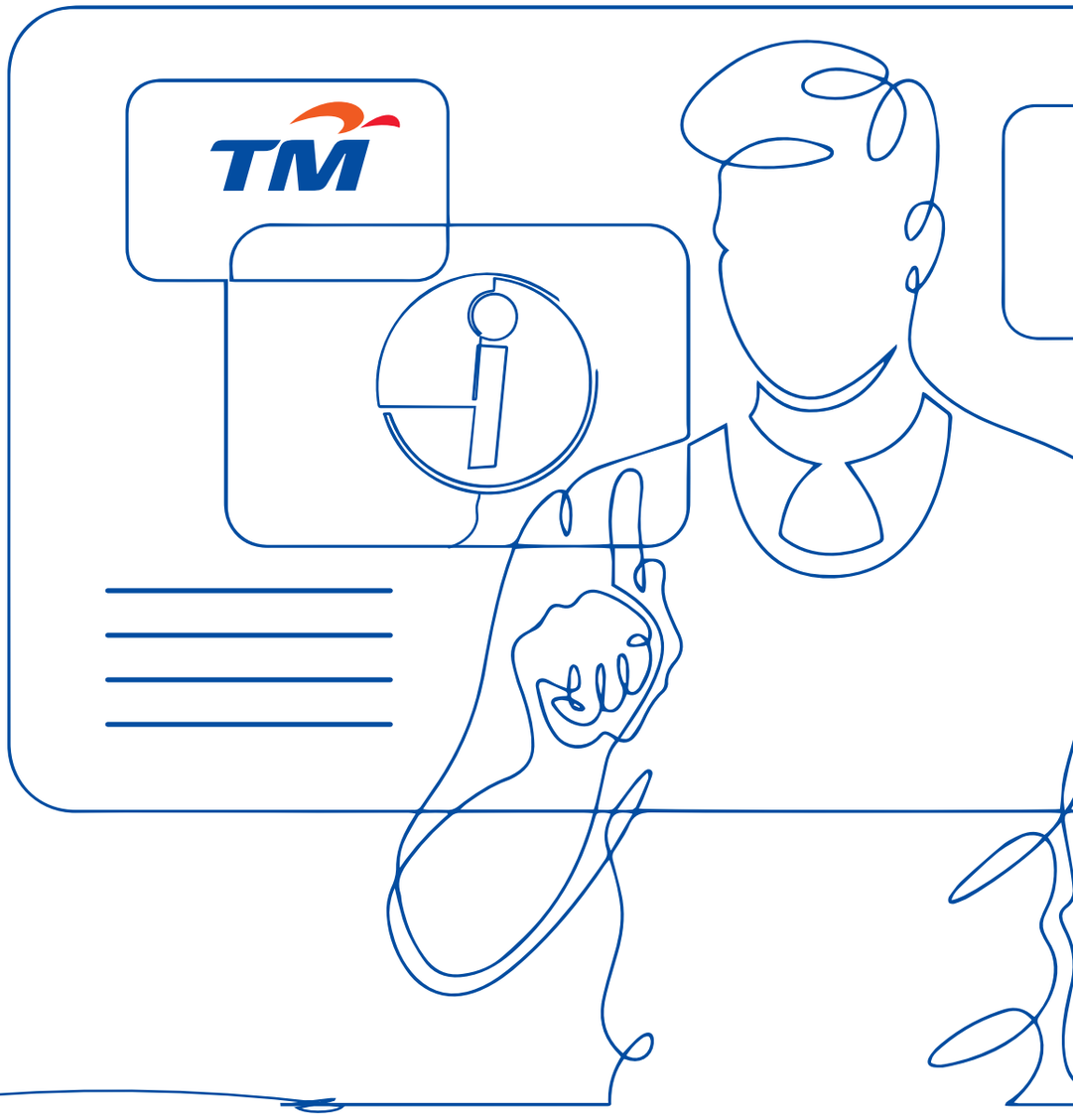

Please click here for more information on how to contact TM

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GRI Content Index

TM Group has reported the information cited in this GRI content index for the period of 1st January 2021 to 31st December 2021 with reference to the GRI Standards.

Please click here for the Sustainability Performance Data

SPD Sustainability Performance Data | SA Third-Party Assurance Statement | GRI GRI Content Index | FS TM Financial Statements 2021

GRI STANDARD	DISCLOSURE	BRIEF INFORMATION ON KEY DISCLOSURES	LOCATION & PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organisational details	Telekom Malaysia Berhad™	**Our Business: What We Do,** 7 **Other Information: Corporate Directory,** 199 to 200
	2-2 Entities included in the organisation's sustainability reporting	All entities are covered in our Financial Statements 2021.	FS
	2-3 Reporting period, frequency and contact point	1st January 2021 to 31st December 2021, for financial and up to 16th March 2022 for non-financial.	**Our Integrated Annual Report: Our Reporting Journey,** 4
	2-4 Restatements of information	**Sustainability Strategy & Pillar** We sharpened our Sustainability Strategy by linking each Sustainability Pillar with a Strategic Aspiration, and action plans supported by relevant KPIs to ensure clear accountability and timely implementation.	**Driving our Sustainability Agenda: Our Commitment to You,** 78
		Contribution to Suppliers The 2020 and 2019 figures were updated and aligned according to the most recent procurement process for a more accurate comparison against 2021 data.	**We Create Value By...Putting People First,** 106 SPD **M3 – Responsible Supply Chain,** 2
	2-5 External assurance	**Independent Assurance** The authenticity of the Sustainability Statement was verified by SIRIM QAS International Sdn Bhd	**Our Integrated Annual Report: Our Reporting Journey,** 4 SA
	2-6 Activities, value chain and other business relationships	In 2021, we outlined our key activities, products and services in this report	**A Holistic View of Our Businesses Serving our Customers,** 48 to 65 **Enablers,** 68 to 72
	2-7 Employees	>20,000 total number of employees	**Our Business: Performance Highlights**, 6 SPD M5 – Human Capital, 3
	2-9 Governance structure and composition	We made significant progress in our sustainability governance system by setting up a dedicated sustainability-related agenda for TM's management and Board meetings, with the establishment of ESG related KPIs for pivotal positions.	**Our Corporate Governance: Sustainability Governance,** 151
	2-28 Membership associations	**Industry Thought Leadership** TM actively participates in various professional associations to exchange knowledge and insights with key industry leaders, and has pledged and publicly announced 14 Collective Commitments to be achieved by 2023.	**Our Corporate Governance: Sustainability Governance,** 153

GRI STANDARD	DISCLOSURE	BRIEF INFORMATION ON KEY DISCLOSURES	LOCATION & PAGE NUMBER
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	**Collective Bargaining** This year, 37% of TM's employee rights are protected through collective bargaining agreements, with 7,572 employees are union members.	**We Create Value By...Putting People First,** 112 SPD **M5 – Human Capital,** 5
GRI 3: Material Topics 2021	3-2 List of material topics	Our identified and prioritised seven (7) material matters are listed under each of our sustainability pillars, supported by key drivers of sustainable value creation.	**The Way We Create Value: Our Material Matters,** 25 **Driving our Sustainability Agenda: We Create Value By...,** 85
Material Topic: M1 – Product Innovation			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	**Standards** We adhere to the highest quality standards, and our commercialised solutions released in 2021 include information on how to safely use the products. We continue to ensure full compliance to OSH requirements for all our products and services.	**We Create Value By...Building A Digital Malaysia: Product Innovation,** 89
	417-2 Incidents of non-compliance concerning product and service information and labeling	TM recorded zero (0) incidents (100% compliance) related to regulations.	**We Create Value By... Building A Digital Malaysia: Product Innovation,** 90
Material Topic: M2 – Customer Experience			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	**Online Security** TM reported 20 online breaches, three (3) cases of data loss and 13 data-related incidents recorded.	**We Create Value By... Building A Digital Malaysia: Customer Experience,** 95
Material Topic: M3 – Responsible Supply Chain			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	**Contributions to suppliers** ~RM3.0 billion total payment to local suppliers (Bumi & Non-Bumi)	**We Create Value By...Putting People First: Responsible Supply Chain**, 106 SPD **M3 - Responsible Supply Chain,** 2
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	**Ethical Sourcing** TM suppliers must comply with strict relevant laws, rules and regulations, as stated in our contract under Social Clauses.	**We Create Value By...Putting People First: Responsible Supply Chain,** 103
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	**ESG Practices & Integrity Pledge (IP)** 67% of suppliers with social policies in place, 561 new suppliers signed TM's IP	**We Create Value By...Putting People First: Responsible Supply Chain,** 106
Material Topic: M4 – Climate Change			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	**Scope 2: Indirect Emissions from Electricity Consumption** Total energy consumption in selected TM buildings: 43,138,489 kWh	**We Create Value By... Protecting the Planet: Climate Change,** 98 SPD **M4 – Climate Change,** 2
	302-4 Reduction of energy consumption	**Scope 2: Indirect Emissions from Electricity Consumption** We reported electricity consumption at eight (8) sites, with a 9.2% reduction in GHG emissions (24,549.12 tCO_2e)	**We Create Value By... Protecting the Planet: Climate Change,** 98
	303-3 Water withdrawal	**Environmental Stewardship** Water withdrawal from municipal water supplies: 221,590m^3.	**We Create Value By... Protecting the Planet: Climate Change,** 99

GRI STANDARD	DISCLOSURE	BRIEF INFORMATION ON KEY DISCLOSURES	LOCATION & PAGE NUMBER
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	**Scope 1: Direct Emissions from Vehicle Fleet** 10,997.03 tCO_2e total GHG Emission was recorded for 2021, with total fuel consumption by vehicle fleets of 4,379,080 litres, with a significant reduction in our fuel consumption by 5% in 2021. Lowered vehicle fleet's carbon emission by 4.6%.	**We Create Value By... Protecting the Planet: Climate Change,** 97 SPD **M4 – Climate Change,** 2
	305-2 Energy indirect (Scope 2) GHG emissions	**Scope 2: Indirect Emissions from Electricity Consumption** Calculated emissions from electricity in 2021 is 24,549.12 tCO_2e.	**We Create Value By... Protecting the Planet: Climate Change,** 98 SPD **M4 – Climate Change,** 2
	305-3 Other indirect (Scope 3) GHG emissions	**Scope 3: Indirect Emissions from Waste Production and Air-Travel** Emissions for air-travel for 2021 is 7.09 CO_2e and the waste-related emissions is 1.918 tCO_2e.	**We Create Value By... Protecting the Planet: Climate Change,** 98 & 99 SPD **M4 – Climate Change,** 3
	305-5 Reduction of GHG emissions	**Emissions Management** There is a reduction of 8% for overall GHG emissions at TM.	**We Create Value By... Protecting the Planet: Climate Change,** 101 SPD **M4 – Climate Change,** 3
GRI 306: Waste 2020	306-3 Waste generated	**Waste Management** The total solid waste generated for 2021 is 467,125kg.	**We Create Value By... Protecting the Planet: Climate Change,** 101
Material Topic: M5 – Human Capital			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	We have a total of 397 pax of new employee hires and 8.4% of employee turnover	SPD **M5 – Human Capital,** 4
	401-2 Benefits provided to full-time	**Welfare & Well-being** We have put measures in place with initiatives and programmes to keeping our employees happy, safe, engaged and productive.	**We Create Value By...Putting People First: Human Capital,** 108 to 109
	401-3 Parental leave	**Parental Leave** 17,540 employees are entitled to parental leave in 2021.	SPD **M5 – Human Capital,** 4 & 5
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	**Safety & Health** We effectively implemented the Occupational Safety and Health Management System (OSH MS) in accordance with the ISO 45001:2018.	**We Create Value By...Putting People First: Human Capital,** 110
	403-3 Occupational health services	**OSH Training Programmes** TM's developed training programmes on OSH risks and related control measures to reduce the level of risk and impacts in terms of injury and disease	**We Create Value By...Putting People First: Human Capital,** 110
	403-4 Worker participation, consultation, and communication on occupational health and safety	**Engagement with OSH Stakeholders** We ensured participation and cooperation from all regarding the effectiveness of TM's OSH management.	**We Create Value By...Putting People First: Human Capital,** 110
	403-5 Worker training on occupational health and safety	**OSH Training Programmes** A total of 67 sessions were conducted on simulation of Safety Requirements of Working on the Road, whilst 8,234 employees enrolled in online e-learning sessions.	**We Create Value By...Putting People First: Human Capital,** 110
	403-8 Workers covered by an occupational health and safety management system	**Safety & Health** Our Occupational Safety and Health Management System (OSH MS) covers all workplaces and business activities within TM.	**We Create Value By...Putting People First: Human Capital,** 110

GRI STANDARD	DISCLOSURE	BRIEF INFORMATION ON KEY DISCLOSURES	LOCATION & PAGE NUMBER
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	**Occupational Safety & Health Statistics**	SPD **M5 – Human Capital,** 6
	403-10 Work-related ill health	**Occupational Safety & Health Statistics**	SPD **M5 – Human Capital,** 7
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	**Training & Development** An average of 41 hours of training provided per year per employee for employee training in 2021.	**We Create Value By...Putting People First: Human Capital,** 112 SPD **M5 – Human Capital,** 5
	404-2 Programmes for upgrading employee skills and transition assistance programmes	**Employee Training & Development** In 2021, there were 1,115 programmes for upgrading employee skills.	SPD **M5 – Human Capital,** 6
	404-3 Percentage of employees receiving regular performance and career development reviews	**Performance Review**	SPD **M5 – Human Capital,** 6
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	**Employee Data & Women in Management** In 2021, our total workforce comprised of 8,105 females with 31% of women represented at management level, 36% women on the Board.	SPD **M5 – Human Capital,** 3 & 5
	405-2 Ratio of basic salary and remuneration of women to men	**Ratio of Basic Salary for Women to Men**	SPD **M5 – Human Capital,** 5
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	**Collective Bargaining** In 2021, 37% of our employees covered by unions.	**We Create Value By...Putting People First: Human Capital,** 112
Material Topic: M6 – Community Development			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	**Community & Nation-Building** We played active roles in GDRN to coordinate and mobilise humanitarian assistance due to natural disasters, i.e., floods and COVID-19. We also invested into building Malaysia's cultural heritage and arts.	**We Create Value By...Putting People First: Community Development,** 116, 117, 118 & 119
	203-2 Significant indirect economic impacts	**Community & Nation-Building** TM continue to strive in closing the education gap and develop future leaders, as well as empowering entrepreneurs.	**We Create Value By...Putting People First: Community Development,** 114 to 115, 118
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	**Community Development** We focus on economic recovery and building resiliency via community/sustainable livelihood and welfare for marginalised communities, including women, the special needs community, senior citizens and the B40 group. We leveraged entrepreneurship programmes with digital business skills and knowledge, on top of our continuous support in humanitarian aid.	**We Create Value By...Putting People First: Community Development,** 116 to 118
Material Topic: M7 - Governance			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	20 divisions completed corruption risk assessment in 2021.	**We Create Value By... Strengthening Our Integrity,** 125
	205-2 Communication and training about anti-corruption policies and procedures	**Training & Communication** We have a total of 20,912 of employees who received training in anti-corruption briefing/policies and procedures.	**We Create Value By... Strengthening Our Integrity,** 124
	205-3 Confirmed incidents of corruption and actions taken	**Misconduct / Malpractice** TM recorded five (5) incidents of corruption and 93% incidents of misconduct/malpractice reports have been resolved	**We Create Value By... Strengthening Our Integrity,** 125

Glossary

A	
12MP	Twelfth Malaysia Plan (2021-2025)
5GDP	5G Demonstration Project
AAPG	Audit and Assurance Practice Guide
ABMS	Anti-Bribery Management System
ACG	Anti-Corruption Guide
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AI	Artificial Intelligence
ASR	Automatic Speech Recognition

B	
B2B	Business to Business
BAC	Board Audit Committee
BCM	Business Continuity Management
BCMS	Business Continuity Management System
BCP	Business Continuity Plan
BDA	Big Data Analytics
BEE	Board Effectiveness Evaluation
BIC	Board Investment Committee
Board	Board of Directors
BOC	Business Operations Council
BOOST	Bandwidth Optimisation & Opportunity Spike Taskforce
BPC	Best Practice Committee
BPG	Business Policy and Governance
BPO	Business Process Outsourcing
BPR	Bantuan Prihatin Rakyat
BRC	Board Risk Committee
BSS	Business Support System
BTC	Board Tender Committee
Bursa Securities	Bursa Malaysia Securities Berhad
BVDP	Bumiputera Vendor Development Programme

C	
CA 2016	Companies Act, 2016
CAE	Cloud Alpha Edge
CAN	CEO Action Network
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CBE	Code of Conduct & Business Ethics
CCO	Chief Commercial Officer
CCMT	Corporate Crisis Management Team
CDN	Content Delivery Network
CDTO	Chief Digital Technology Officer
CeIO	Certified Integrity Officer
CEO	Chief Executive Officer
CFE	Certified Fraud Examiner
CHCO	Chief Human Capital Officer
CIA	Chief Internal Auditor
CIGO	Chief Integrity and Governance Officer
CMA	Communication and Multimedia Act 1998
CMIIA	Chartered Member of the Institute of Internal Auditors Malaysia
CMO	Chief Marketing Officer
CMS	Campaign Management System
CNII	Critical National Information Infrastructure
CNO	Chief Network Officer
COBIT	Control Objectives for Information and Related Technology
CONVES	Smart Fleet Monitoring System
COO	Chief Operating Officer
COSO	Committee of the Sponsoring Organisation of the Treadway Commission
COVID-19	Coronavirus Disease 2019
CPA	Certified Public Accountant
CPE	Customer Premise Equipment
CPO	Chief Procurement Officer
CRO	Chief Risk Officer
CRT	Crisis Response Team
CSO	Chief Strategy Officer
CSP	Cloud Service Provider
CTAL-TA	Certified Tester, Advanced Level Test, Analyst
CTFL	Certified Tester, Foundation Level
CTTI	Cycle Time to Install
CVAS	Centralised Vulnerability Assessment System
CX	Customer Experience
CYDEC	Cyber Defense Centre

D	
DNB	Digital Nasional Berhad
DOA	Declaration of Assets & Interests
DOE	Department of Environment
DRP	Disaster Recovery Plan
DRS	Dividend Reinvestment Scheme
DSORMIC	Directors' Statement on Risk Management and Internal Controls
DSP	Digital Service Providers

E	
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECRL	East Coast Rail Link
ED	Executive Director
EENT	Enterprise Energy Management System
EEO	Energy Efficiency Optimisation
EGM	Extraordinary General Meeting
EPF	Employee Provident Fund
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EVP	Executive Vice President
EWAR	Early Warning, Alert & Response
EY	Ernst & Young PLT

F	
FAQs	Frequently Asked Questions
FIRA	Fast Internet for Rural Area
FMC	Fixed-Mobile Convergence
FTR	Fatality Rate
FWA	Fixed Wireless Access

G	
GBA	Group Business Assurance
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GDP	Gross Domestic Product
GDRN	GLC Demi Rakyat dan Negara
GHCM	Group Human Capital Management
GHG	Greenhouse Gas
GIA	Group Internal Auditor
GIG	Group Integrity and Governance
GIS	Group Information Security
GITD	Group IT & Digital
GITN	Government Integrated Telecommunications Network
GLC	Government-linked Company
GLIC	Government-Linked Investment Companies
GNT	Group Network & Technology
GRI	Global Reporting Initiative
GRM	Group Risk Management
GSC	Group Strategic Communications

H	
HSBB	High-Speed Broadband

I	
IAR	Integrated Annual Report
IBill	Integrated Bill Management System
ICAEW	Institute of Chartered Accountants in England and Wales
ICT	Information & Communications Technology
IIRC	International Integrated Reporting Council
INTAN	National Institute of Public Administration
IoT	Internet of Things
IP	Integrity Pledge
IPCC	Intergovernmental Panel on Climate Change
IPDC	Iskandar Puteri Data Centre
IPPF	International Professional Practices Framework
IR4.0	Industrial Revolution 4.0
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
ISP	Internet Service Provider

J	
JENDELA	Jalinan Digital Negara

K	
KPI	Key Performance Indicator
KRISTAL	TM's Core Values
KVDC	Klang Valley Data Centre

L	
L&D	Learning and Development
LOBs	Lines of Business
LTE	Long-Term Evolution
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency
LTIP	Long-Term Incentive Plan

M	
MACA	Malaysian Anti-Corruption Academy
MACC	Malaysian Anti-Corruption Commission
MACCA	Malaysian Anti-Corruption Commission Act
MAEPS	Malaysia Agro Exposition Park
MAPSNE	Non-Executives Performance Management System
Main LR	Main Market Listing Requirements
MC	Management Committee
MCCG	Malaysian Code on Corporate Governance
MCMC	Malaysian Communications and Multimedia Commission
MCO	Movement Control Order
MD	Managing Director
MFRS	Malaysian Financial Reporting Standards
ML	Machine Learning
MMU	Multimedia University
MNOs	Mobile Network Operators
MOE	Ministry of Education
MOF	Minister of Finance
MOF INC.	Minister of Finance (Incorporated)
MPC	Malaysia Productivity Corporation
MRT	Mass Rapid Transit
MSME	Micro Small Medium Enterprise
MyDIGITAL	Malaysia Digital Economy Blueprint
M100	Malaysia's 100

N	
NADMA	Nasional Disaster Management Agency
NEA	National Energy Awards
NEC	Non-executive Chairman
NECS	Now Everyone Can Sell
NED	Non-executive Director
NFV	Network Function Virtualisation
NGOs	Non-Government Organisations
NIOSH	National Institute for Occupational Safety and Health
NNOC	National Network Operations Centre
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NSC	National Security Council
NUTE	Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia

O	
OSH	Occupational Safety & Health
OSHE	Occupational Safety, Health and Environment
OTT	Over-The-Top

P	
PATAMI	Profit After Tax and Minority Interests
PCC	Procurement Compliance Committee
PENJANA	Pelan Jana Semula Ekonomi Negara
PoPs	Point-of-Presences
PPDBP	Bangsar/Pudu District Education Office
PS	Performance Share

R	
R&D	Research & Development
R2R	Recording to Reporting
ROD	Record of Depositors
RPA	Robotic Process Automation
RPT	Related Party Transactions
RRPTs	Recurrent Related Party Transactions
RTW	Return to Work

S	
SC	Securities Commission
SDGs	Sustainable Development Goals
SDN	Software-Defined Networking
SICDA	Securities Industry (Central Depositories) Act 1991
SIRIM	Standards and Industrial Research Institute of Malaysia
SME	Small Medium Enterprise
SOP	Standard Operating Procedure
SORMIC	Statement on Risk Management and Internal Control
SRF	Subsidiaries' Board Remuneration Framework
SUTE	Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah

T	
TCFD	Task Force on Climate-Related Financial Disclosures
TechCom	Technology Committee
TM R&D	TM Research and Development
TM SMG	TM Sponsorship Management Guideline
TMCC	TM Convention Centre
TMNC3	TM National Command Control Centre
TNB	Tenaga Nasional Berhad
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training

U	
UN SDGs	United Nation's Sustainable Development Goals
UPM	Universiti Putra Malaysia
USA	United States of America
UTES	Kesatuan Pekerja Telekom Malaysia Berhad Sarawak

V	
VP	Vice President

W	
WEBE	Webe Digital Sdn Bhd
WFH	work-from-home

Y	
YoY	Year-on-Year
YTM	Yayasan TM

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-seventh Annual General Meeting (37th AGM) of Telekom Malaysia Berhad ("TM" or "the Company") will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting (RPEV) facilities available at https://meeting.boardroomlimited.my with the Broadcast Venue at Kristal Hall, TM Convention Centre (TMCC), Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Wednesday, 25 May 2022 at 10:00 a.m. to transact the following businesses, with or without modifications:

1.0 To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A

2.0 To re-elect the following Directors, who retire pursuant to Clause 106(2) of the Company's Constitution and being eligible, offer themselves for re-election:

(i) Tan Sri Mohammed Azlan Hashim **(Ordinary Resolution 1)**
(ii) Rossana Annizah Ahmad Rashid **(Ordinary Resolution 2)**
(iii) Muhammad Afhzal Abdul Rahman **(Ordinary Resolution 3)**

Please refer to Explanatory Note B

3.0 To re-elect the following Directors, who retire by rotation pursuant to Clause 112 of the Company's Constitution and being eligible, offer themselves for re-election:

(i) Dato' Mohamed Nasri Sallehuddin **(Ordinary Resolution 4)**
(ii) YM Tunku Afwida Tunku Dato' A.Malek **(Ordinary Resolution 5)**
(iii) Balasingham A. Namasiwayam **(Ordinary Resolution 6)**

Please refer to Explanatory Note C

4.0 To approve the payment of the following Directors' fees with effect from the 37th AGM until the next AGM of the Company:

(i) RM30,000 per month for the Non-Executive Chairman (NEC), RM22,250 per month for Senior Independent Director (SID) and RM20,000 per month for each Non-Executive Director (NED); and

(ii) Up to RM15,000 per month and RM10,000 per month for NEC and NEDs respectively, of TM subsidiaries.

Please refer to Explanatory Note D **(Ordinary Resolution 7)**

5.0 To approve the payment of benefits payable to NEC and NEDs of the Company up to an amount of RM2,350,000 from the 37th AGM until the next AGM of the Company.

Please refer to Explanatory Note E **(Ordinary Resolution 8)**

6.0 To re-appoint Ernst & Young PLT (EY), having consented to act as Auditors of the Company, for the financial year ending 31 December 2022 and to authorise the Board of Directors to determine their remuneration.

Please refer to Explanatory Note F **(Ordinary Resolution 9)**

7.0 To consider and if thought fit, to pass the following resolutions:

7.1 Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company (TM Shares) in relation to the Dividend Reinvestment Scheme (DRS)

THAT pursuant to the DRS approved at the Extraordinary General Meeting (EGM) held on 8 May 2014, approval be and is hereby given to the Company to allot and issue such number of New TM Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said New TM Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of TM Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of TM Shares at the material time;

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.

Please refer to Explanatory Note G **(Ordinary Resolution 10)**

7.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate) with Axiata Group Berhad and its Subsidiaries (Axiata Group)

THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), approval be and is hereby given for the Company and/or its subsidiaries to enter into RRPT of a revenue or trading nature with Axiata Group as set out in Appendix I of the Company's Circular to Shareholders dated 25 April 2022 which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such approval shall continue to be in full force and effect until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;

(ii) the expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 340(2) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of the CA 2016); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate with Axiata Group.

Please refer to Explanatory Note H **(Ordinary Resolution 11)**

7.3 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate) with Tenaga Nasional Berhad and its Subsidiaries (TNB Group)

THAT in accordance with Paragraph 10.09 of the Main LR of Bursa Securities, approval be and is hereby given for the Company and/or its subsidiaries to enter into RRPT of a revenue or trading nature with TNB Group as set out in Appendix I of the Company's Circular to Shareholders dated 25 April 2022 which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such approval shall continue to be in full force and effect until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;

(ii) the expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 340(2) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of the CA 2016); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate with TNB Group.

Please refer to Explanatory Note H **(Ordinary Resolution 12)**

7.4 Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature (Proposed Additional Shareholders' Mandate) with Petroliam Nasional Berhad and its Subsidiaries (Petronas Group)

THAT in accordance with Paragraph 10.09 of the Main LR of Bursa Securities, approval be and is hereby given for the Company and/or its subsidiaries to enter into RRPT of a revenue or trading nature with Petronas Group as set out in Appendix II of the Company's Circular to Shareholders dated 25 April 2022 which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such approval shall continue to be in full force and effect until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;

(ii) the expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 340(2) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of the CA 2016); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) to give effect to the Proposed Additional Shareholders' Mandate with Petronas Group.

Please refer to Explanatory Note H **(Ordinary Resolution 13)**

7.5 Proposed Amendments to the Constitution of the Company (Proposed Amendments).

THAT approval be and is hereby given for the amendments to the following Clauses of the Constitution of the Company as stated below:

Clause No.	Existing Clause	Proposed Amendments
Clause 104(a)	The Directors, shall not be less than 5 nor more than 15, a majority of which shall be independent directors.	The Directors, shall not be less than 5 nor more than 15.
Clause 124	A resolution in writing signed by a majority of the Directors or their Alternates, majority of which are independent, taking the form of one or more documents in writing or by other written electronic communication shall be as valid and effectual as if it had been passed by a meeting of Directors duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more Directors.	A resolution in writing signed by a majority of the Directors or their Alternates, taking the form of one or more documents in writing or by other written electronic communication shall be as valid and effectual as if it had been passed by a meeting of Directors duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more Directors.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts necessary to give effect to the Proposed Amendments, with full powers assenting to any modifications, variations and/or amendments as may be required by any relevant authorities.

Please refer to Explanatory Note I **(Special Resolution 1)**

8.0 To transact any other business for which due notice has been given in accordance with Section 340(1) of the CA 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd (Bursa Depository) in accordance with Clause 80(3)(a) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors (ROD) as at 18 May 2022. Only a depositor whose name appears on the ROD as at 18 May 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board

Hamizah Abidin (LS 0007096) (Practicing Certificate 201908001071)
Mohammad Yazmi Mat Raschid (MAICSA 7028878) (Practicing Certificate 202008001905)
Secretaries

Kuala Lumpur
25 April 2022

NOTES:

1.0 Registration for Remote Participation and Electronic Voting (RPEV) Facilities

1.1 The 37th AGM will be conducted on a virtual basis through live streaming. Members can attend, participate and vote remotely online using the RPEV facilities provided by Boardroom Share Registrars Sdn Bhd which will be made available at https://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide of the 37th AGM in order to register and participate remotely via the RPEV facilities.

1.2 The Broadcast venue of the 37th AGM is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman of the 37th AGM to be present at the main venue of the general meeting and to facilitate the conduct of the virtual meeting.

1.3 Members, proxies or corporate representatives are not allowed to be physically present at the Broadcast Venue. Only essential individuals and authorised personnel as determined by the Company shall be allowed entry into the Broadcast Venue.

2.0 Submission of questions before the 37th AGM

2.1 Members may login via https://investor.boardroomlimited.com to pose and submit questions electronically in relation to the agenda items for the 37th AGM prior to the meeting and no later than 9.00 a.m. on Tuesday, 24 May 2022. The responses to these questions will be shared at the 37th AGM.

3.0 Proxy and/or Authorised Representative

3.1 A Member entitled to attend, speak and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy or representative may but need not be a Member of the Company. A member may appoint any person to be his/her proxy without restriction to the proxy's qualification.

3.2 A Member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account. Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3.3 Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.

3.4 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a Power of Attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney. If the proxy form is signed under the hand of an officer duly authorised, it should be accompanied by a statement "signed as authorised officer under an Authorisation Document which is still in force, and no notice of revocation has been received". If the proxy form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement "signed under a Power of Attorney which is still in force, and no notice of revocation has been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the proxy form.

3.5 A corporation which is a Member, may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 100 of the Company's Constitution.

3.6 The instrument appointing the proxy together with the duly registered Power of Attorney referred to in Note 3.4 above, if any, must be deposited or submitted in the following manner not less than 24 hours before the time appointed for the taking the poll or no later than 12:00 noon on 24 May 2022. Any alteration to the instrument appointing the proxy must be initialled:

(i) in hard copy:
By hand or post to the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
or;

(ii) by electronic means:
By electronic submission via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide of the 37th AGM for further information on the electronic submission.

Explanatory Notes:

1.0 Explanatory Note A

The Audited Financial Statements are laid before the shareholders, pursuant to the provisions of Sections 266(1)(a) and 340(1)(a) of the CA 2016, for discussion only and will not be put forward for voting.

2.0 Explanatory Notes B and C

Clause 106(2) of the Company's Constitution provides that any Director appointed shall hold office only until the next AGM and shall then be eligible for re-election. Tan Sri Mohammed Azlan Hashim, Rossana Annizah Ahmad Rashid and Muhammad Afhzal Abdul Rahman who were appointed since the last AGM are standing for re-election as Directors and they have consented to be re-elected as Directors of the Company.

Clause 112 further provides that all Directors shall retire from office once at least every three (3) years, but shall be eligible for re-election. At every AGM of the Company, one third of the Directors of the Company for the time being or if not a multiple of three (3), nearest to one third, shall retire by rotation. Clause 113 also stipulates that the Directors to retire, shall be the one that has been longest in office since his/her last re-election. At this AGM, three (3) out of eight (8) eligible Directors are to retire in accordance with Clause 112. Dato' Mohamed Nasri Sallehuddin, YM Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam being the longest in office since their last retirement are standing for re-election as Directors and have consented to be re-elected as Directors of the Company.

The NRC and the Board have conducted an assessment on the Directors via the 2021 Board Effectiveness Evaluation (BEE) as well as the independence of the Independent Directors who are seeking re-election at this 37th AGM, inclusive of their skills, experience, character, integrity, competency, commitment and contribution. NRC and the Board, save for the abovenamed Directors, are satisfied that the Directors fulfilled the independence criteria as required by the Main LR which is also provided in the Board Charter. The profiles of Directors seeking re-elections are set out in the Profile of Directors' section on pages 154 to 164 inclusive of the Integrated Annual Report (IAR) 2021.

3.0 Explanatory Notes D and E

Section 230(1) of CA 2016 provides amongst others, that fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to NEC and NEDs, in two (2) separate resolutions as follows:

(i) Ordinary Resolution 7 on the payment of Directors' fees for the Company and TM Subsidiaries as determined by the Board from the date of the 37th AGM until the next AGM. Pursuant to the revised Subsidiary Tiering Framework (STF) and Subsidiary Board Representation Framework (SBRF) approved by the Board in January 2022, the list of TM subsidiaries as well TM Board's representation in the subsidiaries have been reviewed.

The Board is recommending the same Directors' fees for the Company and other TM Subsidiaries as approved at the 33rd AGM of the Company held on 26 April 2018, for shareholders' approval. There is no revision to the amount proposed since then.

(ii) Ordinary Resolution 8 on the payment of benefits payable to the NEC and NEDs from the 37th AGM until the next AGM.

In determining the estimated amount of benefits payable for the NEC and NEDs, various factors, including the number of scheduled meetings for the Board, Board Committees and boards of subsidiaries as well as the number of NEDs involved in these meetings were considered. The Board is recommending an estimated total amount of RM2,350,000 as per the previous AGM.

The benefits payable applicable to NEC and NEDs comprise meeting fees, emoluments and claimable benefits are as stipulated below:

(a) Meeting fee structure for Board and Board Committees:

	TM Board	Board Audit Committee	Nomination & Remuneration Committee	Board Tender Committee	Board Risk Committee
	(RM)	(RM)	(RM)	(RM)	(RM)
Chairman	5,000	4,750	2,500	3,250	2,500
NED	3,000	2,500	2,000	2,500	2,000

(b) Pursuant to the Subsidiaries' Remuneration Framework (SRF), NEC and NEDs appointed on the boards of TM subsidiaries are entitled to the following meeting fees:

Category of TM Subsidiaries	NEC	NED	Committee Fee	
	Meeting Fee (RM)	Meeting Fee (RM)	Chairman Meeting Fee (RM)	Member Meeting Fee (RM)
Tier 1	1,500	1,000	500	300
Tier 2	1,500	1,000	Nil	Nil

(c) Customary benefits such as claimable benefits on annual overseas business development trips, leave passage, business equipment, telecommunication bills, insurance and medical coverage.

Subject to the shareholders' approvals of Ordinary Resolutions 7 and 8, the payment of fees and benefits for the period commencing from the 37th AGM until next AGM will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board opined that the payments to the NEC and NEDs are just and equitable taking into account their roles and responsibilities towards the Group and the services that they have rendered to the Company and its subsidiaries.

NEDs who are shareholders of the Company will abstain from voting on the aforesaid resolutions at the 37th AGM.

4.0 Explanatory Note F

The Board Audit Committee (BAC) had deliberated on the annual assessment of the external auditors, Ernst & Young PLT (EY) which include the following key areas:

i) Quality of services and sufficiency of resources;
ii) Communication and interaction with external auditor; and
iii) Independence, objectivity and professionalism.

BAC was satisfied in its review that the provision of non-audit services by EY to the Company for the FY 2021 did not in any way impair their objectivity and independence as external auditors of TM, and based on the assessment, recommended the reappointment of EY as external auditors of the Company for the FY 2022. The Board at its Meeting on 25 February 2022 approved BAC's recommendation for shareholders' approval to be sought at the 37th AGM in accordance with Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

5.0 Explanatory Note G

Ordinary Resolution 10 is for the proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS, until the conclusion of the next AGM.

6.0 Explanatory Note H

Ordinary Resolutions 11, 12 and 13, if passed, will authorise the Company and/or its subsidiaries to enter into RRPT with related parties i.e. Axiata Group, TNB Group and Petronas Group in the ordinary course of business which are necessary for the Group's day-to-day operations and are on normal commercial terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at a general meeting.

The Interested Directors as indicated in Section 6 of the Circular to Shareholders dated 25 April 2022 and their Persons Connected will abstain from voting on Ordinary Resolutions 11, 12 and 13.

7.0 Explanatory Note I

The Special Resolution 1 in relation to the amendment to Clauses 104(a) and 124 will provide flexibility and contribute to the Board's administrative efficiency. The proposed revised Clause 104(a) will provide flexibility for the Board to appoint a new independent director within three (3) months per paragraph 15.02(3) of the Main LR, should its number fall below majority. This enable the Board sufficient time to thoroughly assess and consider suitable independent candidate.

The amendment to Clause 124 allows the passing of Directors' Circular Resolutions upon procuring majority approvals from existing Directors considering that all directors have the same roles and responsibilities towards the Company, irrespective of their status.

The Proposed Amendments, if passed, would be effective from the date of the 37th AGM.

Statement Accompanying Notice of the 37th AGM

pursuant to Paragraph 8.72(2) and Appendix 8A of the Main LR of Bursa Securities

1.0 Re-election of Directors pursuant to the Company's Constitution

1.1 The profiles of the following Directors who are retiring pursuant to Clause 106(2) of the Company's Constitution as per Ordinary Resolutions 1 to 3 are stated on pages 154, 164 and 158 of the Integrated Annual Report (IAR) 2021, respectively:

(i) Tan Sri Mohammed Azlan Hashim (Ordinary Resolution 1)
(ii) Rossana Annizah Ahmad Rashid (Ordinary Resolution 2)
(iii) Muhammad Afhzal Abdul Rahman (Ordinary Resolution 3)

1.2 The profiles of the following Directors who are retiring pursuant to Clause 112 of the Company's Constitution as per Ordinary Resolutions 4 to 6 are on pages 157, 159 and 160 of the IAR 2021:

(i) Dato' Mohamed Nasri Sallehuddin (Ordinary Resolution 4)
(ii) YM Tunku Afwida Tunku Dato' A.Malek (Ordinary Resolution 5)
(iii) Balasingham A. Namasiwayam (Ordinary Resolution 6)

1.3 None of the above Directors has any interest in the securities of the Company, save for Balasingham A. Namasiwayam whose interests in shares are disclosed on page 25 of the Financial Statements.

1.4 None of the abovenamed Directors has any family relationship with any Director and/or major shareholder of the Company. Dato' Mohamed Nasri Sallehuddin and Muhammad Afhzal Abdul Rahman are employees and nominee directors of TM's major shareholders, Khazanah Nasional Berhad and Employees Provident Fund respectively.

1.5 The three (3) independent directors, Rossana Annizah Ahmad Rashid, YM Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam satisfy the criteria of independent directors as defined under Paragraph 1.01 of Bursa Securities' Main LR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of the major shareholders.

Administrative Guide for the 37th AGM

VIRTUAL AGM MEETING

Although we are preparing to transition into the endemic phase of COVID-19, preventive and precautionary measures should still be implemented. Pursuant to the Government's official guidance on social distancing and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers by the Securities Commission (SC), the Board of TM has decided that the 37th AGM of the Company shall be held on a virtual basis and entirely via Remote Participation and Electronic Voting (RPEV) facilities, as stipulated below:

DATE:	Wednesday, 25 May 2022	**TIME:**	10:00 a.m.
BROADCAST VENUE:	Kristal Hall, TM Convention Centre (TMCC), Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia		
MEETING MODE & PLATFORM:	Virtual basis through live streaming and online remote voting via meeting platform https://meeting.boardroomlimited.my		
MODE OF COMMUNICATION :	1) Type text in the meeting platform. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e. one (1) hour before the AGM, which is from 9:00 a.m on Wednesday, 25 May 2022. 2) Shareholders may submit their questions in advance on AGM resolutions prior to commencement of the 37th AGM via the following modes: Login to Boardroom's website at https://investor.boardroomlimited.com using the same user ID and password provided in **Step 2**, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions"). The questions may be submitted commencing from 25 April 2022 until 24 May 2022.		

The main and only venue of the virtual Meeting as indicated above is strictly to serve as the Broadcast Venue where the Chairman of the Meeting is physically present and no shareholders/proxies/corporate representatives shall be physically present at the broadcast venue.

The Meeting will be in compliance with Section 327(2) of the Companies Act 2016 which provides that the main venue of the AGM shall be in Malaysia and the Chairman must be present at the main venue of the AGM.

With the RPEV facilities, you may exercise your right as a shareholder of the Company to participate and pose questions to the Board/Management of the Company, and vote during the 37th AGM from your home, office or any place at your convenience, safely and securely.

Remote Participation and Electronic Voting (RPEV)

- Please note that the RPEV is available to (i) Individual Member; (ii) Corporate Shareholder; (iii) Authorised Nominee; and (iv) Exempt Authorised Nominee.
- By participating the Meeting online, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the meeting is in progress.
- Kindly follow the following steps on how to request for login ID and password.

STEP 1

Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2.]

a. Access website https://investor.boardroomlimited.com
b. Click <<**Login**>> and click <<**Register**>> to sign up as a user.
c. Complete registration and upload softcopy of MyKad (front and back) or Passport in JPEG, PNG or PDF format.
d. Please enter a valid email address and wait for Boardroom's email verification.
e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

STEP 2

Individual Members

Submit Request for Remote Participation User ID and Password

[Note: The registration for remote access will be opened on 25 April 2022.]

- Login to https://investor.boardroomlimited.com using your user id and password above.
- Select "**TM 37th Virtual AGM**" from the list of Corporate Meetings and click "**Enter**".
- Click on "**Register for RPEV**".
- Read and accept the General Terms & Conditions and click "**Next**".
- Enter your CDS Account Number and thereafter submit your request.

Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee

- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

a. You will receive a notification from Boardroom that your request has been received and is being verified.
b. Upon system verification against the AGM's Record of Depositories, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
c. You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
d. Please note that the closing time to submit your request is not later than **10:00 a.m on 24 May 2022**.

STEP 3

Login to Virtual Meeting Portal

[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

a. The Virtual Meeting portal will be opened for login starting an hour (1 hour) before the commencement of AGM at **9:00 a.m. on 25 May 2022**.
b. Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal. (Refer to Step 2(c) above).
c. The steps will also guide you on how to view live webcast, ask questions and vote.
d. The live webcast will end and the Messaging window will be disabled the moment when the Chairman announces the closure of the AGM.
e. You can now logout from Virtual Meeting Portal.

*** FOR THE BEST LIVE STREAMING EXPERIENCE, IT IS ADVISABLE TO KEEP YOUR VIDEO RESOLUTION AT 240P.**

Entitlement to Participate and Vote

- Only a member or depositor whose name appears in the Register of Members/Record of Depositors (ROD) as at 18 May 2022 shall be entitled to attend the 37th AGM or appoint proxies to attend on his/her behalf.

Form(s) of Proxy

- Shareholders are encouraged to go online, participate and vote at the 37th AGM using the RPEV facilities. If you are unable to attend the online AGM virtually, you can appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the proxy form(s).
- Please take note that you must complete the proxy form for the AGM should you wish to appoint a proxy(ies).
- You may download the proxy form(s) from our website at https://www.tm.com.my/annualreport2021/downloads
- Please ensure that the original proxy form is deposited at the Share Registrar's office not less than 24 hours before the time appointed for holding taking the poll or no later than 12:00 noon on 24 May 2022 at the following address:

  Boardroom Share Registrars Sdn Bhd
  11th Floor, Menara Symphony
  No. 5, Jalan Prof. Khoo Kay Kim
  Seksyen 13, 46200 Petaling Jaya
  Selangor Darul Ehsan, Malaysia
  Office : +60 3 7890 4700
  Fax : +60 3 7890 4670

- Alternatively, you may deposit your proxy form(s) by electronic means via Boardroom Smart Investor Online Portal. Kindly follow the link at https://investor.boardroomlimited.com to log in and submit your proxy form, not later than 24 hours before the time appointed for taking the poll or no later than 12:00 noon on 24 May 2022. For further information, kindly refer to the "Electronic Lodgement of Form of Proxy" below:

STEP 1

Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2.]

a. Access website https://investor.boardroomlimited.com
b. Click <<**Login**>> and click <<**Register**>> to sign up as a user.
c. Complete registration and upload softcopy of MyKad (front and back) or Passport in JPEG or PNG format.
d. Please enter a valid email address and wait for Boardroom's email verification.
e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

STEP 2

e-Proxy Lodgement

a. Login to https://investor.boardroomlimited.com using your user id and password above.
b. Select "**TM 37th Virtual AGM**" from the list of Corporate Meetings and click "**Enter**".
c. Click on "**Submit eProxy Form**".
e. Enter your CDS Account Number and number of securities held. Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of our proxy(ies).
f. Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate **DISCRETIONARY**.
g. Review and confirm your proxy appointment.
h. Click "**Apply**".
i. Download or print the e-Proxy form as acknowledgement.

- If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with the proxy appointed by you.

Revocation of Proxy

If you have submitted your proxy form prior to the AGM and subsequently decide to appoint another person or wish to participate in the virtual AGM by yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 24 hours before the AGM. On revocation, your proxy(ies) will not be allowed to participate in the virtual AGM. In such event, kindly advise your proxy(ies) accordingly.

Voting Procedure

- The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Main LR). The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Sky Corporate Services Sdn Bhd as Scrutineers to verify the poll results.

- During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

- For the purpose of this AGM, e-Voting will be carried out using the following voting devices:

  Personal smart mobile phones;
  Tablets; or
  Laptops.

- There are 2 methods for members and proxies who wish to use their personal voting device to vote as follows:
  a. Launch LUMI AGM by scanning the QR Code given to you along with your remote participation User ID and Password; or
  b. Access to LUMI AGM via URL: https://meeting.boardroomlimited.my

- The polling will only commence after the announcement of poll being opened by the Chairman and until such time when the Chairman announces the closure of poll.

- The Scrutineers will verify the poll result reports upon closing of the poll session by the Chairman. Scrutineers will announce the results, and the Chairman will declare whether the resolutions put to vote are successfully carried or otherwise.

Participation Through Live Webcast and Questions

- TM welcomes participation and questions from shareholders on the AGM Resolutions at the 37th AGM. The Chairman and the Board will endeavour their best to respond to the questions submitted by shareholders which are related to the resolutions tabled at the AGM, as well as financial performance/prospect of the Company. In the event some of the replies cannot be provided during the meeting, the relevant responses will be provided in the Investor Relations' section in TM website.

- Shareholders may submit their questions in advance on AGM resolutions prior to commencement of the 37th AGM via the following modes:

  a. Submit to Boardroom's website at https://investor.boardroomlimited.com using the same user ID and password provided in **Step 2** above, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions"). The questions may be submitted commencing from 25 April 2022 and not later than 9.00 a.m. on 24 May 2022.

- Shareholders may also pose questions during the live streaming of the 37th AGM via https://meeting.boardroomlimited.my

How to Access the Annual Report & Related AGM Documents

- Shareholders may request for a printed copy of TM Annual Report for Financial Year Ended 31 December 2021, through our Share Registrar's Smart Investor Portal at https://investor.boardroomlimited.com. Select "Request for Annual Report" under the "Investor Services" menu.

- Alternatively, you may also make your request to our Share Registrar via e-mail: bsr.helpdesk@boardroomlimited.com or contact us at +603-7890 4700.

- Please note that the delivery of the document may be curtailed or delayed due to the increased demand for courier services.

Integrated Annual Report 2021

- As part of our dedicated commitment to Environmental, Social and Governance (ESG), the Integrated Annual Report 2021 can be downloaded from our website at https://www.tm.com.my/annualreport2021/downloads and also at Bursa Malaysia website.

Gift Policy

- There will be NO DISTRIBUTION of door gifts for members/proxies who join or participate at this virtual AGM.

Enquiry

- For enquiries on voting procedure and e-polling, please refer to Boardroom Share Registrars Sdn Bhd:

Contact persons	Telephone No.
1. Puan Rozleen Monzali	+603-7890 4739
2. Encik Ibnu Suffian Mas'on	+603-7890 4743

Help desk: +603-7890 4700
Email: bsr.helpdesk@boardroomlimited.com

- For enquiries on the administrative guide of this meeting, please contact the Group Company Secretarial Division's representatives, during office hours (Monday - Friday from 8:30 a.m. to 5:30 p.m.):

Contact persons	Telephone No.
1. Puan Noorsham Abdul Rahman	+603-2240 1225
2. Puan Khatijah Mohd Noor	+603-2240 1223
3. Puan Sitinor Athirah Azli	+603-2240 1220

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Proxy Form

TELEKOM MALAYSIA BERHAD
198401016183 (128740-P)
(Incorporated in Malaysia)

"**A**"

I/We _____

(Full Name as per NRIC/Passport No./Certificate of Incorporation in capital letters)

Company No. /NRIC No. /Passport No. _____

of _____

(Full Address)

being a member of **TELEKOM MALAYSIA BERHAD** 198401016183 (128740-P) (the Company) hereby appoint _____

_____

(Full Name as per NRIC/Passport in capital letters)

with NRIC No. /Passport No. _____

of _____

(Full Address)

or failing him/her _____

(Full Name as per NRIC/Passport in capital letters)

with NRIC No. /Passport No. _____

of _____

(Full Address)

or failing him/her, the Chairman of the Meeting, as my/our **first** proxy to vote for me/us on my/our behalf at the Thirty-seventh (37th) Annual General Meeting (AGM) of the Company to be held virtually via the meeting platform https://meeting.boardroomlimited.my from the Broadcast Venue at Kristal Hall, TM Convention Centre (TMCC), Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Wednesday, 25 May 2022 at 10:00 a.m. and at any adjournment thereof.

"**B**" If you wish to appoint a second proxy, please complete this section.

I/We _____

(Full Name as per NRIC/Passport No./Certificate of Incorporation in capital letters)

Company No./NRIC No. /Passport No. _____

of _____

(Full Address)

being a member of **TELEKOM MALAYSIA BERHAD** 198401016183 (128740-P) (the Company) hereby appoint _____

_____

(Full Name as per NRIC/Passport in capital letters)

with NRIC No. /Passport No. _____

of _____

(Full Address)

or failing him/her _____

(Full Name as per NRIC/Passport in capital letters)

with NRIC No. /Passport No. _____

of _____

(Full Address)

or failing him/her, the Chairman of the Meeting, as my/our **second** proxy to vote for me/us on my/our behalf at the 37th AGM of the Company to be held virtually via the meeting platform https://meeting.boardroomlimited.my from the Broadcast Venue at Kristal Hall, TMCC, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Wednesday, 25 May 2022 at 10:00 a.m. and at any adjournment thereof.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the respective proxies must be indicated below:			
	Percentage (%)	Email Address	Telephone No.
Proxy "A"			
Proxy "B"			
Total	100%		

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

No.	Resolutions		Proxy "A" For	Proxy "A" Against	Proxy "B" For	Proxy "B" Against
	Ordinary Resolution					
1.	Re-election of Tan Sri Mohammed Azlan Hashim pursuant to Clause 106(2)	- Resolution 1				
2.	Re-election of Rossana Annizah Ahmad Rashid pursuant to Clause 106(2)	- Resolution 2				
3.	Re-election of Muhammad Afhzal Abdul Rahman pursuant to Clause 106(2)	- Resolution 3				
4.	Re-election of Dato' Mohamed Nasri Sallehuddin pursuant to Clause 112	- Resolution 4				
5.	Re-election of YM Tunku Afwida Tunku Dato' A.Malek pursuant to Clause 112	- Resolution 5				
6.	Re-election of Balasingham A. Namasiwayam pursuant to Clause 112	- Resolution 6				
7.	Payment of Directors' fees	- Resolution 7				
8.	Payment of Benefits Payable to Non-Executive Chairman and Non-Executive Directors	- Resolution 8				
9.	Re-appointment of Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and authorisation to the Board of Directors to determine their remuneration.	- Resolution 9				
	Special Business					
10.	Renewal of Authority for Directors to Allot and Issue New Ordinary Shares in relation to the Dividend Reinvestment Scheme	- Resolution 10				
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Axiata Group Berhad and its Subsidiaries	- Resolution 11				
12.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Tenaga Nasional Berhad and its Subsidiaries	- Resolution 12				
13.	Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions with Petroliam Nasional Berhad and its Subsidiaries	- Resolution 13				
14.	Proposed Amendments to the Constitution of the Company	- Special Resolution 1				

Signed this _____ day of _____2022

No. of Ordinary Shares held	
CDS Account No. of the Authorised Nominee*	
Telephone No.	

* *Applicable to shares held under nominee account only*

_____
Signature(s)/Common Seal of Member(s)

NOTES:

Proxy and/or Authorised Representatives

1. A Member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy or representative may but need not be a Member of the Company. A member may appoint any person to be his/her proxy without verification to the proxy's qualification.

2. A Member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account. Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a Power of Attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney. If the proxy form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, and no notice of revocation has been received". If the proxy form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, and no notice of revocation has been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the proxy form.

5. A corporation which is a Member, may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 100 of the Company's Constitution.

6. The instrument appointing the proxy together with the duly registered Power of Attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd Registration No 199601006647 (378993-D) located at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 24 hours before the time appointed for the taking of the poll or **no later than 12 noon on 24 May 2022**. The Share Registrar will also provide a box at the ground floor of its office building for drop-in of proxy forms.

Members entitled to Attend

7. For the purpose of determining a Member who shall be entitled to attend the 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 80(3)(a) of the Company's Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors (ROD) as at 18 May 2022. Only a depositor whose name appears on the Register of Members/ROD as at 18 May 2022 shall be entitled to attend, speak and vote at the said meeting or appoint proxy/proxies to attend, speak and/or vote on his/her behalf.

Personal Data Privacy

8. By submitting the duly executed proxy form, the Member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2020, for the purpose of the AGM, and any adjournment thereof.

Voting

9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 37th AGM will be put to vote on a poll.

2. Fold this flap to seal

AFFIX STAMP

The Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1. Fold here

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