YOUR NEXT IS NOW

TM

Integrated Annual Report 2023

Corporate Overview

Cover Rationale

We are the Future Shapers that drive a sustainable and progressive Digital Malaysia by humanising technology for communities, businesses and Government.

Our goal is to enable humans and machines to work together in unleashing new, imaginative solutions that transform the way we live, realising a world of endless possibilities.

COMMITMENT TO SUSTAINABILITY

In upholding our responsibility to the environment, we are committed to reducing our carbon footprint in the production of our Integrated Annual Reports in printed form. We strongly advocate all stakeholders to access our downloadable reports at tm.com.my/iar2023

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A Snapshot of 2023

Financial Highlights

Total Revenue	EBIT	Group PATAMI
RM12.26 billion	**RM2.09** billion	**RM1.87** billion

Business Highlights

- Continued to offer super-fast unlimited Home Fibre Broadband with speeds up to **2 Gbps**
- **Drove hybrid cloud-adoption** for large-scale enterprises' business transformation & digital needs
- Increased broadband adoption with **>3.9 million** HSBB ports
- **>5,000 5G** Backhaul sites nationwide fiberised
- **1st private 5G** commercial deployment for the Oil & Gas industry in Malaysia & the Region
- **>720,000 km** domestic fibre optic cables
- **>340,000 km** submarine cables with **35** submarine cable systems
- **8 Data Centres**

Our People

18,891 *Warga TM*

Diversity

- **33%** Women on Board
- **32%** Women in Senior Management

Total Dividend Payout

RM957.9 million

25 sen per share

Record-breaking total dividend distribution since 2008

unifi

>3.1 million
Home & MSME customers

1.0 million
Mobile customers

TM ONE

~1,900
Government customers

~4,800
Enterprises

TM GLOBAL

165 Malaysian service providers

621 International telcos, OTT, hyperscalers

Sustainability Highlights

S&P Global ESG: **46**

FTSE4Good Bursa Malaysia: **3** out of **4** stars

FTSE Russell: **3.6***

CDP Rating: **B**

** score as of December 2022*

Our Reporting Journey

We are pleased to present TM's Integrated Annual Report (IAR) 2023. As we aspire to become a Digital Powerhouse by 2030, our journey is influenced by the needs of our stakeholders, especially the *Rakyat*. This report is a testament of our commitment to providing our stakeholders with a comprehensive understanding of our financial and non-financial achievements. It is designed to enable assessments of the value we have created and delivered throughout the year.

Reporting on Value

Our approach to reporting on value creation is holistic, offering a complete view of our business operations. We actively monitor the external environment and adapt to the evolving needs of our stakeholders. Our decision-making and management processes are underpinned by an integrated-thinking approach. This guides our reporting practices and ensures we deliver impactful value sustainably. By doing so, we stay true to our mission of empowering communities, businesses and Government.

1. Understanding our Context

Operating Landscape: What is happening outside?

Our capacity to create value and drive a Digital Malaysia is shaped by external factors like emerging technologies, market trends, economic conditions and regulations. Hence, we proactively monitor the dynamic landscape to stay ahead of developments.

↳ *See page 45*

Stakeholder Engagement: What do our stakeholders need?

Our long-term growth relies on the ongoing trust and support of our stakeholders. Thus, we regularly engage with our stakeholders to understand and address their diverse needs, spanning both financial and non-financial aspects.

↳ *See page 32*

Risks & Opportunities: What can impact our growth & value?

Our business faces potential impacts on long-term value through various risks and opportunities. Hence, we proactively mitigate risks and leverage on growth opportunities.

↳ *See page 51*

2. Developing our Strategic Purpose

Material Matters: How do we prioritise?

Our capacity to generate sustainable economic, environmental and social impacts relies on prioritising key factors affecting both business and stakeholder value. Therefore, we apply the materiality principle in shaping our strategies and business decisions.

↳ *See page 37*

Strategic Direction: Where are we headed?

Our organisation is evolving to become a Digital Powerhouse by 2030, while positioning Malaysia as a digital hub for the region. Our commitment aligns with the nation's aspiration of becoming a fully integrated digital society, ensuring that we continue to play a key role in the era of digital innovation.

↳ *See page 63*

3. Executing our Strategy

The Six (6) Capitals: What resources do we have?

Our business operations and growth require a strong pipeline of financial and non-financial resources. Therefore, we leverage the following six (6) capitals to effectively execute our value-creating strategy:

Financial Capital

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

Human Capital

Our dedicated and skilled *Warga TM*, whom we invest in to drive our strategic purpose forward, serves as our execution engine, embodying our commitment to excellence.

Intellectual Capital

Our stakeholders trust our strong legacy as an industry pioneer and nation-builder and we continuously strengthen our value proposition and competitive edge by embracing new technologies and digital solutions.

Natural Capital

Our operations, dependent on various resources such as energy, water, radio spectrum and other natural resources, are committed to reducing the environmental impact of our activities as we advance on our sustainability journey.

Social & Relationship Capital

Our strong and meaningful stakeholder relationships not only enable us to fulfil our nation building agenda but also foster bonds that contribute to building a resilient and thriving society.

Manufactured Capital

Our vast infrastructure network, including data centres, base stations, retail outlets, office buildings and other physical assets, is essential for connecting Malaysians nationwide and plays a crucial role in our growth and operations.

↳ *See page 60*

4. Delivering Meaningful Value

Value Creation

TM's purpose is to generate sustainable value for a diverse range of stakeholders, encompassing strong financial returns for shareholders, fostering the careers of *Warga TM*, offering educational scholarships, serving as a strategic partner for Malaysia's communications network, delivering crucial connectivity and contributing to a better planet and society for future generations.

ABOUT THIS REPORT

Scope & Boundaries

TM's IAR is published annually, covering the full calendar year from 1 January to 31 December 2023 for financial aspects and extending to 20 March 2024 for non-financial updates. This report comprehensively encompasses all our operations and activities across Malaysia. It details our key strategic plans, the outcomes of our implemented activities and provides insights into our financial and non-financial performance. Additionally, the report highlights material matters, risks and opportunities and our stakeholder value creation efforts.

Reporting Frameworks

This report was developed according to the following standards, guidelines and best practices:

- Integrated Reporting (IR) Framework
- Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Main LR)
- Malaysian Code on Corporate Governance (MCCG)
- Companies Act 2016
- Malaysian Financial Reporting Standards (MFRS)
- Bursa Malaysia's Main LR on Sustainability Reporting
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiatives (GRI) Standards 2021
- The Association of Certified Chartered Accountants (ACCA) Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- Task Force on Climate-related Financial Disclosures (TCFD)
- The United Nations Sustainable Development Goals (UN SDGs)
- ISO 26000:2010 Guidance on Social Responsibility

Reporting Principles

We ensure the quality of our reporting disclosures by adhering to the following principles:

Transparency: We provide clear and accurate information to stakeholders, thus enabling them to accurately assess our performance.

Stakeholder Inclusiveness: We describe TM's efforts to meet the evolving needs and expectations of all our stakeholders.

Materiality: We highlight TM's economic, environmental, social and governance matters that impact the sustainability of our business and stakeholder value creation.

Balance: We report on both positive and negative aspects of the business so that stakeholders can make fair and well-informed decisions.

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

Potential: We indicate the current and future growth potential of business so stakeholders can understand the reasoning behind our decisions.

Independent Assurance

Our reporting disclosures have undergone verification by independent auditors and verification companies to ensure their credibility.

Activity	Company
Financial Disclosures	Ernst & Young PLT (EY)
Non-Financial Disclosures*	SIRIM QAS International Sdn Bhd

** Within Our Sustainability Journey chapter on page 86 to 167.*

Leadership Role

The integrated reporting process at TM is governed by the Board, led by the Management team and facilitated through group-wide collaboration. This structure ensures strong governance over the report, maintaining its integrity and quality.

Reach Out to us!

We are committed to continually improving our reporting disclosures and value your input on our sustainability progress. Please feel free to share any questions or suggestions:

Email: stratcomms@tm.com.my

Statement from the Board of Directors

The Board of Directors of Telekom Malaysia Berhad (TM) acknowledges its responsibility in ensuring the integrity and accuracy of TM's Integrated Annual Report for the year 2023. We confirm that, to the best of our knowledge, this report comprehensively addresses all issues material to our business and stakeholders. It provides a balanced and fair assessment of TM's integrated performance, encompassing both financial and non-financial aspects, during the reporting period.

Dato' Zainal Abidin Putih

Chairman of the Board (on behalf of the Board of Directors)

How to Read this Report

Throughout the report, we use the following icons to indicate the connectivity of different elements of our business:

Capitals

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

Strategic Pillars

- Our Purpose
- Our People
- Our Customers
- Our Performance

Material Matters

- M1 Innovation & Technology
- M2 Customer Experience
- M3 Network Stability & Quality
- M4 Affordability & Inclusion
- M5 Community Development
- M6 Environmental Quality
- M7 Carbon Emissions
- M8 Fair Employment
- M9 Health & Safety
- M10 Learning & Development
- M11 Sustainable Supply Chain
- M12 Responsible Communication
- M13 Cyber Security
- M14 Good Governance

Stakeholders

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

Risks

- Strategic
- Financial
- Operational
- Technology/System
- Sustainability

Sustainability Impact

- Economic
- Social
- Environmental
- Governance

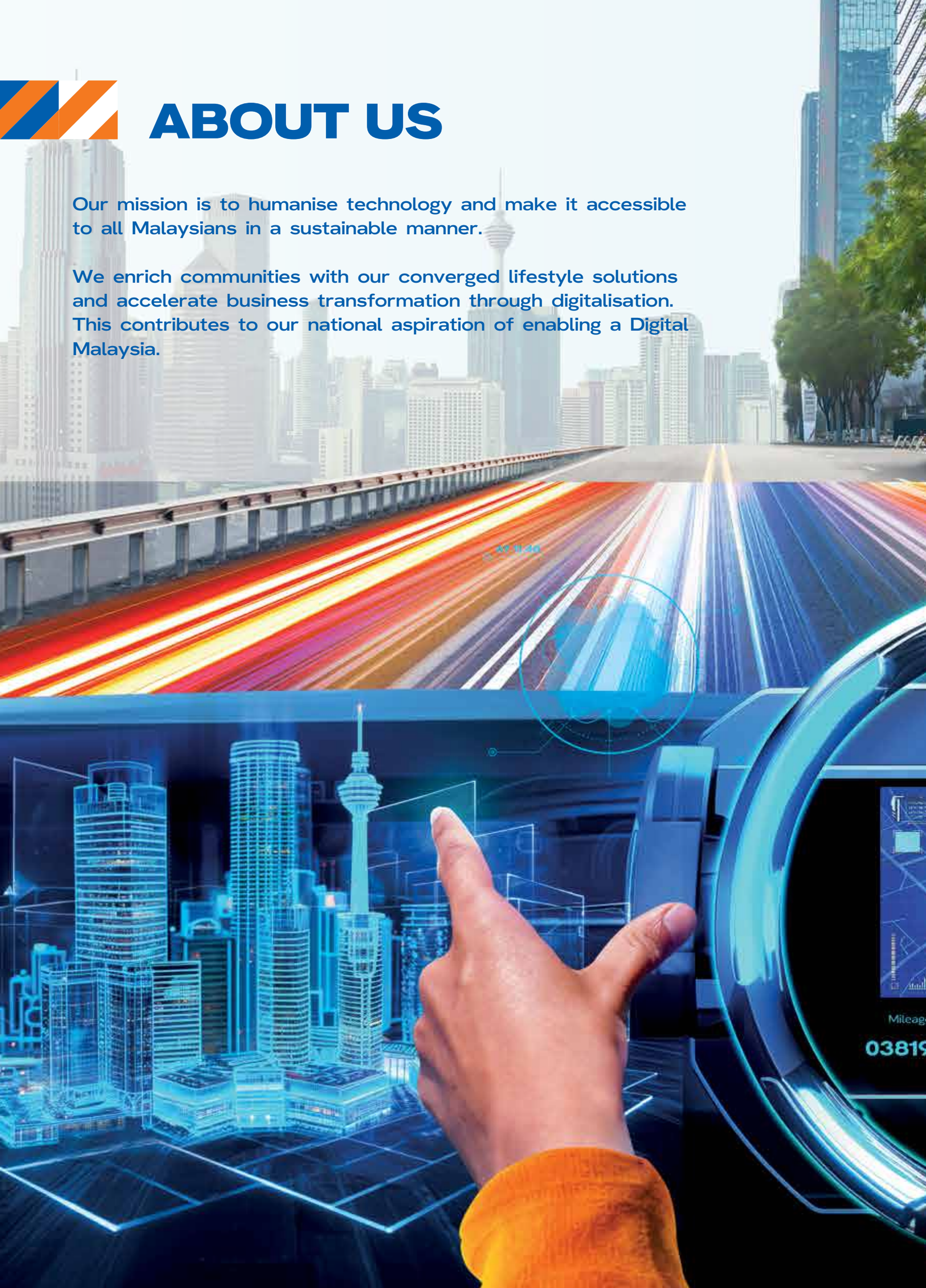
Forward-Looking Statements

This report contains forward-looking statements regarding our future priorities, strategies and growth opportunities. These statements are based on current predictions and expectations, which are subject to change due to various external uncertainties beyond our control. Therefore, they should not be regarded as conclusive and have not been reviewed by auditors.

ABOUT US

Our mission is to humanise technology and make it accessible to all Malaysians in a sustainable manner.

We enrich communities with our converged lifestyle solutions and accelerate business transformation through digitalisation. This contributes to our national aspiration of enabling a Digital Malaysia.



Trip
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E
F

Who We are & Where We are Headed

Telekom Malaysia Berhad (TM) is a leading convergence player in Malaysia, serving as a national provider of connectivity and digital technology. With a history spanning 78 years, TM has been pivotal in driving connectivity for Malaysians from all walks of life.

Since its founding in 1946 as the Malayan Telecommunications Department, TM has evolved through the various phases of telecommunications technology and anchored itself today as a leader of Malaysia's communication infrastructure. Our journey is marked by a continuous and consistent pursuit of innovation, community engagement and sustainable business growth, positioning TM as the longest-serving telecommunications entity in the country.

TM is strategically navigating towards becoming a Digital Powerhouse by 2030. TM is ready to take the role to transition Malaysia into a Digital Nation, leveraging technology to improve the lives of all Malaysians.

1946 – Establishment as Malayan Telecommunications Department

1970 – Commissioning of Malaysia's first Satellite Station

1980 – Commissioning of Malaysia's first submarine cable

1987 – Incorporation as Syarikat Telekom Malaysia Berhad

1990 – Rebranding to Telekom Malaysia Berhad

1995 – The beginning of cellular mobile technology in Malaysia

1996 – Introduction of dial-up Internet services

2001 – Launch of Streamyx, pioneering broadband Internet

2010 – Introduction of Unifi, expanding into high-speed broadband

2023

TM Today: True Convergence

TM continues to lead with innovative, holistic and customer-centric solutions, emphasising its role in the digital landscape to empower the nation with convergence solutions.

2030

TM Tomorrow: Digital Powerhouse 2030

Envisioning a future as a Digital Powerhouse, TM is set to drive Malaysia's transition into a Digital Nation, leveraging technology to improve the lives of all Malaysians.

Our Vision → **To shape a Digital Malaysia through technology that empowers communities, businesses and Government**

Our Mission → **Humanising technology and making it accessible to all Malaysians in a sustainable manner**

- **For communities,** we enrich everyday moments by enabling converged lifestyle solutions
- **For Government,** we accelerate the nation's aspiration towards becoming a Digital Malaysia with holistic connectivity, platform and digital solutions
- **For businesses,** we enable growth by providing integrated solutions & strategic collaborations that accelerate business transformation

Products & Services

Fixed Telephony and Broadband
Providing reliable home and business Internet services with widespread coverage across Malaysia.

Mobility Solutions
Enabling seamless mobile communication to keep Malaysians connected on the go.

Information and Communications Technology (ICT)
Offering bespoke ICT solutions to drive enterprise digital transformation.

Data Centre Services
Providing robust data centre infrastructure for secure data storage and management.

Internet of Things (IoT)
Harnessing IoT technology to enable smart solutions in homes, cities and industries.

Content Services
Delivering quality digital content, including entertainment and educational platforms, to enrich customers' digital lifestyle.

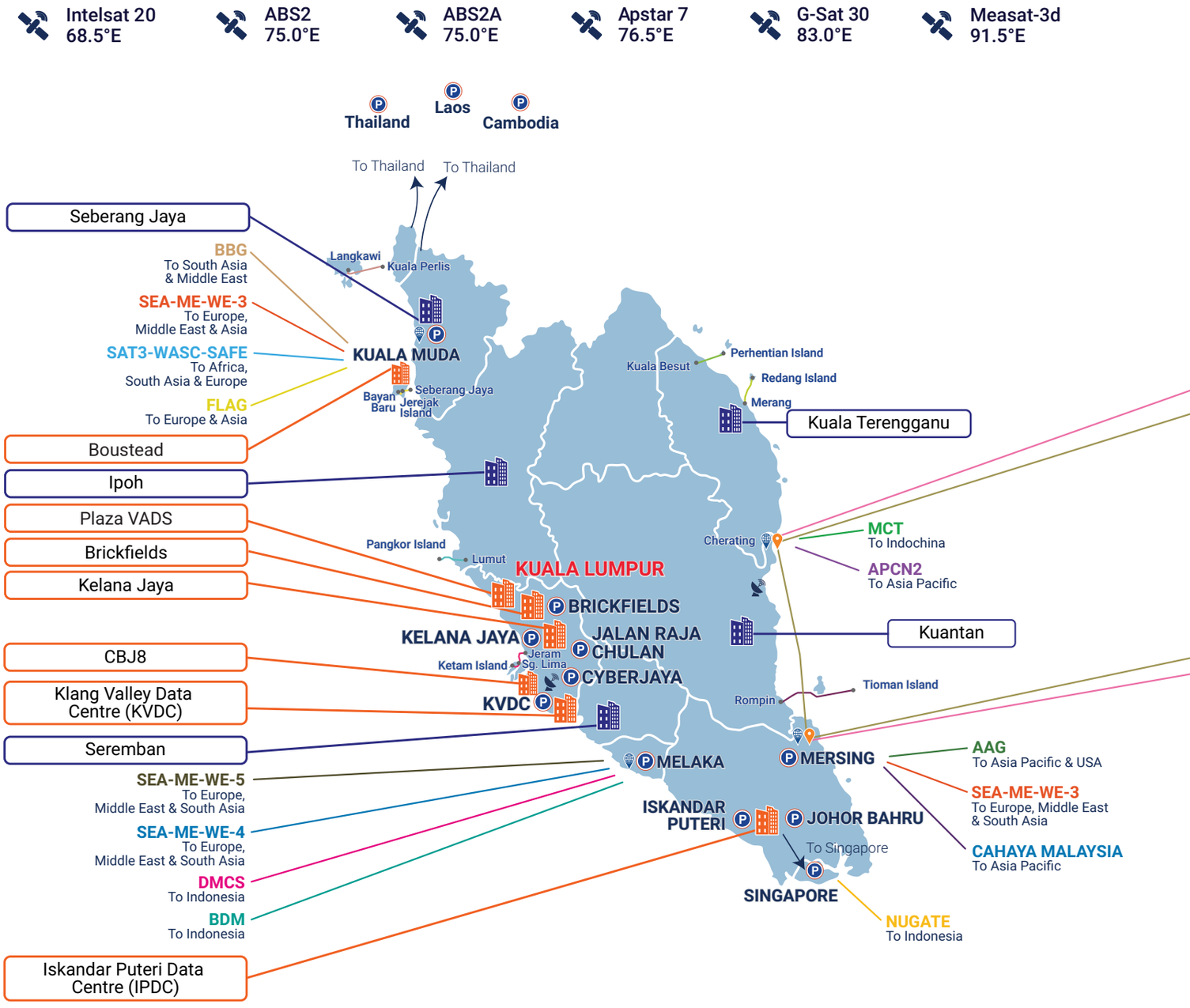
WiFi Solutions
Extending public and private WiFi services to ensure connectivity is always within reach.

Cloud Services
Facilitating cloud computing solutions for businesses to scale and innovate in a secure environment.

Cyber Security Solutions
Safeguarding digital assets and operations against cyber threats with advanced security measures.

Smart Services
Introducing smart solutions for a smarter lifestyle, including smart home and city initiatives.

Where We Operate



LEGEND

- Satellite
- Trunk Connectivity to International
- Earth Station
- TM Point-of-Presence (PoP)
- International Cable Landing Station
- Domestic Cable Landing Station
- Data Centre
- Edge Facilities

DOMESTIC SUBMARINE CABLE SYSTEMS

- Bayan Baru to Jerejak Island to Seberang Jaya
- Kuala Besut to Perhentian Island
- Jeram to Sg. Lima to Ketam Island
- Langkawi to Kuala Perlis
- Lumut to Pangkor Island
- Malaysian Domestic Submarine Cable System (MDSCS)
- Merang to Redang Island
- Rompin to Tioman Island
- Sistem Kabel Rakyat Malaysia (SKRM)

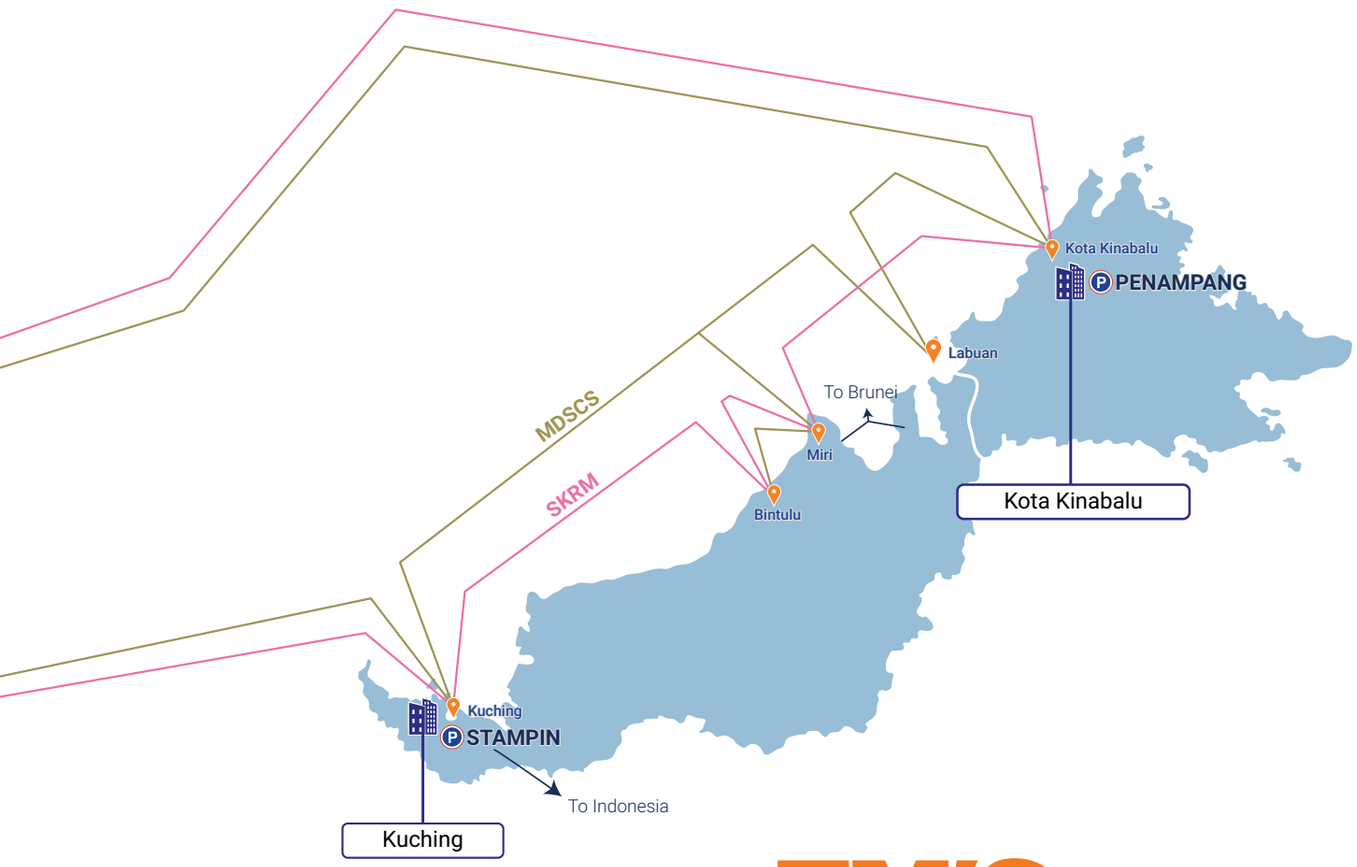
Asiasat 5
100.5°E

Asiasat 7
105.5°E

Asiasat 9
122.0°E

Telstar 18
138.0°E

Intelsat 19
166.0°E

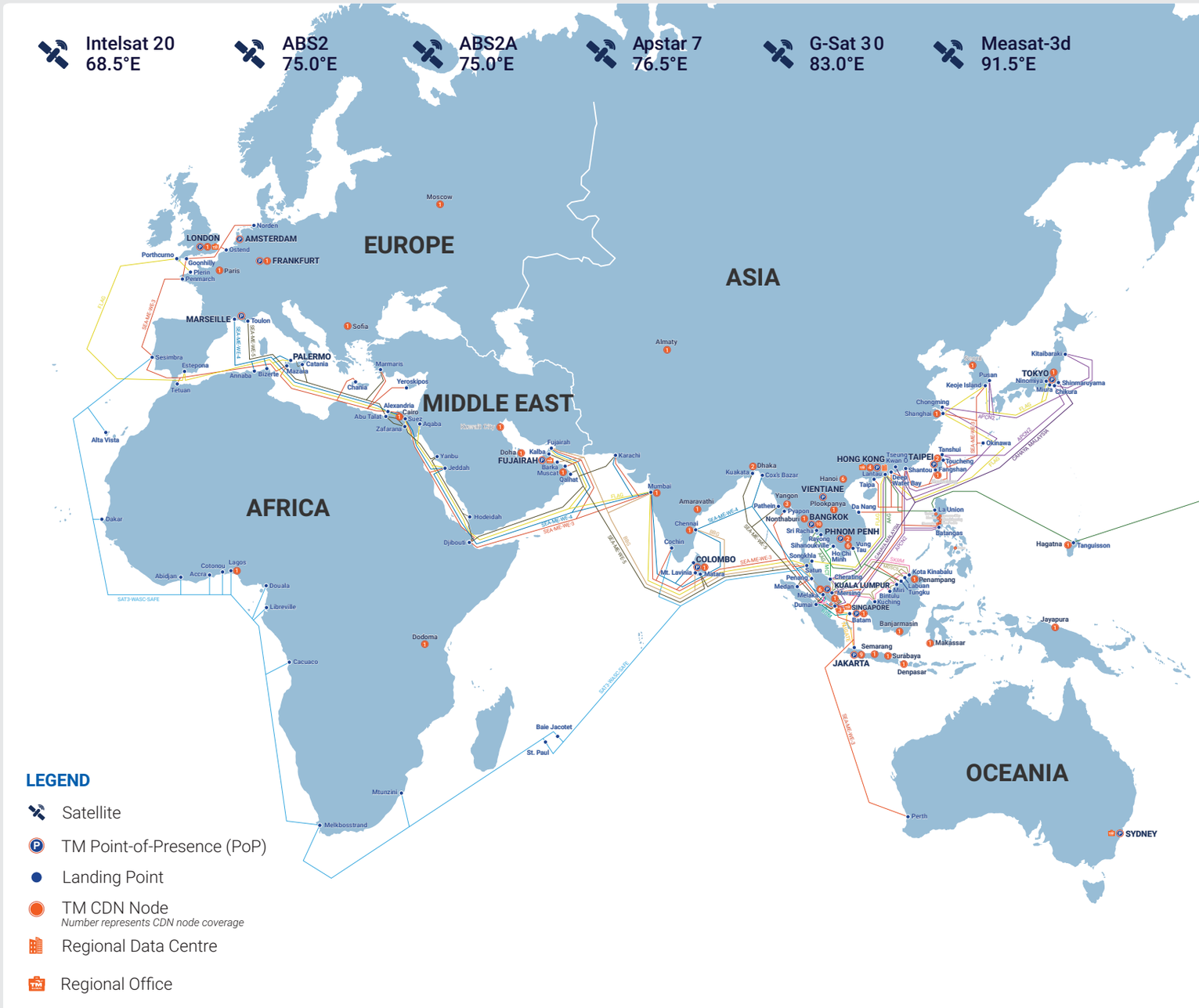


TM'S DOMESTIC COVERAGE

INTERNATIONAL SUBMARINE CABLE SYSTEMS

AAG	Asia-America Gateway	MCT	Malaysia-Cambodia-Thailand
APCN2	Asia Pacific Cable Network 2	NUGATE	Nusantara Gateway
BBG	Bay of Bengal Gateway	SAT3-WASC-SAFE	South Atlantic 3/West Africa Submarine Cable/South Africa Far East
BDM	Batam-Dumai-Melaka	SEA-ME-WE-3	South East Asia-Middle East-Western Europe 3
CAHAYA MALAYSIA	Cahaya Malaysia	SEA-ME-WE-4	South East Asia-Middle East-Western Europe 4
DMCS	Dumai-Melaka Cable System	SEA-ME-WE-5	South East Asia-Middle East-Western Europe 5
FLAG	Fibre-optic Link Around the Globe		

Where We Operate



LEGEND

- Satellite
- TM Point-of-Presence (PoP)
- Landing Point
- TM CDN Node
  Number represents CDN node coverage
- Regional Data Centre
- Regional Office

DOMESTIC SUBMARINE CABLE SYSTEMS

- Bayan Baru to Jerejak Island to Seberang Jaya
- Kuala Besut to Perhentian Island
- Jeram to Sg. Lima to Ketam Island
- Langkawi to Kuala Perlis
- Lumut to Pangkor Island
- Malaysian Domestic Submarine Cable System (MDSCS)
- Merang to Redang Island
- Rompin to Tioman Island
- Sistem Kabel Rakyat Malaysia (SKRM)

INTERNATIONAL SUBMARINE CABLE SYSTEMS

AAG	Asia-America Gateway
APCN2	Asia Pacific Cable Network 2
BBG	Bay of Bengal Gateway
BDM	Batam-Dumai-Melaka
CAHAYA MALAYSIA	Cahaya Malaysia
DMCS	Dumai-Melaka Cable System
FLAG	Fibre-optic Link Around the Globe

TM'S GLOBAL COVERAGE

MCT	Malaysia-Cambodia-Thailand
NUGATE	Nusantara Gateway
SAT3-WASC-SAFE	South Atlantic 3/West Africa Submarine Cable/South Africa Far East
SEA-ME-WE-3	South East Asia-Middle East-Western Europe 3
SEA-ME-WE-4	South East Asia-Middle East-Western Europe 4
SEA-ME-WE-5	South East Asia-Middle East-Western Europe 5

6
Regional Offices (RO) globally
Australia, UAE, Hong Kong, Singapore, UK and USA

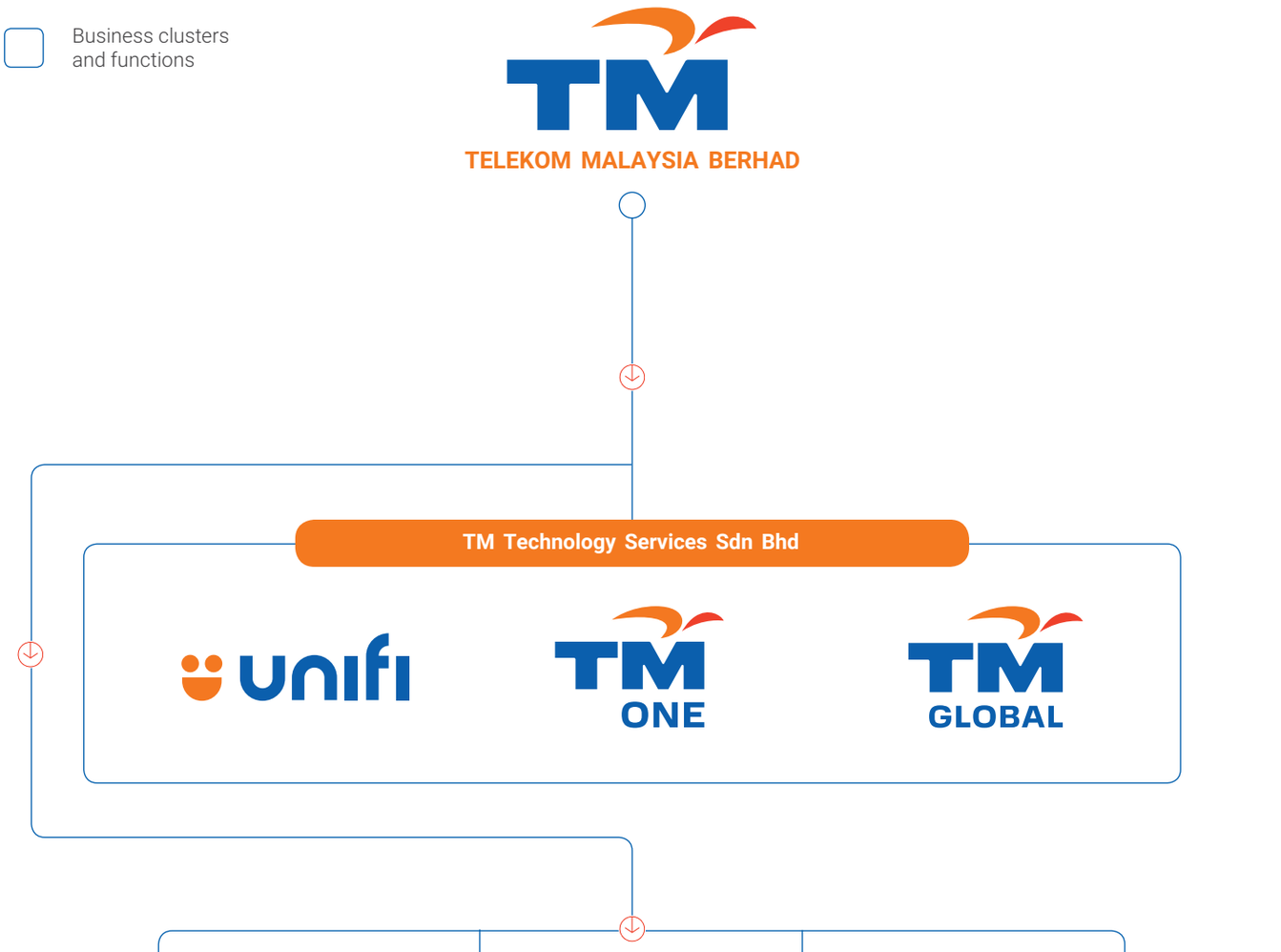
29
Point-of-Presence (PoPs)
worldwide

35
Submarine Cable Systems
spanning over 340,000 km worldwide

>100
Content Delivery Network (CDN) nodes
worldwide

Group Corporate Structure

Business clusters and functions

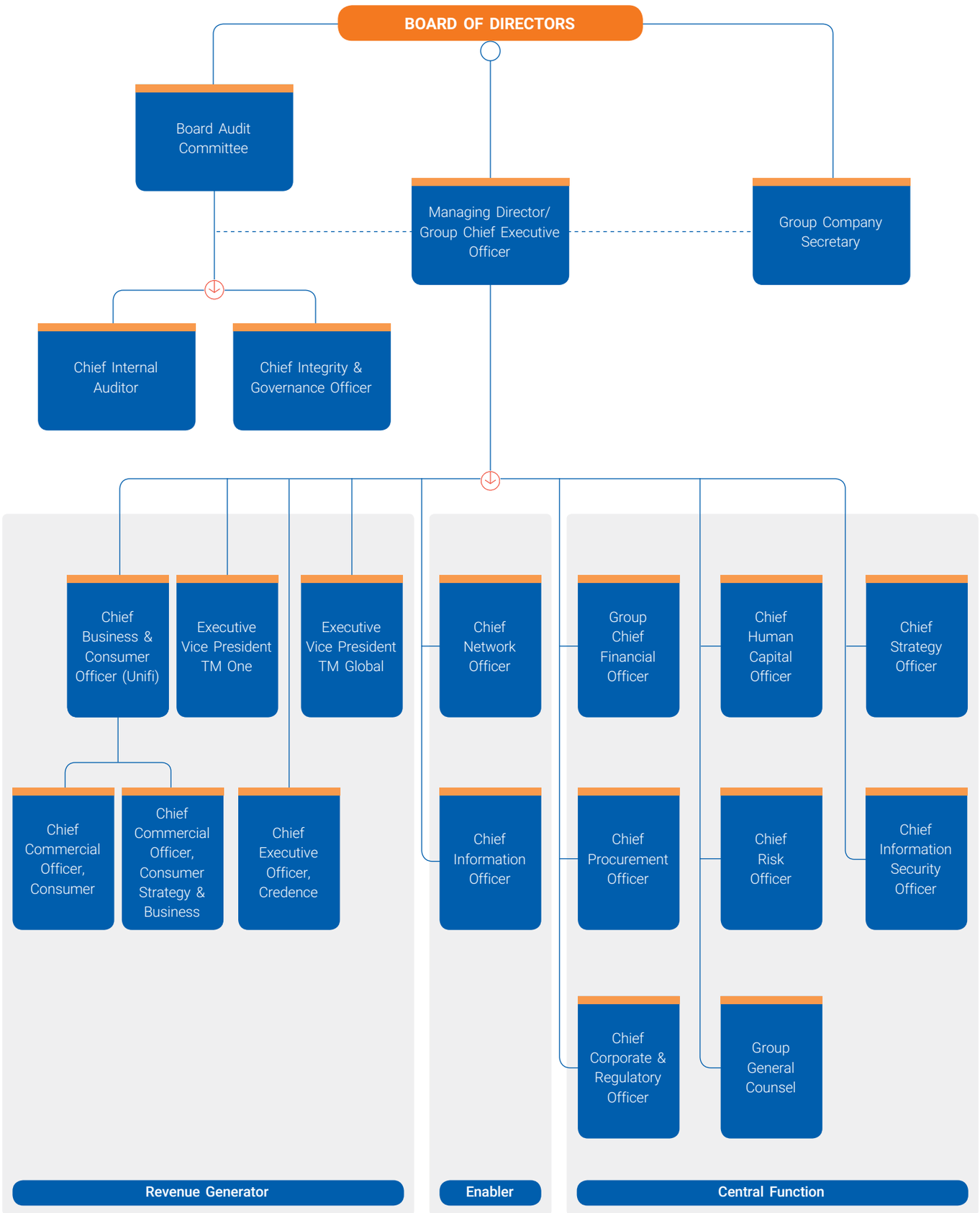


Wholly-owned telecommunication subsidiaries overseas	Wholly-owned telecommunication subsidiaries in Malaysia	Non wholly-owned subsidiaries	Other wholly-owned subsidiaries
• Telekom Malaysia (S) Pte Ltd • Telekom Malaysia (USA) Inc. • Telekom Malaysia (UK) Limited • Telekom Malaysia (Hong Kong) Limited • Telekom Malaysia DMCC • Telekom Malaysia (Australia) Pty Ltd • PT VADS Indonesia	• GITN Sdn Bhd • Intelsec Sdn Bhd • VADS Berhad – VADS Business Process Sdn Bhd	54% • Fiberail Sdn Bhd 51% • Fibrecomm Network (M) Sdn Bhd	• TM Digital Innovation Sdn Bhd (Credence) • TM Facilities Sdn Bhd – TMF Autolease Sdn Bhd • Parkside Properties Sdn Bhd • Universiti Telekom Sdn Bhd – Telekom Research & Development Sdn Bhd – Unitele Multimedia Sdn Bhd ◊ MMU Creativista Sdn Bhd • Tulip Maple Berhad • Yayasan Telekom Malaysia[1]

Note:

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

Group Organisation Structure



CHAIRMAN'S MESSAGE

Dear Stakeholders,

Stepping into my role as Chairman of TM in 2023, I am both inspired and invigorated by the dynamic technological and digital evolution that surrounds us. Our aspiration is clear – to be a world-class company distinguished by our commitment to 'Service Excellence' and 'Product Excellence.' Our pursuit of excellence is rooted in our 78-year legacy of innovation, and our resolve towards advancing the Digital Malaysia agenda, unlocking the benefits of connectivity for Malaysians across all walks of life. With that, this brings new opportunities for greater economic growth for Malaysia through enhanced digital adoption.

As the new Chairman, I am excited to steer the Group through the next transformative phase, where our proud past informs a brighter future. TM has the most comprehensive digital ecosystem in Malaysia, and the work we undertake creates value that directly improves the lives of all our stakeholders. We recognise this immense responsibility and are committed to upholding it with dedication and capability. With this in mind, I am pleased to share our strategic insights and direction for 2023.

A WORLD OF CHANGE

2023 was a period of profound change and complexities. Stepping out of the shadow of the pandemic, the world has witnessed geopolitical tensions, impacts from extreme weather events, increased costs of living, escalating inflation, as well as an urgent need for enhanced digital literacy. Against this backdrop, Malaysia has showcased its commendable resilience and proactive adaptation. The national economy normalised to 3.7% GDP growth in 2023, propelled by strong domestic demand and stable employment.

Sustainability has also become a central theme amongst Malaysian businesses. In light of climate change concerns, the Government has embraced a comprehensive approach to environmental stewardship and societal well-being which embodies an increasing acknowledgement of the interconnectedness of economic growth, social equity and environmental preservation.

UNLOCKING MALAYSIA'S DIGITAL POTENTIAL

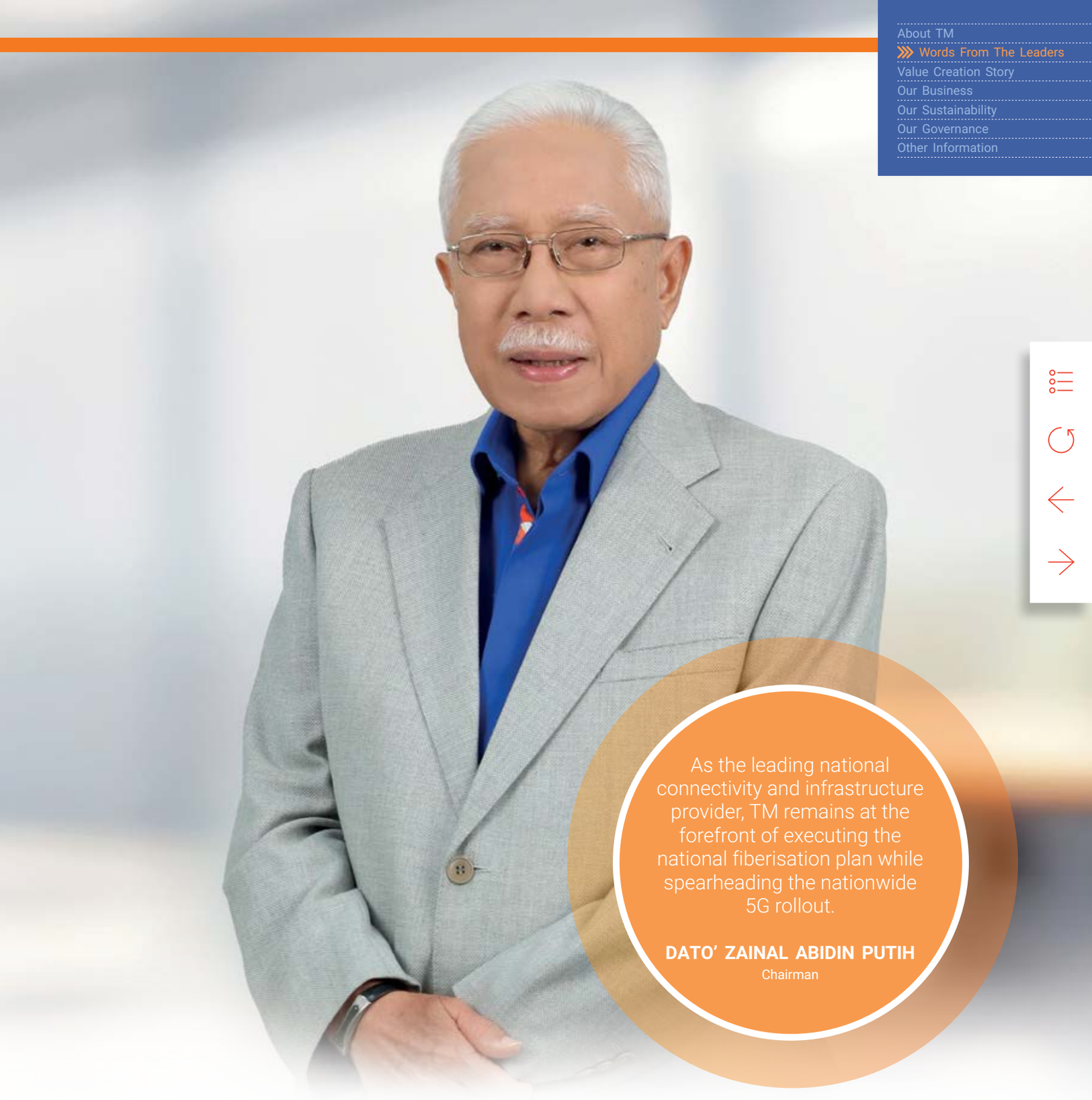
At TM, we are closely aligned with the Government's vision of creating a Digital Malaysia through our multifaceted approach of inclusiveness. This comprises its expanded coverage and services through fiberisation, 5G, data centres and global connectivity via our extensive submarine cable network.

This year, our Board has been deeply focused on enhancing TM's governance, upholding accountability and transparency across our operations.

Through these solutions, we have been able to enhance reach and efficiency through our connectivity services, elevate the quality of our converged fixed and mobile services and contribute significantly to the broader goal of advancing Malaysia's digital landscape. It provides us with the opportunities to bring immersive experiences to local communities and showcase how technology can elevate their daily lives – be it in work, education or entertainment, while empowering the creation, sharing and consumption of digital content.

LEADING WITH PURPOSE

In the wake of a dynamic business landscape, the need for strong, insightful leadership has become more pressing than ever. This year, our Board has been deeply focused on enhancing TM's governance, upholding accountability and transparency across our operations.



As the leading national connectivity and infrastructure provider, TM remains at the forefront of executing the national fiberisation plan while spearheading the nationwide 5G rollout.

DATO' ZAINAL ABIDIN PUTIH
Chairman

We have a robust governance framework, anchored in the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Malaysian Code on Corporate Governance (MCCG) 2021 and global best practices. The Board of Directors maintains its commitment to the highest standards of corporate governance, ensuring every decision and action we take serve the best interests of our stakeholders.

An example of enhancement for our governance structure is the reconstitution of the Board Risk Committee (BRC) as the Board Risk and Investment Committee (BRIC), effective from 1 January 2024. This expansion broadens BRIC's remit to encompass a comprehensive approach to sustainability and investment, reflecting the changing priorities in the current business climate.

To future-proof our leadership, we invested in improving the Board's knowledge and expertise. Comprehensive Board training programmes have been instrumental in the development of our Board members covering a wide array of topics, including Business Sustainability, Performance and Risk Management, equipping us to navigate the changing realms of climate change and digital transformation.

CHAIRMAN'S MESSAGE

ENGAGING FOR IMPACT

At the core of TM's ethos is the continuous value creation to stakeholders. Our vision as a forward-thinking technology company is to shape a Digital Malaysia through technology that empowers communities, businesses and Government.

In partnership with the Government, we supported key initiatives like *Jalinan Digital Negara* (JENDELA) and MyDigital to close the gap on the digital divide and transform Malaysia into a high-income digital nation. We also accelerated the nation's digital aspirations by offering holistic and agnostic connectivity, platform and digital solutions.

At the same time, we empower our customers through our world-class digital services. Our efforts focus on enhancing customer experiences through consistent, always-on services. We are a leader in connectivity, bringing valuable services and self-serve digital platforms to our customers.

For Micro, Small & Medium Enterprise (MSME) customers, TM is a catalyst for digitalisation, contributing to their growth and success. Overall, in 2023, we enabled approximately 400,000 MSMEs, significantly boosting the digital economy.

Our employees are the backbone of our success. We cultivate a diverse and inclusive workplace, prioritising their well-being and professional development. Flexible work arrangements combined with the deployment of digital tools, optimise productivity and job satisfaction. We invest continually in our employees, enhancing their skills and capabilities to remain competitive and future-ready.

TM's role in societal development can be seen through our initiatives with Yayasan Telekom Malaysia (YTM). Our programmes, like the flagship YTM Scholarship, Structured Development Programme and TM Future Skills Programme, positively impacted over 9,000 individuals. Our efforts in community and nation building have reached over 110,000 individuals, focusing on digital skills training, disaster relief and charitable initiatives, all aimed at enriching and uplifting local communities.

In terms of shareholder value, our approach is to maximise long-term returns. We consider various factors such as business performance, capital commitments and financial conditions to ensure sustainable value creation. For 2023, we will be sharing our profits with shareholders a total dividend of 25 sen per share or approximately RM957.9 million, marking the highest dividend announced since 2008.

In every aspect of the Board's deliberation, we remain steadfast in our commitment to delivering value that transcends conventional business metrics, contributing to a more connected, empowered and sustainable Malaysia.

A LEADER IN SUSTAINABILITY

This year, we made progress in our sustainability journey. We enhanced our Sustainability Framework with two key objectives of enabling sustainable growth and ensuring business resilience. These are closely aligned with UN's Sustainable Development Goals, SDG9 (Industry, Innovation and Infrastructure) and SDG17 (Partnerships for the Goals).

For 2023, we will be sharing our profits with shareholders a total dividend of 25 sen per share or approximately **RM957.9 million**, marking the highest dividend announced since 2008.

We achieved a key milestone in our sustainability governance through the release of our first Task Force on Climate-related Financial Disclosures (TCFD) report, well ahead of Bursa Malaysia's 2025 requirement, enhancing our transparency around climate-related risks and opportunities. I'm also pleased to report our progress in reducing carbon emissions by 22% against the 2019 baseline. Our main focus has been in driving energy efficiency across TM's network and data centres. This is a significant step in our journey towards a low-carbon future.

We have identified our supply chain as a good opportunity for sustainability impact. In November, we introduced a Sustainable Supply Chain Roadmap, underlining the importance of partnering with suppliers committed to sustainable practices.

In light of our achievements, we secured a 46-point rating in the S&P Global ESG Score, making TM one of the top telcos for sustainability in the region.

VISION FOR TOMORROW

Stepping into 2024, TM is poised to grow its business in anticipation of a year filled with exciting challenges coupled with great opportunities. Set against the promising forecast of Malaysia's economy projected to grow between 4% and 5%, this upturn reflects a landscape ready for innovation and progress.

Central to this outlook is the Malaysian Budget 2024, where the Government has earmarked substantial investments for digital advancement and automation. Besides the 5G Cyber Security Testing Framework allocation, a RM900.0 million loan fund was made available to support MSMEs, dedicated to boosting business productivity through automation and digitisation.

As the leading national connectivity and digital infrastructure provider, TM remains at the forefront of executing the national fiberisation plan while spearheading the nationwide 5G rollout. Our active role in 5G implementation, backed by our nationwide fibre infrastructure, digital platforms and wealth of experience, is poised to drive significant advancements.

Our current endeavors in AI, which range from enriching customer experiences to optimising operational processes, will be further accelerated. We aim to harness the power of technology to improve lives and businesses through smarter solutions. These include predictive analytics and enhanced customer experiences, thereby strengthening our leadership in digital innovation.

Our optimism is fuelled by the prospects of increased hyperconnectivity and digitalisation across all customer segments, as we navigate the future effectively, capitalising on emerging opportunities while striving for growth in all areas of our business.

ACKNOWLEDGEMENT & APPRECIATION

I would like to extend my profound gratitude to all our stakeholders. Your support and engagement have been pivotal in our journey as a technology company aspiring towards becoming a Digital Powerhouse by 2030.

Firstly, I would like to extend my sincere thanks to YB Fahmi Fadzil, our Minister of Communications and YB Gobind Singh Deo, Minister of Digital, the Malaysian Communications and Multimedia Commission (MCMC), as well as the Malaysian Government. Their support has been a driving force not only in our growth and success, but also to help propel our nation building efforts towards realising a Digital Malaysia.

I would like to thank Tan Sri Dato' Mohammed Azlan Hashim, whose leadership as the former Chairman of TM has been pivotal in guiding us towards our objectives. His tenure has set a high benchmark, characterised by visionary leadership, strategic foresight and invaluable guidance.

Likewise, acknowledgment is due to Datuk Imri Mokhtar, whose role as the former Managing Director/Group CEO has been central to TM's transformative journey. Under his guidance, TM has laid a solid foundation for future growth, aligned with Malaysia's digital aspirations.

We are also grateful to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin for her valuable contributions during her tenure as a non-independent non-executive director. We wish her all the best in her new role as the Director General of Customs at the Royal Malaysian Customs Department.

It is also with great pleasure that I welcome En. Ahmad Taufek Omar and Datuk Dr. Shahrazat Haji Ahmad as new non-independent non-executive directors. Their fresh perspectives and expertise will undoubtedly propel TM forward in our ambitious journey.

Finally, to all our other stakeholders – our customers, employees, partners and shareholders – your unwavering commitment and belief in our vision has been the backbone of our achievements. Your support fuels our mission to drive a Digital Malaysia and I look forward to continue serving you all.

Dato' Zainal Abidin Putih
Chairman

Our efforts in community and nation building has reached over **110,000** individuals, focusing on digital skills training, disaster relief and charitable initiatives, all aimed at enriching and uplifting local communities.

GCEO'S MESSAGE

Dear Stakeholders,

I am pleased to present my first message as the Managing Director/ Group CEO. The year 2023 marked the successful completion of our Transformation Plan, a period that symbolised our evolution from a traditional telecommunications company into one that drives digitalisation.

We now embark on the next level of our transformation journey, aiming to become a Digital Powerhouse by 2030. This ambition is designed not only to elevate our own trajectory but to also position Malaysia as a digital hub for the region, setting the stage for our long-term success.

AMAR HUZAIMI MD DERIS
Managing Director/
Group Chief Executive Officer

Going beyond technological advancements, TM is focused on unleashing the potential inherent in our people, customers, communities and nation. Our goal is clear: to ensure that the benefits of digitalisation are widespread and equitable, fostering a society where every contribution is valued and every opportunity leveraged on.

Following our progress, we are entering the next phase of our transformation, with the goal towards establishing ourselves as a Digital Powerhouse by 2030. This evolution is imperative to harness the transformative power of digital technology, ensuring our agility in adapting to the ever-evolving landscape and contributing to a brighter future for Malaysians.

THE DYNAMIC LANDSCAPE OF 2023

2023 was challenging with competitive pressures and economic strains largely due to slower global trade, geopolitical concerns and rising interest rates. This resulted in the moderated economic growth of 3.7% in Malaysia. Subsequently, the market saw volatility in foreign exchange rates, requiring further stringent financial management to ensure the sustainability of our global investments and partnerships.

At the same time, sustainability emerged as a critical global and local theme, with Malaysia adopting a more holistic approach emphasising green growth, renewable energy, conservation, sustainable transportation and social inclusivity. In the regulatory domain, we remained aligned with the Government's policies that were geared towards affordability and inclusion.

Amid these challenges, TM demonstrated financial resilience and operational robustness by striking a balance between investing in new technologies and maximising the value of our existing assets. In light of intensified competition in the market, we re-envisioned our service offerings, incorporating differentiated digital and lifestyle solutions that are attractive to our customers, thereby leading to greater vibrancy in the market.

CHARTING THE PATH: STRATEGY & PERFORMANCE

Following our transformative three-year journey from 2021 to 2023, we now embark on the next level of our transformation journey, aiming to become a Digital Powerhouse by 2030. This ambition is designed not only to elevate our own trajectory but to also position Malaysia as a digital hub for the region, setting the stage for our long-term success.

The journey has been characterised by significant milestones, including the strategic and operational challenges and opportunities that 2023 presented. TM has continued to strengthen our position as a leader in the converged communications landscape, enhancing operational excellence and elevating customer service.

Our performance in 2023 demonstrated the effectiveness of our strategic initiatives and financial resilience. TM recorded a 1.1% increase in revenue, reaching RM12.26 billion, up from RM12.12 billion in 2022. This performance has also positively impacted our Total Shareholders Return (TSR) at 6.33%, reaffirming our commitment to delivering shareholder value.

Our growth is reflected by the strong performance across our customer-facing business units:

REINFORCING OUR LEADERSHIP IN CONVERGENCE SERVICES

Unifi maintained its leadership in converged offerings of fixed broadband, mobile services, digital content and solutions for both consumers and MSMEs, recording RM5.66 billion in revenue. Unifi's fixed broadband segment grew 3.1% to 3.1 million subscribers and over 400,000 MSMEs, driven by strategic convergence campaigns and customer retention efforts.

A COMPREHENSIVE SUITE OF INTEGRATED DIGITAL SERVICES

TM One continued to navigate the market complexities while exploring new growth opportunities. Despite a decrease in revenue, its Q4 2023 results showed an increase in revenue of 17.3% compared to the previous quarter, driven by a surge in solution-based customer projects.

POSITIONING MALAYSIA AS ASEAN'S DIGITAL HUB

TM Global revenue rose 8.7% to RM3.10 billion, primarily from an increase in international data revenue, driven by managed wavelength services for hyperscalers, alongside an uptick in domestic data services.

Our unique convergence solutions have solidified our position as the only Fixed-Mobile Convergence (FMC) with quad-play in Malaysia. This strategic positioning is further strengthened by the ongoing expansion of our nationwide fibre coverage and the enhancement of our data and network infrastructure. These endeavours reflect our commitment to fostering digital inclusivity and encouraging broader digital adoption across the country. By doing so, we aim to meet the ever-changing demands of our customers, ensuring that they have access to seamless and high quality digital experiences.

BUILDING AN INCLUSIVE DIGITAL FUTURE

Today, TM is at the forefront of innovation, constantly adapting to the fast-paced changes of the technological landscape. Our dedication driving Malaysia's digital evolution is reflected in our diverse offerings, from fixed broadband to enterprise digital solutions. These include the latest in 5G, mobility, smart solutions, cloud, data centres, edge nodes, cyber security, IoT, AI and more.

Our extensive fibre network that spans across 720,000 km nationwide has been fundamental in supporting the rapid deployment of 5G infrastructure for Malaysia by Digital Nasional Berhad (DNB). It also serves our diverse customer base of 3.1 million fibre broadband home accounts and over 400,000 MSMEs. At the same time, we enabled IoT and next gen solutions across various sectors for our 4,800 enterprises and 1,900 public sector clients. Our advancement into 5G exemplifies TM's commitment to pioneering the future of mobile connectivity. Moreover, we have achieved 95.4% coverage nationwide through our deployment of 4G Multi-Operator Core Network (MOCN) partnership for our Unifi Mobile subscribers.

Globally, we have a vast network of over 35 submarine cable systems covering more than 340,000 km, providing vital support in connecting Malaysia to the world. We are further strengthening our collaboration with global telcos, content partners and hyperscalers to ensure seamless connectivity for the region.

As the sole Malaysia-based Cloud Service Provider (CSP), TM provides end-to-end cloud and data centre services, emphasising data residency, locality and sovereignty. Our eight (8) data centres, including our unique twin core Tier III, offer unparalleled cloud solutions to enable digital services especially AI and cyber security, catering to the needs of both enterprise and Government sectors.

Evidently, TM's efforts have progressively contributed towards building a strong foundation of digital infrastructure for the nation. This aligns with our aspiration to become a Digital Powerhouse by 2030 while positioning Malaysia as a digital hub for the region. Guided by this aspiration, we strive to empower progress that is inclusive, leveraging the full potential of all stakeholders to shape a digitally empowered nation.

To achieve these goals, we are guided by our PWR 2030 aspiration which are defined by three (3) key pillars as follows:

PIONEER

We aim to lead industry growth through digitalisation and sustainability by exploring and developing new technologies and opportunities.

WIN

We will focus on leading the charge in critical areas such as government, business and society, establishing ourselves as the go-to provider for cutting-edge digital infrastructure and services such as 5G.

REVITALISE

We will foster a vibrant ecosystem of talent and innovation, for Malaysia and the region. By harnessing creativity and supporting entrepreneurs and innovators, we aim to position Malaysia as a hub for digital and technological innovation.

As the largest digital communications network infrastructure operating in Malaysia, we will continue to evolve our network to become the foundation of a thriving digital ecosystem and to develop a unified platform in enabling digital services.

ELEVATING THE CUSTOMER EXPERIENCE

TM is committed to a customer-first philosophy. Our Customer Experience (CX) team has adopted a structured approach to enhancing customer experiences, aiming to create seamless and positive experiences through a personalised customer approach.

To achieve this, our approach focuses on three (3) core pillars: Personalisation, Seamlessness and Digitalisation. Our Personalisation feature enables our customers to choose TM's services and interactions that best suit their individual needs, whether it is to connected at home, work or on-the-go. Seamlessness is aimed at delivering a smooth customer journey across all our touchpoints, while Digitalisation leverages on our technologies to improve service accessibility for all our customers.

An example of how we digitalise our CX is by enabling various easy-to-use self-diagnostic tools for our customers. This has resulted in a significant reduction of customer complaints by 33.3% and a 5.4% decrease in service requests faults since 2022.

Moreover, our key Unifi stores within Klang Valley were redesigned and enhanced, leading to a streamlined in-store digital journey, with dedicated MSME areas and improved overall satisfaction with TM's services.

Reflecting the outcome of all the initiatives by the CX team, TM's Net Promoter Score (NPS) rose from 23 in 2021 to 46 in 2023, highlighting our successes in enhancing the overall customer experience journey while continuing our momentum to drive convergence benefits to all.

EMPOWERING OUR PEOPLE

We fondly refer to our employees as *Warga TM*, recognising them as the execution engine of our company. As such, we are dedicated to cultivating a workplace environment that fosters growth and fulfilment. Our holistic approach encompasses fair policies, competitive benefits, career advancements and a culture of respect and care, to ensure all team members feel engaged, empowered and valued.

To foster equity, drive innovation and ensure sustainability, TM maintains a diverse and inclusive leadership team. In 2023, we achieved 32% female representation in senior management, surpassing our target of 30%. We also championed equal opportunity with policies and practices that reject discrimination based on race, ethnicity, gender, age, religion, disability or any other protected characteristics.

The well-being of our employees remains paramount, reflected in our flexible work arrangements as well as our comprehensive Wellbeing360 programme which safeguards the health and motivation of our employees. Multiple platforms of digital learning opportunities and resources are made accessible, to induce continuous on-demand learning for various up-to-date topics.

Our commitment to ensuring fairness, respect and care has strengthened our brand as the employer of choice. This is evident by the accolades we have earned, including Asia's Best Employer Brand Award 2023 from the Employer Branding Institute and World HRD Congress, Platinum Award in the Communication Networks at the Putra Brand Awards 2023 and the Best Companies to Work for in Asia 2023 (Gold Award) from HR Asia Magazine, marking our fifth consecutive win. These awards underscore our position as the preferred choice for top talent and for creating an environment where employees thrive.

Moving forward, TM's transformation into a Digital Powerhouse will be reliant on the effort we place on future-proofing our workforce. This includes ensuring they are digitally conversant and competent, ready to lead in the evolving digital landscape and to deliver TM's strategies. We are committed to extensive training and development programmes, to equip our team with future skills, leadership capabilities, current business skills and the right mindset and culture.

SUSTAINABILITY: OUR CORE PHILOSOPHY

2023 was a transformative year in TM's sustainability journey, catalysed by the expansion of our sustainability endeavours that resulted in a refined Sustainability Framework and Integration Plan, rooted in TM's vision, mission and PWR 2030 aspiration.

This new Sustainability Framework is aimed at achieving two (2) strategic objectives: enabling sustainable growth for its customers and the community, and ensuring business resilience within TM and across our value chain. These objectives are supported by five (5) key pillars of sustainability.

In our first pillar as a Solutions Provider, TM harnesses innovative and technology-based solutions that provide sustainability value and superior customer experiences, alongside a stable and high quality network. The second pillar is Digital Inclusion, where we seek to narrow the digital divide and foster digital inclusion, enabling widespread connectivity access and digital technology benefits.

The next pillar is Environmental Management. This is where we actively manage impacts and resource use through mitigation and adaptation strategies, enhancing resilience to environmental and climate-related challenges. Fourth, as a Responsible Employer, TM prioritises its *Warga TM's* professional growth and personal well-being, nurturing an ethical and safe workplace culture that supports their development. The last pillar is Ethical Business, where we establish trust through ethical business practices, covering a sustainable supply chain, cyber security, data privacy and responsible communication to foster long-term relationships with stakeholders.

Our purpose-driven approach to sustainability to date has garnered recognition and set new ESG benchmarks within the industry. With an S&P Global Corporate Sustainability Assessment (CSA) rating of 46 points, TM is among the top-rated telcos in the region for sustainability, a testament to our unwavering commitment to integrating sustainability into every aspect of our business, from governance to operations and community engagement.

Advancing into 2024, TM will continue to pursue its focus on modernising, and expanding its significant network infrastructure and operations, while enhancing our core capabilities as well as driving digitalisation, innovation and sustainability.

LOOKING AHEAD: UNLEASHING POTENTIAL

Advancing into 2024, we will continue to pursue our focus on modernising and expanding TM's significant network infrastructure and operations, while enhancing our core capabilities as well as driving digitalisation, innovation and sustainability.

With TM's PWR 2030 blueprint clearly guiding our vision, we will strive to empower the development of a digital nation where progress is inclusive, tapping into the vast potential of all stakeholders.

Serving our customers is the main focus of all that we do. We will continue to prioritise them by providing superior personalised, seamless and digitalised experiences. At the same time, *Warga TM* remains as our core valuable resource and we will continue to emphasise our employees' well-being through various upskilling programmes, preparing robust and adept digital talents. This is in line with our ultimate goal – towards becoming a world-class organisation.

Our refined Sustainability Framework will be a game changer for us as we accelerate the process of embedding sustainability into every facet of our operations. This includes the sustainable ways we develop our solutions and manage our network to the responsibility and care we show for our *Warga TM*. All of these underline our approach and commitment to run our business for the long term in a purposeful and ethical way.

ACKNOWLEDGEMENT & APPRECIATION

In closing, I first wish to express my gratitude to Datuk Imri Mokhtar, whose leadership has profoundly shaped TM, leaving behind an institution brimming with potential.

I am also honoured by the trust the Board of Directors has placed in me, entrusting me with the role of guiding TM through this exciting digital era. Your confidence fuels my resolve to uphold our mission and drive our strategic objectives forward.

A heartfelt thank you to Tan Sri Dato' Mohammed Azlan Hashim and Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin, for your contributions and dedication during your tenure on the board. Your guidance has been instrumental in navigating TM through its transformative journey.

Simultaneously, we warmly welcome Ahmad Taufek Omar and Datuk Dr. Shahrazat Haji Ahmad to our board. Your fresh perspectives and expertise are eagerly anticipated as we continue to advance our ambitions.

Finally, to all our stakeholders – customers, shareholders, investors, suppliers, the Government, regulators, our *Warga TM* and the broader community – your trust and loyalty are the bedrock of our success. Your ongoing support is a testament to our past achievements and we look forward to continuously nurture this collaboration.

As we look to the future, TM is dedicated to unleashing our potential throughout our organisation and across the entire nation. Our promise of delivering "Your Next Is Now" encapsulates this commitment to transforming today's possibilities into tomorrow's realities, propelling Malaysia into a new era of digital greatness.

AMAR HUZAIMI MD DERIS
Managing Director/Group Chief Executive Officer

Dear Stakeholders,

2023 was a challenging year for TM, with regulatory shifts, increased competitive pressures and evolving market dynamics significantly shaping our industry. In the face of rising technology costs and regulatory developments, we remained vigilant and aware of the potential economic headwinds that could restrain market expansion and impact spending across our consumer, enterprise, public sector and wholesale businesses.

GCFO'S REVIEW

2023 PRIORITIES

We started the year by adopting a conservative yet strategic financial approach, anticipating a competitive environment and potential market volatility. Our carefully formulated financial guidance demonstrated a comprehensive understanding of external influences and their impact on our business.

We projected a revenue trajectory consistent with the previous year, mindful of further regulatory adjustments in our industry. Our Earnings Before Interest and Taxes (EBIT) were forecasted at RM1.8 billion to RM2.0 billion, reflecting our resolve to sustain operational efficiency in the face of expected hurdles. We allocated a capital expenditure (Capex) budget of 18% to 20% of our revenue, affirming our commitment to optimise strategic investments that strengthen our network infrastructure and support our long-term objectives.

We remained agile, seizing opportunities and adapting our strategies to navigate the year successfully. We achieved sustained revenue growth exceeding the revenue guidance for the financial year and continued to optimise expenditures, resulting in a higher than market guidance EBIT. Our PATAMI improved significantly from the previous year, highlighting TM's resilience and positive performance in 2023.

RAZIDAN GHAZALLI
Group Chief Financial Officer

Despite the challenges faced in 2023, we remained agile, seizing opportunities and adapting our strategies to navigate the year successfully. We achieved sustained revenue growth exceeding the revenue guidance for the financial year and continued to optimise expenditures, resulting in a higher than market guidance EBIT. Our Profit After Tax and Minority Interests (PATAMI) improved significantly from the previous year, highlighting TM's resilience and positive performance in 2023.

Financial Metric	Revenue Growth	EBIT	Capex/ Revenue
2023 Guidance	Flat	RM1.8 – RM2.0 billion	18% – 20%
FY2023 Performance	1.1%	RM2.09 billion	15.9%

PROGRESS AND HIGHLIGHTS IN 2023

We are pleased to report that our revenue for 2023 reached RM12.26 billion, registering a 1.1% increase from RM12.12 billion in 2022. This rise was primarily driven by the performance of TM Global and Unifi which mitigated the challenges encountered by TM One. The heightened demand for digital connectivity and broadband services was in line with the anticipated growth of these sectors.

EBIT remained flat at RM2.09 billion mainly due to the slight increase in operational costs during the year. We have focused on allocating more resources to upgrade our systems to elevate our convergence proposition, enhance customer experience, improve go-to-market speeds and all supporting retail ecosystems. Our fixed and mobile networks are now fully integrated which required spending on some harmonisation costs.

Nevertheless, stringent cost management continues to be our key priority. We have various initiatives to unlock more value and drive further cost optimisation. Our perseverance for cost efficiency is a critical component in our digital push moving forward. Testament to this, our other cost line items for 2023 have improved from the previous year. We achieved a further reduction in our operating expenses compared to the year before: direct costs decreased by 0.5%, manpower costs were lowered by 2.1% and our expenses for Depreciation & Amortisation dropped by 2.3%. This reflects our prudent asset management and the fruition of our past cost optimisation initiatives, which are now beginning to yield operational efficiencies.

Notably, our PATAMI surged by 63.6%, reaching RM1.87 billion, up from RM1.14 billion in 2022. In addition to the stable EBIT, this growth was contributed by the reduction in net finance costs by 18.4% due to our proactive debt management and tax credit utilisation. This result showcased our financial strength and strategic financial management, positioning us well for sustainable progress.

REVENUE

FY2023 Achievement
RM12.26 billion

FY2022 Achievement
RM12.12 billion

EBIT

FY2023 Achievement
RM2.09 billion

FY2022 Achievement
RM2.09 billion

PATAMI

FY2023 Achievement
RM1.87 billion

FY2022 Achievement
RM1.14 billion

CAPEX

FY2023 Achievement
RM1.94 billion

FY2022 Achievement
RM2.43 billion

BUSINESS PERFORMANCE

unifi

Unifi recorded a revenue increase to RM5.66 billion, supported by an expanded subscriber base to more than 3.1 million and infrastructure enhancements enabling higher speed access, in line with our commitment to delivering exceptional customer service.

TM ONE

Despite the revenue drop during the year due to market dynamics, TM One showed recovery signs with a 17.3% revenue increase in Q4 2023, driven by solution-based and customer projects, setting a positive trajectory for future performance.

TM GLOBAL

TM Global reported an 8.7% revenue increase to RM3.10 billion, fuelled by growing data demand and strategic infrastructure investments, emphasising TM's pivotal role in Malaysia's digital and connectivity advancement.

FINANCIAL STRATEGIES

1. Customer

We actively targeted revenue improvements across all customer-facing business units. Unifi strengthened its leadership in converged offerings, such as fixed broadband, mobile services, digital content and solutions catering to both consumers and over 400,000 MSMEs nationally, enhancing their digital engagement.

TM One, recognised as a trusted partner for large enterprises and the public sector, provided comprehensive solutions in digital connectivity, cyber security and cloud services. TM One continues to lead the industry, pioneering innovation and entering into various strategic collaborations during the year, including private 5G projects, Smart City developments utilising predictive artificial intelligence (AI), cloud solutions and other digital projects.

Domestically, TM Global has been instrumental in broadening 5G backhaul sites and High-Speed Broadband Access, furthering national digital inclusivity. Internationally, TM Global achieved strong year-on-year (YoY) bandwidth growth and successfully delivered a mega requirement of leased connectivity for US-based hyperscalers. TM Global will continue to broaden its digital infrastructure solutions and forge strategic alliances with global carriers in positioning Malaysia as a key digital hub for the region.

2. Cost Optimisation

We prioritised cost optimisation across our operations. Strategic investments have been channelled to upgrade systems that underpin our convergence strategy, thereby augmenting customer experience and expediting operational processes. Despite the normalisation of costs in the post-COVID era affecting various budget lines, TM has exerted rigorous control over its spending to ensure business resilience in the face of escalating operational expenses.

3. Restructuring Exercise

We completed an internal restructuring exercise to improve operational efficiencies and streamline operations, a critical step in our three-year transformation journey. This strategic reorganisation, leading to the establishment of TM Technology Services Sdn Bhd, was designed to enhance TM's command in FMC, boost operational efficiencies and elevate customer experience.

4. Continuous Engagement

TM actively engaged with key stakeholders, including the Government and regulatory bodies, to navigate industry changes effectively. These engagements have been crucial in refining our financial strategies and securing a strong industry position, enabling TM to adeptly handle market uncertainties.

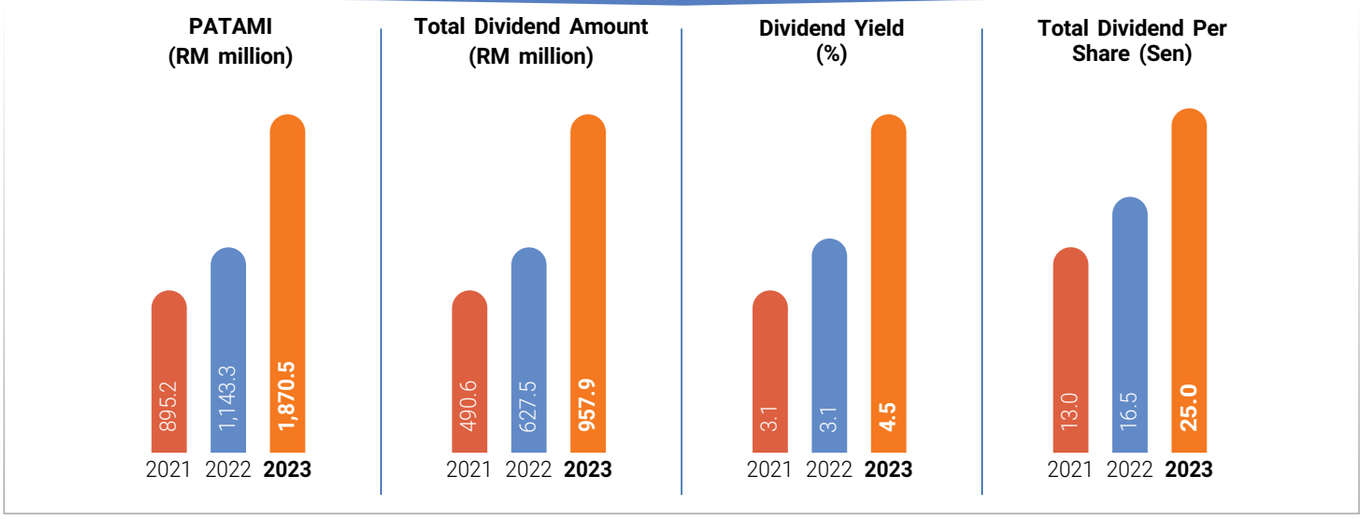
5. Return to Shareholders

We have consistently honoured our financial obligations, showcasing a strong commitment to optimising returns for our shareholders while contributing positively to national development. In our dividend strategy, we aim to strike a balance between rewarding our investors and reinvesting in our business for sustainable growth.

We have declared a second Interim Dividend of 10.5 sen per share and a Final Dividend of 5.0 sen per share for the financial year 2023. Together with the Interim Dividend declared in August of last year, the Total Dividend for FY2023 is 25.0 sen per share, a significant improvement from 16.5 sen per share in 2022. This is also another record-breaking highest total distribution since our dividend policy revision in 2018, a step up from the previous year.

Our dedication to shareholders is underscored by our TSR, which have consistently exceeded the market average over the last four (4) years. This record showcases our competitive advantage, operational excellence and commitment to creating lasting value for our shareholders.

FY Dividend Comparison



FINANCIAL POSITION

We maintained a robust financial position, ending the year with an increase in our cash and cash equivalents to RM2.70 billion, up from RM2.34 billion the previous year. This is a reflection of our effective cash flow management, driven by improved collections from customers and judicious capital expenditure throughout the year.

Our financial strategy and disciplined approach to capital management have allowed us to strengthen our cash reserves, laying a solid foundation in anticipation of larger debt repayments due in 2024 and 2025. This strong cash position demonstrates our sustained cash generation capability, crucial for supporting operational resilience and strategic agility amid upcoming financial commitments.

We maintained a robust financial position, ending the year with an increase in our cash and cash equivalents to RM2.70 billion, up from RM2.34 billion the previous year. This is a reflection of our effective cash flow management, driven by improved collections and judicious capital expenditure throughout the year.

Throughout the year, we observed consistent improvements in our financial ratios, indicating better returns and a robust financial standing. These improvements are vital as they reflect our company's overall health and stability, reinforcing our ability to grow and create value.

Our prudent financial management practices have ensured significant debt headroom, giving us the flexibility to access various financing options to support our strategic growth objectives. This financial flexibility is instrumental in maintaining our competitive edge and responding effectively to market opportunities or challenges.

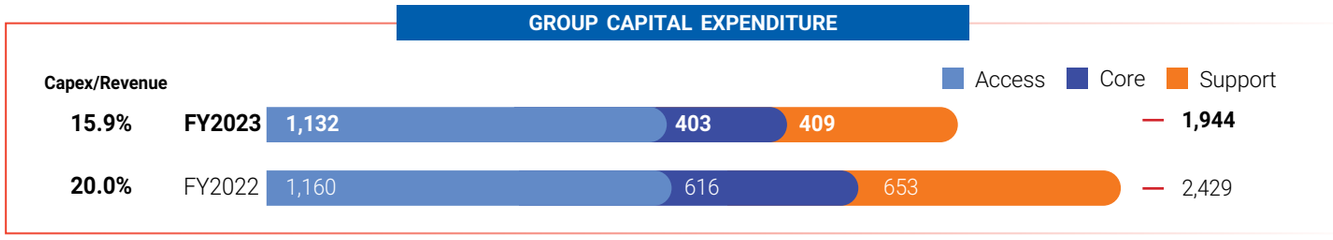
CREDIT RATING

Despite the dynamic and challenging landscape, we successfully maintained robust credit ratings from both domestic and international rating agencies, reflecting our solid financials and ability to fulfil our financial commitments.

- **RAM Rating Services: AAA**
- **Moody's Investors Services: A3 (baseline credit assessment "baa1")**
- **S&P Global Ratings: A- (standalone credit profile "a-")**

STRATEGIC KPIS: BALANCING FINANCIAL AND NON-FINANCIAL PERFORMANCE

We recognise the integral relationship between our financial achievements and our broader corporate responsibilities. Our strategic resource allocation underpins our sustained business growth and affirms our commitment to fostering a Digital Malaysia. This commitment is evident in our 2023 capital expenditure, which accounted for 15.9% of our revenue or RM1.94 billion, strategically distributed across key growth areas:



Access: 58% of the expenditure was dedicated to enhancing our access network, ensuring reliable and extensive connectivity.

Core Network: 21% of the funds were invested in strengthening our core network infrastructure, which is crucial for upholding service quality and operational efficiency.

Support System: The remaining 21% was directed towards upgrading our support systems, emphasising our dedication to technological progress and operational excellence.

These investments align with our sustainability goals, facilitating growth that is beneficial and responsible for all stakeholders. Thus, alongside our solid financial performance, we have maintained a steadfast focus on non-financial aspects such as reducing our carbon footprint, enhancing customer loyalty and promoting a strong organisational culture. This approach illustrates the successful integration of our financial and non-financial strategies.

Financial Performance

Financial KPI	Objective	2021	2022	2023
Revenue Growth (%)	To measure performance across all business	6.4	5.1	**1.1**
EBIT (RM billion)	To assess profitability, cost management and efficiency	1.71	2.09	**2.09**
Capex/Revenue (%)	To evaluate investment sustainability, returns and business growth support	14.7	20.0	**15.9**

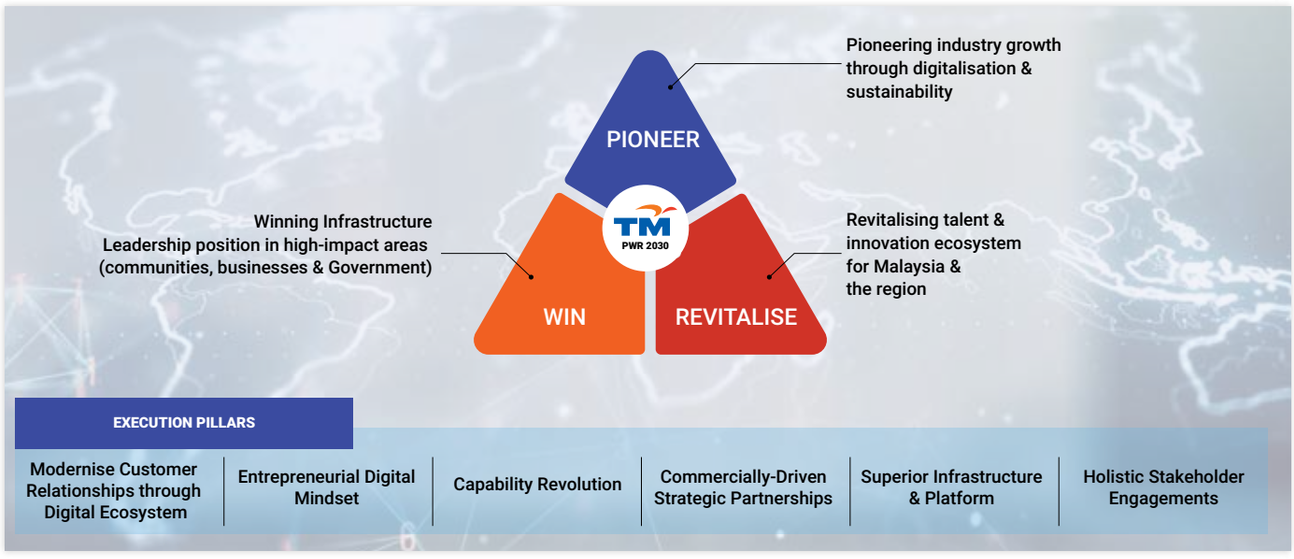
Non-Financial Performance

Non-Financial KPI	Objective	2021	2022	2023
Carbon Emissions (tCO_2e) reduction (%)	To track our progress in reducing our carbon emissions towards achieving net-zero emissions by 2050 while targeting a 30% reduction in carbon emissions by 2024	8.3%	12.5%	**22.1%**
NPS	To measure our customer's loyalty and satisfaction towards our initiatives	23	39	**46**
Organisational Health Index (OHI)	To assess the overall well-being and effectiveness of an organisation	77	80	**79**

OUTLOOK

As we move beyond our initial transformation phase (2021-2023), we have reinforced our standing in the telecommunications domain, both locally and internationally. This foundation sets the stage for our strategic journey towards PWR 2030, where we aspire to evolve into a Digital Powerhouse by 2030.

PWR 2030: Digital Powerhouse for Malaysia and Region



Financial Metric	2024 Guidance	Rationale
Revenue Growth	**Low single-digit growth**	Reaffirms our resilience and adaptability in changing market conditions
EBIT	**RM2.1 – RM2.2 billion**	Highlights our commitment to operational efficiency and profitability
Capex/ Revenue	**14% – 18%**	Reflects our strategic investments in network enhancement and IT modernisation, essential for long-term development

We anticipate low single-digit revenue growth and we are confident in maintaining a steady performance amidst evolving market dynamics. Our EBIT is projected to range between RM2.1 billion and RM2.2 billion, indicating our focus on operational efficiency and profitability. Our Capex to revenue ratio is expected to be between 14% and 18%, emphasising our commitment to prudent investment, particularly in network and IT modernisation.

In conclusion, our outlook for 2024 and beyond is characterised by a strategic blend of growth, innovation and sustainability, aligning with our long-term vision to empower a fully integrated digital society and economy.

Stakeholder Priorities

Our approach to creating value places people at its heart. Every decision our Group makes is driven by our dedication to improve stakeholder outcomes. We maintain open and consistent communications with our key stakeholders to stay aligned with their changing needs, allowing us to continue serving them in the long term.

Frequency of Engagement	D Daily	W Weekly	M Monthly	Q Quarterly	A Annually	B Bi-Annually	R When Required

Employees

WHY THEY ARE IMPORTANT

As the execution engine of the Group, *Warga TM's* expertise and insights are crucial in driving our nation building ambitions. In recognition of their value, we are committed to ensuring a safe working environment, sustainable livelihoods and rewarding career opportunities.

How We Engage

- D Email announcements
- M Employee engagement events
- Q Townhall and leadership engagement sessions
- B OHI Surveys
- W Regular internal newsletters
- R Virtual briefings/sessions on HR matters
- B Half-yearly performance review
- R Podcasts
- D EDMs
- W Internal social media posts

Expectations & Engagement Topics

- Healthy work-life balance
- Safe and conducive working conditions
- Clear, inclusive and fair career development
- Latest news and updates on Human Resource (HR) matters
- Understanding the focus areas and strategic direction of the company and its initiatives
- Awareness of corporate achievements
- Quarterly performance result of the company

Our Approach

- Provide hybrid and flexible working arrangements (FWA)
- Strengthen employee well-being initiatives
- Provide robust skill and career development programmes

How We Measure Value

- OHI Score of 79

Customers

WHY THEY ARE IMPORTANT

Our customers' support is vital for our business to thrive. Their trust in our products and services directly impacts our long-term success and helps us achieve our nation building goals. Additionally, by offering essential services, we enable our customers to excel in Malaysia's digitally evolving landscape, aligning their success with our own.

How We Engage

- D Voice of customers
- D Customer touchpoints
- D Social media listening
- D Market research loyalty programmes
- W Virtual/physical meetings with customers
- Q Customer engagements
- A Bilateral meetings
- A Sales conference/ networking
- R Proactive notifications through digital platforms

Expectations & Engagement Topics

- Fast and reliable network coverage
- Seamless and personalised customer experience
- Value for money and competitive packages
- First-time-right resolution

Our Approach

- Deliver a diverse range of services that fit customers' needs with competitive offerings including attractive devices to improve quality and usage experience
- Enable self-diagnostics and troubleshooting features to empower customer making decisions including performing service health checks and creating tickets for faults through EasyFix
- Proactive notifications on service faults upfront and prompted with proactive fixing
- Enrich MyUnifi app with new functions including making upfront appointments for installation and restoration visits, viewing usage patterns and trends enabled by analytics and attractive offers to improve quality and experience
- Replacement of customer's old modem with WiFi 6 modem to boost in-premise WiFi experience

How We Measure Value

- 46 NPS

Frequency of Engagement	D Daily	W Weekly	M Monthly	Q Quarterly	A Annually	B Bi-Annually	R When Required

Shareholders & Investors

WHY THEY ARE IMPORTANT

Our shareholders and investors' trust in our financial stability is crucial in empowering the Group's operations and growth. Their confidence provides us with the capital and support needed to pursue our strategic objectives, drive innovation and sustain our long-term success. In turn, we strive to deliver sustainable and optimum financial returns.

How We Engage

- M One-on-one engagement sessions
- M Investor conferences
- M Queries via email/phone
- Q Quarterly analysts briefings
- A Annual General Meeting (AGM)
- R Site visits to TM One Experience Centre & TM data centres
- R Ad-hoc engagements on key announcements/updates
- R C-suite engagement sessions with main shareholders

Expectations & Engagement Topics

- Fair returns on investments
- Transparent and regular communication with Management
- Competency in financial & business management
- Receiving prompt and useful feedback on any queries relating to the company
- Understanding the drivers of the current business performance
- Understanding future prospects, growth and strategic direction of the company

Our Approach

- Provide fair distributions based on business performance
- Establish clear communication plans and engagements with stakeholders
- Provide in-depth sessions for stakeholders
- Establish Group-wide base messaging to ensure consistent narrative and communications
- Provide swift response on any issues or queries by the financial community

How We Measure Value

Shareholders:
- 6.33% TSR
- Value Creation (ROIC > Weighted Average Cost of Capital (WACC))
- RM957.9 million Total Dividend Payout (25 sen per share)
- Financial Performance Indicators:
  - Revenue RM12.26 billion
  - PATAMI RM1.87 billion
  - EBIT RM2.09 billion
  - Other financial ratios

Analysts and Investment Communities:
- Target price
- Valuation
- Rating
- Report narrative

Government & Regulators

WHY THEY ARE IMPORTANT

As a GLC, it is crucial for us to maintain a transparent and trust-based partnership with the Government and regulators, thus enabling our shared nation building agenda. We actively participate in Government initiatives and ensure our commercial strategies also benefit national development.

How We Engage

- M JENDELA Implementation Committee (JIC)
- M Smart Putrajaya Digital Infra Technical Committee
- M National SCAM Response Centre (NSRC)
- Q Public-Private Partnership Projects Management/Working Committee
- Q JENDELA Steering Committee (JSC)
- Q Smart Putrajaya Digital Infra Steering Committee
- Q *Mesyuarat Jawatankuasa Pengurusan Aduan Sektor Telekomunikasi (JPAST)*
- R Industry Working Groups
- R Public Inquiries/Consultation
- R Queries via email/phone
- R Site visits
- R One-on-one engagement sessions
- R Dedicated portals and systems

Expectations & Engagement Topics

- Development of policies and regulations
- Progress of JENDELA Phase 2
- Infrastructure coverage and investments
- Improvement of service quality and experience
- Enhancement of consumer rights and resolve consumer complaints/disputes

Our Approach

- Set targets that support JENDELA
- Continuously improve our broadband services
- Establish robust policies and framework

How We Measure Value

- 73% of premises enabled with high-speed Internet in line with industry target for JENDELA by 2025
- Compliance with CMA 1998 regulations
- Compliance with Putrajaya Smart City guidelines and policies

Stakeholder Priorities

Frequency of Engagement	D Daily	W Weekly	M Monthly	Q Quarterly	A Annually	B Bi-Annually	R When Required

Suppliers

WHY THEY ARE IMPORTANT

Our operational resilience, sustainability and growth hinge on the quality of products and services provided by our network of suppliers. In turn, we support these suppliers by providing financial and non-financial assistance, contributing to their development and success. This mutual support strengthens our entire value chain.

How We Engage

- D Pre-delivery acceptance by suppliers
- W Operational engagement with suppliers
- M Email blasts
- Q Suppliers' factory inspections
- A Supplier Awards Recognition Ceremony
- A *Hari Integriti 2022 @ Ikrar Bebas Rasuah*
- R Strategic engagements with suppliers
- M Face-to-face and virtual meetings
- M Continuous meetings with suppliers
- M Site visits, on-site audits
- M Sharing sessions
- M One-to-one sessions with TM's management

Expectations & Engagement Topics

- Clear communications, engagement and transparency
- Simple and efficient processes
- Empowerment of local businesses
- Communicate risk and Business Continuity Management (BCM) matters
- Briefing on latest info/ technology/current market trends
- Training and sharing sessions
- Quality inspection and compliance checks

Our Approach

- Establish clear communication plans and engagements
- Integrate digital solutions into procurement processes
- Prioritise hiring local suppliers and vendors
- Provide capacity building programmes for vendors under the Bumiputera Vendor Development Programme (BVDP)
- Create strategic collaborations with key suppliers on technology innovation, commercialisation and creation of digital talents

How We Measure Value

- 7.9 Supplier Satisfaction Index (SSI)
- 8.0 Procurement Maturity Index (PMI)

Business Partners

WHY THEY ARE IMPORTANT

We utilise the technology and resources from our business partners to enhance our products and solutions for our customers. In return, they depend on us to deliver services and equipment reliably and cost-effectively.

How We Engage

- W Progress reports
- Q Business reviews
- B Sessions with key partners
- Q Signing ceremonies
- A Integrity Pledge (IP)
- A Annual reports

Expectations & Engagement Topics

- Strong sales funnel
- Delivery performance
- Cost optimisation

Our Approach

- Conduct regular engagements with key partners to foster relationship and drive the business
- Promote ethical business practices

How We Measure Value

- Revenue growth
- Cost savings

Frequency of Engagement	D Daily	W Weekly	M Monthly	Q Quarterly	A Annually	B Bi-Annually	R When Required

Media

WHY THEY ARE IMPORTANT

The media serves as a vital link between TM and its diverse stakeholders, including the general public. Maintaining positive media relations is crucial to shaping a favourable reputation that aligns with our purpose and to gain the support of our other stakeholders.

How We Engage

- W News releases
- R Advertorials/Op-Eds
- R Press conferences
- M Media engagements
- Q Media visits
- R Engagement with Chief Editors
- R Queries via email/phone
- R Ad-hoc engagements on key announcements/updates

Expectations & Engagement Topics

- Respectful and cordial media relations
- Sharing of factual and accurate information
- Product launches
- Financial results
- Evolving matters of interest to media

Our Approach

- Organise media rapport-building activities
- Organise Spokesperson Media Training sessions

How We Measure Value

Media tonality score of 3.1/5, representing effective execution of media strategy and key messages delivery

Communities

WHY THEY ARE IMPORTANT

Communities provide invaluable support for our strategic and nation building goals. By establishing and maintaining strong relationships with them, we foster trust and demonstrate our commitment to improving socio-economic conditions, which ultimately benefits everyone involved.

How We Engage

- W Social media platforms
- W Programmes & events
- M Website
- M Onboarding and one-on-one engagement sessions
- M Community development activities
- Q Engagement via phone/email/digital channels
- A YTM stakeholder perception survey
- R Humanitarian relief exercises

IR Refer to page 116 to know more about out social impact programmes.

Expectations & Engagement Topics

- Contribute to community development
- Consistent community engagement and representation
- Enhance social and environmental well-being
- Understanding the expectation and direction from YTM
- Implementation of social impact programmes
- Showcase of programme impact and improvement
- Clear programme reporting
- Contribution of relief items during disaster

Our Approach

- Invest in community development programmes
- Establish clear communication plans and engagements
- Ensure constant environmental and social compliance

How We Measure Value

- RM6.2 million channelled into community programmes
- RM32.2 million invested in scholarships and financial assistance
- More than 110,000 community members reached through YTM's social impact programmes

Stakeholder Priorities

Frequency of Engagement	D Daily	W Weekly	M Monthly	Q Quarterly	A Annually	B Bi-Annually	R When Required

Unions

WHY THEY ARE IMPORTANT

Unions play a crucial role in enhancing communication and fostering a more engaged workforce. Furthermore, they aid in addressing and resolving workplace conflicts proactively, thereby enhancing industrial relations.

How We Engage

- Q Joint council meetings
- A *Majlis bersama wilayah*
- A Negotiations on Collective Agreement
- B *Majlis bersama Kebangsaan*
- R Standing committee meetings
- R Roundtable discussions at HQ, state and regional level

Expectations & Engagement Topics

- Alignment of business and workers' priorities
- Transparent and fair welfare options

Our Approach

- Conduct open and regular engagements with unions
- Discuss and agree on balanced collective agreements
- Foster a culture of mutual respect and collaboration

How We Measure Value

- 6,400 employees with union membership

Material Matters

Our strategic decisions are based on Economic, Environmental, Social and Governance (EESG) factors that can materially impact sustainable value creation. These material matters cover issues and areas that may influence stakeholder decisions as well as affect our long-term business growth. By focusing on our material matters, we are able to create value for our stakeholders in a more inclusive, integrated and sustainable manner.

Our material matters are identified via a materiality determination process. The last process was conducted in 2022. TM carries out a materiality determination process every three (3) years to ensure that our material matters are relevant and timely. Our material matters have guided our refreshed Sustainability Framework, which can be found on page 88.

MATERIALITY PROCESS

1 STAKEHOLDER PRIORITISATION

Identify and establish weightage for various stakeholder groups. This determines their level of impact on our business and strategic objectives.

2 EXTERNAL ENGAGEMENT

Conduct a multi-stakeholder engagement to capture their feedback and concerns. The stakeholders engaged in 2022 included Customers, Employees, Suppliers, Regulators, Investors & Shareholders and Community Members.

Two (2) types of feedback are collected during the external engagement:

1. Qualitative Feedback: a ranking survey is shared to prioritise the material matters and develop the materiality matrix.
2. Quantitative Feedback: in-depth focus group discussions or interviews are conducted to capture more insights so that we can develop specific programmes and policies.

3 INTERNAL ENGAGEMENT

Compile and analyse data from internal stakeholder engagement, such as customer complaints and employee surveys. This allows us to compare external engagement findings with internal feedback for more robust results.

4 DISCUSSION & DELIBERATION

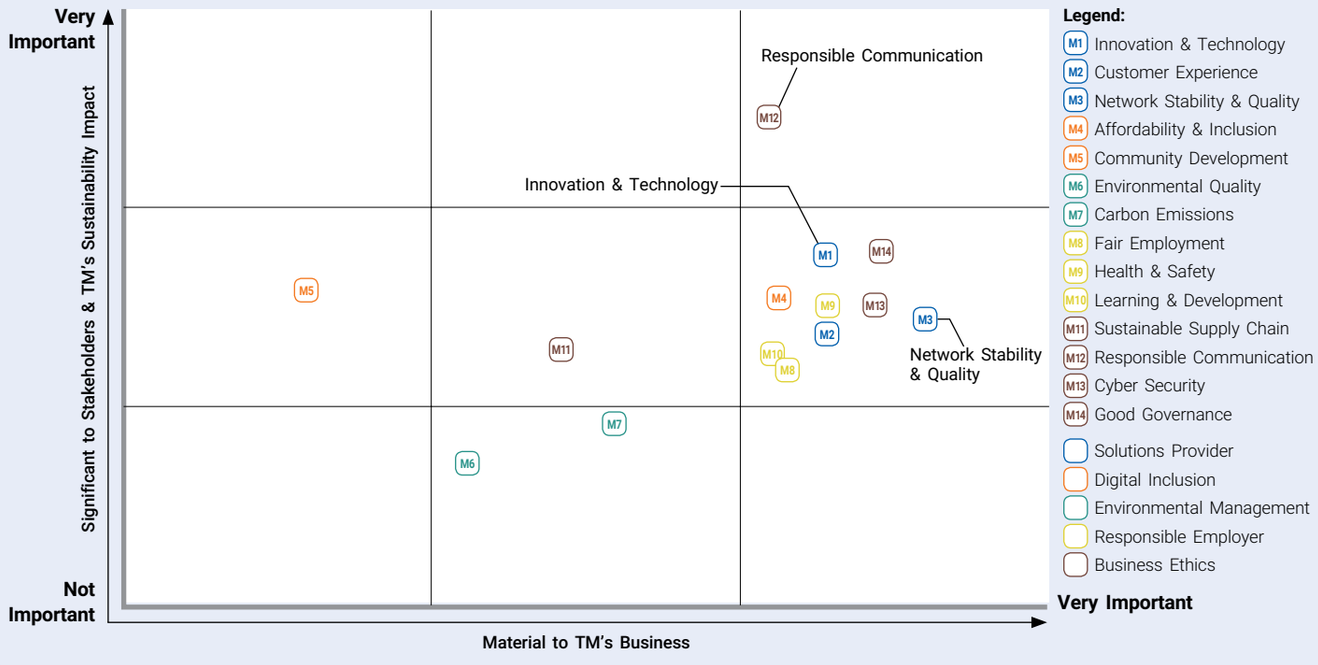
Share the findings with the management team, who then rank the topics based on their importance to TM's business. The rankings by stakeholders and TM management are then juxtaposed to arrive at the final material matters and materiality matrix.

5 VALIDATION & APPROVAL

Present the final findings to TM's leadership team, with final approval from the BOD.

Materiality Matrix

Following our 2022 assessment, we determined 14 material matters to be used by the Group to inform sustainability direction and strategy for the next three (3) years. The prioritisation of the final list of material matters is shown in the materiality matrix below, which has been presented to and endorsed by our BOD.



Material Matters

The following section provides an overview of how each of our material matters is being managed in TM.

M1 INNOVATION & TECHNOLOGY

Why it Matters

Leverage technological advancements to deliver innovative products and digital solutions for customers, employees and suppliers to improve processes, productivity and quality

What are the Risks

- Market disruption
- Rapid technological obsolescence

What are the Opportunities

- Adoption of emerging technologies
- Digital techologies well-acknowledged as an enabler for sustainability growth

What We Did

- Harnessed emerging technologies to develop solutions for sustainable impact
- Delivered smart solutions for homes, cities and industries
- Elevated the digital experience for communities, businesses and Government

Outlook

Short-Term

- Expand global reach through strategic partnerships
- Leverage state-of-the-art technology and AI

Medium to Long-Term

- Develop enterprise use cases for 5G, analytics, IoT and AI

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 100 to 102.

M2 CUSTOMER EXPERIENCE

Why it Matters

Deliver seamless customer service that combines the convenience of digitalisation and the emotional intelligence of our frontliners

What are the Risks

- Poor access or understanding of service plans and offerings
- Inadequate customer support response times
- Ineffective resolution of customer complaints or issues

What are the Opportunities

- Streamlining customer support processes yields quicker response times
- Innovation in complaint resolution methods

What We Did

- Transformed retail experience
- Improved Unifi Contact Centre and Field teams
- Enhanced mobile network experience
- Expanded entertainment content

Outlook

Short-Term

- Personalised interactions
- Ensure a seamless customer journey
- Enhance service offerings via digitalisation
- Continuous effort to provide more entertainment platforms

Medium to Long-Term

- Personalised AI-driven interaction omnichannel customer experience
- Analytics and digital Customer Value Management (CVM)

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 103 to 107.

M3 NETWORK STABILITY & QUALITY

Why it Matters

Improve TM's network resilience against disruption and outages to deliver high quality, fast and uninterrupted service to Malaysians

What are the Risks

- Poor service quality such as slow Internet speeds or dropped calls

What are the Opportunities

- Investing in network resilience fosters an environment for exploring new technologies and services

What We Did

- Provided smart solutions for network stability
- Adhered to global standards and excellence in network services
- Promoted proactive Threat Management and Recovery Preparedness

Outlook

Short-Term

- Improve TM's network infrastructure to support new capabilities and growth
- Streamline network costs and boost operational efficiency

Medium to Long-Term

- Establish a platform to support the platform play agenda with an Application Programming Interface (API) first strategy
- Accelerate data-driven decisions
- Embrace AI and Autonomous Networks (AN)

Deployed Capitals: **Stakeholders Affected:** **Sustainability Impact:** **Key Risks:** **UNSDGs:**

For more information, refer to pages 108 to 110.

M4 AFFORDABILITY & INCLUSION

Why it Matters

Narrow the digital divide via affordable and meaningful access to connectivity and digital services

What are the Risks

- Insufficient coverage or availability of services in certain areas
- Low digital adoption due to financial constraints and lack of skills

What are the Opportunities

- Expansion into new markets for increased coverage

What We Did

- Increased network expansion
- Digital empowerment through *Pusat Ekonomi Digital* (PEDi)
- Provided affordable plans for underserved groups
- Partnered with State Governments to support state-level digital economy agenda

Outlook

Short-Term

- Expand digital and coverage accessibility for underserved communities
- Improve and enhance MSMEs' digital skills

Medium to Long-Term

- Increase the number of PEDis managed by TM
- Continuous effort in making connectivity affordable and accessible

Deployed Capitals: **Stakeholders Affected:** **Sustainability Impact:** **Key Risks:** **UNSDGs:**

For more information, refer to pages 112 to 115.

Material Matters

M5 COMMUNITY DEVELOPMENT

Why it Matters

Allocate financial and non-financial resources, including employee volunteer hours, into programmes that contribute to social equity by educating future talents, developing entrepreneurs and empowering underserved communities

What are the Risks

- Lack of future talents for the digital ecosystem
- Low digital adoption

What are the Opportunities

- Enhancing visibility and improving brand reputation through the implementation of social responsibility programmes
- Community engagement provides insight into efficient execution of key projects

What We Did

- Provided scholarships to upper secondary and undergraduates who are pursuing STEM courses
- Supported digital skills education in schools and TVETs
- Empowered MSMEs with entrepreneurship skills
- Promoted community and cultural resilience

Outlook

Short-Term

- Increase involvement in STEM and IR4.0-centric knowledge programmes
- Collaborate with industry leaders, Government agencies and educational institutions
- Showcase TM's museums modernisation and educational programmes

Medium to Long-Term

- Continue to offer scholarships and outreach programmes
- Continue to conduct entrepreneurship programmes and community development projects
- Preserve Malaysia's arts, culture and heritage

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 116 to 121.

M6 ENVIRONMENTAL QUALITY

Why it Matters

Monitor and track our environmental activities, including water consumption, waste management and noise pollution, to maintain high environmental quality standards for air, water and land

What are the Risks

- Environmental non-compliances lead to regulatory penalties and fines
- Unsustainable environmental practices negatively impact public trust and confidence

What are the Opportunities

- Waste reduction and resource efficiency reduces operational costs
- Goodwill from environmentally responsible business practices

What We Did

- Monitored and managed our environmental impact in relation to waste, water, dust and noise pollution
- Increased awareness to *Warga TM* on the importance of protecting the environment

Outlook

Short-Term

- Refine tracking and monitoring of data related to waste and water

Medium to Long-Term

- Conduct a biodiversity impact assessment
- Pursue viable circularity strategies

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 124 to 125.

M7 CARBON EMISSIONS

Why it Matters

Reduce the carbon emissions of our operations for Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption) and Scope 3 (all other indirect emissions) to support action against climate change

What are the Risks

- Extreme weather changes impacting business continuity
- Rising cost of natural resources and materials

What are the Opportunities

- Growing demand for carbon-efficient products and services
- Lower resource consumption contributes to cost savings and better performance

What We Did

- Intensified efforts towards energy efficiency including network modernisation
- Increased our renewable energy mix

Outlook

Short-Term

- Refine the estimation methods and boundaries for Scope 1 and 2 emissions
- Drive energy efficiency initiatives aggressively
- Pursue viable opportunities to increase renewable energy mix

Medium to Long-Term

- Refine estimation methods and boundaries for Scope 3 emissions
- Roll out the low-carbon transition plan to align to national net-zero ambitions by 2050

Deployed Capitals: **Stakeholders Affected:** **Sustainability Impact:** **Key Risks:** **UNSDGs:**

For more information, refer to pages 126 to 131.

M8 FAIR EMPLOYMENT

Why it Matters

Create a culture of fairness and respect built on fair compensation and benefits, Diversity, Equity and Inclusion (DEI) and employee engagement

What are the Risks

- Lack of diversity and inclusion in the workplace
- Inability to retain or attract high quality talent
- Low employee morale

What are the Opportunities

- Increasing talent attraction and retention
- Driving creativity and innovation through a diverse talent pool
- Improving *Warga TM's* satisfaction and productivity

What We Did

- Strengthened our Performance Management approach for Executives
- Nurtured future women leaders via a specially curated programme
- Introduced comprehensive health and wellness programmes

Outlook

Short-Term

- Strengthen employment policies and procedures

Medium to Long-Term

- Facilitate DEI initiatives in the workplace

Deployed Capitals: **Stakeholders Affected:** **Sustainability Impact:** **Key Risks:** **UNSDGs:**

For more information, refer to pages 133 to 140.

Material Matters

M9 HEALTH & SAFETY

Why it Matters

Protect the physical and mental health of employees, suppliers and other stakeholders impacted by our operations and activities

What are the Risks

- Poor safety measures set in place
- Musculoskeletal injuries from poor ergonomics in the workplace

What are the Opportunities

- Improved well-being and morale amongst *Warga TM*
- Making health and safety as part of TM's culture

What We Did

- Strengthened OSHE governance and compliance at state and regional level
- Ramped up training and awareness activities for TM's stakeholders
- Extended safety guidelines to TM's suppliers

Outlook

Short-Term

- Ensure TM's Accident Rate is at least 10% lower than the National Rate set by the Department of Occupational Safety and Health (DOSH)
- Reduce the impact of injuries

Medium to Long-Term

- Achieve Low-Risk Rating by 2025

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 141 to 145.

M10 LEARNING & DEVELOPMENT

Why it Matters

Future-proof our workforce with the skills and knowledge needed to allow our people and suppliers to thrive in a Digital Malaysia

What are the Risks

- Employees lack the skills to tap emerging opportunities
- Low employee morale and productivity due to shortage of developmental opportunities

What are the Opportunities

- Inclusive and empowering work culture improves agility and efficiency
- Effective talent development programmes retain and attract top quality industry talent

What We Did

- Provided learning spaces to encourage a space for innovation
- Aligned TM's workforce with emerging technological trends and skills
- Made learning more accessible via digital learning platforms

Outlook

Short-Term

- Equip *Warga TM* with future-ready skills
- Advance our commitment to digitising learning

Medium to Long-Term

- Utilise an AI-related platform to enhance *Warga TM's* work capability

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 146 to 150.

M11 SUSTAINABLE SUPPLY CHAIN

Why it Matters

Uphold high standards of environmental, social and governance practices across our supply chain, while contributing to the development of our vendors and suppliers

What are the Risks

- Supply chain disruption
- Reputational damage
- Non-compliance with relevant laws and regulations

What are the Opportunities

- Strategic and long-term partnerships with suppliers for greater business value

What We Did

- Expanded sustainability compliance assessments to strategically important vendors
- Enhanced digital platforms for more efficient supplier engagement
- Streamlined procurement processes through the establishment of a centralised platform or system
- Improved supplier communication through policy updates
- Provided vendor training and development programmes

Outlook

Short-Term

- Continuously conduct sustainability assessments
- Expand integration of sustainability requirements and climate change considerations into our procurement policies and processes
- Enhance training on sustainability matters among Bumiputera vendors

Medium to Long-Term

- Ensure that our supply chain upholds our commitment to established sustainability standards

Deployed Capitals: | Stakeholders Affected: | Sustainability Impact: | Key Risks: | UNSDGs:

For more information, refer to pages 152 to 154.

M12 RESPONSIBLE COMMUNICATION

Why it Matters

Foster a culture of open and transparent communication across all levels and channels responsibly, ensuring stakeholders are provided with timely, accessible, appropriate and relevant information to make well-informed decisions

What are the Risks

- Poor communication with stakeholders
- Inaccurate information provision

What are the Opportunities

- Competitive advantage through transparency
- Strengthened relationships with all stakeholders

What We Did

- Tailored engagement methods for various stakeholder groups
- Increased engagement with Chief Editors of media houses
- Introduced innovative approaches to engage with *Warga TM*

Outlook

Short-Term

- Improve the effectiveness of stakeholder engagement channels
- Ensure more comprehensive communications about material matters
- Broaden communication scope

Medium to Long-Term

Expand the integration of responsible communications practices into all aspects of TM's business

Deployed Capitals: | Stakeholders Affected: | Sustainability Impact: | Key Risks: | UNSDGs:

For more information, refer to pages 155 to 157.

Material Matters

M13 CYBER SECURITY

Why it Matters

Protect TM's operations as well as its stakeholder against cyber security attacks, data loss, privacy issues, potential breaches and sabotage

What are the Risks

- Data breaches compromising sensitive customer information
- Phishing attacks targeting TM's stakeholders for credentials

What are the Opportunities

- Enforcement of cyber security measures

What We Did

- Strengthened information security governance and compliance
- Conducted cyber security awareness and training sessions for our stakeholders
- Embedded security requirements in third-party systems/engagements

Outlook

Short-Term

- Improve cyber security framework across People, Process and Technology
- Undertake technology upgrades
- Invest in cyber security-focused development
- Enhance management of third-party information security risks

Medium to Long-Term

- Investments in cyber security and next-gen connectivity

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 158 to 160.

M14 GOOD GOVERNANCE

Why it Matters

Conduct ourselves with the highest standards of integrity, transparency and accountability, with zero-tolerance for corruption and unethical practices

What are the Risks

- Corruption and misconduct cases result in reputational damage

What are the Opportunities

- High transparency leads to efficient execution of business plans and strategy
- Good governance creates a high-performance work environment and culture

What We Did

- Implemented ISO37001:2016 standards Anti-Bribery Management System (ABMS)
- Executed the Organisational Anti-Corruption Plan (OACP)
- Conducted training and awareness programmes

Outlook

Short-Term

- Diligent management of the OACP
- Expand the ABMS to cover high-risk processes
- Conduct ongoing training and awareness programmes for all stakeholders

Medium to Long-Term

- Embed a culture of integrity and zero-tolerance towards corruption
- Enhance our resilience to external threats and protect our integrity and reputation

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

UNSDGs:

IR For more information, refer to pages 161 to 165.

IR For more information, refer to page 94 for our Sustainability Governance and page 170 for our Corporate Governance.

Market Trends

THE ECONOMY

What Happened in 2023?

- Global economic recovery slowed, with growth dipping from 3.5% in 2022 to an expected 3.1% in 2023, affected by COVID-19's long-term impact and geopolitical tensions.
- Malaysia's economy normalised to 3.7% in 2023 following strong growth in the previous year (2022: 8.7%), driven by domestic spending, labour improvements and policy support, despite a weakened Ringgit and rising inflation.

How did it Impact TM?

- Economic challenges reshaped consumer spending, with a shift towards essential services and potential impacts on discretionary offerings
- TM faced increased business costs due to inflation and currency fluctuations

How did We Respond?

- Adapted service offerings to align with changing consumer priorities and enhanced our value propositions to ensure affordability and value for money
- Enhanced customer engagement and optimised operations to counteract economic challenges

Outlook

- The global economy is predicted to remain at 3.1% in 2024, with risks like ongoing inflation, debt issues, geopolitical divides, climate change and soaring food and energy prices
- Malaysia, however, is poised for resilient growth between 4.0% and 5.0% in 2024, driven by strong domestic demand, stable employment and income growth, particularly in domestically-focused sectors

Sources:
1. *World Economic Outlook, International Monetary Fund, January 2024*
2. *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023, Bank Negara Malaysia, February 2024*
3. *Economic outlook for 2024: Drivers and risks, The Star, January 2024*

Market Trends

CONNECTIVITY

What Happened in 2023?

- The strong growth of consumer broadband, driven by JENDELA initiatives, marked the completion of Phase 1 by the end of 2022, covering more than 7.7 million homes and achieving an average mobile broadband speed of 116 Mbps. The higher adoption is fuelled by Government initiatives such as *Pakej RAHMAH* and Mandatory Access on Standard Pricing (MSAP), contributing to lower broadband prices, alongside increased market competition.
- The mobile market in Malaysia is mature and somewhat saturated, but it was expected to grow at 1.6% YoY in 2023.
- Notable progress in Malaysia's 5G rollout, with 80.2% population coverage by the end of 2023. We have shown progressive adoption of 5G, with 5.5 million subscribers, representing 16.9% of total mobile subscriber base.
- Introduction of Starlink services enhanced Internet access in rural areas, improving overall Internet penetration.

How did it Impact TM?

- The implementation of MSAP reduced the price of wholesale High-Speed Broadband access, increasing market competition
- This intensified competition necessitated further innovation and differentiation in the market

How did We Respond?

- Addressed MSAP through commercial arrangements, improved cost efficiency and effective stakeholder management
- Emphasised convergence to reinforce Unifi's position as Malaysia's only true convergence provider
- Expanded partnerships to create further differentiation in the market

Outlook

- JENDELA Phase 2 (2023-2025) focuses on extending broadband coverage, aiming for fiberisation to 9.0 million premises with gigabit speed and 100% Internet coverage in populated areas
- The decision to transition to a Dual Network approach for 5G will influence future strategies and the development of new applications like 5G Multi-Access Edge Computing (MEC) and private networks
- Forecasted growth for mobile and fixed broadband revenue is at CAGR 4.2% and 2.1%, respectively, over the next five (5) years, driven by data consumption of high quality content, social media and short videos
- 5G adoption is projected to surge, accounting for 96.7% of total subscriptions by 2027, fueled by wider coverage, aggressive marketing, new services and a broader device ecosystem

Sources:

1. *JENDELA Phase 1 Concluding Report, MCMC, June 2023*
2. *Mid-Year Market Review for TM, GlobalData, September 2023*
3. *Moving Forward with 5G, Free Malaysia Today, December 2023*
4. *5G Performance Shines in Malaysia, but There Is Room for Greater Adoption, GSMA, October 2023*
5. *5G coverage hits 80% mark, Free Malaysia Today, January 2024*
6. *Malaysia Mobile Broadband Forecast, GlobalData, December 2023*

DIGITALISATION AND CLOUD

What Happened in 2023?

- Government initiatives like MyDigital, Industry4WRD and the 12MP significantly spurred ICT adoption among local businesses, with substantial financial support (RM1.6 billion under PEMERKASA, PEMULIH and Budget 2023) for adopting technologies such as cloud, cyber security and digital solutions.
- The launch of the New Industrial Master Plan (NIMP) 2030 aimed to establish 3,000 smart factories by 2030, focusing on technology adoption, automation and high-skilled job creation in manufacturing.
- Malaysia's ICT services market grew by 12.3% YoY, reaching RM101.9 billion in 2023, driven by Government grants and digitalisation efforts, with the cloud services market growing by 22.3% YoY.
- Major cloud providers like AWS, Azure, Google Cloud and Alibaba Cloud expanded their Malaysian presence with partnerships in digital banking (e.g., Al Rajhi Bank, Bank Islam) and are gaining traction with large enterprises (e.g., Malaysian Airport, Axiata, Media Prima). Local providers, such as AVM Cloud (a subsidiary of Time), are addressing enterprise needs for sovereign cloud solutions.

How did it Impact TM?

- The rise of hyperscalers in Malaysia fosters a competitive cloud market ecosystem, presenting growth opportunities for TM to expand our market presence and revenue through essential ICT services
- Multi-cloud strategies present TM with opportunities to become a key facilitator in integrating and managing diverse cloud environments
- The need to expand service capabilities through certifications and training to address the market demand

How did We Respond?

- Continued investment in digital infrastructure to enable digital transformation
- TM continues to serve as the sole local provider for the Government's MyGovCloud initiative, offering unique services like data residency and sovereignty
- Assisted MSMEs in digitalisation through training programmes, tips, case studies and networking opportunities

Outlook

- The ICT market is projected to grow at a CAGR of 17.5% from 2023-2027, reaching RM194.5 billion in 2027, fuelled by 5G services, hybrid business models, digital banking and consumer trends
- Cloud adoption in Malaysia is expected to grow at a 25.9% CAGR from RM12.3 billion in 2022 to RM31.7 billion in 2027, with hyperscalers' expansion expected to enhance market adoption through services like edge computing and vertical solutions
- Talent shortages in areas like multi-cloud management and Information Technology (IT) and Operational Technology (OT) convergence may challenge enterprises, potentially hindering technology implementation and optimisation
- Nonetheless, various Government programmes and grants for MSMEs are fostering digital adoption, offering support and resources to local businesses in navigating the digital landscape

Source: Malaysia Enterprise ICT, GlobalData, September 2023

SMART SERVICES AND ARTIFICIAL INTELLIGENCE

What Happened in 2023?

- The Smart Services (IoT) market grew by 18.0% YoY in 2023, driven by technological advancements and the Government's rapid adoption in areas like smart cities, Industry 4.0, healthcare and agriculture.
- Expanded initiatives and partnerships for smart services included smart industrial parks, AI and IoT in port management and collaborations in green tech and automation. Co-creation using 5G technologies also saw increased traction.
- AI is a key driver of technological advancement in Malaysia, aligned with the Government's vision outlined in the Malaysia National Artificial Intelligence Roadmap (AI-Rmap) 2021-2025. The establishment of the first AI faculty at the University of Technology Malaysia marked a significant step in leveraging AI for innovation across sectors like manufacturing, finance, healthcare and agriculture.
- YTL's partnership with Nvidia to build AI infrastructure aimed at introducing supercomputers in Malaysia reflects alignment with the NIMP 2030. This move focuses on deploying advanced AI technologies, including cloud-native frameworks for generative AI models.
- The formation of the Global Telco AI Alliance by leading telecom companies, including SK Telecom and Deutsche Telekom, signifies a collaborative effort to accelerate AI transformation in the telecom industry.

How did it Impact TM?

- Increased initiatives and partnerships with service providers and industry leaders to co-develop enterprise IoT solutions
- AI plays a larger role in automating network functions and improving customer-facing features such as chatbots and self-serve applications

How did We Respond?

- TM One partnered with NCT Group for the Selangor Smart Industrial Park, integrating various digital solutions with TM's infrastructure
- Strengthened the partner ecosystem through TM One's 5G Sphere, fostering collaborations for 5G use case co-creation from ideation to realisation
- Engaged with AI and hyperscaler partners to integrate AI-enabled functions and open to collaborate with large language models (LLM) players to develop tailored AI models

Outlook

- The IoT service market is projected to grow at a 21.6% CAGR, reaching RM7.0 billion by 2027 in Malaysia
- Anticipated expansion of 5G-enabled IoT solutions in high-bandwidth, low-latency applications like smart surveillance and connected vehicles. Key sectors like energy, manufacturing, retail and smart city development are driving IoT evolution
- The Government's Kuala Lumpur 20 (KL20) initiative, which has been unveiled in February 2024, aims to position Malaysia as a regional AI hub
- The trend of localised generative AI models is gaining momentum, with Asian telecom companies leading in the development of services like customer support and network optimisation using localised GenAI
- Malaysia is progressing towards establishing an AI governance framework and code of ethics to promote and regulate the safe, ethical and responsible use of AI, expected to be ready in 2024. It is anticipated to drive the adoption of services like sovereign cloud, edge computing and managed security services

Sources:
1. *Mid-Year Market Review for TM, GlobalData, September 2023*
2. *AI in Telecoms, GlobalData, January 2024*
3. *State of Play of AI in Telecoms, Omdia, January 2024*
4. *Unlocking High Income Opportunities, NST, December 2023*
5. *YTL, NVIDIA to build AI infrastructure, bring fastest supercomputers to Malaysia by mid-2024, The Star, December 2023*
6. *Malaysia coming up with AI governance and code of ethics, NST, January 2024*

SUSTAINABILITY

What Happened in 2023?

- The telco industry faced heightened focus on responsible business practices and its sustainability credentials. These mainly centred around managing risks related to cyber security and data privacy, supply chain, as well as ensuring the accessibility and inclusivity of communications services.
- In light of rising energy tariffs locally, as well as the renewed global momentum post 28th United Nations Climate Change Conference (COP28) to limit the average global temperature increase to 1.5 degrees above pre-industrial levels, the telco industry continued to expedite efforts to address its carbon footprint, primarily emissions arising from network and data centres.
- Telcos, including TM, adopted broad initiatives to increase social, economic and environmental efficiency of its business and network operations. This includes ensuring that its supply chains are resilient and sustainable.
- Within the broader digital technology industry, trends suggest a growing market for digital technology solutions that address sustainability goals. By 2030, there is an estimated USD118 billion market size for such solutions.
- Government-led policies, such as the National Energy Transition Plan (NETR), 12MP and the NIMP2030 have underlined the enabling role that digitalisation plays in achieving sustainability at a national level. This has increased public awareness and prompted customers to seek solutions that are both digital and sustainable.

How did it Impact TM?

- Rising demand for sustainable practices and resilient networks and operations
- Rising demand for solutions that address sustainability goals amongst customers and business partners

How did We Respond?

- Released the first TCFD report, two (2) years ahead of the 2025 requirement by Bursa Malaysia
- Increased disclosure of sustainable business practices, leading to an increase in our S&P Global ESG score from 41 points in 2022 to 46 points in 2023, placing TM among the top performing telcos in ASEAN
- Increased renewable energy usage in data centres and nodes, accounting for over 11% of total energy consumption in 2023
- Reduced our carbon emissions by 22% compared to our 2019 baseline and reported boundaries
- Expanded our Sustainability Framework to explore emerging business opportunities in the sustainability market

Outlook

- Local telcos, including TM, will intensify efforts towards a more holistic approach to sustainability, focused on strengthening TM's long-term growth, while ensuring responsible and ethical business practices within TM and our value chain
- Fortify data privacy and cyber security across business operations
- Enhance innovation and services that incorporate digitalisation and technology into solutions for sustainability
- Emphasis on driving energy efficiency and reducing carbon intensity within the network and data centre operations, as well as across supply chains
- Continuous focus on addressing the digital divide, through digital inclusion initiatives such as the digitalisation of MSMEs and digital skills development amongst underserved communities
- Continuous focus on building a future-ready workforce through learning and development, health and well-being including mental health and ethical labour practices
- Strengthen governance in response to market changes and expanded partner ecosystems, with more telcos likely to seek third-party ESG ratings and industry certifications

Sources:

1. *Green Technology and Sustainability Market, SNS Insider, June 2022*
2. *Mid-Year Market Review for TM, GlobalData, September 2023*

Market Trends

EMERGING KEY MARKET TRENDS

Key Market Trends	How did it Impact TM?	Our Approach
Sustainability Factors	• Growing awareness and expectation for telco companies to adopt sustainable practices • Growing market for digital solutions that address sustainability priorities of customers	• Established a holistic framework to enable sustainable growth amongst our customers and the community, while ensuring business resilience across our value chain • Embarked on a three-year plan to strengthen the integration of sustainability considerations across our material matters • Incorporated sustainability risks into the Enterprise Risk Management (ERM)
Policy & Regulatory Developments	• Dual network can accelerate 5G innovation and enable telcos to differentiate • Regulators are shifting their focus from broadband coverage to affordability • Dynamic regulatory development including access rules and Universal Service Provider (USP) clawback moratorium until 2025	• Developed unique propositions for early market opportunities • Maintained dedicated support for Government policies, including the fiberisation plan (JENDELA), nationwide 5G rollout and the launch of *Pakej RAHMAH* for Unifi fixed broadband and Mobile • Executed strategic and commercial arrangements with stakeholders for mutual benefits
Changing Customer Expectations	• Escalating costs influencing demand for essential services • Increased demand for digital services and personalised e-Commerce experiences	• Offered cost-effective broadband bundles including streaming services • Transitioned from transaction-based services to personalised customer experiences
Changing Landscape & Competition	• Convergence and blurring of industries with new entrants in the market • Shift towards AI-powered platform ecosystems	• Refocused from selling products to developing platform ecosystems • Built partnerships for growth via platform play and AI

Risks Linked to Value Creation

At TM, risk management is integral to our mission of creating stakeholder value and advancing our position as a Digital Powerhouse. Established in 1987, our Risk Management unit has evolved to not only identify risks but also to analyse their impact on our business, guiding decisions that align with our strategic goals and risk appetite.

OUR RISK MANAGEMENT JOURNEY

1987
- Risk Management Unit Group Finance

1996
- Fraud Management Unit Group Finance

2003
- Revenue Assurance Unit Group Finance
- Group Business Assurance (GBA)

2007
- Integration of Risk Management, Fraud Management and Revenue Assurance

2011
- Establishment of Corporate Compliance, Strategy & Governance and Insurance Management unit

2013
- Establishment of Business Continuity Management

2014
- Realignment of Contract Management

2015
- Risk Management System

2016
- Risk Maturity Survey

2019
Group Risk Management
- Establishment of Chief Risk Officer (CRO) position
- Establishment of Sustainability unit
- TM ERM Principles and Guidelines establishment based on ISO 31000:2018

2020
- Common Risk Profiling and Implementation – Corruption, OSHE, Right Skill and Cyber Security
- ERM Risk Landscape – Corporate & Divisional
- Operational Risk Data Profiling

2021
- Corporate Risk Management Policy and Risk Appetite Statement
- Risk Certification for Risk Advisors
- Launch of ERM Playbook

2022
- Risk Certification for Risk Fraternity
- Divisional Risk Appetite Mapping and Control Prioritisation
- Risk Management System and Process Improvement

2023
- Risk Maturity Assessment
- Improvement in Strategic and Business Proposal Risk Assessment, Climate-Related Risk and Project Risk
- TM Risk Radar comprises of Principal Risks including external and internal factors
- Improvement of Divisional Risk Profiling
- Won runner-up ASEAN Risk Award 2023

A YEAR OF ENHANCED RISK MATURITY: ALIGNING WITH SUSTAINABILITY AND DIGITAL ASPIRATIONS

Our ERM has transformed from a standalone division managing risk to the formation of Group Risk Management (GRM). Alongside continuous monitoring of Principal Risks, GRM actively drives ERM programmes, addressing emerging risks and ensuring business resilience. This reflects our commitment to embedding sustainable practices and resilience in our journey towards digital innovation.

In 2023, TM's new Risk Maturity Assessment aimed to gauge our risk maturity level and establish an improved baseline elevating our risk management framework. To strengthen our risk management capabilities, we have engaged TM's Risk Fraternity (aka Risk Coordinators) through various programmes such as risk certification, training and knowledge sharing to enhance their skills and awareness.

AWARDS & RECOGNITION

On 7 July 2023, TM was runner-up in the Risk Culture category at the ASEAN Risk Award event held in Singapore. This award is organised by the Enterprise Risk Management Academy, a Singapore-based global learning centre for professionals in ERM.

Overall, there were seven (7) categories and TM competed against more than 230 submissions from other organisations in ASEAN for the first time.

The winners and runner-ups are chosen based on ability to showcase exemplary dedication and innovation in navigating the intricate landscape of risk management in Southeast Asia.

This recognition allows us to measure our accomplishments and contributions against other outstanding companies in Southeast Asia. It is a testament to our dedication to excellence in risk management.

Risks Linked to Value Creation

Our principal risks and key focus areas:

STRATEGIC

- Regulatory Policy Shift
- Mobile & 5G
- Competition
- Loss of Reputation

OPERATIONAL

- Supply Sustainability
- Customer Experience
- Sales & Marketing
- Compliance with Key Acts & Regulations

FINANCIAL

- Cost Escalation
- Credit Risk
- Revenue Gap
- Revenue Leakage
- Forex Volatility

TECHNOLOGY/SYSTEM

- Cyber Security
- IT & Digital Resiliency
- Business Support System Disruption
- Prolonged Network Disruption

SUSTAINABILITY

- Climate Change – Adverse Impact Due to Physical & Transition Risks
- Corporate Governance, Ethics & Integrity
- Workforce Development
- Health & Safety

Strategic Risk

Risk Rating:
Significant - High

WHAT IT MEANS

Challenges arising from internal and external factors, impacting the Group's strategic objectives and long-term vision as defined by leadership.

IMPACT ON VALUE

- Changes in MSAP, leading to heightened competition and price erosion
- Delays in market entry strategies
- Erosion of revenue, market share and investor confidence
- Threats to sustainable growth

IMPACT ON CAPITALS

Financial Capital: Internal and external factors threaten strong returns and affect our financial resources

Social & Relationship Capital: Strategic plan challenges may hinder our nation building agenda and weaken stakeholder trust

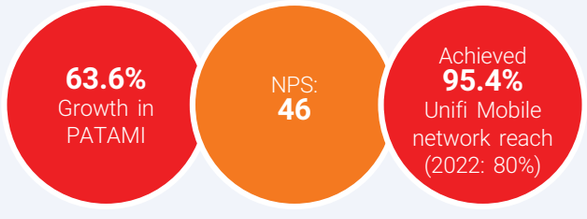
MITIGATION STRATEGIES

- Actively engage with the customers to align with the business requirement
- Enhance market intelligence and Go-to-Market strategy
- Venture into new growth areas such as cloud, smart solutions and digital services, as well as enhance customer experience
- Effectively manage negative mainstream and social media sentiment

TACTICAL OPPORTUNITIES

- Enhance regulator engagement and relationships
- Innovate products and services in new growth areas that are tailored to customer needs
- Explore untapped market through products and services innovation in new growth areas
- Advocate our strategic role in supporting the national agenda to maintain a strong reputation and boost credibility
- Strengthen partnerships and collaborations

ACHIEVEMENTS



RISK MOVEMENT

The risk remained between **Significant to High** due to intense competition in the telco industry and a challenging regulatory landscape, necessitating continuous engagement with regulators.

Strategic Pillars:

Stakeholders Affected:

Material Matters:
M1 M2 M6 M8 M13 M14

Risks Linked to Value Creation

Operational Risk

Risk Rating:
Low - High

WHAT IT MEANS

Risks that involve day-to-day activities in TM, focusing on threats that could hinder our ability to serve customers and fulfil stakeholder obligations.

IMPACT ON VALUE

- Supply shortages impacting customer installations
- Unfavourable NPS scores
- Overruns in project timelines and costs
- Potential penalties and legal consequences

IMPACT ON CAPITALS

Financial Capital: Operational disruptions can result in significant financial losses

Social & Relationship Capital: Service and operational disruptions may erode customers' and stakeholders' trust

Intellectual Capital: Challenges in operations can diminish our competitive edge

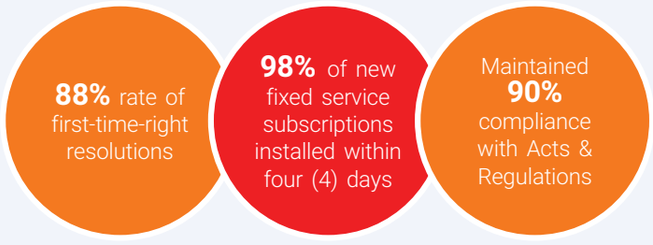
MITIGATION STRATEGIES

- Enhance supply chain resiliency through proactive supplier engagement
- Improve service installation and restoration plans, launch competitive product campaigns and transform retail experience and customer service culture
- Monitor closely commercial and strategic project through effective project governance
- Ensure compliance with various regulations, standards and frameworks through divisional self-declaration activities as well as communication and awareness

TACTICAL OPPORTUNITIES

- Continuous improvement for end-to-end material supply management
- Strengthen operational processes for enhanced service, infrastructure delivery and restoration
- Maintain and elevate customer experience, corporate reputation and stature
- Achieve early revenue realisation through timely project delivery
- Promote self-regulated compliance at divisional level

ACHIEVEMENTS



RISK MOVEMENT

The overall risk varied from **Low to High**, focusing on supply sustainability, customer service delivery and restoration, compliance with external acts/guidelines, consistently providing high quality network service and best customer experience.

Strategic Pillars:

Stakeholders Affected:

Material Matters: M2 M3 M4 M5 M10 M11 M12 M14

Financial Risk

Risk Rating:
Moderate

WHAT IT MEANS

Financial risks that directly impact TM's financial stability, including aspects like cash flow, debt management and overall fiscal health.

IMPACT ON VALUE

- Increase of interest rate
- Escalation in bad debts and collection challenges
- Credit rating downgrade
- Elevated operational and capital expenditures (Opex/Capex)
- Revenue shortfall
- Profitability deficits
- Forex-related additional costs

IMPACT ON CAPITALS

Financial Capital: These risks can erode revenue and capital, undermining growth objectives and shareholder returns

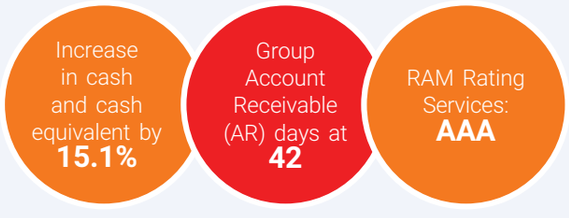
MITIGATION STRATEGIES

- Manage capital and investment cost
- Continuously monitor customer credit rating and collection
- Operational cost management including price negotiation with vendor and suppliers
- Solid financials and ability to fulfil our financial commitments
- Enhance revenue assurance processes
- Implement dynamic sales campaigns
- Strategically hedge borrowings and monitor Forex

TACTICAL OPPORTUNITIES

- Improve Accounts Receivable days through robust credit control
- Leverage economies of scale for competitive pricing
- Enhance revenue streams
- Restrict Forex-related expenses

ACHIEVEMENTS



RISK MOVEMENT

The risk remains at a **Moderate** level due to strategic cost management, vigilant credit monitoring improved revenue assurance process enhancement, prudent sales planning, effective hedging on borrowings and regular Forex monitoring.

Strategic Pillars:

Stakeholders Affected:

Material Matters: M2 M5

Risks Linked to Value Creation

Technology/System Risk

Risk Rating:
Moderate - High

WHAT IT MEANS

These risks involve potential failures or disruptions in network infrastructure, information systems, or processes, including external attacks or disruptions.

IMPACT ON VALUE

- Evolving cyber threats and risks of data leakages
- Challenges and complexities in adopting new technologies
- Business operation and service disruptions that can negatively impact customer experience
- Missed revenue opportunities due to system inefficiencies

IMPACT ON CAPITALS

Financial Capital: Financial losses due to network downtime or outages

Social & Relationship Capital: Eroded stakeholder and customer trust due to service disruptions and cyber security issues

Intellectual Capital: Diminished competitive edge due to cyber security vulnerabilities

Manufactured Capital: Network and service delivery failure due to infrastructure network issues, such as fibre cuts

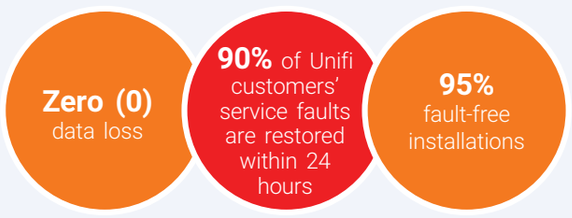
MITIGATION STRATEGIES

- Managing cyber security via the Cyber Security Strategic Programme including enhancing endpoint control and access authentication, liability management, cyber security baseline, compliance certification and awareness among *Warga TM*
- Fortifying our collaboration with industry and commercial partners to gain insights into new technologies
- Develop new Business Support System and geo-redundant disaster recovery system and review network infrastructure design for improved diversity and resilience
- Regularly test and review Business Continuity and Disaster Recovery plans

TACTICAL OPPORTUNITIES

- Enhance resilience against technology and cyber threat disruptions
- Strengthen security policy, requirements and controls across the organisation
- Enhance the robustness of network, systems and operations through technology transformation and modernisation
- Continuously build customer and market trust through transparent communication and robust cyber security measures

ACHIEVEMENTS



RISK MOVEMENT

The risk level is at **Moderate to High**, primarily due to increasing cyber attacks and security breaches impacting customer data and internal processes. However, we stay vigilant by strengthening our security policies, enhancing cyber security controls and uplifting technical and cyber security expertise.

Strategic Pillars:

Stakeholders Affected:

Material Matters: M2 M3 M4 M5 M7 M8 M11 M14

Sustainability Risk

Risk Rating:
Low - Significant

WHAT IT MEANS

Sustainability risks associated with sustainable growth for customers and community while at the same time ensuring business resilience within TM and its value chain.

IMPACT ON VALUE

- Reputational damage from unethical conduct leading to negative impact on ESG rating
- Operational disruptions and worker safety concerns due to natural disasters
- Challenges in workforce productivity and retention
- Dependency on a skilled workforce and challenges with new technology adoption and an ageing workforce

IMPACT ON CAPITALS

Financial Capital: Financial consequences related to ESG issues, including climate change

Social & Relationship Capital: Loss of stakeholder trust due to ethical, environmental and social breaches

Natural Capital: Resource scarcity and environmental pollution

Human Capital: Reduced employee morale and productivity

Manufactured Capital: Infrastructure and asset damage from natural disasters

MITIGATION STRATEGIES

- Establish transparent communication through public disclosure on TM's Sustainability Vision Commitment
- Strengthen the ABMS and implement the OACP
- Implement and regularly test TM's BCM and Disaster Recovery Plan (DRP)
- Foster a positive workplace through employee engagement, culture enhancement, competitive benefits and career growth opportunities
- Focus on developing subject matter experts for future-skilling, succession planning and enhancing staff benefits, rewards and recognition

TACTICAL OPPORTUNITIES

- Enhance our corporate reputation and stature by improving our ESG rating as well as establish a comprehensive TM's Sustainability Framework and Roadmap to better align with evolving market, regulatory and business needs
- Support global and national climate commitments
- Enhance TM's visibility in the ESG space and among sustainability stakeholders
- Develop human capital equipped with future skills
- Lead innovation in the era of IoT
- Foster a highly productive and motivated workforce

ACHIEVEMENTS

Reduced carbon emissions by **22%** compared to our 2019 baseline

32.7% reduction in overall accident cases in TM

OHI **79**

100% completion of TCFD

Maintained MS ISO 37001:2016 ABMS Certification by SIRIM with **100%** compliance to ABMS standards since 2021

RISK MOVEMENT

Sustainability risks are carefully managed, with improvement in risk levels ranging from **Low** to **Significant**. Notable progress in climate change risk management and robust BCM programmes help mitigate service disruptions. Ongoing efforts focus on adapting to a low-carbon economy and enhancing TM's sustainability practices to improve market alignment and operational resiliency.

Strategic Pillars:

Stakeholders Affected:

Material Matters:
M2 M5 M7 M8 M9 M10 M12 M13 M14

Value Creation Business Model

OUR CAPITALS... | **...ENABLE VALUE-ADDING** | **...ACTIVITIES THAT CREATE...**

INPUT

FINANCIAL CAPITAL
- RM21.30 billion market capitalisation
- RM22.94 billion total assets
- RM2.28 billion Free Cash Flow
- RM1.94 billion Capex

MANUFACTURED CAPITAL
- >720,000 km fibre optic cables nationwide
- >100 content delivery nodes (CDN) worldwide
- >340,000 km submarine cables
- 8 data centres
- >7,900 mobile sites

INTELLECTUAL CAPITAL
- 78 years' experience as a leading telco provider
- RM50.0 million in Research & Development (R&D)
- 186 researchers

HUMAN CAPITAL
- 18,891 *Warga TM*
- 1,339 programmes conducted to improve & upskill *Warga TM*

SOCIAL & RELATIONSHIP CAPITAL
- 1,966 active local suppliers
- RM38.4 million channelled to scholarships, financial assistance & community programmes

NATURAL CAPITAL
- 429,102 MWh energy consumption
- 131.5 megalitres water withdrawal from municipal water suppliers

MARKET TRENDS

The Economy | Connectivity | Digitalisation

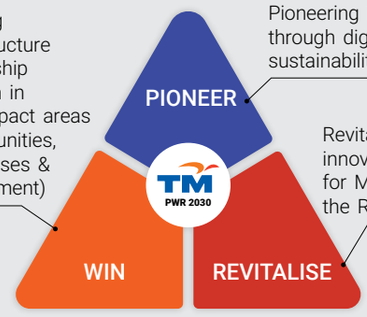
Our strategic goals, ambitions and execution pillars for PWR 2030 are outlined below:

PWR 2030: Digital Powerhouse for Malaysia & the Region

Winning Infrastructure Leadership position in high-impact areas (communities, businesses & Government)

Pioneering industry growth through digitalisation & sustainability

Revitalising talent & innovation ecosystem for Malaysia & the Region



EXECUTION PILLARS

- Modernise Customer Relationships through Digital Ecosystem
- Entrepreneurial Digital Mindset
- Capability Revolution
- Commercially-Driven Strategic Partnerships
- Superior Infrastructure & Platform
- Holistic Stakeholder Engagements

MATERIAL MATTERS

- M1 Innovation & Technology
- M2 Customer Experience
- M3 Network Stability & Quality
- M4 Affordability & Inclusion
- M5 Community Development
- M6 Environmental Quality
- M7 Carbon Emissions
- M8 Fair Employment
- M9 Health & Safety
- M10 Learning & Development
- M11 Sustainability Supply Chain
- M12 Responsible Communication
- M13 Cyber Security
- M14 Good Governance

...VALUE FOR OUR STAKEHOLDERS.

Cloud | Smart Services | Sustainability

OUTPUT	RELATED STAKEHOLDERS
FINANCIAL CAPITAL • Total Dividend payout: RM957.9 million (25 sen per share) • Dividend increased 8.5 sen per share • Return of equity: 23.0%	
MANUFACTURED CAPITAL • >3.1 million Home & MSME customers • 1.0 million Mobile customers • 95.4% LTE population coverage nationwide with MOCN	
INTELLECTUAL CAPITAL • >15 awards acquired • Five (5) smart solutions developed	
HUMAN CAPITAL • 18,788 employees trained with future-ready skills • 32.7% drop in health & safety incidents • 33% women on the Board	
SOCIAL & RELATIONSHIP CAPITAL • RM2.01 billion total contributions to local suppliers • >110,000 community members reached through social impact programmes	
NATURAL CAPITAL • 26.7% reduction in water consumption • Improved TM's carbon emissions reduction to 22% from 2019 baseline	

Our Capitals

Our journey to becoming a Digital Powerhouse is driven by strategically leveraging six (6) types of capitals. This approach allows us to balance immediate trade-offs with our long-term vision of growth and stakeholder value, aligning our business ambitions with our nation building commitment.

HUMAN CAPITAL

Sustainability Impact:

Our *Warga TM* serves as our execution engine. We prioritise investing in our employees, empowering them to propel our strategic objectives forward.

INPUT

- **18,891** *Warga TM*
- **1,339** programmes conducted to improve & upskill *Warga TM*

OUTPUT

- **18,788** *Warga TM* trained with future-ready skills
- **32.7%** drop in health & safety incidents
- **33%** women on the Board

ACTIONS TO ENHANCE OUTCOMES

- Implemented online on-demand training to support traditional learning and help develop skills for the company's new growth areas
- Improve communication between employee representatives and the management team to negotiate and create mutually beneficial collective bargaining agreements
- Enhance understanding of safety protocols, audits and corrective actions to minimise incidents, fatalities and LTI frequencies
- Incorporated integrated communications to minimise message fatigue, acknowledge *Warga TM's* ideas and reward them for their achievements

TRADE-OFFS

We have allocated resources for right upskilling initiatives to cultivate a future-ready workforce, alongside implementing well-being programmes to safeguard the physical and mental health of our employees. While this may have some impact on our Financial Capital initially, the enhanced productivity and acquisition of new skills will ultimately lead to increased profitability in the long-term.

FINANCIAL CAPITAL

Sustainability Impact:

Our revenue and profits are channelled to both sustaining and growing our business operations. We allocate our financial resources towards compensating key stakeholders, funding various forms of capital and advancing our Digital Malaysia aspirations.

INPUT

- **RM21.30** billion market capitalisation
- **RM22.94** billion total assets
- **RM2.28** billion Free Cash Flow
- **RM1.94** billion Capex

OUTPUT

- Dividend payout: **RM957.9** million
- Dividend increased by **8.5** sen per share
- Return of equity: **23.0%**

ACTIONS TO ENHANCE OUTCOMES

- Continuous revenue growth momentum from all LoBs across all product lines
- Improving cost efficiency to ensure higher profitability
- Maximised shareholder value and returns by optimising the cost of capital
- Ensured favourable distributions for shareholders

TRADE-OFFS

We direct our Financial Capital towards nurturing other essential capitals, including investment in employee training (Human Capital), research and development (Intellectual Capital), resource optimisation (Natural Capital) and the expansion of our network infrastructure (Manufactured Capital). Although this may temporarily reduce our Financial Capital reserves, we are confident that it will drive our long-term success and contribute to the advancement of our nation.

INTELLECTUAL CAPITAL

Sustainability Impact:

We continuously lead in embracing every technological advancement within the country. We adopt new technologies and digital solutions that bolster our value proposition and enhance our competitive advantage.

INPUT

- **RM50.0** million invested in research & development (R&D)
- **186** number of researchers

OUTPUT

- **>15** awards acquired
- **5** smart solutions developed

ACTIONS TO ENHANCE OUTCOMES

- Boosted process efficiency and staff productivity, resulting in decreased operational costs and enhanced customer experience (CX)
- Enhanced commercialisation efforts by partnering with the LoBs to introduce our smart solutions to the market, thereby driving revenue growth

TRADE-OFFS

To address evolving customer needs and expectations, we have allocated our financial resources towards R&D initiatives and the implementation of smart technologies. While this has resulted in a reduction in our immediate Financial Capital, we are confident that it will enhance our competitive advantage and lead to improved overall performance in the long-run. Moreover, our recognition as a digital leader has bolstered customer trust, thereby enriching our Social and Relationship Capital.

NATURAL CAPITAL

Sustainability Impact:

Our operations depend on various resources such as energy, water, radio spectrum and other natural resources. As we progress on our sustainability journey, we are committed to consistently minimising the environmental footprint of our activities.

INPUT

- **429,102** MWh energy consumption
- **131.5** megalitres water withdrawal from municipal water suppliers

OUTPUT

- **26.7%** reduction in water consumption
- Improved TM's carbon emission reduction to **22%**, from 2019 baseline

ACTIONS TO ENHANCE OUTCOMES

- Continuous effort to decrease energy consumption through collaborative initiatives involving multiple departments across TM
- Compensate for brown energy by introducing green energy solutions in designated buildings
- Conducted assessments of physical and transition risks aligned with the TCFD framework

TRADE-OFFS

Committed to sustainability, we persist in investing in green technologies and low-carbon solutions, despite the initial financial outlay. We firmly believe that adopting resource-efficient operations not only conserves both Natural and Financial Capital in the long-term but also reinforces stakeholder trust, thereby enriching our Social and Relationship Capital.

Our Capitals

SOCIAL & RELATIONSHIP CAPITAL

Sustainability Impact:

Our robust and meaningful relationships with stakeholders enable us to advance our nation building agenda. We take pride in fostering connections that contribute to building a resilient and prosperous society.

INPUT

- **1,966** active local suppliers
- **RM6.2** million total invested in community initiatives

OUTPUT

- **RM2.01** billion total contributions to local suppliers
- **>110,000** community members reached through social impact programmes

ACTIONS TO ENHANCE OUTCOMES

- Continuous effort to upskills our suppliers through the BVDP
- Offered targeted initiatives to improve business capabilities and market presence of entreprenuers
- Conducted various industry-relevant training programmes for our future talent

TRADE-OFFS

Over the year, we dedicated investments to community and stakeholder engagement programmes, which entailed a short-term expenditure of Financial Capital. Nevertheless, we believe that the trust fostered by these initiatives will pave the way for the growth of our Human and Intellectual Capital, leading to an improved long-term Financial Capital performance.

MANUFACTURED CAPITAL

Sustainability Impact:

Our extensive infrastructure network, encompassing data centres and base stations, is vital for connecting Malaysians nationwide. Additionally, our portfolio includes retail outlets, office buildings and other physical assets that significantly contribute to our growth and operational capabilities.

INPUT

- **>720,000 km** fibre optic cables nationwide
- **>100** Content Delivery Nodes (CDN) worldwide
- **>340,000 km** submarine cables
- **8** data centres
- **>7,900** mobile sites

OUTPUT

- **3.1** million Home & MSME customers served
- **1.0** million Mobile customers
- **95.4%** Long-Term Evolution (LTE) population coverage nationwide with MOCN

ACTIONS TO ENHANCE OUTCOMES

- Expanded our network through targeted investments
- Provided digital upskilling initiatives for the MSMEs

TRADE-OFFS

Our investments assist in expanding our network infrastructure (Manufactured Capital), demonstrating our dedication to bridging the digital divide. Although this temporarily decreased our Financial Capital, we anticipate that enhancements in other capitals will ultimately replenish and bolster our long-term financial standing. By extending connectivity across Malaysia, we foster greater trust and support, thereby contributing to our Social and Relationship Capital.

Our Strategy

With the completion of TM's initial transformation phase (2021-2023), we have solidified TM's position in both the local and global telecommunication landscape and successfully strengthened our financial performance. We are now moving into the next phase of growth as we accelerate our journey to become a **Digital Powerhouse by 2030 (PWR 2030)**.

STRATEGIC EVOLUTION: REVIEW OF THE TRANSFORMATION PLAN (2021-2023)

The past three (3) years have been pivotal in redefining what greatness means to TM. As we stand on the precipice of a new era, we reflect on our evolution from a traditional telecommunications company to a forward-thinking technology company, unleashing greatness and empowering all the potentials of enabling a Digital Malaysia.

Through various strategic initiatives, we have enhanced our core connectivity with advancements in 5G to enrich our mobile network experience, strengthening our leadership position as a converged telco. We have moved forward to unlock growth Beyond Connectivity such as cloud, cyber security and smart services, marking significant strides towards delivering a more comprehensive digital ecosystem for the nation.

In 2023, we are proud to share our achievements across our four (4) strategic pillars as we set a solid foundation for future growth:

Our Purpose

WHAT IT MEANS

At the core of TM's strategy lies our purpose to ensure we can continue playing a dual role as a Public Listed Company (PLC) and Government-Linked Company (GLC) to create a better tomorrow for all Malaysians.

As both a PLC and GLC, we are in a unique position of creating commercial value that contributes to the Government's nation building agenda.

WHAT WE DID IN 2023

As a PLC: We invested in and provided healthy and sustainable returns to our shareholders, advancing our role as a responsible corporate institution.

As a GLC: We contributed to nation building through ubiquitous connectivity, bridging the digital divide and creating opportunities for the communities, businesses and Government.

PERFORMANCE & ACHIEVEMENTS

Performance Metrics	2021	2022	2023
Dividends Payout (RM million)	490.6	627.5	**957.9**
S&P Global ESG	N/A	41	**46**

Environmental

- Published Taskforce on Climate-related Financial Disclosures (TCFD) report
- Maintained Carbon Disclosure Project (CDP) rating at B

Social

- Achieved 73% of premises with high-speed Internet connection
- Achieved 33% of women on the Board

Governance

- Achieved S&P Global ESG rating of 46 points, putting us among telcos with the highest sustainability ratings in the ASEAN region

Material Matters: M1 M2 M3 M4 M5 M14 | **Sustainability Impact:**

Our Strategy

Our Customers

WHAT IT MEANS

Our shift to a Digital Powerhouse by 2030 focuses on creating new digital experiences by leveraging on analytics and technologies designed to improve the daily lives and work environments of both present and future customer generations.

WHAT WE DID IN 2023

Fast and Effective Issue Resolution: Implemented strategies to resolve customer issues swiftly and accurately, ensuring restoration within 24 hours

Service Availability Enhancement: Increased service reliability through predictive and proactive fault management, minimising disruptions and enhancing user experience

Digital Experience Innovation: Built new functions and capabilities in our MyUnifi app and portal, offering personalisation and new digital experiences

Network Expansion: Expanded coverage for our mobile network thereby enhancing connectivity and service quality for better browsing and streaming experience

Proactive Management: Leveraged software, predictive analytics and Robotic Process Automation (RPA) for proactive fault and performance management, setting a new standard for service assurance

IR For more information on how we future-proof our customer experience, please see page 103.

PERFORMANCE & ACHIEVEMENTS

Performance Metrics	2021	2022	2023
TM Group Net Promoter Score (NPS)	23	39	**46**
Population Coverage for Mobile (%)	82%	83%	**95%**
Premises Passed with Fibre Connectivity (%)	140%	142%	**139%**
Customer Issues Resolved within 24 Hours (%)	67%	88%	**93%**

Material Matters: M2 M4 **Sustainability Impact:**

Our People

WHAT IT MEANS

Warga TM is the execution engine of the Group, thus playing a critical role in our successful transformation to a Digital Powerhouse by 2030. As such, we are committed to accelerating a future-proof workforce that can drive our strategy forward and enable us to achieve our nation building aspirations for a more sustainable future.

WHAT WE DID IN 2023

Productivity & Manpower Optimisation: Implemented strategic cost-saving and control measures to enhance organisational efficiency without compromising the quality of work or employee satisfaction.

Capability Development: Rolled out extensive development programmes focused on future skills, leadership, current business skills and culture/mindset training, reaching over 15,000 staff members. These initiatives were aimed at preparing our workforce for the challenges and opportunities of the digital age.

IR For more information on how we future-proof our people, please see page 146.

Culture & Agile Way of Working: Scaled agile methodologies across the organisation, involving 1,750 cross-functional team members and 181 squads, particularly focusing on the Unifi ecosystem and TM One. This approach fostered a culture of flexibility, collaboration and rapid response to change.

Career Pathing & Succession Planning: Enhanced job satisfaction and retention through clear career pathing, which provided employees with visibility into their career advancement opportunities within TM. Introduced various development programmes, such as ASPIRE, Graduate Programmes, LEAD and training for middle management and supervisory roles, to bolster leadership, elevate talent and improve succession depth.

PERFORMANCE & ACHIEVEMENTS

Performance Metrics	2021	2022	2023
Organisational Health Index (OHI)	82	80	**79**

The slight decrease in OHI reflects the natural adjustments inherent in TM's transformation. During periods of profound change, temporary shifts in established work patterns and employee perceptions are expected. This transition underscores our *Warga TM's* resilience as they adapt to new strategic directions. Despite this minor fluctuation, our OHI score remains strong, indicating a robust foundation of organisational health that continues to support our ambitious goals.

Material Matters: M8 M9 M10 **Sustainability Impact:**

Our Performance

WHAT IT MEANS

This pillar focuses on our ability to navigate the complexities of the telecommunications market, driving revenue growth, optimising investments and maintaining a sustainable cost structure. Our performance is a testament to our effective strategy execution, innovation capabilities and commitment to enhancing shareholder value.

WHAT WE DID IN 2023

Revenue Growth & Operational Efficiency: Implemented strategies to drive revenue growth while optimising operational efficiency, ensuring we remain competitive and responsive to market demands

Investment in Innovation & Technology: Continued investments in cutting-edge technology and innovation to enhance our service offerings, customer experience and infrastructure capabilities

Cost Management & Sustainability Initiatives: Focused on strategic cost management and sustainability initiatives to ensure long-term financial health and corporate responsibility

PERFORMANCE & ACHIEVEMENTS

Performance Metrics	2021	2022	2023
Revenue (RM million)	11,529.0	12,118.1	**12,255.6**
EBIT (RM million)	1,710.1	2,090.2	**2,088.4**
Capex (% of Revenue)	14.7%	20.0%	**15.9%**

Demonstrated solid financial performance with a focus on revenue growth, improved EBIT and strategic Capex allocation, reflecting our robust strategy execution and operational excellence.

Material Matters: M2 M3 M5 M6 M7 M11 M13 **Sustainability Impact:**

Our Strategy

NEXT PHASE: PAVING THE WAY FOR PWR 2030

This transformative phase marks a pivotal shift in our identity, transitioning from a leading telecommunications provider to a formidable Technology Company. This strategic evolution positions Malaysia as a Digital Hub in the Asia-Pacific region, signifying our commitment to driving national digital transformation and regional digital leadership.

In our next phase of transformation, we are set on becoming a Digital Powerhouse by 2030 (PWR 2030), while enabling Malaysia's evolution into the region's digital hub. Our efforts align with the national ambition of becoming an interconnected digital society, positioning both TM and Malaysia as leaders in digital innovation.

Our strategy is built on three (3) core principles of PWR:

P

PIONEERING INDUSTRY GROWTH THROUGH DIGITALISATION & SUSTAINABILITY
We are committed to leveraging digitalisation as a tool for sustainable growth across various sectors. By integrating sustainability into our digital initiatives, we aim to foster the nation's economic development while minimising environmental impact.

W

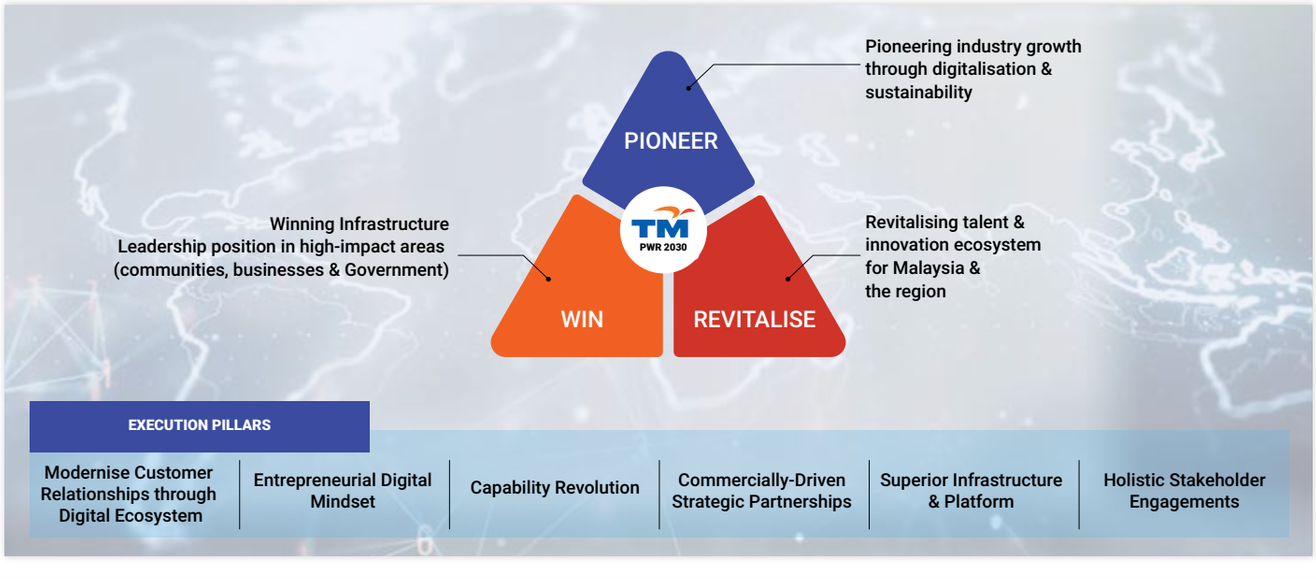
WINNING INFRASTRUCTURE LEADERSHIP POSITION
Our focus is on leading the charge in critical areas (communities, businesses and Government), establishing ourselves as the go-to provider for cutting-edge infrastructure and platform play, coupled with converged and digital offerings.

R

REVITALISING TALENT & INNOVATION ECOSYSTEM
Central to our strategy is nurturing a vibrant ecosystem of talent and innovation, not just for Malaysia but also the region. By fostering creativity and providing support for budding entrepreneurs and innovators, we aim to position Malaysia as a hub for technological innovation.

Our core principles bolstered by our six (6) execution pillars for PWR 2030 are outlined below:

PWR 2030: Digital Powerhouse for Malaysia & the Region



STRATEGY DEVELOPMENT

The formulation of TM's PWR 2030 strategy was an extensive process, undertaken to ensure that our strategic blueprint is robust, relevant and resilient amidst the rapidly evolving digital landscape. This comprehensive approach underscores our dedication to future-proofing our business and our nation against the backdrop of global digital advancements.

COLLABORATIVE STRATEGY DEVELOPMENT	ALIGNMENT WITH NATIONAL ASPIRATIONS	EXPERT INSIGHTS & BENCHMARKING	EQUIPPING THE LEADERSHIP
We initiated our strategy formulation by collaboratively engaging with TM's Management and Strategy teams. This was crucial for crafting tailored strategies for each business cluster and setting clear strategic priorities.	A key element of our strategic formulation was aligning our objectives with national aspirations, embracing the Malaysia MADANI vision. This ensures that we contribute to Malaysia's broader digital agenda, reinforcing our role in the nation's digital transformation.	To ground our strategy in practicality and excellence, we benchmarked our strategies against global standards and validated them with global experts and industry specialists for best practice.	We ensure our Board members and leaders are equipped with the necessary insights and skills to navigate the evolving market challenges, not only in the digital realm but across various domains.

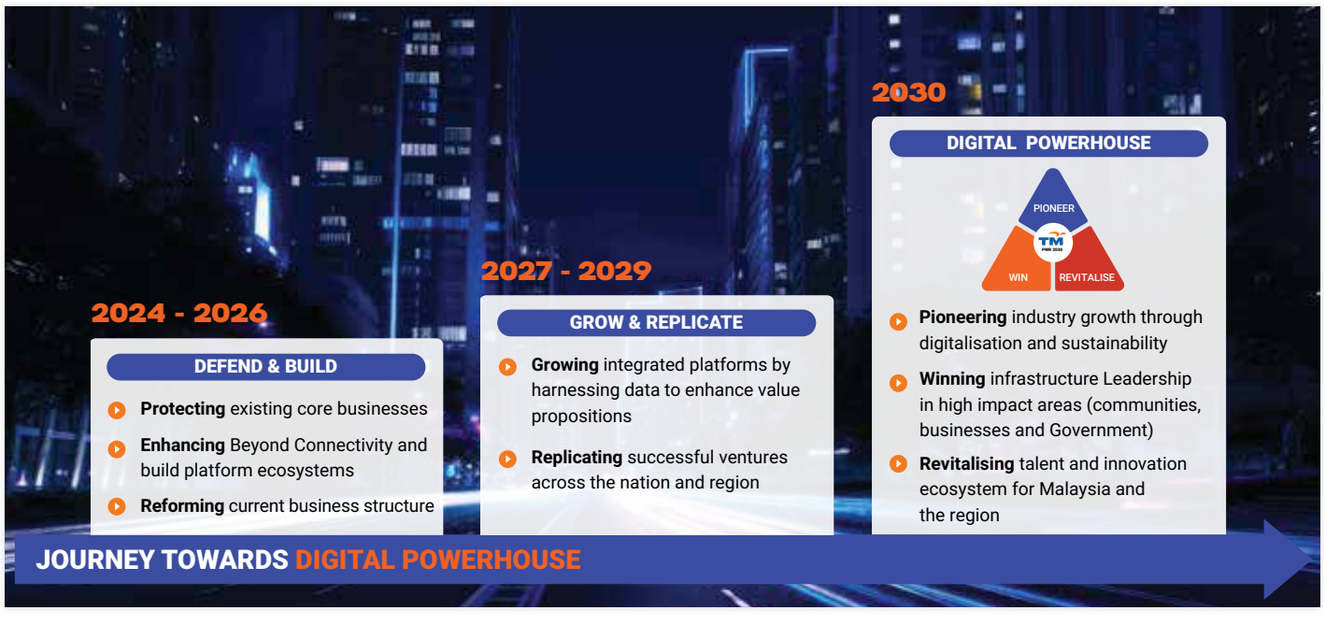
The Board's Role

The Board played a pivotal role in the strategy development process, providing guidance, reviewing strategic options and managing stakeholder engagement to address challenges and seize opportunities. At the year-end Board retreat, the Board reviewed and adopted the strategic plan for the TM Group, setting the stage for the future phases of strategic execution.

OUR STRATEGIC DIRECTION

Structured around defined timeframes, our strategy outlines specific objectives and execution plans across short, medium and long-term horizons to realise the PWR 2030 aspiration.

The stage is set for us to accelerate the journey to become a Digital Powerhouse by 2030



Our Strategy

Short-Term Strategy: 2024-2026

DEFEND & BUILD

In the short-term, we will strive to protect our leadership in our core businesses and enhance beyond connectivity services for growth and customer stickiness. Each TM business cluster is well synergised and has specific roles to carry towards achieving our PWR 2030 aspiration:

unifi

Aiming to revolutionise Digital Home & Society through convergence play strategy

Unifi offers converged solutions with improved mobile coverage, content, digital lifestyle and business solutions for consumers and MSME segments. In addition, Unifi Business continues to accelerate MSMEs' digital adoption by providing tailor-made solutions, tools and support needed to thrive in the digital economy.

TM ONE

Spearheading innovation for Government & Enterprises by leveraging superior infrastructure

TM One focuses on managed services with next gen connectivity, sovereign cloud, Private 5G, Smart Services, Platform and cyber security solutions for industrial digital growth. With a focus on innovation and strategic partnerships, TM One is set to play a significant role in Malaysia's digital transformation journey.

TM GLOBAL

Positioning Malaysia as a digital hub for the region pioneering wholesale platform play capabilities

TM Global is expanding its domestic fibre network and international wholesale platform ecosystem with new strategic submarine cables, data centres, media delivery, edge computing and forging strategic alliances with global carriers to facilitate seamless digital connectivity and services beyond borders.

These objectives will be achieved through the following key enablers:

Platform Ecosystem Development	Telco-as-a-Service (TaaS)	Network Modernisation	IT System Upgrades	Cyber Security
Creating more convenient and integrated platform experiences through enhanced Enterprise Architecture	Improving customer experience with faster go-to-market strategies	Utilising AI and Autonomous Networks (AN) for efficiency	Modernising legacy systems and enhancing API capabilities	Ensuring robust security measures across operations

Medium to Long-Term Strategy: 2027-2030

GROW & REPLICATE

We are poised to expand our integrated platform capabilities, utilising data to amplify our value proposition and replicate our successes on a national and regional scale. This mid-term phase lays the groundwork for our aspiration to be recognised as a Digital Powerhouse by 2030. Our long-term strategy envisions propelling Malaysia to the forefront of the digital era, solidifying its status as a major digital hub in the region.

As we embark on our next wave towards becoming a Digital Powerhouse by 2030, we continue to strengthen our position in the market while driving significant advancements to enrich Malaysia's digital ecosystem. This path is not just about TM's expansion; it is a strategic move towards elevating Malaysia's stature in the global digital economy. Through this journey, we underscore our dedication to national progress and the realisation of Malaysia's digital potential.

YOUR NEXT MOMENT

Enriching your daily life, your way, to make it truly amazing – we are are just the medium that makes it happen.

unifi.com.my/

OUR BUSINESS TODAY

Empowering communities and transforming businesses with progressive technology evolution and digital innovation is what we do.

In doing so, we enhance livelihood for everyone in Malaysia and foster growth for businesses.

Curves: Yellow Bell Pepper
Source: MYFOODDATA

Our Business

We are proud of Unifi's strides this year in enhancing the digital landscape for Malaysians. Aligning with TM's aspiration of becoming a Digital Powerhouse by 2030, we focused on empowering businesses, especially MSMEs, by providing comprehensive digital solutions and affordable connectivity. Our objective was to position Unifi as a one-stop centre for MSMEs in Malaysia that serves their critical business needs.

In the consumer business, we solidified our role as Malaysia's leading convergence player, advancing our broadband and mobile offerings and enriching our entertainment portfolio through key partnerships with global content providers. This year's initiatives, from inclusive broadband packages to innovative collaborations, reflect our commitment to inclusivity and excellence. By harmonising cutting-edge technology with a customer-centric approach, Unifi continues to redefine the convergence experience, living up to our promise of making life and business easier for our customers.

WHAT WE DO

As Malaysia's true convergence player, Unifi takes the lead in offering a comprehensive suite of services for both home and business customers. Throughout the years, we have built a strong track record of delivering the best broadband services in Malaysia, accompanied by an exceptional customer experience. We ensure that all Malaysians reap the benefits of broadband everywhere, by providing the best experience at home, at work as well as on the move.

CREATING STAKEHOLDER VALUE

Stakeholder Expectations	How We Deliver Value
Customers High quality services, enhanced product offerings and the best customer experience	• **Diverse Offerings:** Bundled offerings tailored to suit vast and diverse customers' needs • **High Quality Services:** Transformed Unifi Stores and provide continuous improvements at Unifi Contact Centre and Field teams, for a seamless customer experience and consultative brand experience • **Global Content Partnerships:** Rich content portfolio with global partnerships
Communities Access to affordable, advanced digital solutions	• **Digital Inclusivity:** Broader accessibility to high-speed Internet through affordable 5G Prepaid options and *Pakej RAHMAH* • **Content Accessibility:** Making top-tier entertainment and comprehensive content available to wider demographics

A TRUE CONVERGENCE PLAYER

High-Value Converged Offerings

Unifi stands out as the only quad-play provider in Malaysia, offering an integrated suite of services – broadband, mobile, telephony and TV.

Broadband Leadership

Unifi is the first provider to update its fibre pricing and provide free speed upgrades for existing customers, showcasing our commitment to accessible, high-speed Internet.

Strategic Partnerships

Collaborations with major streaming apps; HBO and Netflix, position us at the forefront of content and service provision, making us a leader in both broadband and content.

Empowering MSMEs

Our focus on digitising MSMEs through enhanced product propositions and digital solutions demonstrates our commitment to driving business growth in Malaysia.

Lifestyle Services

Our convergence offerings extend beyond connectivity services, embracing a lifestyle tailored to modern needs.

Customer-Centric Approach

Ensuring our customers always come first, we shape our convergence story around their needs and expectations.

KEY FOCUS AREAS & RESULTS

1 Continue to be the True Convergence Provider

What We Did in 2023	Results
Converged and High-Speed Offerings: Launched high-value converged offerings, Smart Home features and 1 Gbps & 2 Gbps plans	**Home Subscribers Surpassed 3.1 million:** Marked a significant increase in home subscribers
5G Mobile Plans Rollout: Signed MOCN partnership and launched 5G Mobile individual and Family plans	**95.4% Population Coverage:** Achieved extensive 4G LTE and 5G MOCN coverage

2 Comprehensive Digital Solutions for MSMEs

What We Did in 2023	Results
MSME Connectivity: Enhanced connectivity and digital solutions for MSMEs	**Value-Added Services for MSMEs:** Delivered more comprehensive solutions for business growth
Upskilling MSMEs: Introduced *Geran Digital Perusahaan Mikro, Kecil & Sederhana* (PMKS) and *Madani* (GDPM), as well as delivered free MSME masterclasses	**MSME Digital Proficiency:** Enhanced digital skills among MSMEs, leveraging GDPM benefits

Our Business

3 Unparalleled Content Offerings

What We Did in 2023	Results
Enriched Unifi TV Content: Launched new premium and free-to-air (FTA) channels, streaming apps and original content	**77 Channels & 18 Streaming Apps:** Including Netflix, HBO, HBO HITS, HBO Family, BeIN, Moonbug Kids, ONE and many more

4 Enhancing Customer Experience

What We Did in 2023	Results
Unifi Store Transformation: Transformed Unifi Stores for improved customer journeys with converged offerings	**Enhanced Retail Experience:** Improved NPS scores and increased walk-ins in Klang Valley Unifi Stores
Service Optimisation: Accelerated infrastructure rollout and site provisioning driven by analytics	**Rapid Service Delivery:** 80% of customers within Unifi full port area were serviced within 14 days
Elevating Experience: Introduction of Premium Lane for selected customers at the Unifi Contact Centre has reduced waiting time from two (2) minutes to 15 seconds	**Enhance Services:** Resolved customer issues fast and right-at-first-time, where 90% of Unifi customers' service faults are restored within 24 hours

IR For more information on our customer experience, please see pages 103.

PERFORMANCE HIGHLIGHTS

Financial

Revenue:
RM5,664.0 million
(2022: RM5,648.1 million)

0.3%
increase

Non-Financial

Broadband subscribers:
>3.1 million
(2022: 3.0 million)

Unifi Mobile subscribers:
1.0 million
(2022: 0.8 million)

KEY RISKS & CHALLENGES

Risks & Challenges	Mitigation Strategies
Soft Spending Sentiment Consumers are more cautious with spending due to economic uncertainties	• Shift focus to customer value and benefits in product offerings • Introduce campaigns that emphasise value-for-money and customer benefits
Competition Increased competition in high-speed broadband and fixed-to-mobile substitution	• Offer a complete suite of relevant and attractive offerings for customers • Ensure exceptional service and customer support to differentiate from competitors
Regulatory & Policy Changes Evolving Government expectations lead to changes in pricing and regulations	• Proactively engage with the Government and regulators to shape expectations, lead strategies and ensure compliance with regulations

AWARDS & RECOGNITION

Awards	From
1. Best Fixed Broadband Service Provider	PC.com
2. Best Business Fixed Broadband Service Provider	PC.com
3. Best Mobile Video Experience	OOKLA
4. Fastest Average 5G Download Speeds in 5G Global Mobile Network Experience Awards 2023 • Best Video App Experience • Best Video Experience • Best 5G Live Video Experience • Best 5G Download Speed • Best Consistent Quality • Best Live Video Experience	Opensignal
5. Platinum Award in Communication Networks	Putra Brand Awards 2023

OUTLOOK

In the next one to three years, Unifi is set to focus on driving digital lifestyle convergence beyond mere connectivity, reinforcing our position as the true convergence player in Malaysia. This involves integrating a variety of digital lifestyle services to create a seamless experience for consumers, going beyond connectivity services.

We aim to lead in digital business solutions convergence, establishing ourselves as the preferred digital partner for MSMEs. We continue to offer comprehensive digital solutions tailored to the unique needs and challenges of these businesses. In terms of customer experience, we aspire to enable more digital and omnichannel interactions, empowering customers with personalised experiences and AI-supported interactions across all touchpoints.

Building a Smarter Future

In 2023, TM One navigated challenging market conditions to achieve a year of remarkable resilience. Our success was driven by enhanced customer offerings, including robust and secure next-gen connectivity and innovative digital solutions tailored to meet a spectrum of business needs. We played a pivotal role in driving organisational transformation, co-creating fit for purpose solutions managed by our team of skilled professionals.

Our extensive ecosystem and strategic partnerships with key global and local players solidified our position as the preferred digital solutions partner for large enterprises and Government bodies. This year's achievements reflect our unwavering commitment to empowering the journey towards a Digital Malaysia and Smart Nation, demonstrating our dedication to progressive communities, businesses and Government entities.

WHAT WE DO

TM One, the enterprise and Government business solutions arm of TM, is at the forefront of driving Malaysia's transformation into a technological advanced country. We offer a comprehensive suite of integrated digital products and vertical-specific solutions, designed to propel digital adoption across diverse market sectors. Our services enable this transformative journey through the latest digital tools, human-centred technologies, bespoke solutions and managed services.

We specialise in a range of areas including fixed, mobile and wireless connectivity, cyber security, data centres and cloud computing, ICT solutions, Business Services and Smart Services. Our approach allows businesses and organisations to harness the capabilities of the Fourth Industrial Revolution (IR 4.0), AI, Big Data and IoT for their NEXT advancement advantage, today and tomorrow.

CREATING STAKEHOLDER VALUE

Stakeholder Expectations	How We Deliver Value
Customers Trusted partner with reliable and comprehensive suite of converged innovative solutions and managed services	• **Digital Transformation Drive:** Adopt emerging technologies such as 5G, SDWAN, AI, data analytics, automation, cyber security and smart solutions • **Platform & Ecosystem Focus:** Pivot on cloud technology to establish a robust and flexible platform and ecosystem
Partners Empowering businesses through strategic partnerships and seamless collaboration with global technology leaders and end-to-end ecosystem partners	• **Fostering Trusted Partnerships:** Cultivate global and industry standards and best practices, delivering enhanced capabilities and capacities at scale
Shareholders & Investors Cutting-edge and competitive offerings for long-term gains, minimising equity investment risk	• **Productivity & Service Excellence:** Business growth and improved profitability through enhanced productivity and exceptional customer service

OUR IMPACT & REACH

Comprehensive Digital Suite

TM One provides an extensive range of products and solutions, from next gen integrated ICT solutions and smart solutions to cloud and digital services.

Advanced Connectivity

Our hyper-converged connectivity solutions offer scalability and capacity, essential for robust digital demands.

IR 4.0 Enablement

We empower businesses with cutting-edge technologies like AI, Big Data, IoT and automation.

Bespoke & Vertical Solutions

Tailored solutions across various industry domains and business operation landscapes are crafted to meet the unique needs of each organisation.

Nation Building Role

TM One plays a crucial role in Malaysia's journey towards becoming a Digital Nation, shaping the country's digital infrastructure and capabilities.

KEY FOCUS AREAS & RESULTS

1 Trusted Service Provider & Digital Partner

What We Did in 2023	Results
Smart City Aspirations: Expedited the acceleration of the nation's smart city aspirations	**Global Recognition:** Ipoh City's Smart Traffic system contributed to international recognition by UNCDF
Higher Education Digital Ecosystem: Collaborations to enhance the national higher education digital ecosystem	**Local Council Empowerment:** Built alliance with PLAN Malaysia for digital transformation for 29 local councils
Digital Inclusivity in Public Sector: Commissioned as a strategic partner for digital infrastructure in Sarawak and Selangor	**Educational Transformation:** Enhanced digital learning at USIM and JPPKK, boosting technological skills
Rural & Remote Connectivity: Leading the POP 2 projects delivery and PEDi management	**Strategic Digital Partnerships:** Established as a key partner for SDEC and BPM SUK, driving digital service adoption
	Connectivity Expansion: Expanded Internet access in rural regions, recognised with multiple awards at *Persidangan PEDi MADANI 2023*

2 Leading Enterprise 5G

What We Did in 2023	Results
Healthcare Technological Advancements: Implemented IoT technology for high quality healthcare services **Oil & Gas Industry Advancement:** Installed Private 5G networks at key PETRONAS sites	**Healthcare Innovation:** Enabled Malaysia's First 5G-Enabled VSI Holomedicine by KPJ Healthcare. Elevated patient care at Park City Medical Centre with IoT and Sunway Medical HIS on TM Cloud Alpha
TM One Sandbox Launch: Enabled stakeholders to develop and test services in an operational sandbox environment	**Operational Excellence:** Empowered organisation digitalisation and operational transformation programmes
	Innovation Platform: Accelerated industry collaboration and co-creation of new digital solutions

Our Business

STRATEGIC PARTNERSHIPS & COLLABORATIONS

Collaborations	Quotes
Strategic partnership with ***Majlis Perbandaran Batu Pahat*** **(MPBP)** for their Smart and Low-Carbon City Programme 2030	"This collaboration with TM One was established to address urban issues and challenges based on smart city elements. Moreover, this initiative aligns with the State Government's aspiration to transform Johor into an advanced state by 2030 through the launch of the respective action plan." – MPBP Media Statement
Improvement of data storage methods for ***Majlis Agama Islam Negeri Sembilan*** **(MAINS)**	"Our collaboration with TM One has led to the development of MAINS CLOUD, focusing on three (3) core areas: a data innovation ecosystem, technological advancement and insight sharing, crucial for safeguarding the well-being of the poor and asnaf in our state." – Datuk Seri Dr. Abdul Aziz Sheikh Ab. Kadir, Chairman, MAINS
Optimised **RTM's** digital offerings through the e-TVCMS (e-Television Content Management System) solution, in partnership with TM One's Cloud Alpha Edge	"The implementation of e-TVCMS, a cloud computing-based system, has been transformative for RTM. It has enabled us to triple our content acquisition process, significantly enhancing our service delivery excellence and operational efficiencies." – Mohammad Yusari Ameer Mohd Yusof, Assistant Director of Content and Creativity, Department of Broadcasting Malaysia

PERFORMANCE HIGHLIGHTS

Financial

Revenue:
RM3,141.8 million

Non-Financial

Total Enterprise Customers:
~4,800

Total Government Customers:
~1,900

KEY RISKS & CHALLENGES

Risks & Challenges	Mitigation Strategies
Competitive Landscape & Market Dynamics Rapid technology evolution with rising costs, forex exposure, intense competition, geopolitical economics and supply chain risk	• Broad partnership programmes supported by multi-skilled professionals
Industry Technology Adoption Cautious and phased organisation digitalisation transformation	• Co-create use cases with customers aligned to their business aspirations

GROWTH OPPORTUNITIES

Opportunities	Our Approach
Enterprise 5G Fostering innovation and industry advancement through technology integration	• Leading the deployment of Enterprise Private 5G in the country and the region • Launched TM One Sandbox to complement TM One 5G Sphere Programme which accelerates industry use case development, prototyping and adoption
Digitalisation Accelerate organisation and service transformation for enhanced operational performance, customer service excellence and business expansion	• Entered into strategic partnership to drive Smart Cities, Smart Healthcare, Smart Agriculture and Smart Industries • TM Cloud Alpha as the preferred local hyperscaled sovereign public cloud for Government and enterprise

AWARDS & RECOGNITION

Awards	From
1. Cyber Security National Award	Frost & Sullivan, Cyber Security Malaysia
2. Top Managed Security Service Provider (MSSP) for South East Asia and Hong Kong (SEAHK) 2022	Fortinet Award
3. Cloud Solution Provider of the Year 2023	Dell Award
4. Cyber security – Top Telco Partner in Southeast Asia 2023	Barracuda Networks
5. CCAM Industry Excellence Awards 2023 (Individual & Corporate Category)	Customer Contact Association Malaysia (CCAM)
6. Contact Center Asia Pacific Awards 2023	Contact Center Asia Pacific
7. Global Business Services Asia Awards	Global Business Malaysia (GBS)
8. National Building Digital Award 2023	Chartered Institute of Digital Economy
9. Best Enterprise Telco award	PC.com Awards 2023
10. Managed Services Partner of the Year 2023	Cisco Partner Summit 2023

OUTLOOK

Short-Term

In the next one to three years, TM One is set to solidify its role as a pivotal enabler and strategic partner in Malaysia's Digital Nation and National Economic programmes. Our focus will be on driving economic growth, technological advancement and talent development across various industry verticals, business segments and the Government sector.

We are committed to spearheading the creation and adoption of Enterprise 5G use cases, aiming to revolutionise business services and operations in collaboration with our partners. Additionally, we plan to expand our product and solution offerings, particularly in AI and cyber security domains. Several MoUs and MoCs across a range of connectivity, business solutions and digital projects are in the pipeline, poised to deliver impactful results in the near future.

Medium to Long-Term

Looking ahead, as TM aspires to become a Digital Powerhouse by 2030, TM One envisions being a leading platform provider that will empower seamless business interactions and transactions with insights and intelligence that will drive the organisation's NEXT advantage.

Our commitment to service excellence will be underpinned by a focus on cyber security, AI, automation and leading practices, utilising the latest in technology solutions. Expanded partnerships with top global and regional local companies, as well as collaborations with start-ups, will be crucial in driving agility and scalability in our vertical-specific solutions.

Credence – Empowering Malaysia's Economy through Transformational Solutions

Credence, a pivotal subsidiary of TM, stands at the forefront of digital and cloud services, guiding enterprises, the public sector and the Government through the complexities of the technology landscape.

As a Digital Transformation partner that provides comprehensive solutions from infrastructure setup to Agnostic Cloud strategies, IT Migration, SaaS, Managed Services, Business Analytics and Data Insights, Credence unlocks unparalleled value for customers and stakeholders alike, marking a significant leap towards a future-ready, digitally empowered Malaysia.

FROM INFRASTRUCTURE TO INSIGHTS: HOW WE SUPPORT OUR CUSTOMERS

OPTIMISING CUSTOMERS' BUSINESS OPERATIONS	By deploying Malaysia's only sovereign cloud service provider (CSP) under Government's MyDigital, offering professional advisory, consultancy services and managed services for cloud migration.
REDEFINING CUSTOMERS' PRODUCTS/SERVICES	Utilising the best suited solutions and expertise to enhance customers' product propositions and performance
FACILITATE ENGAGEMENTS WITH CUSTOMERS/END USERS	Providing cutting-edge data insights and AI-enabled solutions to establish enterprise-wide data platforms and foster data-centric applications to enable impactful decision-making
EMPOWERING YOUR WORKFORCE	Facilitating human resource management via digital means and talent enhancement

Credence's Partnership Ecosystem:

ACHIEVEMENTS IN 2023

- Increased TM's Cloud customer base by 20%
- Developed a local strategic MSP with ServiceNow, a global software leader that provides a cloud-based, AI-driven platform for automating multiple management workflows in enterprises
- Introduced Darwinbox, a cloud-based integrated HR platform, rated as the Best Rated Solution by customers in Gartner's Peer Insights platform (4.8/5 rating)
- Supported the Ministries of Economy and Education, ensuring robust, scalable IT setups to manage significant online traffic, achieving more than 15 million hits
- Supported the transport infrastructure and broadcasting industries such as KTM, PLUS and RTM with strategic and operational insights to tackle their big data challenges and meet their data governance requirements
- Deployed Business Insights, Network Analytics & Service Excellence with TM to enhance customer service experience
- Capability building of Credence resources: Full Stack Software Developer capabilities, Development Operations capabilities, ServiceNow SaaS Developer capabilities, thus, decreasing external consultant footprint, starting with internal projects across 14 platforms/systems

CERTIFICATIONS

- ISO/IEC 27001:2013 Information Security Management System (ISMS) for Microsoft Azure Stack (MAS), Cloud Alpha Edge (CAE) and Virtual Private Cloud (VPC) VMWare
- ISO 22301:2019 Business Continuity Management System (BCMS) for Virtual Private Cloud (tGrid), CAE and MAS
- Payment Card Industry Data Security Standard for Microsoft Azure Stack (MAS), CAE and VPC VMWare
- ISO/IEC 27017:2015 (Cloud Security)
- ISO/IEC 27018 (Personally identifiable information data protection in Cloud)
- ISO 27701 (Privacy Information Management)

In 2023, TM Global continued its transformative journey, through the expansion of digital infrastructure and the development of platform-based digital solutions. We championed digital inclusion in Malaysia, successfully deploying 5G infrastructure and expanding high-speed broadband nationwide. This pivotal move not only propelled technology forward but also effectively bridged the digital divide, fostering stronger connections within communities now more than ever before.

Amidst the regulatory challenges, we navigated the impacts by offering value-added solutions, enhancing service quality and customer experience to service providers. Internationally, our expansion continued with strategic deployments of submarine cables and data centres, while also breaking new ground in platform play through edge gaming as well as content ecosystems with key industry players. These efforts firmly positioned TM Global at the vanguard of addressing global digital demands, underscoring our commitment to innovation and connectivity in an ever-evolving digital landscape.

WHAT WE DO

At TM Global, we are at the forefront of digital infrastructure development, serving as the enabler for service providers both in Malaysia and around the world. Our comprehensive range of wholesale data, connectivity and digital platform solutions have positioned us as a key player in driving digital inclusion as well as empowering communities with advanced technology.

In Malaysia, TM Global is the backbone of the nation's digital infrastructure. Our commitment to digital inclusion is evident in our extensive network and initiatives. We have been instrumental in the deployment of 5G backhaul sites across the country, significantly contributing to the Government's target for widespread digital coverage. Additionally, our advocacy for infrastructure sharing has enhanced Malaysia's digital capabilities, ensuring that high-speed broadband is accessible nationwide.

On the international front, TM Global is expanding Malaysia's digital footprint and forging strategic partnerships with global service providers to position Malaysia as a digital hub for the ASEAN region. Our participation in the Asia Link Cable System Consortium is a strategic move to cater to the increasing bandwidth demands across ASEAN and North Asia. Moving on to elevate our platform play initiatives and service portfolio for adjacent businesses, we have established a strategic partnership with a global carrier to jointly develop MEC.

We have also intensified our efforts to strengthen our global brand presence through multi-channel branding activities including targeted digital marketing campaigns, knowledge sharing by subject matter experts in major global events and renowned industry publications.

CREATING STAKEHOLDER VALUE

Stakeholder Expectations	How We Deliver Value
Customers Robust, reliable, yet affordable domestic and global digital connectivity with customised solutions	• **Enhanced Connectivity:** Upgraded domestic digital experience with 5G fiberisation, edge facilities and expanded HSBA network • **Tailored Solutions:** Provided customised solutions to meet dynamic customer needs • **Strategic Partnerships:** Leveraged global network reach and partners' expertise for mutual value creation
Shareholders & Investors Sustained profitability, adaptability to market changes and cost-efficient operations	• **Profitable Growth:** Achieved substantial EBIT growth focusing on higher-margin solutions • **Market Adaptability:** Enabled innovative solutions beyond conventional connectivity • **Cost Efficiency:** Expanded global partnerships for greater cost efficiency and market responsiveness
Government & Regulators Supporting national initiatives through resilient digital infrastructure and affordable connectivity	• **Infrastructure Deployment:** Extensive network infrastructures with over 720,000 km of fibre optic and edge data centres • **Affordable Connectivity:** Collaborated with domestic service providers and local councils for cost-effective solutions, driving national digital growth

OUR IMPACT & REACH

>5,000
5G Backhaul Sites

59
Distributed Radio Access Network (DRAN) Sites in Putrajaya

>720,000 km
of Domestic Fibre Optic Cable

>150
fibre optic network hubs connecting schools in Sarawak

35
submarine cables worldwide

KEY FOCUS AREAS & RESULTS

1 Trusted Wholesale Infrastructure Provider

What We Did in 2023	Results
National Digital Transformation: Supported the national digital transformation agenda through fiberisation nationwide	**5G Backhaul Site Fiberisation:** Fiberised more than 5,000 5G backhaul sites nationwide
Bridging Digital Divide: Bridged the urban-rural digital divide and improved Internet infrastructure	**Appointed Partner:** Deployment of more than 150 fibre optic network hubs connecting schools in Sarawak
Regional Network Development: Built regional networks for low-latency data computation nationally	**TMiX Utilisation:** Increased TMiX peering utilisation by 90% against the 2022 record
	Edge Facilities Utilisation: Increased edge facilities utilisation by more than 40% nationwide

2 Positioning Malaysia as Digital Hub

What We Did in 2023	Results
Submarine Cable System Initiative: Enticed a new submarine cable system to land in Malaysia	**Asia Link Cable Consortium Participation:** Induced bandwidth transactions between Malaysia and other regions
International Data Solutions: Secured long-term data solutions businesses with global hyperscalers	**Hyperscaler Business Expansion:** Attracted 12 hyperscalers to expand business within Malaysia
Content Delivery Network (CDN) Business Expansion: Expanded the CDN business and moved up the value chain into platform play	**Global CDN Reach:** Deployed over 100 CDN nodes across regions, improving global reach
FBO License Acquisition: Acquired a Facilities-Based Operator (FBO) license through TM Singapore	**Enhanced Enterprise Market Services:** Improved cost efficiencies and expanded service offerings for enterprise market between Malaysia and Singapore

3 Enhancing the Customer Experience

What We Did in 2023	Results
Customer Journey Improvement: Improved overall end-to-end customer journeys for domestic and global customers	**Customer Satisfaction & Recognition:** Maintained a steady NPS rating of 46, received recognition at various regional and international telecom award events

Our Business

PERFORMANCE HIGHLIGHTS

Financial

Revenue:
RM3,098.5 million
(2022: RM2,851.8 million)
8.7%
increase

Non-Financial

Total Customers Worldwide
809
(2022: 734)

Domestic:
179
(2022: 163)

International:
630
(2022: 571)

KEY RISKS & CHALLENGES

Risks & Challenges	Mitigation Strategies
Pricing Structure Revision Changes in domestic pricing due to regulatory exercises	• Provide value-added services to service providers to improve customer experience
Geopolitical Tensions Risks arising from geopolitical conflicts between global economic powerhouses	• Monitor geopolitical movements and ensure compliance with revised frameworks in invested countries • Proactively evaluate solutions with customers and partners to mitigate geopolitical threats
Data Centre Competition Intense competition in the data centre sector and rising demand for low-latency applications	• Ongoing expansion of data centre capabilities, focusing on customer-led demands, especially in Klang Valley and Johor • Expand TM's data centre presence through edge facilities nationwide
Connectivity Commoditisation The challenge of connectivity services becoming undifferentiated and commoditised	• Diversify from core connectivity into adjacent businesses such as edge computing and edge gaming • Offer comprehensive one-stop connectivity solutions to optimise value for customers

GROWTH OPPORTUNITIES

Opportunities	Our Approach
Domestic Market Expansion Enhancing digital infrastructure solutions for domestic market growth	• Expand 5G infrastructure, edge network and broadband access coverage nationwide • Leverage partner expertise for edge, CDN and gaming solutions
International Market Focus Capturing growing opportunities in digital lifestyle and edge expansion globally	• Expand submarine cable capacity and reach for increased inter-regional connectivity • Focus on platform play solutions for gaming and eSports to enhance the edge business portfolio
Adoption of AI Technology Leveraging AI to enhance internal operational efficiency and optimise business opportunities	• Develop agnostic digital platforms for diverse use cases through technology partnerships

AWARDS & RECOGNITION

Awards	From
1. Asian Telecom Awards 2023 – Telecom Company of the Year – Malaysia	Asian Telecom
2. Asian Telecom Awards 2023 – Wholesale Company Initiative of the Year – Malaysia	Asian Telecom
3. W.Media Asia Pacific Cloud and Data Centre Awards 2023, winner under Project – Delivering the Edge category (Southeast Asia)	W.Media
4. CC Global Awards under Asia Regional Operator of the Year category (Shortlisted)	Carrier Community
5. CC Global Awards under Best New Market Entrant category (Shortlisted)	Carrier Community
6. CC Global Awards under Customer Experience Excellence category (Shortlisted)	Carrier Community
7. Global Carrier Awards under Best Asia-Pacific Carrier category (Shortlisted)	Capacity Media
8. Global Carrier Awards under Best Global Carrier Data category (Shortlisted)	Capacity Media
9. T-Systems Approved Zero Outage Supplier – 2023	Deutsche Telekom Technik GmbH

OUTLOOK

Short-Term

In the immediate future, TM Global is set to amplify its role as a key digital infrastructure enabler, focusing on delivering value-driven and customised solutions, bolstered by a robust domestic and international partnership ecosystem.

Domestically, our strategy is to propel digital inclusion by expanding 5G network infrastructure, high-speed broadband access coverage and edge capabilities nationwide. We aim to enhance the nation's digital ecosystem by upgrading our data centre capabilities, catering to the growing demand for immersive content utilisation by service providers. Collaborations with industry stakeholders, including our subsidiaries, will be pivotal in enabling digital platform offerings and realising the Digital Malaysia aspiration.

Internationally, our efforts are geared towards establishing Malaysia as a regional digital hub by strengthening our core infrastructure as well as diversifying into edge and platform play services. These include investments in submarine cable systems and data centres as well as forming partnerships for CDN and edge services.

Medium to Long-Term

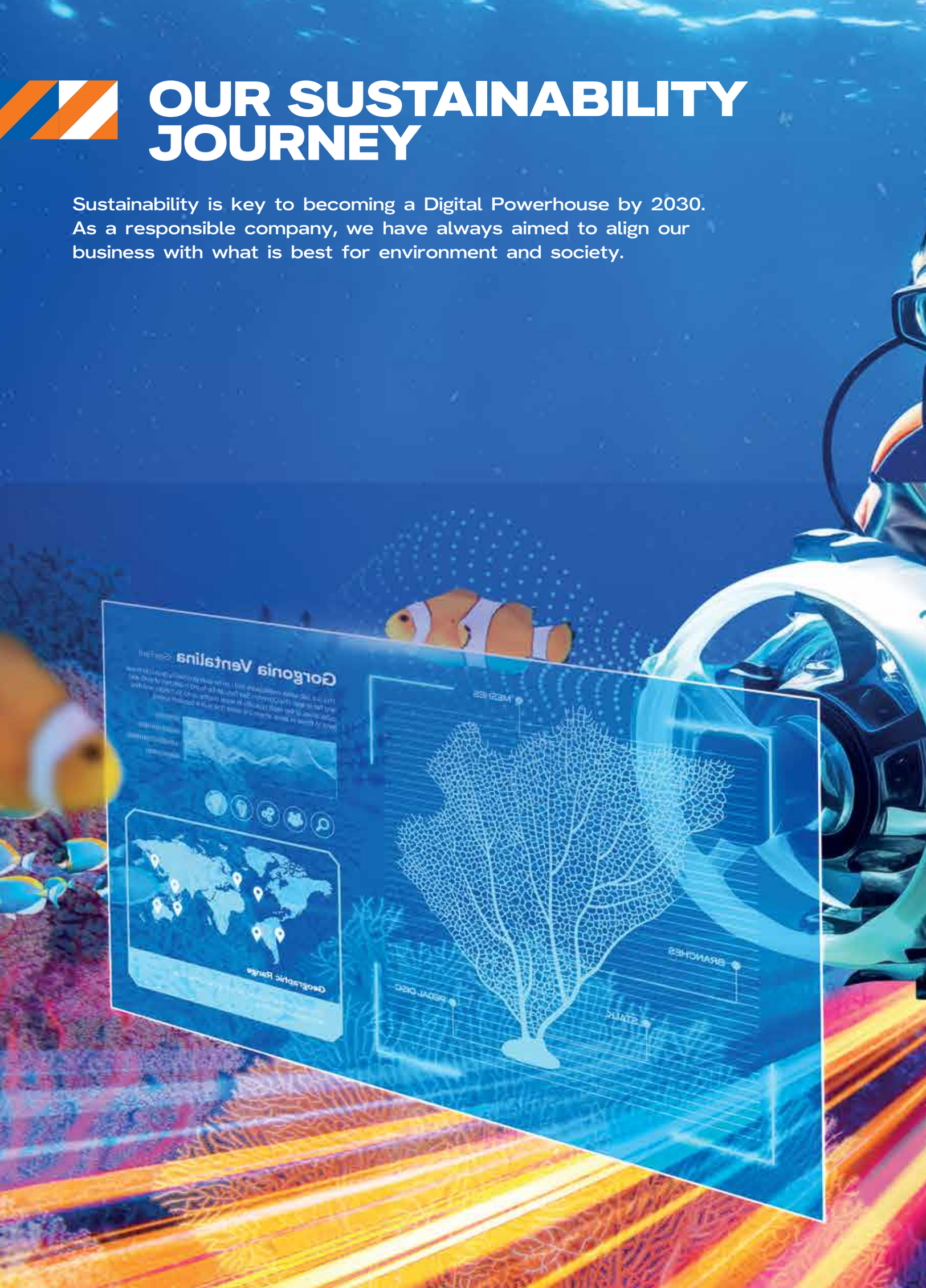
Looking further ahead, TM Global will focus on increasing business resilience by aligning our leading-edge infrastructure offerings with the dynamic domestic and international market needs. We will continue to develop a comprehensive 5G network ecosystem, encompassing backhaul, edge, data centres, broadband access as well as platform play, to support the evolving 5G applications and use cases for service providers.

Our vision includes reinforcing Malaysia's position as a regional hub by fortifying our core global networks and delivering disruptive innovation solutions, especially in edge as well as digital play offerings. The adoption of cutting-edge technologies like AI and blockchain will be key in enhancing our operational efficiency as well as customer experience.

Our overarching goal is to elevate our standing through inventive solutions that meet market demands and ensure exceptional customer experiences. As we aspire to become a leading regional digital platform provider, we are committed to exploring state-of-the-art applications to drive digital expansion both locally and regionally.

OUR SUSTAINABILITY JOURNEY

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



Sustainability at TM

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

SUSTAINABILITY FRAMEWORK & INTEGRATION PLAN

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

Sustainability Framework

TM Vision	**TO SHAPE A DIGITAL MALAYSIA THROUGH TECHNOLOGY THAT EMPOWERS COMMUNITIES, BUSINESSES & GOVERNMENT**				
Sustainability Objectives	**Enable Sustainable Growth** *For Customers & the Community*		**Ensure Business Resilience** *Within TM & our Value Chain*		
Sustainability Pillars	Solutions Provider	Digital Inclusion	Environmental Management	Responsible Employer	Ethical Business
Guided by Our Material Matters	Innovation & Technology	Affordability & Inclusion	Environmental Quality	Fair Employment	Sustainable Supply Chain
	Customer Experience	Community Development	Carbon Emissions	Health & Safety	Responsible Communication
	Network Stability & Quality			Learning & Development	Cyber Security
					Good Governance
Drivers	**SUSTAINABILITY GOVERNANCE | TOOLS | STANDARDS**				

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

1

Enable Sustainable Growth for Customers & the Community

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

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

2

Ensure Business Resilience within TM & Our Value Chain

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

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

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

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

Sustainability Integration Plan

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

Legend:

Stage	Integration Efforts
Building the Foundation	• Refine our baselines and target-setting
Early Integration	• Institutionalise and integrate sustainability into policies and processes • Integrate sustainability metrics into the KPIs of relevant members of top management
Scaling Up/Expansion of Integration	• Build relevant sustainability competencies across various levels of employees and external stakeholders • Improve the breadth and depth of sustainability-related data
Advanced Integration	• Integrate relevant sustainability metrics into KPIs among a wider group of employees • Enhance the scope of disclosures
Fully Integrated	• Fully integrate relevant sustainability metrics into policies, processes and KPIs across various levels of employees • Advanced disclosure of sustainability metrics

Sustainability at TM

CONTRIBUTING TO THE SUSTAINABILITY AGENDA

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

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

SDG9: Industry, Innovation & Infrastructure

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

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

SDG17: Partnerships for Goals

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

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

SDG Target	TM's Contribution	More Details
SDG 17.13: Enhance macroeconomic stability	**Macroeconomic Support:** Support Malaysia MADANI via digital solutions for MSME grants and affordable connectivity packages	
	• **GDPM:** Support the dissemination and utilisation of the GDPM, a Government grant, encouraging MSMEs to adopt digital solutions	page 112
	• ***Pakej RAHMAH* Unifi:** Affordable mobile and broadband access for various societal groups	page 112
SDG 17.17: Promote public and private partnerships	**Infrastructure Partnerships:** Contributions to infrastructure through various projects, including POP1, POP2, PEDi, Interim School and MyGov*Net installations	page 112

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

JENDELA

Aim

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

Contributions

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

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

Malaysia Digital Economy Blueprint (MyDigital)

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

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

Green Technology Master Plan Malaysia

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

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

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

Sustainability at TM

Malaysia MADANI

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

TM's Contributions:

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

New Industrial Master Plan (NIMP) 2030

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

TM's Contribution:

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

...by focusing on our Sustainability Objectives...	...& Sustainability Pillars...	...to create sustainable value for our stakeholders...	...& our business performance...	...while indirectly contributing to other UN Global Goals...
Enable Sustainable Growth for Customers & the Community	**Solutions Provider** See page 99 for more information	• Enhanced digital connectivity that empowers businesses and communities • Innovative solutions that drive socio-economic advancement	• Growth in customer base through high quality service offerings • Increased market competitiveness and innovation leadership	
	Digital Inclusion See page 111 for more information	• Access to digital tools and services for underserved populations • Educational initiatives that improve digital literacy and skills • MSME digitalisation	• Expansion into new markets by addressing the digital divide • Maintain our reputation as a socially responsible company	
Ensure Business Resilience within TM & Our Value Chain	**Environmental Management** See page 123 for more information	• Reduced environmental impact through sustainable practices • Promotion of green technologies that contribute to planetary health	• Cost savings from energy efficiency and waste reduction • Ensuring compliance with environmental regulations to avoid potential fines • Operational resilience and business continuity	
	Responsible Employer See page 132 for more information	• A culture built on diversity, equity and inclusion • Training and development programmes that prepare the workforce for future challenges • Good health and well-being of employees	• Higher employee productivity and engagement • Lower turnover rates and associated costs	
	Ethical Business See page 151 for more information	• Building trust through transparent and fair business practices • Ensuring sustainability of supply chains	• Stronger stakeholder relationships and brand loyalty • Mitigation of legal and reputational risks	

BECOMING A SUSTAINABILITY THOUGHT LEADER

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

CEO Action Network (CAN)

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

United Nations Global Compact (UNGC)

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

TM-UNGC Sustainability Forum

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

Other Industry Sharing Sessions:

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

Sustainability Governance

GOVERNANCE STRUCTURE

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

TM's Sustainability Governance Structure

Roles & Responsibilities

Board of Directors

- Provides strategic direction for TM's sustainability efforts
- Approves sustainability targets and monitors progress
- Integrates material sustainability matters into TM's vision, mission and strategies

BRIC

- Reviews sustainability strategies and targets prior to decisions made by the BOD
- Oversees the progress of Board-approved strategies and targets
- Incorporates sustainability considerations, including climate-related issues, into committee discussions

Management Committee

- Implements Board-approved sustainability strategies and targets, including climate-related targets
- Allocates responsibilities, KPIs and resources for achieving targets
- Proposes adjustments to sustainability strategies and targets to the BOD as needed

Sustainability Committee

- Oversees the progress of TM's sustainability targets within stipulated timelines
- Appoints SWG members from divisions and/or subsidiaries most relevant to each sustainability target
- Make recommendations to the Management Committee and, if necessary, to relevant Board Committees

SWGs

- Implements SWG-related tasks according to targets and KPIs
- Reports and recommends actions to the Sustainability Committee
- Regularly updates the Sustainability Committee on the status of various initiatives and targets

Integration of Sustainability into Board Governance

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

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

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

SUSTAINABILITY RISK MANAGEMENT

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

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

POLICIES, GUIDELINES & CERTIFICATIONS

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

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

SUSTAINABILITY-RELATED POLICIES

General policies:

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

Scan here to view TM's Policies.

Material Matters	Policies & Guidelines
Innovation & Technology	• TM Business Initiative Governance Framework Policy • Product Creation Framework • TM Intellectual Property Manual • TM Procurement Level of Authority (LoA) Policies • First-Tier Financial Limit of Authority
Customer Experience	• Digital Channel – General Handling Process • TM Assurance Policies & Guidelines • TM Complaints Process • TM BCM Framework (TM BCM) • DRP & Business Process
Network Stability & Quality	• TM Assurance Policies & Guidelines • TM BCM • DRP & Business Process • Mandatory Standard of Quality of Service (MSQoS)
Affordability & Inclusion	• TM Business Initiative Governance Framework Policy • Product Creation Framework • TM Procurement LoA Policies
Community Development	• TM Group Communication Policy – Corporate Responsibility & Donations Administration • YTM Trust Deeds & Supplementary Policy
Environmental Quality	• Facilities Management Environmental Policy
Carbon Emissions	• Facilities Management Environmental Policy

Sustainability Governance

Material Matters	Policies & Guidelines
Fair Employment	• HR Policy • TM Performance Management Framework • Performance Improvements Plan (PIP)
Health & Safety	• Low-Risk Rating by 2025 Roadmap • TM's Occupational Safety and Health Management System (OSHMS) • Hazard Identification Risk Assessment Risk Control (HIRARC) • OSHE Policy
Learning & Development	• Training Effectiveness Framework (Kirkpatrick Training Evaluation)
Sustainable Supply Chain	• Procurement Policy • Procurement Ethics • Green Procurement Guidelines • BVDP • Sustainable Supply Chain Roadmap
Responsible Communication	• TM Group Communication Policy
Cyber Security	• TM Cyber Security Framework • TM Cyber Security Baseline • TM Information Security Policy • TM Data Privacy & Protection Policy (TMD3P) • TM Business Continuity Management • TM Corporate Crisis Management Plan • TM Corporate Security Policy
Good Governance	• TM Integrity Pact Version 2.0 • TM Corporate Compliance Policy • TM Sponsorship Management (TM SMG) 4.0 • TM Complaints Management Process Manual • Grievance Procedure Process • Whistle-blowing Policy

Impact Scorecard

Solutions Provider

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

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

Digital Inclusion

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

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

Environmental Management

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

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

Responsible Employer

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

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

Ethical Business

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

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

Enable Sustainable Growth for Customers and the Community

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

SUSTAINABILITY PILLARS:

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

01 Solutions Provider

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

Material Matters

M1 Innovation & Technology *(page 100)*
M2 Customer Experience *(page 103)*
M3 Network Stability & Quality *(page 108)*

Innovation & Technology

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

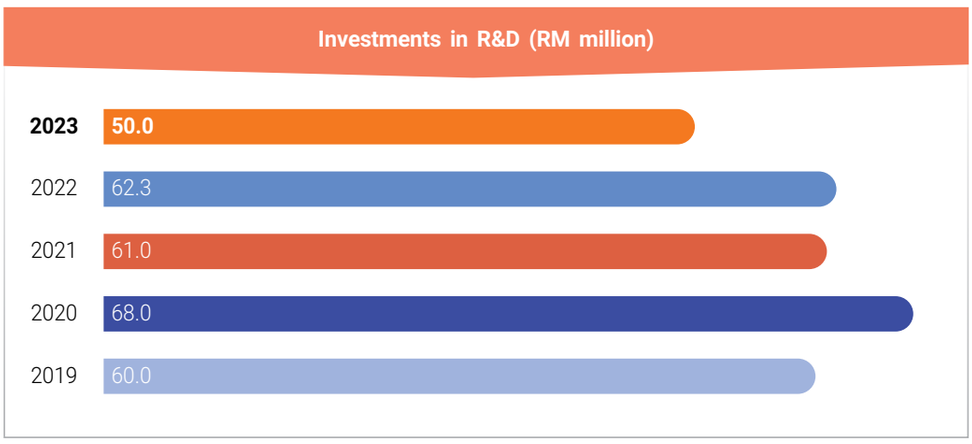
TM R&D FOCUS AREAS

- Academic Research (Fundamental)
- Co-Creation Projects (with Industry)
- Industry Research (Exploratory)
- Commercialisation

HOW WE CREATED VALUE IN 2023

1 Strategic Investments in R&D

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



2 Key Innovations & Solutions

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

Smart Solutions Developed in 2023

Solution	How it Creates Value	Key Achievements
FALCON	Redefining connectivity with a sustainable approach, this high-speed, eco-friendly Local Area Network (LAN) infrastructure not only enhances network efficiency but also significantly reduces environmental impact	• Reduced power consumption by up to 60% • Lowered Opex and Capex • Deployed at MMU, connecting seven (7) locations with 10 Gbps fibre and 180 WiFi connections
SCARLET	Offering a scalable renewable energy solution for off-grid applications, this system provides reliable, clean energy, promoting both environmental sustainability and operational efficiency	• Designed and tested industrial-grade 24V hybrid systems, integrating solar and wind inputs for optimal performance
SIFU	Through sales process automation, this solution harnesses workflows and insights to transform sales strategies, resulting in significant enhancements to efficiency and productivity	• Shortened the planning to execution timeline from 25 days to less than 1.5 days • Generated up to 13 million sales leads daily, optimising sales strategies

3 Smart Partnerships & Collaborations

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

Partnerships in Driving a Digital Malaysia

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

Innovation & Technology

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

4 Innovative Edge Services

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

Benefits of Edge Services:

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

Progress in 2023:

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

HOW WE WILL MOVE FORWARD

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

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

Customer Experience

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

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

CX Improvement Journey

2021

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

2022

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

2023

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

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

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

- **Personalisation:** Customising services and interactions for individual customer needs
- **Seamlessness:** Offering a smooth customer journey across all touchpoints
- **Digitalisation:** Leveraging technology for improved service accessibility

Customer Experience

HOW WE CREATED VALUE IN 2023

1 Enhancing Touchpoints

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

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

HEAR FROM OUR HAPPY CUSTOMER!

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

2 Improving the Digital Journey

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

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

3 Network & Content Enhancement

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

Initiative	Actions & Impact
4G Multi-Operator Core Networks (MOCN) Expansion	Completed over 6,000 MOCN site deployments, improving Unifi Mobile's network reach from 80% to 95.4% and ensuring high quality mobile experiences across Malaysia
Diverse Unifi TV Offerings	77 channels and 18 streaming apps: Including Netflix, HBO, HBO HITS, HBO Family, BeIN, Moonbug Kids, ONE and many more

Achieved 95.4% Unifi Mobile network reach nationwide

4 Enhanced Service Reliability

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

Initiative	Actions and Impact
24-Hour Service Restoration	Enhanced 24-hour restoration capability and service quality across touchpoints, leading to service restoration for 9/10 Unifi customers within 24 hours and an 88% rate of first-time-right resolutions
Accelerated Installation Service	Optimised staffing and processes for quicker installations, achieving 98% of new fixed service subscriptions installed within four (4) days and 95% of installations fault-free in the first month

Customer Experience

5 Addressing Customer Complaints

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

Top Four (4) Customer Issues

Customer Issue	What We Did	Benefits for Customers
Fault (Service Fault)	• Uplifted Unifi to focus on high fault areas • Expedited replacements with WiFi 6 routers • Migrated Very High Bit Rate Digital Subscriber Line (VDSL) customers to Fibre-to-the-Home (FTTH) • Proactive fault management and notifications • Migrated customers to Unifi fibre network • Addressed cable thefts	• Improved fault resolution, enhanced service reliability and ensured proactive customer communication • Enhanced service quality and reliability through technology upgrades
Fault (Service Quality)	• Launched Speed Test Proactive Performance (Speedofix) • Engaged in proactive performance management • Implemented Episode Net Promoter Score (eNPS) and Care Calls	• Improved management during faults and narrowed service gap towards best-in-class
Billing	• Implemented RPA for undelivered bill management • Conducted bill verification	• Reduced billing complaints and improved customer satisfaction
Fulfilment	• Improved provisioning turnaround time to 14 days under the JENDELA initiative • Accelerated infrastructure rollout	• 11% improvement in provisioning for JENDELA 'no port' areas

6 Customer & Operational Excellence

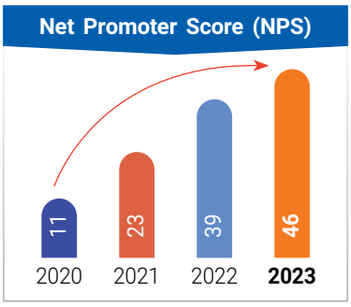
Streamlining customer interactions and operations not only boosts trust and loyalty but also enhances our financial performance. This year, our emphasis on customer efficiency significantly lowered Unifi Contact Centre (UCC) operating costs by RM24.0 million since 2021. Further, our CX initiatives initiatives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

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

7 Overall Performance

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

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



Improved NPS to 46

HOW WE WILL MOVE FORWARD

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

Network Stability & Quality

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

1. **Certifications for Network Excellence:** The TM Network Intelligence Centre (NIC) in Cyberjaya achieved the BCMS ISO 22301 certification in 2016. Our key data centres, including the Klang Valley Data Centre (KVDC), Iskandar Puteri Data Centre (IPDC) and Brickfields Data Centre (BFDC), followed suit with their certification in 2020, showcasing our infrastructure's resilience and dedication to excellence.

2. **Strategic Business Continuity & Disaster Recovery:** Integral to our ethos of excellence is our thorough BCM and DRP. These strategic frameworks are designed to ensure swift recovery and minimal disruption from various challenges, ranging from natural disasters to cyber security incidents and logistical obstacles.

3. **Business Impact Analysis (BIA):** The BIA process is to evaluate the risk of distruption for recovery plan development. In 2023, we executed BIAs for critical sectors, improving our integration of technologies into a robust continuity plan. This approach reduces operational risks and adapts our BCM to changes and new threats, strengthening our network resilience.

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

HOW WE CREATED VALUE IN 2023

1 Managing Network Disruption

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

How We Address Network Disruption

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

2 Innovative Network Solutions

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

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

NEXT GENERATION OPERATION SUPPORT SYSTEM (NGOSS) FRAMEWORK

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

Impact & Achievements:

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

3 World-Class Standards: MEF 3.0 Certification

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

4 National Threat Management & Recovery Preparedness

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

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

WHY IS THE TTX EXERCISE IMPORTANT?

Identifying & Closing Gaps

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

Improving Functional & Operational Resilience

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

WHAT WAS THE OUTCOME?

Better understanding of the roles and responsibilities of various agencies from different sectors	Strengthened cross-agency collaboration, escalation protocol & procedure	Improved and updated TM's SOP based on gaps identified for continuous improvement	Ready to be involved in the next Field-Trial Exercise (FTX) implementation

HOW WE WILL MOVE FORWARD

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

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

02 Digital Inclusion

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

Material Matters

M4 Affordability & Inclusion *(page 112)*

M5 Community Development *(page 116)*

Affordability & Inclusion

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

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

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

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

HOW WE CREATED VALUE IN 2023

1 Expanding Our Coverage

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

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

Connectivity Infrastructure

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

2 Driving MSME Empowerment via Digitalisation

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

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

- Digital Marketing Solution (DMS)
- Unifi e-Commerce Hub
- Kaspersky Small Office Security (KSOS)
- CariCari Premium Listings

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

3 Digital Empowerment through PEDi

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

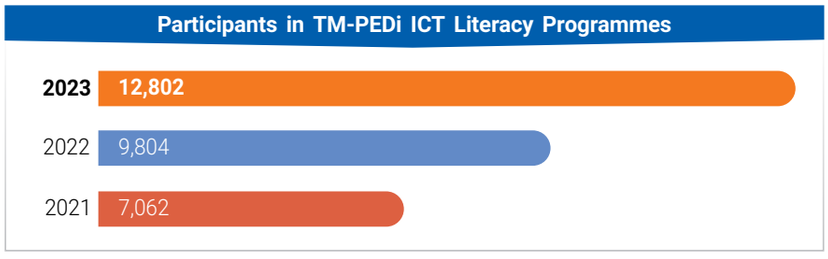
	2019	2020	2021	2022	2023
Total PEDi Managed by TM	437	437	437	474	**483**

Affordability & Inclusion

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

PEDi Initiative	Achievements
Digital Inclusion & Access	• Increased total PEDi managed by TM from 474 to 483 • 14,163 new members registered in 2023, bringing the total registered members in our PEDis to 527,041
ICT-Based Education & Training	• Digital literacy skills significantly enhanced for 1.3 million frequent users
Economic Growth & Entrepreneurship	• Trained 14,832 entrepreneurs in digital business operations • Supported business growth, creating 8,171 new jobs created by businesses • Facilitated 17,850 e-commerce parcel deliveries via Pick-up & Drop-off (PUDO) service
Health & Well-being	• Equipped the Selangor centre with 26 *Komuniti Sihat Pembina Negara* (KOSPEN) units • Conducted health screenings for more than 50,000 individuals
PEDi Conference 2023	• Participated in the PEDi Conference 2023, officiated by the Prime Minister, to highlight PEDi's role in driving a digital economy • Received various recognitions, including awards for outstanding PEDi centres, managers, assistant managers and entrepreneurs

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



4 Strategic Partnerships for Digital Expansion

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

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

5 Advancing Inclusion Through Affordability

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

Key Features of *Pakej RAHMAH*

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

HOW WE WILL MOVE FORWARD

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

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

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

Community Development

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Scan here to know more about YTM

Scan here to know more about MMU

Our community programmes are focused on the following areas:

Education & Talent Development

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

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

Enabling Entrepreneurs through Digitalisation

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

Community & Cultural Resilience

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

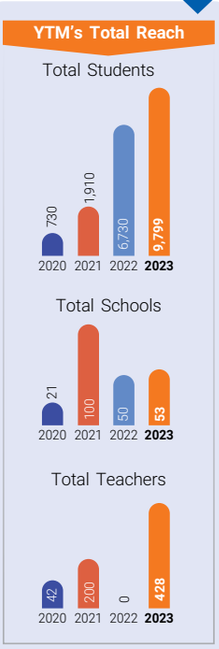
HOW WE CREATED VALUE IN 2023

1 Education & Talent Development

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

Key Education Initiatives 2023

Programme	Overview	Impact Summary
Future Leaders Scholarship Programme (YTM)	Empowers SPM leavers for higher education in prestigious institutions	• 190 new scholarships awarded • 608 active scholars, including 57 abroad • 60.3% of students with CGPA above 3.5 • RM20.6 million channelled
Young Leaders Scholarship Programme (YTM)	Provides financial assistance to high-potential secondary students, recognising their motivation and intelligence	• 251 scholars awarded • 1,593 active scholars • RM2.4 million channelled
TM Future Skills (YTM)	Includes certification programmes, champion schools and hackathons to promote STEM and IR4.0 skills	• 5,175 students and 96 teachers certified • 15,000+ beneficiaries since inception in year 2020 • 4,415 students and teachers in three (3) champion schools • 100 participants in the Tech Titan 2023 Challenge
Protégé & Elit (TM)	Consistent with Malaysia's workforce development goals, we supported the Government's Protégé and Elit initiatives to bolster market-relevant competencies amongst fresh graduates	• TM successfully trained 577 participants to facilitate transition to graduate employment
TVET Programme (TM)	In line with the Government's emphasis on strengthening the quality of TVET education in the country, TM's partnership with *Institut Kemahiran MARA* (IKM) resulted in the elevation of certificate courses to accredited diplomas	• Partnership with three (3) IKM
MMU Scholarships & Financial Assistance	MMU provides various scholarships and financial assistance for deserving students to ensure quality university education is accessible to all	• RM8.4 million invested • 4,262 students benefitted
YUM Scholarships & Financial Assistance	Funded by donations, Zakat, Waqaf and endowments, YUM supports MMU and school students by enhancing educational access and community development	• RM900,000 invested • 66 students benefitted

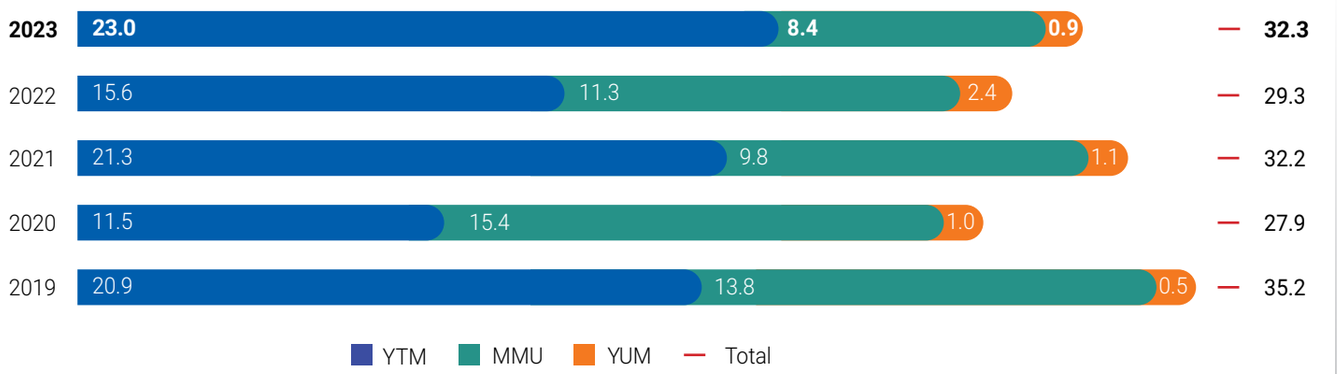


Community Development

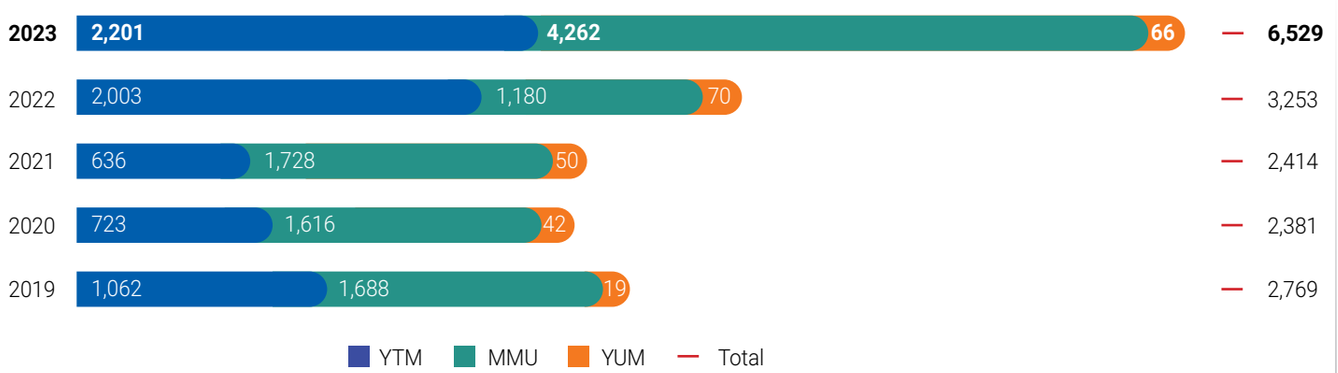
Overall Impact in Education:

Scholarships & Financial Assistance

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



Total Number of Students Impacted through Scholarships & Financial Assistance



Spending on Schools	2020	2021	2022	2023
Total Spent on Schools for Academic & Non-Academic Activities (RM million)	0.2	0.3	0.9	**1.4**

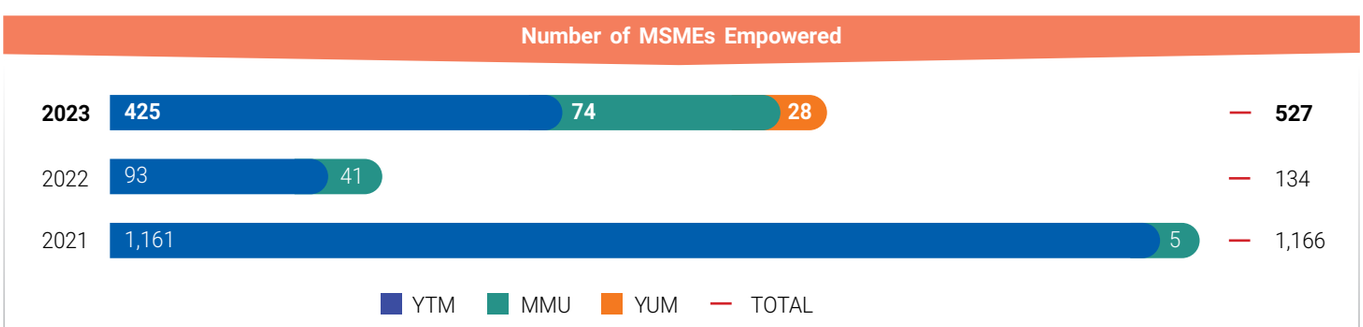
2 Enabling Entrepreneurs through Digitalisation

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

Key Entrepreneurship Initiatives 2023

What We Did	Impact & Achievements
Sustainable Digital Entrepreneur Programme (YTM)	• Launched a nationwide initiative to bolster digital entrepreneurship, enhancing economic empowerment • Engaged over 318 micro entrepreneurs
Program Siswazah Usahawan Digital Terengganu (YTM)	• Spearheaded a digital skills programme in Terengganu, nurturing a generation of digital entrepreneurs • Supported 27 youth entrepreneurs, with exposure to digital business ecosystem and financial opportunities
KEMAS Digitalpreneurs Programme (YTM)	• Rolled out a comprehensive training programme to equip participants with critical digital entrepreneurship skills • Empowered 50 micro entrepreneurs with digital tools and promoted self-reliance in the digital economy
Digital Income Generation (YUM)	• Empowered B40 entrepreneurs in Selangor with digital skills, reaching 12 entrepreneurs and enabling the creation of TikTok Business Shops, content creation and brand logo development
Usahasama Pemodenan Usahawan (YUM)	• Supported small and micro businesses in mastering entrepreneurship fundamentals and digital marketing tools, involving 16 businesses in enhancing their business foundations and digital application use

Overall Impact of Entrepreneurship Programmes



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

Community Development

3 Community & Cultural Resilience

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

Focus Area	Overview	Impact Summary
Arts, Culture & Heritage	Transformed Muzium Telekom and implemented various arts and culture programmes to showcase creative talents, support local creative economies and preserve cultural heritage through digital initiatives	• 27,494 visitors to various events and walk-in to Muzium Telekom • 13 PWD benefitted from Nakseni Flagship Store at Muzium Telekom • 17,000 online viewers for Muzium Telekom's SeniVR Digital Gallery
Disaster Preparedness & Response	Conducted various preparedness programmes and related humanitarian operations to enhance resilience against natural disasters	• 537 individuals trained on disaster preparedness • 32 TM Reaching Out Volunteers (TMROVers) trained on humanitarian relief efforts • 72 NGO representatives trained on humanitarian operations
Social Impact Grants	Provided grants for a range of projects focusing on rural empowerment, farming, youth engagement in global development, educational support for indigenous communities, technology education, mental health and more	• Funded eight (8) projects with a total grant of RM1.5 million under the first YTM's Social Impact Grant • 31,406 individuals nationwide benefitted from B40 communities via on-ground programmes and online platforms
Re-skilling/ Upskilling	Back-to-Society (Phase 1)	• 216 inmates trained in fish farming and entrepreneurship, helping them reintegrate into society with better opportunities and livelihood

Overall Impact of Community Programmes:

TM Volunteers	2019	2020	2021	2022	2023
Number of Employees Participating in Volunteer Programmes	320	NA	532	424	**361**
Total Volunteering Hours	3,520	NA	4,256	3,472	**2,888**
Number of Hours Volunteered per Employee	11	NA	8	8	**8**

YTM Contributions	2020	2021	2022	2023
Donations (one-off contribution) (RM)	14,500	30,000	272,403	**91,203**
Number of Organisations Supported by YTM	12	8	30	**9**

Other Community Investments* (RM)	2020	2021	2022	2023
YTM	6.7 mill	14.9 mill	8.0 mill	**6.1 mill**
MMU	114,684	50,141	62,824	**57,419**
YUM	–	–	9,620	**24,916**
TOTAL	6.8 mill	15.0 mill	8.1 mill	**6.2 mill**

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

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

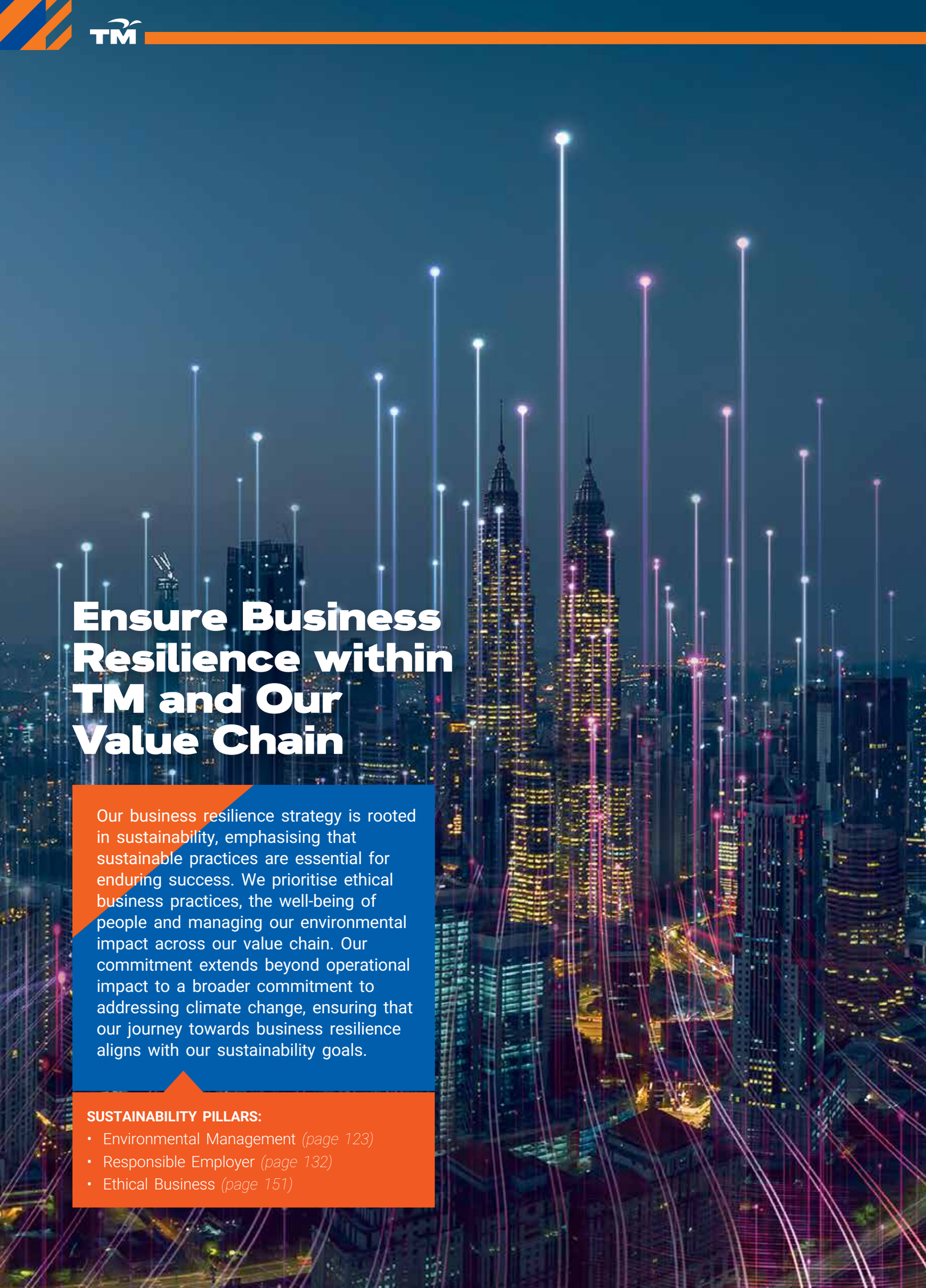
More than 110,000 community members reached through YTM's social impact programmes

Community Engagement & Partnership Impact	**2021**	**2022**	**2023**
Number of Community Members Reached through Social Impact Programme (YTM)	>92,443	>47,000	**>110,000**
Number of NGO Partnerships (YTM)	>85	>340	**>129**

Infrastructure Investments & Services	**2021**	**2022**	**2023**
Total Investments (RM million)	53.8	39.2	**53.6**

HOW WE WILL MOVE FORWARD

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



Ensure Business Resilience within TM and Our Value Chain

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

SUSTAINABILITY PILLARS:

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

03 Environmental Management

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

Material Matters

M6 Environmental Quality *(page 124)*

M7 Carbon Emissions *(page 126)*

Environmental Quality

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Environmental Approach

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

HOW WE CREATED VALUE IN 2023

1 Monitoring Our Environmental Impact

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

Environmental Indicator from Genset	Acceptable DOE Limit	Commercial Buildings*	Network Buildings**
Dust (mg/m³)	400	20.17 - 74	7.7 - 46***
Noise (dBa) – Day	68.6	55.3 - 70.1****	53.65 - 63.9*****
Noise (dBa) – Night	65.0	50.4 - 60.9****	49.2 - 55.4*****

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

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

2 Minimising Waste Generation

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

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

1. Printer Reduction Nationwide

Reduce number of printers across TM nationwide. Divisions with multiple floors, may only have one (1) or two (2) printers

2. Printing Settings

Ensure printer settings are configured for duplex and grayscale printing. In addition, stricter colour printing management will be implemented

3. Digital Review

Review documents digitally prior to printing. This will eliminate unnecessary printouts and contribute to a paperless workflow

4. Printer Utilisation Review

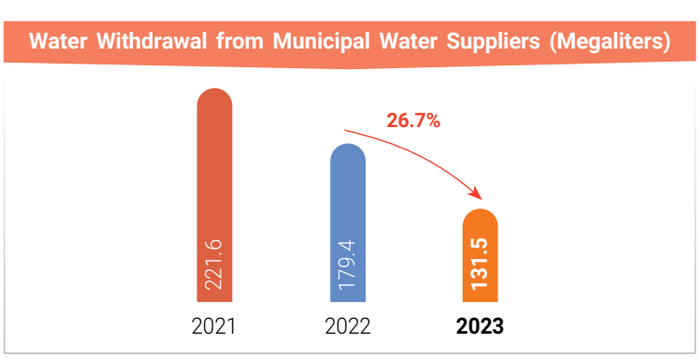
Drive digital document adoption among divisions and businesses that have higher paper consumption

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

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

3 Responsible Water Practices

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



26.7%
reduction in water withdrawal

HOW WE WILL MOVE FORWARD

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

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

Carbon Emissions

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

- Carbon reduction efforts
- Energy-efficient processes

WHAT IS OUR APPROACH

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

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

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

TM's Carbon Accounting

Scope 1: Direct Emissions from Fuel Consumption

What it Covers: Fuel consumed by our vehicle fleet.

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

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

Scope 2: Indirect Emissions from Electricity Consumption

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

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

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

Scope 3: Other Indirect Emissions

What it Covers:

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

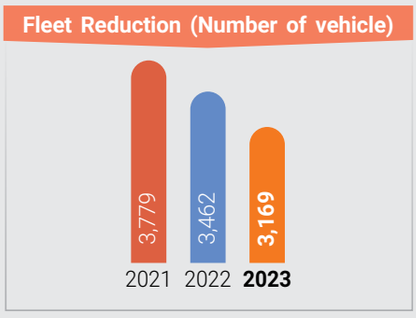
   Note: Carbon emissions associated with Employee Commuting have been calculated and disclosed. However, they have not been included in our current reporting boundaries.

HOW WE CREATED VALUE IN 2023

1 Scope 1: Emissions from Fuel Consumption

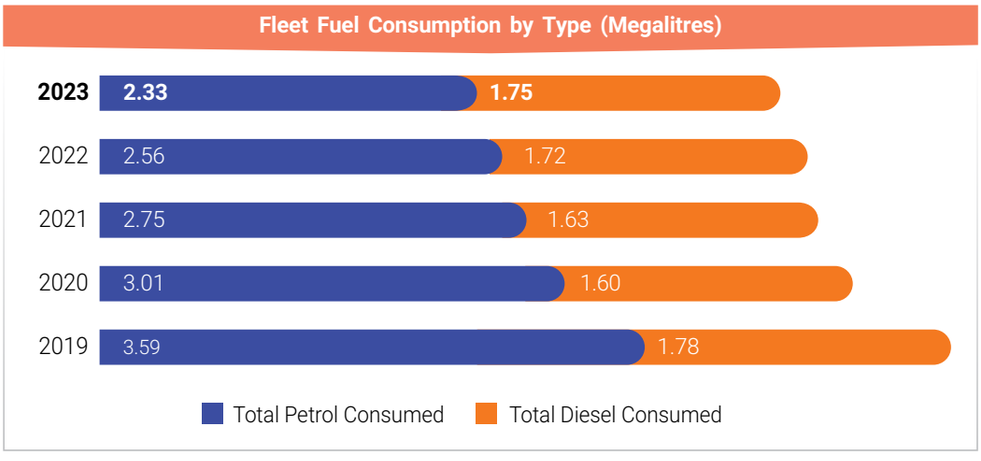
The primary source of TM's scope 1 emissions is our fleet, hence we have put in place several initiatives to manage these emissions.

Initiative	Impact & Achievements
Vehicle Optimisation Programme	• Reduced fleet size according to business needs • Replaced three (3) Internal Combustion Engine vehicles with Electric Vehicles and currently monitoring impact for future viability
Smart Fleet Monitoring (TM CONVES BIZ)	• Implemented a smart vehicle management system for better usage, efficiency and status monitoring, enhancing fleet management and operational efficiency
TM EZFleet (Car Sharing)	• Launched a car-sharing platform for employees, reducing the need for a larger fleet and associated emissions



Scope 1 Performance:

Our fleet optimisation efforts led to a 29.6% reduction in Scope 1 carbon emissions, from 13,391 tCO_2e in 2019 to 9,431 tCO_2e in 2023.

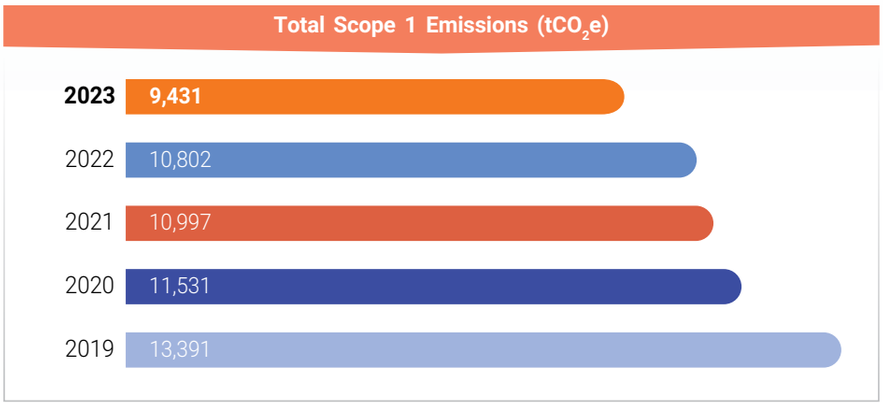


Genset*

Fuel Type	2022	2023
Total Fuel Purchased (Megalitres)	2.5	**1.6**
Total Carbon Emissions (tCO_2e)	6,847	**3,993**

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

Carbon Emissions



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

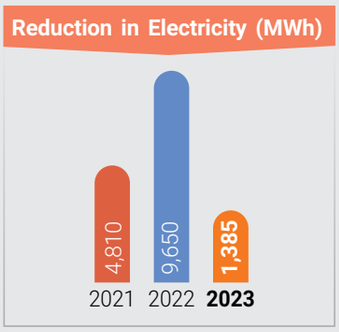
In addressing electricity consumption, we have enhanced energy efficiency and increased our renewable energy usage, resulting in a significant reduction of 9% in electricity usage in 2023 against the baseline year which equates to a decrease in emissions by 79,978 tCO_2e.

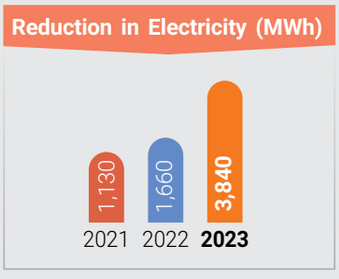
Our efforts are organised as follows:

Network

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

Initiative	Impact & Achievements
Network Element Shutdown	Implemented network modernisation to operate only high-efficiency network elements, including the deactivation of underutilised elements and migration of services to networks with higher utilisation rates.
Energy Efficiency Optimisation (EEO)	Implemented cost-saving energy efficiency measures, including increasing room temperatures, switching to LED and solar lighting and optimising network equipment space.

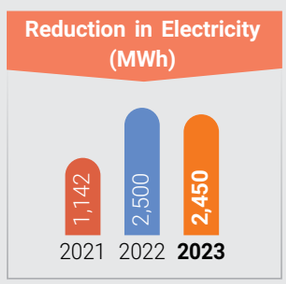




Buildings & Data Centres

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

Initiative	Impact & Achievements
Energy Performance Contracting (EPC)	Upgraded facility systems, including switching to inverter-type air conditioners and energy-efficient light bulbs. • Implementation in three (3) EPC buildings
Cooling Unit Upgrading (CUU)	Replaced 225 conventional air-conditioning units with energy-efficient inverter models. • Reduction in Electricity: 4,140 MWh



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

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

Initiative	Impact & Achievements
Power Usage Effectiveness (PUE) Monitoring	Implemented rigorous monitoring of PUE to optimise energy efficiency across our data centres. • Average PUE: 1.6 to 1.8, despite business expansion and increasing energy use

Carbon Emissions

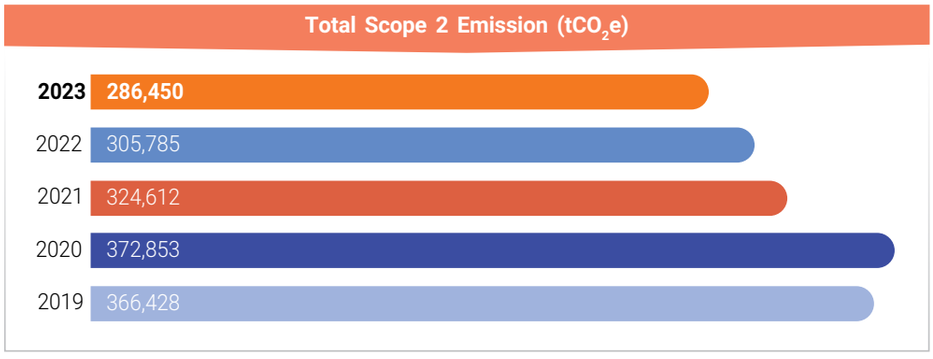
Scope 2 Performance:

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

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

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

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



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

3 Scope 3: Emissions from Other Activities

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

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

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

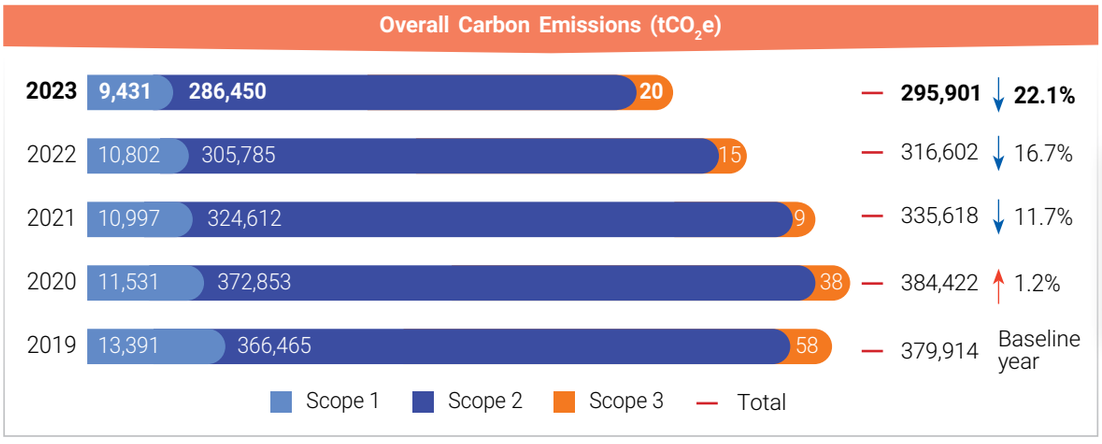
Total Scope 3 Emissions (tCO_2e)	2019	2020	2021	2022	2023
Waste Generated*	4	2	2	4	**17**
Business Travel**	54	36	7	11	**3**
Total	58	38	9	15	**20**

* The emissions calculated from the total waste generated at eight (8) sites in 2023 include both scheduled and non-scheduled waste categories. We also updated our emissions factors with DEFRA 2023, which resulted in a reported increase in emissions.

**The data is limited as the emissions determined were based on trips made via travel agent only. It excludes reservations made through other channels or platforms.

4 Overall Performance

Our emissions data from 2020 to 2022 indicate a steady decline in carbon emissions, setting the stage for a 22.1% reduction of CO_2 equivalent in 2023 compared to the 2019 baseline, which puts us on track towards our target of 30% emissions reduction by 2024. This underscores the value of persistent collaboration and innovation in our efforts to combat climate change and achieve our sustainability goals.



22.1% total reduction in carbon emissions

HOW WE WILL MOVE FORWARD

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

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

04 Responsible Employer

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

Material Matters

M8 Fair Employment *(page 133)*

M9 Health & Safety *(page 141)*

M10 Learning & Development *(page 146)*

Fair Employment

Deployed Capitals: Stakeholders Affected: Sustainability Impact: Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Policies & Guidelines

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

Competitive Benefits

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

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

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

Career Development

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

Equal Opportunities

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

Rewarding Excellence

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

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

Fostering a Safe & Respectful Workplace

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

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

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

HOW WE CREATED VALUE IN 2023

1 Engagement & Well-Being

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

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

Organisational Health Index (OHI)

Keeping Employees Happy & Engaged

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

2 Protecting Worker's Rights

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

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

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

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

3 Diverse & Inclusive Workforce

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

Age Diversity

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

Impact & Achievements:

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

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

Gender Empowerment

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

ASPIRE Programme

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

Achievements:

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

Fair Employment

Fair Compensation

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

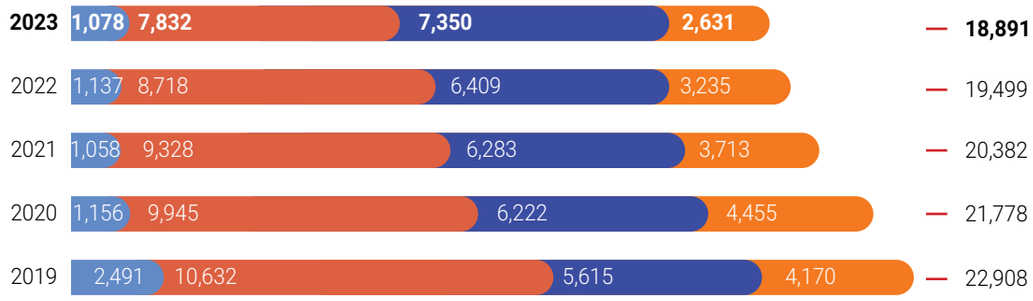
Ratio of Salary for Women to Men	2020	2021	2022	2023
Management	1:1.25	1:0.83	1:1.22	**1:1.11**
Executive	1:0.91	1:0.97	1:0.97	**1:0.93**
Non-Executive	1:1	1:1.07	1:1.02	**1:1.02**

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

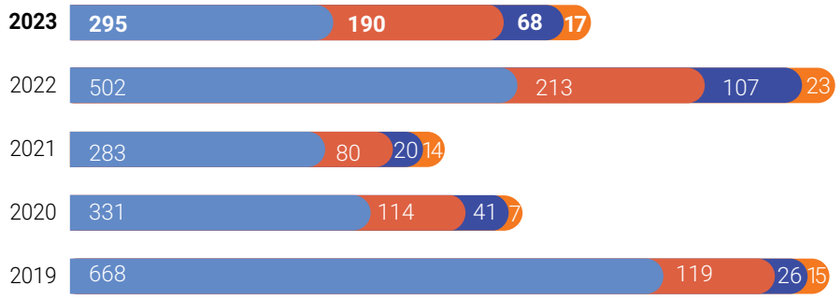
Diversity of Workforce

Age

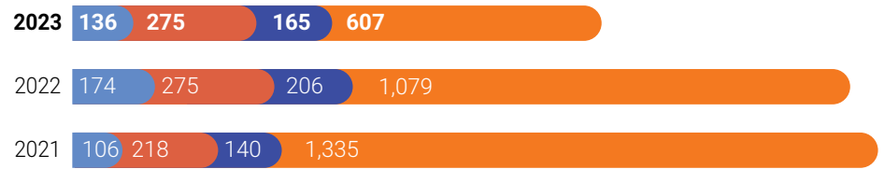
Age Group (headcount)



Number of Employee Hires by Age Group

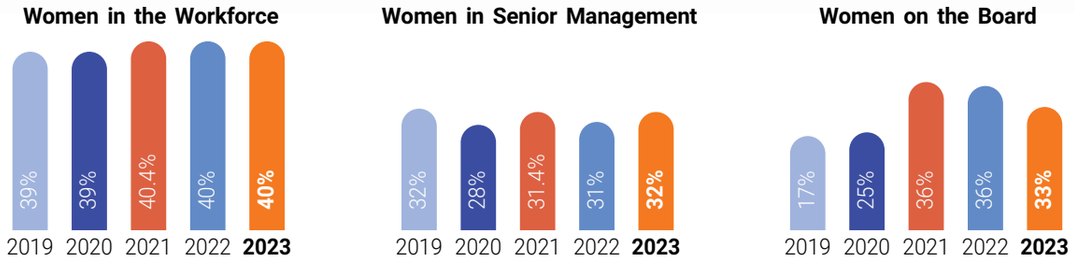


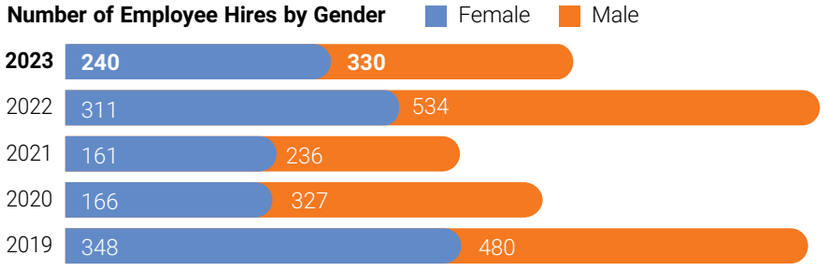
Turnover based on Age (pax)

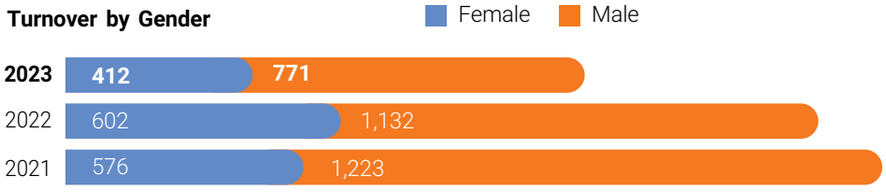


Under 30 years old | 30 - 40 years old | 40 - 50 years old | Over 50 years old | Total

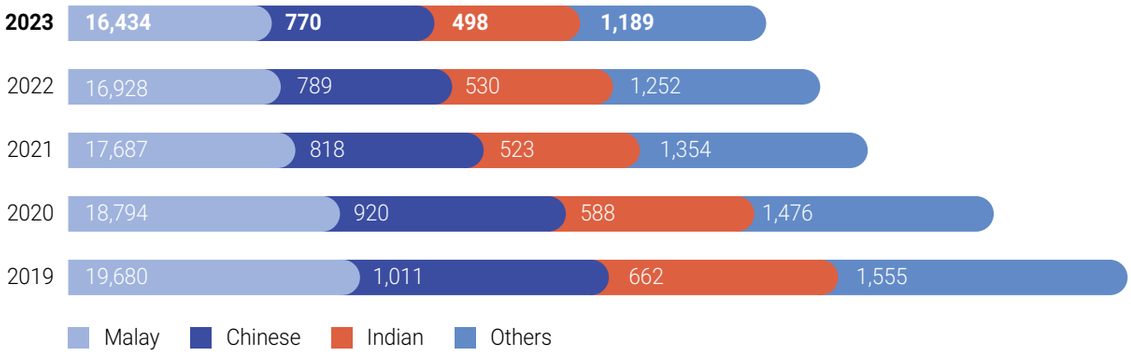
Gender



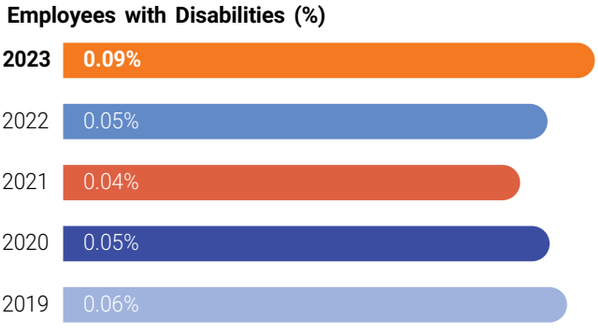




Race



Disabilities



Fair Employment

4 Supporting Work-Life Balance

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

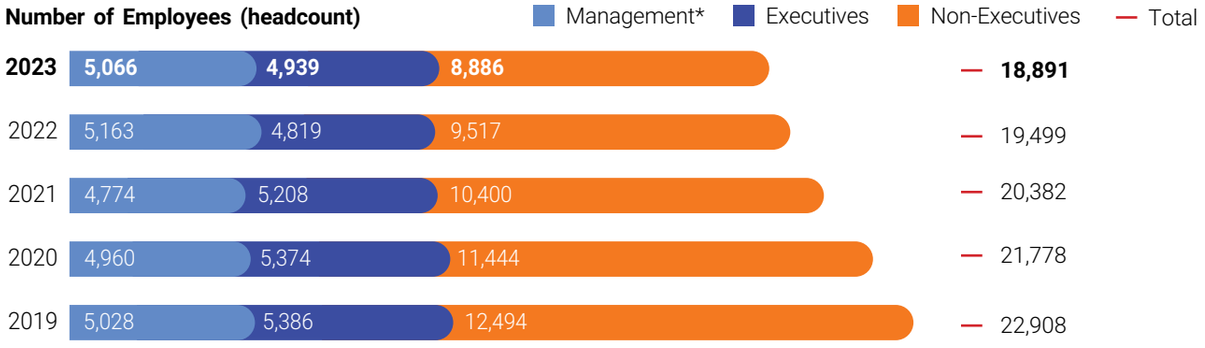
OUR COMPREHENSIVE SUPPORT FOR FAMILIES HAS LED TO 100% OF EMPLOYEES RETURNING TO WORK AFTER THEIR PARENTAL LEAVE ENDED

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

5 Employee Data

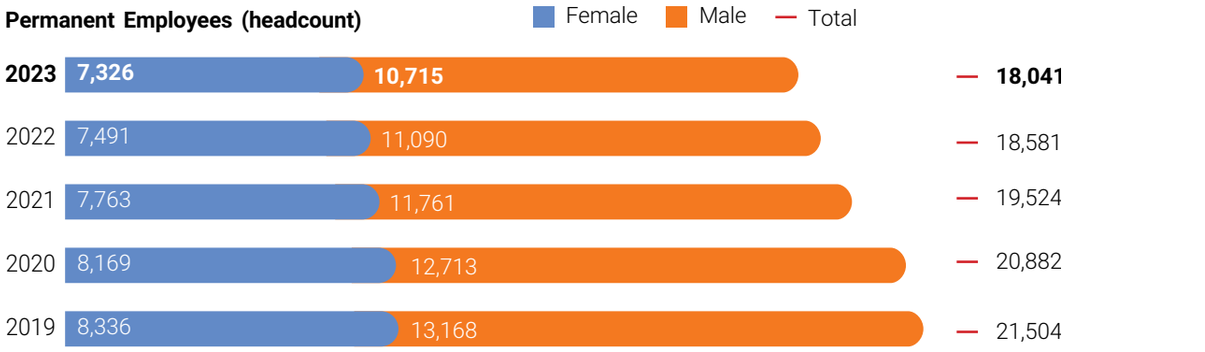
Our commitment to ensuring fair employment for *Warga TM* aligns with the GRI standard. Tracking our employee data demonstrates our consistency and transparency in disclosing internal information.

Number of Employees (headcount)

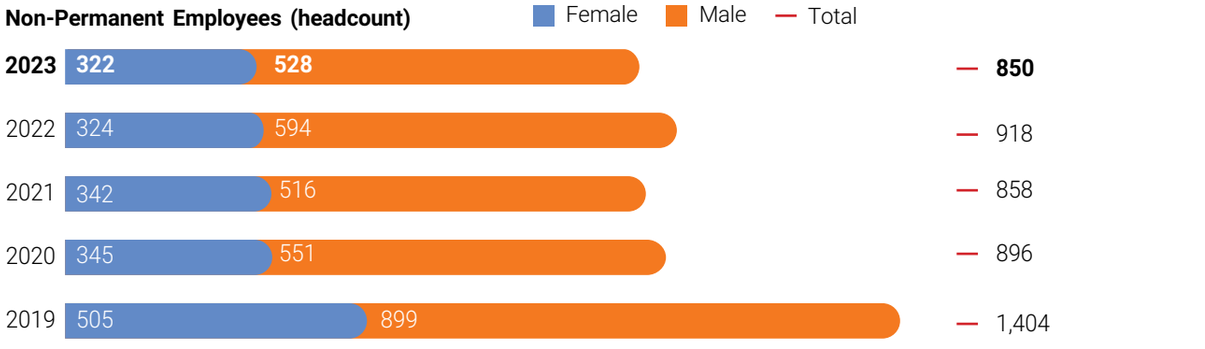


* Note: Management includes all employees who hold job titles of Manager and above.

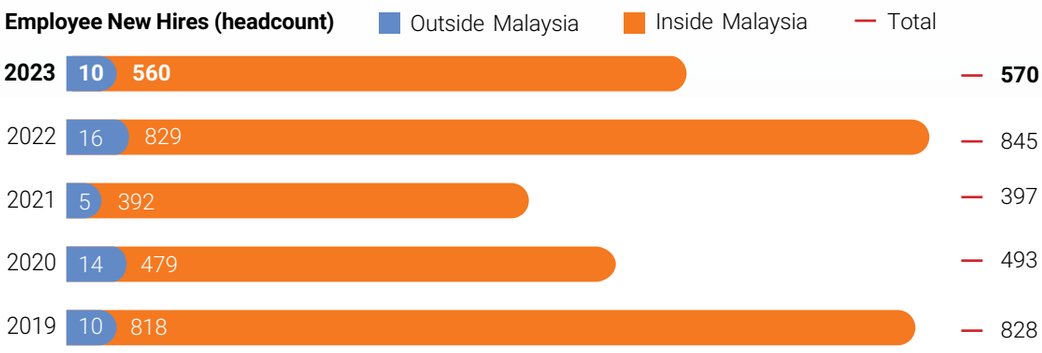
Permanent Employees (headcount)

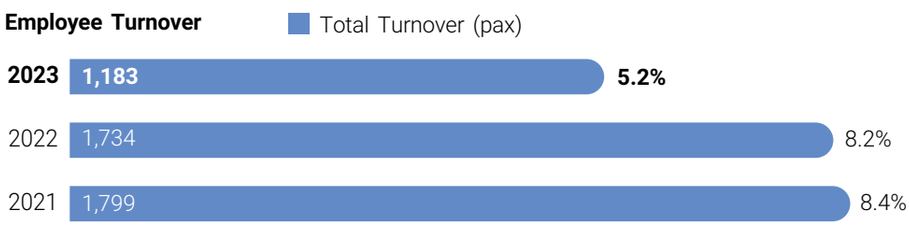


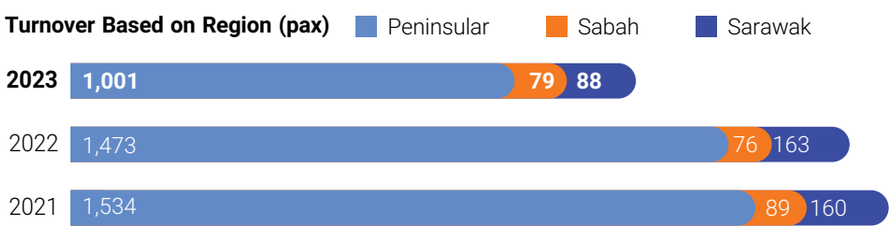
Non-Permanent Employees (headcount)



Fair Employment







HOW WE WILL MOVE FORWARD

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

Fostering a Culture of Equal Opportunities

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

Strengthening Employment Policies & Procedures

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

Valuing Diversity & Respect

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

Enhancing Productivity & Efficiency via Digitalisation

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

Health & Safety

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

OSHE Roadmap

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

1 OSHE LEADERSHIP & COMMITMENT COMPASS

- **OSHE CORE VALUE**: Accentuates OSHE mission and vision as the company's 'Core Value'.
- **OSHE ACCOUNTABILITY**: Accountability for safety as part of company's leadership development strategy.
- **OSHE LEADER COMMUNICATION**: Leaders provide consistent, personalised messaging about the importance of safety and health.

2 OSHE OPERATIONAL EXCELLENCE

- **OSHE PERSONNEL COMPETENCY**: Raise OSHE personnel professionalism and competencies.
- **OSHE MANAGEMENT SYSTEM**: Remodel implementation of the OSH Management System framework and scope of certification.
- **HIGH-RISK INFRASTRUCTURE INVENTORY**: Reform TM's high-risk infrastructure inventory for better hazard management.

3 ENGAGEMENTS & EXTERNAL PARTIES MANAGEMENT

- **STAKEHOLDER ENGAGEMENT**
- **CONTRACTOR SAFETY MANAGEMENT**
- **STRATEGIC COLLABORATION WITH PROFESSIONAL BODIES**

4 OSHE ORGANISATIONAL BEHAVIOUR

- **OSHE COMPELLING PROGRAMMES**: Drives compelling programmes to build and elevate OSHE culture.
- **OSHE INCENTIVES & REWARDS**: Introduce incentive programmes to boost the awareness of OSHE and to acknowledge all personnel that demonstrate committment to OSHE compliance.
- **OSHE IS EVERYONE'S RESPONSIBILITY**: Embed trust, respect and inclusion as the foundation for a culture of safety.

Health & Safety

Health & Safety Governance

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

Tier 1

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

Tier 2

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

Tier 3

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

HOW WE CREATED VALUE IN 2023

1 Strategic OSH Enhancements

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

Key Enhancements in 2023:

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

2 Preventive & Mitigation Actions

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

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

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

3 Training & Compliance Programmes

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

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

4 Audit & Communication

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

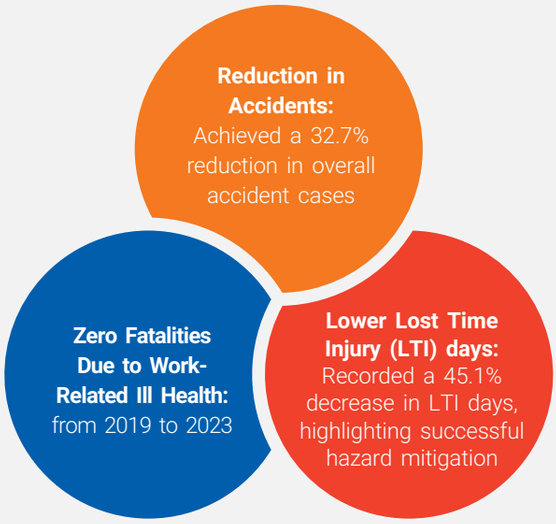
Initiative	What We Did
OSHE Compliance Audit Programme	Launched an audit programme targeting contractor management processes to ensure adherence to OSHE policies, identifying areas for improvement and ensuring corrective actions were taken.
Continuous Communication	Utilised various channels such as OSHE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

Health & Safety

5 Overall Performance

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

KEY ACHIEVEMENTS



LOST-TIME INJURY CASES

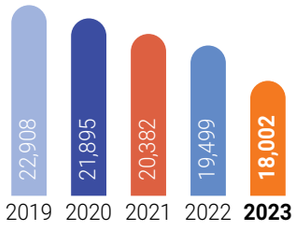
- Working at Height (WAH): **4**
- Working in Confined Space (WCS): **0**
- Working on/by Road (WOR): **7**
- Working in Office/ Premise (WOP): **25**
- Working near High Voltage (WHV): **0**
- Hot Work (HW): **0**
- Material Handling (MH): **1**

Total Lost Time Injury Cases

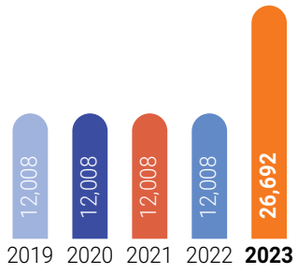
37

Occupational Health & Safety Management System Coverage

TM Employees Covered*



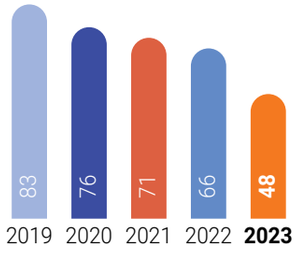
Contract Workers Covered



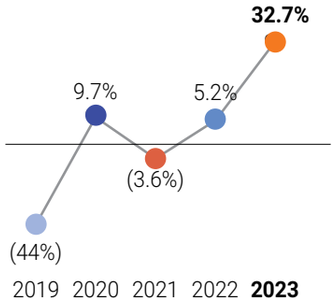
* Excluding employees at subsidiaries

Work-Related Injuries & Ill Health

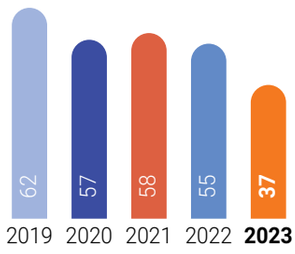
Total Recordable Injury Cases



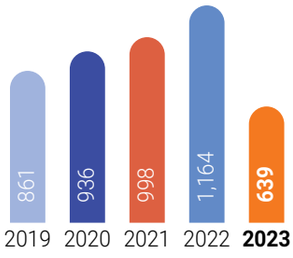
Percentage Reduction in Incidents (%)



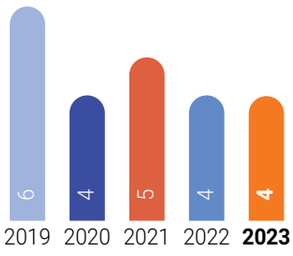
Absenteeism Rate (Headcount)



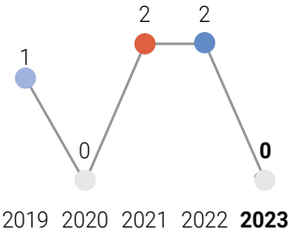
Absenteeism Rate (Days)



Recordable Work-Related Ill Health Cases



Fatal Accidents



HOW WE WILL MOVE FORWARD

OSHE Risk Rating Goal

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

Likelihood Assessment

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

Severity Reduction

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

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

Learning & Development

Deployed Capitals: Stakeholders Affected: Sustainability Impact: Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

- Future-ready skills training
- Professional progression & growth

WHAT IS OUR APPROACH

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

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

Diverse Development Programmes

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

Digitalising the Learning Experience

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

TM Digital Academy

LinkedIn Learning coursera TM LEARN

Quality Online Learning at Point of Need

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

HOW WE CREATED VALUE IN 2023

1 Progress in Training & Development

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

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

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

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

Overview of L&D Initiatives in 2023

L&D Initiative	Programme Description	Progress & Achievements
Future-Skilling Training	Intensive programmes on ten (10) growth areas: Fixed Mobile Convergence/Mobile, Content, Lifestyle Convergence, MSME Digital Ecosystem, Smart Services, Cyber Security, Cloud, Submarine, Content Delivery Network (CDN) and Data Centre.	Overall Training Effectiveness*: **Participant Satisfaction Index (E1)** **Target: 85%** **Actual: 91%** **Participant Learning Achievement (E2)** **Target: 80%** **Actual: 86%** **Participant Behavioural Change (E3)** **Target: 20%** **Actual: 26%** **Training Outcome/Impact on Business (E4)** **Directly contributed to generating RM56.0 million in business opportunities**
Certifying Agency (CA) Trainings & Certification Programme	TM L&D has been appointed as the Certifying Agency since 2002 to ensure fibre network worker compliance with the Communications and Multimedia Act through necessary certification examinations.	Certified 7,361 *Warga TM* and external fibre network workers in total, standardising their competencies.

** Based on Kirkpatrick training evaluation model*

Learning & Development

2 Digital Transformation in Learning

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

e-Learning Platforms

e-Platform	Description	Impact & Achievements
TM Learn	• Offered in-house content specifically for *Warga TM*, including cyber security, integrity and Software Asset Management	• Benefitted 18,233 *Warga TM* (96.5% of total TM workforce) • Average of 1.8 training hours per employee
LinkedIn Learning	• Enforced a minimum monthly learning KPI of 90 minutes	• More than 10,000 *Warga TM* trained • Average of 2.7 monthly training hours per executive
Coursera	• Provided curated courses for *Warga TM* in essential tech skills for key growth areas	• 750 *Warga TM* trained • Average of 5.5 training hours per executive

3 Enhancing Performance Management

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

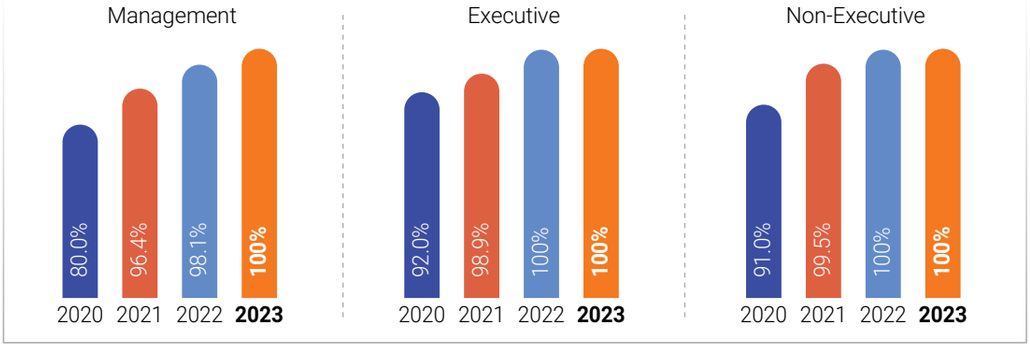
Performance Reviews

Mid-Year: 96% completion rate

Full-Year: 100% completion rate

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

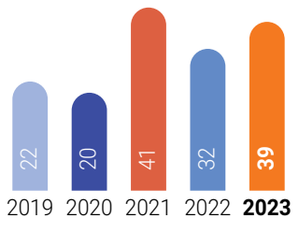
Performance Reviews by Employee Categories



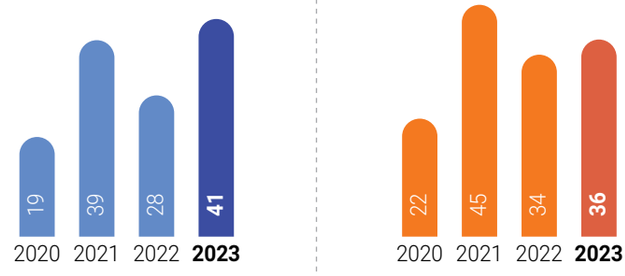
4 Overall Performance

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

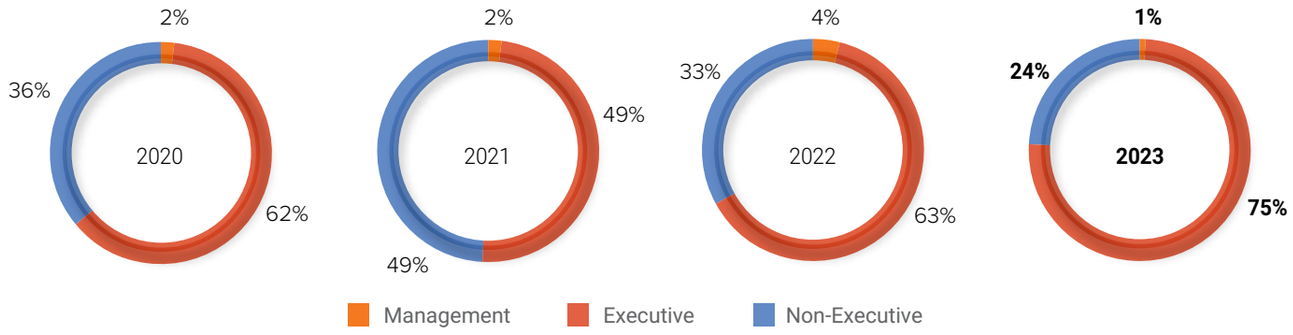
Average Hours of Training per Employee



Average Hours of Training Based on Gender



Percentage of Training Hours by Employee Categories



Number of Programmes for Upgrading Employee Skills

Number of Promotions

MANAGEMENT
Promotion to Assistant GM:
105

EXECUTIVE
Promotion to Manager:
359

NON-EXECUTIVE

Promotion to Assistant Manager:
149

Promotions within Non-executive bands:
30

Learning & Development

HOW WE WILL MOVE FORWARD

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

- **Leadership Development Programmes Across All Levels:**
  Prioritising the enhancement of leadership skills at every organisational level, with a balanced focus on leadership excellence and technical proficiency to nurture well-rounded leaders.
- **Future-Skilling:**
  Equipping *Warga TM* with future-ready skills in areas such as cloud, data centre, cyber security, smart services and other digital areas to ensure *Warga TM* are well-prepared to drive business growth, leverage opportunities and contribute to TM's transformation into a Digital Powerhouse by 2030.
- **Sustainability Training:**
  Delivering to all *Warga TM*, including specialised training for the Board, senior management and employees who are involved in implementing sustainability-related initiatives.
- **Digital Literacy Programme:**
  Developing a digital-first mindset and foundational understanding of digital productivity tools and platforms, capable of effectively using technology in daily work and personal life.
- **Digital Learning Platforms:**
  Advancing our commitment to modern learning by promoting digital platforms for self-paced, autonomous and on-demand learning experiences, facilitating quicker and more flexible skill acquisition.
- **AI Talent Marketplace Platform:**
  Streamlining talent development by utilising an AI-driven Talent Marketplace Platform for efficient talent scouting and skill enhancement through curated online learning pathways.
- **Strategic Partnerships for Talent Competency:**
  Fortifying our collaboration with industry and commercial partners to acquire best practices in talent competency, engage in specialised technical training and gain insights into new technologies.

05 Ethical Business

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

Material Matters

- M11 Sustainable Supply Chain *(page 152)*
- M12 Responsible Communication *(page 155)*
- M13 Cyber Security *(page 158)*
- M14 Good Governance *(page 161)*

Sustainable Supply Chain

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Environmental, Social, & Governance (ESG) Risk Assessment

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

HOW WE CREATED VALUE IN 2023

1 Promoting the Development of Our Suppliers

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

Supplier Development Initiatives

Initiative	Impact & Achievements
Training on Procurement Policies & Integrity Educates suppliers on TM's procurement policies and integrity, integrating the Supplier Self-Service (SUS) portal for efficiency.	• Improved adherence to ethical standards • Enhanced operational efficiency via SUS portal usage
ESG Training Sessions Provides key ESG insights through targeted sessions, fostering sustainable practices among suppliers.	• Engaged approximately 395 suppliers in ESG training sessions
Bumiputera Vendor Development Programme (BVDP) Enhances the capabilities of Bumiputera vendors through structured training and adherence to sustainability standards.	• Elevated skills and market competitiveness of Bumiputera vendors

Number of BVDP supported in the supply chain	2020	2021	2022	2023
Number of BVDP suppliers	61	70	69	**79**
BVDP jobs supported	3,927	3,795	3,846	**3,835**

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

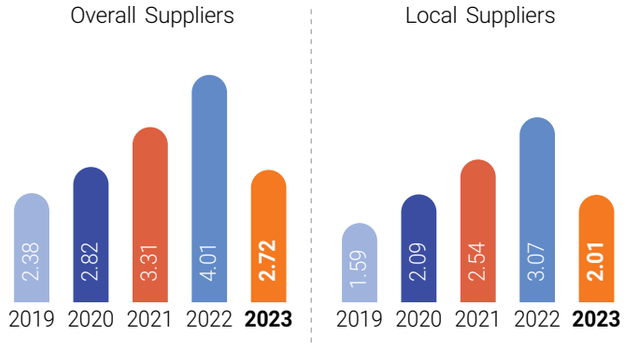
2 Empowering Local Suppliers

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

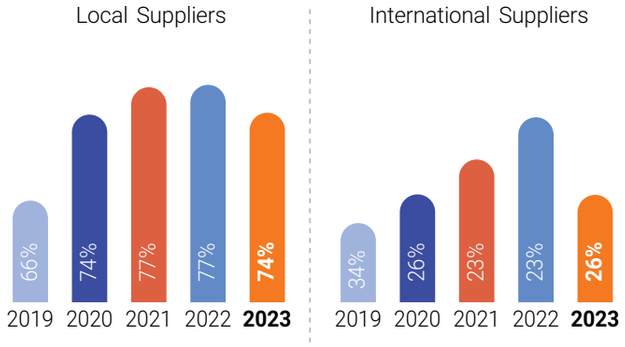
Breakdown of Suppliers

Monetary Contributions to Suppliers

Breakdown of Procurement Contribution (RM billion)



Breakdown of Procurement Contribution (%)



3 Digitalisation of Supply Chain

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

Key Initiatives:

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

Sustainable Supply Chain

4 Creating a Sustainable Supplier Ecosystem

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

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

ESG Compliance among TM suppliers

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

Sustainability Practices of Suppliers

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

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

5 Overall Performance

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

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

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

HOW WE WILL MOVE FORWARD

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

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

Responsible Communication

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

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

Preparation & Clarity

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

Conciseness & Timeliness

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

Ethical Standards

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

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

HOW WE CREATED VALUE IN 2023

1 Streamlining Communication Challenges

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

Addressing Key Challenges

DIVERSE STAKEHOLDER EXPECTATIONS

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

REGULATORY COMPLEXITY

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

Responsible Communication

2 Improving our Communications

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

Initiative	Progress in 2023
Internal Consultations for Stakeholder Engagement	• Conducted purposeful discussions to tailor strategies for diverse stakeholder groups
Revamped Engagement Framework	• Refined our engagement processes for better clarity and effectiveness
Enhanced Crisis Communication Preparedness	• Updated processes to align with BCM standards, improving stakeholder trust in crisis situations
Crisis Response Coordination	• Collaborated on crisis simulations to boost organisational readiness and reassure stakeholders
Visual Brand Consistency	• Unified visual communication standards to strengthen brand perception among stakeholders

3 Strengthening Internal Ties

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

Focus	How We Strengthened Engagement
Email Optimisation	• Streamlined email communications to reduce overload and focus on impactful content
Messaging Clarity	• Enhanced communication clarity with visuals, boosting understanding and internal engagement
Collaborative Content Creation	• Facilitated content co-creation, promoting cohesive messaging and awareness of key initiatives
Leadership Communication	• Utilised leadership videos to personalise messages, strengthening company values and vision alignment
Management-Employee Interaction	• Expanded interactive sessions, improving internal communication and organisational unity

4 Advancements in Public Communication

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

Focus	How We Strengthened Engagement
Standardised News Releases	• Enhanced efficiency and consistency in our communications, increasing media releases by 25% to ensure stakeholders receive timely and relevant information
Enhanced Media Engagement	• Improved dialogue with the media enhanced TM's transparency and stakeholder trust, fostering informed public and industry conversations
Elevated Thought Leadership	• Increased publication of thought leadership, sharing insights that contribute to industry sustainability and stakeholder knowledge
Strategic Engagement with Media	• Strategic interactions with the media and influencers enhanced TM's visibility and stakeholder engagement, supporting brand and market sustainability
Leadership Media Preparedness	• Equipped leaders with media skills, ensuring accurate and consistent representation of TM's commitment to stakeholder interests and expectations
Collaborative Protocol Training	• Partnered with governmental bodies to enhance protocol understanding, reinforcing TM's dedication to ethical practices and stakeholder respect

HOW WE WILL MOVE FORWARD

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

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

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

Strategic Narrative Campaign Develop a strategic approach to amplify our presence on social media, focusing on stakeholder engagement and our community initiatives	**GCEO Media Engagement** Invest in our communications team to broaden their skills and improve TM's communication quality	**Corporate Profiling Expansion** Revise our communication channels and methods to stay responsive and attuned to stakeholder needs

TM's long-term vision is centered on three (3) foundational pillars to redefine our stance in the industry:

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

Cyber Security

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Governance & Oversight

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

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

Information Security Policy

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

PCI DSS Compliance

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

Business Continuity Assurance

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

Certified Information Security Management

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

Cloud Security & Privacy Certifications

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

Industry Collaboration

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

HOW WE CREATED VALUE IN 2023

1 Building Cyber Resilience

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

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

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

2 Empowering Our People

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

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

Cyber Security

3 Managing Third-Party Security Risks

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

Embedding Security in Third-Party Engagements

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

4 Overall Performance

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

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

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

Resolved 100% of all cyber security incidents

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

HOW WE WILL MOVE FORWARD

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

Good Governance

Deployed Capitals:

Stakeholders Affected:

Sustainability Impact:

Key Risks:

WHAT OUR STAKEHOLDERS EXPECT

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

WHAT IS OUR APPROACH

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

Our focus on good governance is built on the following:

1. **Ethics and Integrity:** Our Group Integrity and Governance (GIG) division rigorously evaluates our anti-corruption frameworks, including the OACP, ABMS, bolstered by regular training, communication and thorough investigations. Complemented by continuous internal and external audits and a strong whistle-blowing system, our strong governance has improved TM's corruption risk rating from high to medium, as recognised by Malaysian Anti-Corruption Commission (MACC).

2. **Board Oversight & Risk Management on Anti-Corruption:** Our anti-corruption efforts are under the vigilant oversight of the BAC, which focuses on the integrity and effectiveness of the OACP and ABMS, alongside our training, communication and investigative initiatives. The BRIC reviews corporate corruption risk assessments, integrating them into our ERM to enhance risk mitigation strategies.

3. **Data Privacy:** We adhere to the Personal Data Protection Act (PDPA) 2010, implementing stringent governance, secured network protocols and regular IT audits to ensure data integrity and security. Our comprehensive privacy policies, including the TMD3P, are communicated through our TM Privacy Notice, which outlines our data handling practices and affirms customer rights. Through proactive incident management and accessible reporting channels, we maintain a robust stance on data privacy, ensuring our stakeholders' trust and confidence.

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

Good Governance

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

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

HOW WE CREATED VALUE IN 2023

1 Progress in Integrity & Compliance

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

OACP

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

PROGRESS & ACHIEVEMENTS

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

ABMS

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

PROGRESS & ACHIEVEMENTS

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

2 Culture & Awareness

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

Training & Awareness Programmes

Initiative	Description
Education & Training	• Conducted TM CBE training to provide education on ethics and integrity training for 5,114 *Warga TM* via online and physical sessions • Targeted high-risk units/divisions with mandatory attendance, including pre and post-tests to gauge understanding and effectiveness
E-Learning Programmes	• Mandatory interactive online training on ethical behaviours and anti-corruption principles • TM CBE e-Learning completed by 17,809 employees (including management), with a 97% completion from *Warga TM*
Communication	• Over 20 monthly snippets on ethical policies, laws and guidelines issued to all employees, enhancing the understanding of TM CBE provisions and corruption offenses • Communication in English and Bahasa Malaysia for wide accessibility
Integrity Day	• Annual event demonstrating TM's commitment to integrity, governance and transparency • Feature prominent speakers, theatre performances on anti-corruption and hybrid participation from employees and business partners nationwide

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

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

3 Addressing Corruption Risks

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

Corruption Assessment	2020	2021	2022	2023
Operations assessed for corruption	25%	100%	60%	**65%**

Key Incidents & Responses in 2023:

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

4 Strong Regulatory Compliance

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

Regulatory Compliance	2019	2020	2021	2022	2023
Operating laws & regulations compliance	83%	83%	86%	89%	**90%**

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

MCCG Compliance	2019	2020	2021	2022	2023
Required Practices					
MCCG Compliance	32	32	43	43	**43**
TM Application	30	31	43	43	**42**

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

Step Up Practices (Beyond Compliance)	2019	2020	2021	2022	2023
MCCG Compliance	4	4	5	5	**5**
TM Application	4	4	5	4	**4**

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

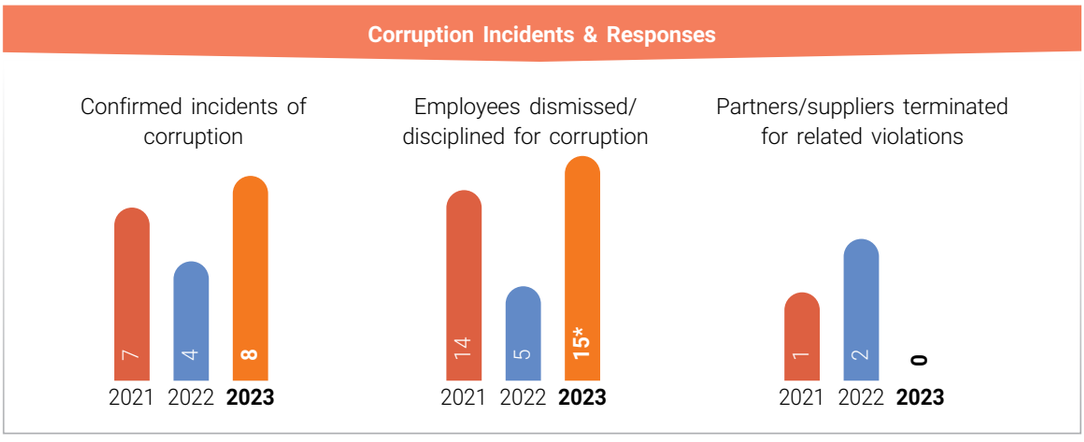
5 Overall Performance

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

Key Highlights

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

Corruption Incidents & Responses



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

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

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

HOW WE WILL MOVE FORWARD

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

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

Sustainability Performance

From Bursa Malaysia ESG Reporting Platform

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

Internal assurance | External assurance | No assurance | (*)Restated

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

Internal assurance | External assurance | No assurance | (*)Restated

OUR GOVERNANCE

We adhere to and practice good corporate governance in all of our dealings with stakeholders. We embrace high standards of integrity and transparency in the way we conduct our business.

Corporate Governance Overview Statement

TM, collectively the Board of Directors, Management and staff, continue to strive for better implementation of the highest standards for corporate governance throughout the organisation, which is fundamental in delivering consistent financial performance, creating long-term economic and sustainable value to all stakeholders to achieve sustainable performance and business throughout the Group. TM believes that good corporate governance improves the Group's business oversight, management and operations, contributing to stakeholder value creation.

TM conducted an internal reorganisation in 2023 to streamline its core business and subsidiaries under TM Technology Services Sdn Bhd (TM Tech) to be the main operating entity of the Group. This initiative is expected to further improve operational efficiencies, streamline processes and simplify customer touchpoints to provide a more seamless customer experience, ensuring TM's sustainability in the industry.

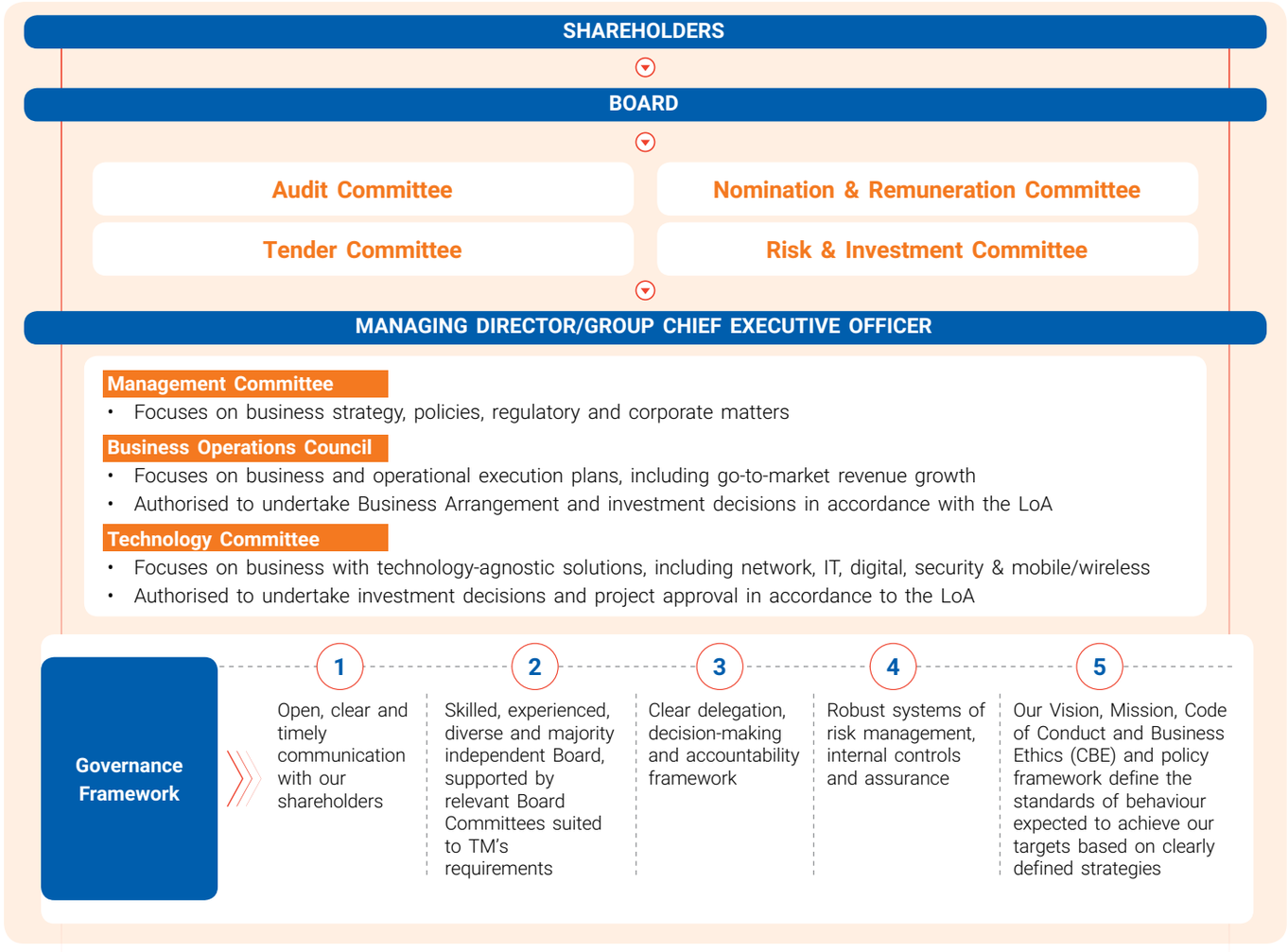
Our Board continues to align TM's role as a PLC and GLC whilst playing a key role in driving national initiatives towards Digital Malaysia, ensuring sustainable development through connectivity and technology, while providing support to the nation through various Corporate Responsibility initiatives.

TM's Governance Framework is crafted according to the rules, requirements and provisions laid out in the following documents:

- Companies Act 2016;
- Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities);
- Malaysian Code on Corporate Governance (MCCG) issued by the Securities Commission Malaysia (SC);
- Corporate Governance Guide published by Bursa Malaysia Berhad;
- Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the SC; and
- International best practices and standards on corporate governance.

As part of the Group's Governance Framework, specific responsibilities are delegated to the relevant Board Committees and Management Committees, providing support to our Board in key areas such as financial review, human capital management, internal control and risk management, as well as governance, procurement and sustainability matters.

TM's Governance Framework is supported by the Board Charter, Limits of Authority (LoA) Matrix, Business Policy and Governance (BPG) and the recently approved Directors & Management's Conflict of Interest Policy (COI). An annual review of the Board Charter is conducted, whilst the LoA and BPG are reviewed and updated in line with the Group's internal reorganisation and transformation initiatives.



The following sections outline how TM has applied the three (3) principles under the MCCG:

As at the FYE 31 December 2023, TM has applied 46 out of the 48 recommended practices in the MCCG including the five (5) Step-up Practices save for Practice 8.3: Step Up on the disclosure of detailed remuneration of each member of senior management on a named basis and Practice 5.2: Composition of independent directors for large companies.

Changes to the Board composition since 1 November 2023, comprising a resignation and the appointments of two (2) new Non-Independent Non-Executive Directors (NINED), have resulted the Board composition ratio of independent and non-independent to be equal.

For comprehensive overview of TM's application of MCCG's practices, this Corporate Governance Overview Statement is to be read together with the Corporate Governance Report (CG Report) 2023, which further elaborates how the practices of the MCCG are applied and any departure thereto. The CG Report is available on the Company's website at tm.com.my.

During the year, the Board has undertaken to revitalise its investment review functions previously under the Board Investment Committee (BIC), which was disbanded in September 2021. The Board's scrutiny of TM Group's investment activities was revived and this function was cascaded to the existing Board Risk Committee (BRC), with powers to inter alia review, evaluate and recommend to the Board the Management's recommendations on investment and divestment. Pursuant thereto, on 1 January 2024, BRC was restructured and renamed as the Board Risk and Investment Committee (BRIC) to undertake a review of risk, investment and sustainability matters for TM Group.

PRINCIPLES

A Board Leadership & Effectiveness

DISCHARGING THE BOARD RESPONSIBILITIES

The Board's principal responsibility is to promote the long-term success of our Company and deliver sustainable value to our shareholders. The Board assumes overall responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight. It also collectively takes responsibility for the Company's leadership and to meet the objectives and goals of the Company. In discharging its roles and responsibilities, the Board is also mindful of the need to protect the interests of all stakeholders.

During the year, the Board has undergone several changes:

- Appointment of Dato' Zainal Abidin Putih, Non-Independent Non-Executive Chairman (NINEC), on 1 August 2023 in place of Tan Sri Mohammed Azlan Hashim as Chairman.
- Appointment of Amar Huzaimi Md Deris, Non-Independent Executive Director (NIED), on 1 August 2023 in place of Datuk Imri Mokhtar as MD/GCEO.
- Resignation of Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin, a NINED representing MOF Inc., and cessation of her alternate, Iszad Jeffri Ismail, on 25 September 2023.
- Appointment of Ahmad Taufek Omar, a NINED on 1 November 2023.
- Appointment of Datuk Dr. Sharazat Haji Ahmad on 15 December 2023, representing MOF Inc. and Iszad Jeffri as her alternate on the same day.

Board activities are structured to provide the Directors with effective management oversight to support the MD/GCEO and Management team. In December 2023, a two-day Board Retreat was held that encompassed both deliberation on strategic and annual operating plan (AOP) to re-evaluate and assess the Group's business direction and strategy following the change of top leadership in August 2023.

During the year, TM's existing sustainability framework was reviewed in line with the dynamic market and regulatory trends in the sustainability space and TM's business goals. Acknowledging the importance of continuously upholding strong sustainability ratings and corporate reputation, our Board has, in November 2023, adopted a revised framework for Sustainable Growth and Shared Value Creation as well as the updated Sustainability Roadmap for 2024-2026.

BOARD CHARTER

The Board Charter provides a clear description of the duties and responsibilities of the Board, its committees and Directors. It is a primary source of reference for the Board on our governance practices and Board policies and guidelines. Matters requiring approvals from Board and/or Committees are provided in the Board Charter.

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, the Board Charter underwent two (2) revisions, involving enhancements to the terms of reference (ToR) of the Board, BAC, BTC and the reconstitution of BRC into BRIC which incorporates the ToR for risks, investments and sustainability elements.

DEMARCATION OF RESPONSIBILITIES BETWEEN THE BOARD, BOARD COMMITTEES & MANAGEMENT

The Board Charter 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). Clear demarcation of functions provides ease of observation and avoids imbalance of authority or control by the Board, eliminating the prospect of one individual or group dominating the decision-making process.

Having Directors with diverse experiences, skills and expertise contributed to the Board's diversity, ensuring an effective and functioning Board, which promote healthy, engaging and robust discussions at meetings. With a sound CG Framework and clarity regarding the Board's roles and responsibilities, our Board has been able to make effective decisions.

Different individuals hold the positions of Chairman and MD/GCEO at all times and they have clear and distinct roles, as documented in the Board Charter. The composition of the committees' memberships was reviewed in 2023 and Q1 2024. TM Board Chairman is not Chairman or member in any Board Committees. In 2023, BAC Chairman also did not sit in any other Board Committees.

Chairman	Senior Independent Director	Executive Director
• Provides leadership to the Board and ensures its effectiveness. • Leads the Board in overseeing 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 circumstance. • Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of our Company. • Proactively engage with external stakeholders to promote the goals and objectives of the Company.	• 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.	• Implements the broad policies approved by the Board and reports 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.
• During the first half of the year, Tan Sri Mohammed Azlan Hashim provided strong leadership to the Board. He left an admirable legacy for Dato' Zainal Abidin Putih to continue to lead the Board to greater heights. • Dato' Zainal Abidin encourages thorough discussions between Directors to allow the Board to make informed decisions. • Extensively involved in engagements with TM stakeholders, providing presence and support to the MD/GCEO in enhancing rapport with the Government and private sectors whenever required. • NRC and the Board agreed that his leadership is a necessity to lead the Board and Management through the expected challenges in 2024 and beyond and guide Management in realising new growth areas. • Based on the Board Performance Evaluation (BPA)/Board Effectiveness Evaluation (BEE) 2023, the Chairman was found to have set a clear tone and expectation from the Directors.	• 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 an intermediary for other directors when required. • While no specific session with NEDs was held during the year, SID was appointed as Chairperson in Board meetings in situations of conflicts of interest involving the Chairman and other Interested Directors.	• Amar Huzaimi Md Deris, formerly EVP, TM Global with a five-year track record leading his division and a total of 25 years in TM. He was appointed as MD/GCEO on 1 August 2023. As an internal talent, he has both familiarity with the organisation and respect from his peers. • He continued his predecessor's functions, focusing on the business and day-to-day management of the Company and led the Management team with hands-on knowledge, perspective, experience and ingrained knowledge of TM. • He has demonstrated his leadership in formulating TM's Strategic Plans and the 2024-2025 AOP, ensuring alignment with the Board's priorities and expectations. • Lead the Management team in identifying new growth areas to ensure the Company's sustainability. • Prior exposure to the local and global telecommunication industry had equipped him to effectively interact with the Government, regulators, Investors and media.

FOSTERING COMMITMENT OF THE BOARD

The Directors' attendances at Board and Committees' Meetings were consistent throughout the year, with former and newly appointed Directors showing strong commitment to their tasks. As at the end of the year, all the Directors in office have attended more than 93% of Board meetings held, above the minimum threshold stipulated under Paragraph 15.05 of the Main LR. Attendance at Board Committees is above 85%, reflecting the commitment provided by the Directors.

In addition to the Board meetings, 11 circular resolutions were also issued to approve urgent proposals. To enable Directors to plan their participation in Board and Committee meetings, the annual meeting schedule was shared with all Directors at the end of the year.

Corporate Governance Overview Statement

Snapshot of the Directors' commitment through the attendance and time spent at Board and Committees' meetings during the FYE 2023:

No.	Director & Representation	Designation	No. of Attendance/No. of Meeting				
			Board Meeting	Committee			
				NRC	BAC	BRIC	BTC
			71.03 hr	53.18 hr	53.18 hr	27.91 hr	30.04 hr
A. Represent TM's Special and Major Shareholders							
1.	Dato' Zainal Abidin Putih *(Appointed on 1 August 2023)*	NINEC	7/7				
2	Amar Huzaimi Md Deris *(Appointed on 1 August 2023)*	NIED	7/7				
3.	Datuk Dr. Sharazat Haji Ahmad *(Appointed on 15 December 2023)*	NINED	N/A				
4.	Dato' Mohamed Nasri Sallehuddin	NINED	16/16	9/10		6/7	
5.	Muhammad Afhzal Abdul Rahman	NINED	15/16				12/12
B. Represent Minority Shareholders							
6.	Tunku Afwida Tunku Dato' A.Malek	SID	15/16	10/10	11/11	7/7	
7.	Balasingham A. Namasiwayam	INED	15/16			7/7	12/12
8.	Saheran Suhendran	INED	15/16		11/11	7/7	
9.	Hisham Zainal Mokhtar	INED	16/16		11/11		
10.	Datuk Siti Zauyah Md Desa	INED	16/16	10/10			12/12
11.	Rossana Annizah Ahmad Rashid	INED	16/16	10/10	9/10		
12.	Ahmad Taufek Omar *(Appointed on 1 November 2023)*	NINED	3/3				

Noting that Directors' attendance at Board and Board Committees' meetings has been consistently recorded above 90% for the past several years and to ensure continued strong Board's commitment, the Board has increased the annual minimum attendance requirement from 50% to 75%, effective 1 January 2024.

KEY FOCUS AREAS/MATTERS REVIEWED & DELIBERATED BY THE BOARD IN 2023

Strategic Business Direction, including strategic projects & future growth

- Business Strategy of various sectors within the Group
- Budget and AOP for the Group for FY2023
- Industry Development for Internet and Data Business
- ESG: Participation and Acquisition of Carbon Credits
- Internal Organisation realignment
- Innovation and Talent Ecosystem
- 5G Implementation and Dual Network Transition
- Mandatory Standard Access Pricing (MSAP) matters
- New growth areas in ensuring the Group's Sustainability
- Strategic Projects: M&A and Inorganic Proposals

Human Capital Management

- Board and Leadership Succession Plans
- Pivotal Positions Definition and related matters
- Review of Performance Management Framework

Financial & Performance Management

- Financial Results review, including BAC Reports
- Quarterly Business Review
- Corporate Finance Matters

Governance

- Review of Board Charter and ToR of Board Committees
- BPA/BEE Exercise and Actionable Improvement Programme for the year
- Corporate Governance Disclosures in FY2022 Integrated Annual Report (IAR)
- COI matters

Sustainability

- Aligning TM with the Sustainable Development Goals
- Sustainability Framework and Roadmap.
- Board Training Programme on Task Force on Climate-Related Financial Disclosure (TCFD)
- TM's TCFD 2022

The Board adopts a top-down strategy to incorporate TM's values of good governance and accountability from the leadership level and cascades these across the Group. The CBE, Anti-Corruption Guide and Whistle Blowing Policy, with sound principles and standards of good practice, apply to Directors, employees and suppliers. These cultivate awareness, promote an anti-corruption culture and create integrity, transparency and accountability throughout our operations.

Details of the above can be referred to under Good Governance in the Sustainability section of this IAR.

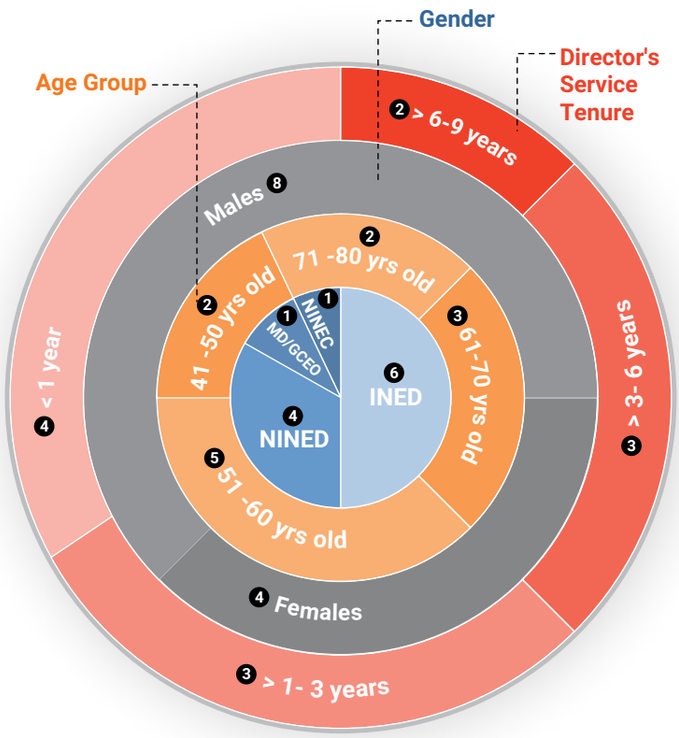
BOARD COMMITMENT TO SUSTAINABILITY

The Board has further strengthened Group-wide sustainability management by adopting an updated framework for Sustainable Growth and Shared Value Creation and the updated 2024-2026 Sustainability Roadmap.

Details of TM's sustainability targets and initiatives can be referred to the Sustainability section of this IAR.

BOARD COMPOSITION

The Board composition during the year under review represents a mix of skills, knowledge and expertise relevant to TM's business. The Board's composition undergone several changes during the financial year 2023. The overview of the Board current composition is as follows:



Board Composition

As at 31 December 2023, the Board composition continues to comply with Paragraph 15.02(1) of the Main LR, with more than one-third of the directors being independent, i.e. 50%. However, it falls short of the MCCG requirements for large companies to have majority independent directors. The Board took cognisance of the situation and is committed to comply with the Practice by reviewing the composition, taking into consideration the required skill sets, experience and diversity.

Details of the Directors, including their qualifications, experience and tenure (as at the date of this report) and any COI or potential COI, can be referred to in the Profile of Board of Directors section of this IAR.

BOARD SKILLS & EXPERTISE

NRC undertakes the responsibility of identifying, evaluating and selecting Directors with the right mix of skills, competencies, experience and other qualities that are required for a robust, fast paced telecommunication industry Board.

The rapid technological evolution in the telecommunication industry compels the Directors to be up to mark on relevant changes by attending more industry related training and courses during the year. A collective total of 154 training hours spent by the current Directors as at the financial year end on industry related courses (2022: 297 hours, 2021: 96 hours).

Financial & Performance Management
Industry involvement through previously held positions
- Financial Services/Banking
- Professional Services
- Public Services
- Digital Technology

Domain Expertise
Technical skills based on academic qualifications or roles played, such as Accountant, Lawyers
- Business/Management
- Finance
- Economics

Corporate Governance Overview Statement

BOARD SUCCESSION PLANNING & APPOINTMENT

Board Independence

The Directors' independence is assessed annually by the Board with NRC's advice prior to their reappointment. Directors' fit and proper assessment, including their skills, experiences, contributions, backgrounds and family relationships are the determinants in assessing the Directors' independence and objectivity needed in the Board. Criteria illustrated under Paragraph 1.01 of the Main LR are also assessed to ascertain the INED's independence. This include independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company and also being independent of the major shareholders.

Disclosure on Interest

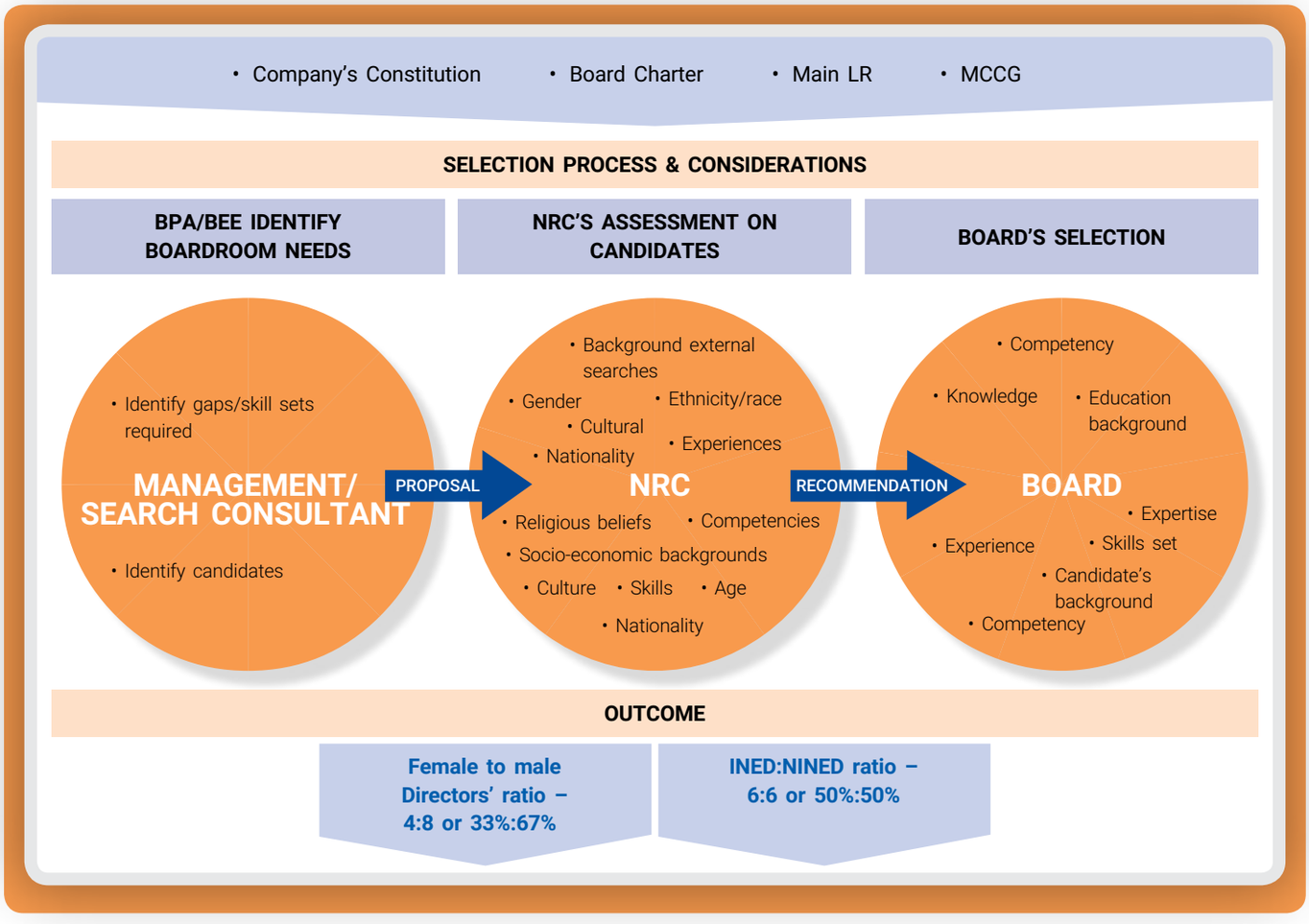
During the year, Directors have, to the best of their abilities, disclosed their interests or any possible COI on any matter put forth before the Board for consideration according to the requirements in the Main LR. Any interests and their extent and possible conflict that may arise from the said interest that the Director may have is recorded and registered and the Directors would abstain from participating in the deliberation and decision of the matter involved.

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 exceeds the cumulative term limit of nine (9) years.

Board Diversity

To ensure TM has a diverse Board with a range of relevant skills and experiences, the selection process for Board members is imperative to ensure there is good governance and a constructive Board. The diversity elements include gender, ethnicity/race, nationality, religious beliefs, cultural or socio-economic backgrounds and age, which enable a wealth of perspective and vibrancy of discussion in the boardroom. Boardroom diversity also includes experiences, skills and competencies of the Directors which enable the Company to maximise business and governance performance.



2023 observed revisions to the Board membership and composition. Beginning 2023, TM complied with majority independence composition ratio but failed to maintain the position by end of December 2023.

An independent assessment on the Directors' performance and contribution based on the Self and Peer Assessment was carried out through the BPA/BEE for FYE 2023. Directors' fit and proper assessments, as well as the independence of the Independent Directors were also assessed.

The assessment on diversity ascertains the Directors' technical proficiencies based on their education, work experience, behavioural and technical competencies. The assessment evaluates diversity of the Board's background, education and skill sets that are needful in order to meet the needs of the Company. Various dimensions were taken into account in evaluating the diversification of the Board. These elements determine the presence of the Board's unification, respect, trust and camaraderie amongst the Directors that fosters a collaborative environment in the Board, but nonetheless maintaining the independence and influence-free members.

The Board was found to be collegial, with no domineering personalities, factionalism or disruptive power play. There is inclusivity and collaborative environment in the Boardroom.

DIRECTORS' RETIREMENT & RE-ELECTION

The four (4) newly appointed directors during the year will be retiring pursuant to Clause 106(2) of the Company's Constitution. These Directors are:

a) Dato' Zainal Abidin Putih, NINEC, appointed on 1 August 2023, has demonstrated strong leadership and act as an effective sounding board for Board and Management. With his extensive experience in the corporate sector, he is able to guide, advise, give views and support both the Board and Management. Based on the 2023 BPA/BEE assessment, the findings underscore the Chairman's pivotal role as a mediator and influential figure within TM, embodying a "fair process leadership" approach to bridge the gap between the Board and Management.

b) Amar Huzaimi Md Deris, MD/GCEO and a NIED, has over 25 years of experience in the telecommunication industry. He has a strong understanding of TM's business and culture and recognises the fundamental issues affecting TM. He is confident and despite being new to the role, has demonstrated strong technical and industry knowledge, leadership qualities and astute business acumen. He was able to lead the Management team in formulating the Group's long-term strategy to become a Digital Powerhouse by 2030. Amar Huzaimi has a clear purpose of balancing TM's dual role of PLC and GLC, as well as nation building in support of Digital Malaysia's aspirations. Based on the 2023 BPA/BEE assessment, he displayed strategic thinking and able to guide the Board and Management towards achieving the Company's goals.

c) Datuk Dr. Shahrazat Haji Ahmad, NINED, is a dedicated Government employee who has served various divisions in MOF. She has displayed great interest and is committed to the new challenge of venturing into the telecommunication industry. She brings a fresh intake and different perspectives and ideas stemming from her previous experiences in other disciplines.

d) Ahmad Taufek Omar, a NINED and a former employee of the Company, has familiarity and insights from the perspective of a former executor of Board's decisions on business directives and decisions. He has fitted seamlessly in his new role as a TM director. Ahmad Taufek is able to provide his perspective on the capabilities, advantages and challenges faced by the organisation. Based on the 2023 BPA/BEE assessment, he is seen as someone who is able to provide amplification to the strategic and tactical play of the Company.

Pursuant to Clause 112 of TM's Constitution, all directors shall retire from office once at least every three (3) years. Based on the requirement of Clause 113, the remaining one third or nearest to one third of the directors shall retire by rotation. The following Directors are to retire pursuant to Clause 112 and they were rated favourably in the BPA/BPE:

a) Tunku Afwida Tunku Dato' A.Malek, SID, Chairman of NRC and member of BAC and BRIC, have actively provided leadership, constructive opinion, critical feedback and insights at Board and Committee meetings. She demonstrated her strong principles on governance and integrity-related matters throughout her tenure at TM.

b) Balasingham A. Namasiwayam, INED and Chairman of BTC, actively participates in discussions and is cohesive in making his points and arguments based on his more than 50 years' experience in telecommunication industry. He continued to demonstrate his capabilities, commitment and dedication towards the Board and Company through the years of service for TM.

c) Saheran Suhendran, INED, is an experienced corporate and commercial lawyer. He actively participates in discussions and is meticulous in putting forth his views at Board and Committee meetings. He is firm on issues, demonstrating professionalism and independence of judgement. Based on the 2023 BPA/BEE assessment, he is a highly detailed-oriented individual and acts as a gatekeeper to the board.

Having served as Directors for nearly eight (8) years, Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam have expressed their intention not to seek for re-election at the forthcoming 39th AGM. Hence, both Directors will retain office until the conclusion of the 39th AGM.

Corporate Governance Overview Statement

BOARD EFFECTIVENESS & TRAINING

BPA/BEE and Board Management Effectiveness Programme (BMEP)

2023 marked the completion of the three-year cycle, where TM is to carry out the BEE externally by an independent consultant in accordance with Practice 6.1 of the MCCG. Deloitte Business Advisory Sdn Bhd (Deloitte) was engaged to conduct the board evaluations to ascertain the Board's overall level of effectiveness and identify areas for improvement.

In addition, the Group Company Secretary has also carried out the BMEP survey, an assessment tool to measure the strength of selected Pivotal Positions' (C-levels) working relationship and engagement with the Board. The results of the BMEP survey are incorporated in the Pivotal Positions and Group Company Secretary's Key Performance Indicators (KPI) Scorecard.

Further to the BPA/BEE 2023 findings and recommendation, the 9 improvement plans recommended based on the findings from the BEE 2022 were implemented and duly completed in 2023. They comprised the following:

- Strengthen the Board's capabilities, improving trust and relationship with Management;
- Improve management and meeting frequency and narrative on the proposal; and
- Review the composition of Board and Committees for effectiveness.

12 directors (including an alternate) and six (6) Senior Management, participated in the 2023 BPA/BEE. The assessment was conducted independently without any due interference from the Directors and Management. The findings were then presented to the NRC and Board for discussion. The assessment covered the following areas:

- Board Governance and Oversight;
- Board Processes and Infrastructure;
- Board Composition and Diversity Assessment;
- Self and Peer Assessments;
- Fit and Proper Assessment;
- Independence Assessment; and
- Board Committees' Assessments.

The 2023 BPA/BEE highlighted the virtuous commitment and accountability demonstrated by the Board. The Board is noted for their willingness to express their preferential view and objective opinions that contribute to a dynamic and engaged Board. The Board is consistent in its need to keep abreast of developments and initiatives in relation to ESG and sustainability. The BEE also indicated that sustainability warrants further attention and should form part of discussion in every aspects of the Board's consideration.

The BPA/BEE also assesses the effectiveness of the Board Committees, particularly their composition, succession plan, members' qualification, knowledge and expertise. The Committees were rated between 87% to 67% based on skills, composition functionalities and oversight responsibilities.

Self and Peer Evaluation is conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results were rated 3.7 and above.

Areas of Strength

- Leadership of the Board Chairman
- Board commitment and proactivity
- Experience of Board members
- Boardroom collegiality

Areas for Development

- Strategy & Direction Setting
- Relationship with management
- Succession planning
- Information flow

Board Training Programme (BTP)

BTP allows directors equal opportunity to keep abreast with current developments in the industry, whether internally or through external means. Directors are encouraged to equip themselves with a variety of information to better equip themselves with the changes and challenges in the telecommunication industry specifically and other programmes that could facilitate the effective discharge of their duties.

The Board Committees also participated in knowledge-sharing programmes designed to enhance members' skills and help them better serve their respective Committees.

Details of the training attended by the Board are further elaborated in the CG Report.

DIRECTORS & SENIOR MANAGEMENT'S REMUNERATION

The Directors' remuneration packages are enumerated in the Board Remuneration and Benefits Policy (BRBP) and have been carefully aligned with industry practices to be competitive and equitable with the intent to retain 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 Chairman (NEC) & Non-Executive Directors (NEDs)

TM Board Remuneration

NEC and NEDs' remuneration package is determined with the Board's consensus. Director's fee is based on a standard fixed fee while meeting allowances are paid based on attendance at Board and Committee meetings.

Since the last review of the BRBP in 2022, no revision has been proposed to the prevailing Directors' fee quantum, as they are still competitive, appropriate and in line with the prevalent market rate. The NEC and NEDs are not entitled to participate in any employee share scheme or variable performance-linked incentive schemes.

TM Subsidiaries' Remuneration

Directors on TM subsidiary are compensated in accordance to TM Subsidiary Tiering Framework (STF). TM subsidiaries are categorised into three (3) tiers according to the subsidiary's business importance, shareholding structure and profit contribution. On 1 November 2023, Board approved the revision to the Subsidiaries Remuneration Framework (SRF) whereby the Directors' fees for TM's NEC and NEDs appointed on Tier 1 and other subsidiaries were abolished.

Fees' Structure

The benefits payable applicable to NEC and NEDs based on the BRBP are meeting fees, emoluments and claimable benefits. The following is the current TM Directors' fee structure until the next AGM of the Company.

Position / Fee/Allowance (RM)	Chairman	NED	SID
Monthly/Annually	30,000/360,000	20,000/240,000	22,250/267,000
Meeting Allowance/Per Meeting			
Board	5,000	3,000	
BAC	4,750	2,500	
NRC	2,500	2,000	
BTC	3,250	2,500	
BRIC	2,500	2,000	

The following is the fee structure for TM's Subsidiaries:

	NEC (RM)		NED (RM)		Committee Fee (RM)	
	Fixed Fee Monthly	Meeting Allowance	Fixed Fee Monthly	Meeting Allowance	Chairman Meeting allowance	Member Meeting Allowance
Tier 1 & UTSB*	–	3,000	–	2,000	500	300
Other Subsidiaries	–	1,500	–	1,000	–	–

** UTSB – Universiti Telekom Sdn Bhd*

Directors are also accorded benefits such as claimable benefits on leave passage, business equipment, telecommunication bills, insurance and medical coverage.

Meeting attendance allowances are payable to NEDs only and payable for each Board and/or Board Committee meeting held on a per-meeting basis. The said allowances are payable to the Alternate Director who attends meetings in the absence of his/her substantive Director.

The approval for the Directors' fees and any benefits payments to NEDs according to Section 230(1) of the CA 2016 will be sought at the coming 39th AGM.

Corporate Governance Overview Statement

Details of the total remuneration received by each TM Director from TM Group of Companies, for the FYE 31 December 2023, are as follows:

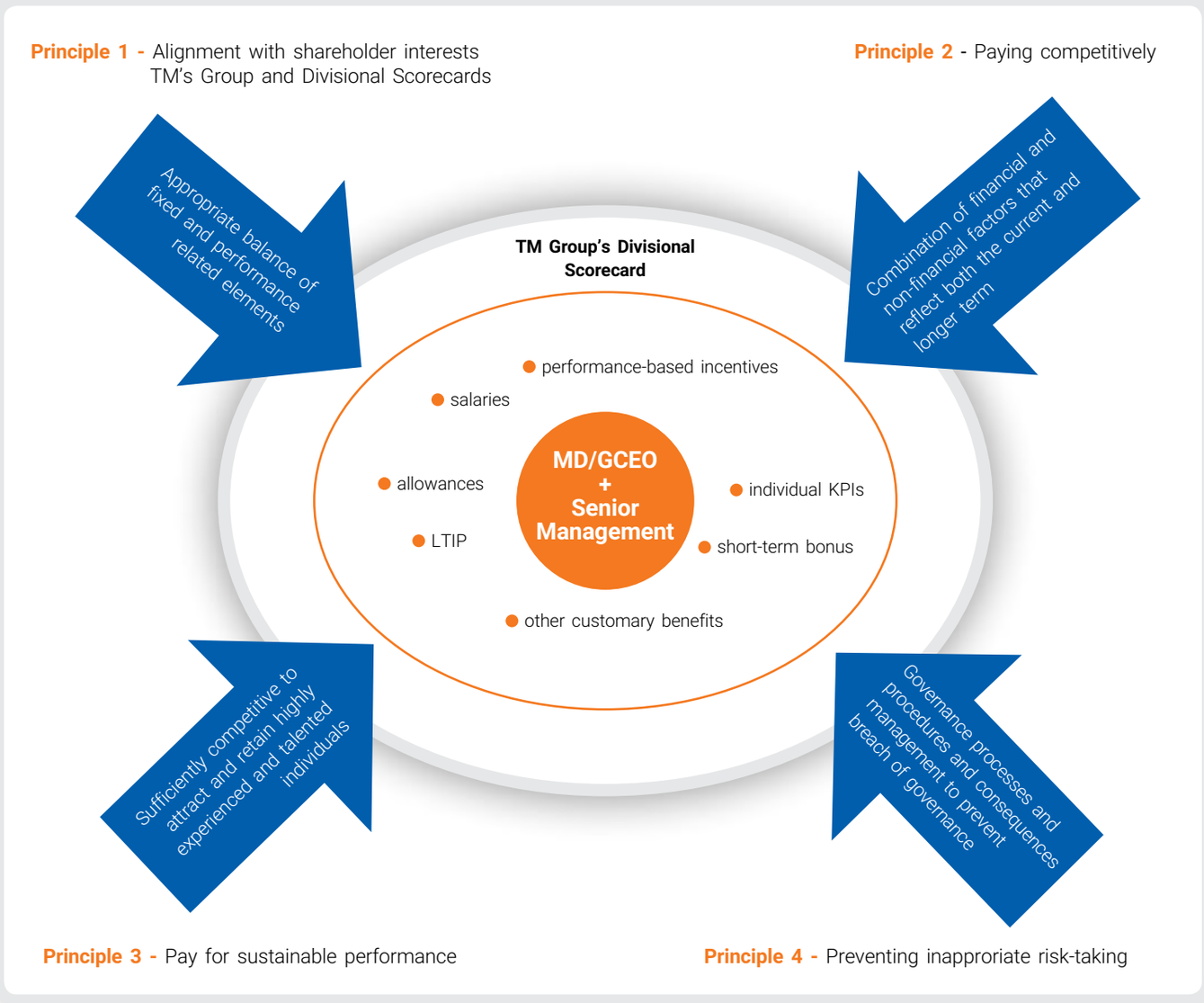
NAME OF DIRECTOR	SALARY	VARIABLE PAY	ALLOWANCE	BENEFIT IN KIND	TOTAL AMOUNT
			TM		
	RM	RM	RM	RM	RM
NON-INDEPENDENT AND EXECUTIVE DIRECTORS (NIED)					
Amar Huzaimi Md Deris (MD/GCEO) *(Appointed on 1 August 2023)*	799,844.00[a]	–	25,000.00[c]	55,637.20	880,481.20
Datuk Imri Mokhtar *(Ceased as Director on 31 July 2023)*	2,034,237.00[a]	5,109,845.25[b]	35,000.00[c]	116,346.62	7,295,428.87
TOTAL AMOUNT	**2,834,081.00**	**5,019,845.25**	**70,000.00**	**171,983.82**	**8,175,910.07**

NAME OF DIRECTOR	SALARY	VARIABLE PAY	FEE		ALLOWANCE		BENEFIT IN KIND	TOTAL AMOUNT
			TM	SUBSIDIARY	TM	SUBSIDIARY		
	RM	RM	RM	RM	RM	RM	RM	RM
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS (NINED)								
Dato' Zainal Abidin Putih *(Appointed on 1 August 2023)*	–	–	150,000.00	–	25,000.00	–	25,665.10	200,665.10
Datuk Dr. Shahrazat Haji Ahmad *(Appointed on 15 December 2023)*	–	–	–	–	–	–	–	–
Dato' Mohamed Nasri Sallehuddin	–	–	[d]	[d]	[d]	[d]	62,485.80	62,485.80
Muhammad Afhzal Abdul Rahman	–	–	240,000.00[e]	100,000.00[e]	83,000.00	5,000.00	53,074.00	481,074.00
Ahmad Taufek Omar *(Appointed on 1 November 2023)*	–	–	40,000.00	–	3,000.00	–	12,885.05	55,885.05
INDEPENDENT AND NON-EXECUTIVE DIRECTORS (INED)								
Tunku Afwida Tunku Dato' A.Malek	–	–	297,000.00[f]	100,000.00[g]	136,500.00[f]	4,000.00	91,354.10	628,854.10
Balasingham A. Namasiwayam	–	–	240,000.00	244,500.00[g]	106,750.00	9,500.00	91,703.30	692,453.30
Hisham Zainal Mokhtar	–	–	240,000.00	–	127,000.00	–	73,893.28	440,893.28
Saheran Suhendran	–	–	240,000.00	–	106,000.00	–	101,414.64	447,414.64
Datuk Siti Zauyah Md Desa	–	–	240,000.00	150,000.00[g]	116,750.00	7,500.00	66,450.35	580,700.35
Rossana Annizah Ahmad Rashid	–	–	260,000.00[f]	150,000.00[g]	115,500.00[f]	7,500.00	70,064.40	603,064.40
ALTERNATE DIRECTOR (NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR):								
Iszad Jeffri Ismail a) *Appointed as Alternate Director to Datuk Dr. Shahrazat on 15 December 2023* b) *Ceased as Alternate Director to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin on 25 September 2023*	–	–	–	–	–	–	19,349.60	19,349.60
FORMER DIRECTORS								
NINEC								
Tan Sri Mohammed Azlan Hashim *(Ceased as Director on 31 July 2023)*	–	–	210,000.00	–	60,000.00	–	81,036.05	351,036.05
NINED								
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin *(Resigned on 25 September 2023)*	–	–	176,000.00	–	81,000.00	–	94,074.00	351,074.00
TOTAL AMOUNT	**–**	**–**	**2,333,000.00**	**744,500.00**	**960,500.00**	**33,500.00**	**843,449.67**	**4,914,949.67**

Notes:
a) Inclusive of Company's contribution to the provident fund.
b) Bonus, ex-gratia, leave encashment and Performance Share Plan.
c) Car allowances in lieu of the provision of a company car.
d) In line with Khazanah Nasional Berhad's policy, no fee or allowance was paid in FY2023.
e) 50% of director's fees paid directly to EPF.
f) Inclusive of fees and allowances received from TM on behalf of a subsidiary.
g) Effective 1 November 2023, Directors' fees for TM's NEC and NEDs on Tier 1 and other subsidiaries have been abolished.

MD/GCEO & SENIOR MANAGEMENT OF GROUP

TM believes in performance culture as well as an appropriate balance of risk and reward. Snapshot of Senior Management's compensation structure, fixed and performance-based elements:



Key elements of TM's remuneration package for Senior Management are summarised below:

Fixed elements

- Base salary: Supports the recruitment and retention of Senior Management of the calibre required to implement our strategy. Reflects the individual's skills, experience, performance and role within TM Group.
- Fixed allowances: Provides a simple competitive alternative to the provision of itemised benefits and pensions that are not linked to base salary.
- Other benefits: Provides certain benefits on a cost-effective basis to aid the attraction and retention of Senior Management.

Performance related elements

- Short-term bonus: Incentivises YoY delivery of stretching short-term financial, strategic and operational objectives and personal performance objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. The ability to recognise performance through annual bonuses enables us to control our cost base flexibly and react to events and market circumstances.
- LTIP: Encourages Top and Senior Management to focus firmly on the sustained delivery of high-performance results and sustainable returns for shareholders over the longer term and at the same time to encourage performance culture and as a retention tool.

Corporate Governance Overview Statement

The performances of the MD/GCEO, Pivotal Positions (direct reports to GCEO and positions that are critical to TM's business or other positions that are deemed strategic or material to the Company) and the Group Company Secetary, are assessed by NRC annually for recommendation to the Board for suitable adjustments to their remuneration and/or reward based on their contributions for the year. The assessment considers both quantitative and qualitative perspectives via the KPI Scorecard, face-to-face performance review and leadership competencies (SUCCESS) rating. These payments are competitive and aligned with the Group's corporate objectives and strategy.

MD/GCEO recused himself during the deliberations of his performance rewards and remuneration review at NRC and Board meetings.

For the financial year 2023, the remuneration packages of the top five (5) senior management (excluding the MD/GCEO) as approved by the NRC and the Board (including fixed and performance-related elements) in the year 2023 are disclosed hereunder, pursuant to Practice 8.2 of the MCCG:

Range of Remuneration (RM/per annum)	Name of TM's Top 5 Senior Management
2,950,000 – 3,000,000	Ir Azizi A. Hadi, Chief Technology & Information Officer *(Up to his end of service on 31 August 2023)*
2,850,000 – 2,900,000	Tengku Muneer Tengku Muzani, Chief Corporate & Regulatory Officer *(Up to his resignation on 30 November 2023)*
2,700,000 – 2,750,000	Razidan Ghazalli, Group Chief Financial Officer
1,950,000 – 2,000,000	Anand Vijayan, Chief Business & Consumer Officer
1,700,000 – 1,750,000	Shazurawati Abdul Karim, Executive Vice President TM One

During the year, TM vested the final LTIP for the eligible employees and ED (granted when he was EVP, TM Global) as approved by the shareholders at the Company's Extraordinary General Meeting held on 28 April 2016. The LTIP, which comprises Restricted Share (RS) and Performance Share (PS) grants, was intended to encourage performance culture and as a retention tool for performers. The grant was vested to the Eligible Employee based on the employee's eligibility, job grades, performance metrics and vesting periods.

NOMINATION & REMUNERATION COMMITTEE (NRC)

Chairperson:
Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director

Meeting Attendance **10/10**

Members:

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director
[Meeting Attendance 9/10]

Datuk Siti Zauyah Md Desa
Independent Non-Executive Director
[Meeting Attendance 10/10]

Rossana Annizah Ahmad Rashid
Independent Non-Executive Director
[Meeting Attendance 10/10]

Ahmad Taufek Omar
Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Key Objectives

The NRC has carried a dual role since its inception. The nomination and remuneration were combined for the purpose of expediency and practicality, whereby the same members were entrusted with both functions. In addition, the NRC oversees corporate governance matters.

Membership

During 2023, the existing number of four (4) members was maintained, all of whom are NEDs. As of 20 March 2024, NRC increased its membership to five (5) whilst continuing to maintain majority of independent directors. Tunku Afwida, being the SID, continues her role as the Chairperson, effectively providing the needed leadership to the NRC. The addition of Ahmad Taufek Omar as a new member adds diversity to the skill sets and experience in the committee based on his experience in senior leadership roles in various local organisations.

Responsibilities

NRC's nomination primary role is to assist the Board in reviewing and determining its appropriate size and balance to provide the required mix of responsibilities, skills and experiences. NRC ensures the Board composition meets 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's primary remuneration function is to support the Board in maintaining, assessing and developing a policy framework on all elements of the remuneration for the ED and Pivotal Positions, 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 supports the Board in ensuring the efficiency and transparency of board governance matters, primarily on BEE, the Board Performance Improvement Programme and Board Operations management, including other matters as directed by the Board.

Corporate Governance Overview Statement

Key activities of the NRC in 2023 (up to the date of this report)

NRC considered and, where applicable, made recommendations to the Board on the following matters:

Board Composition & Succession Planning	• Reviewed the overall size and composition of the Board and its Committees • Assessed and recommended the appointments of NINEC, MD/GCEO, NINEDs and INEDs • Reviewed the membership of TM Directors on subsidiaries' board • Reviewed the succession plan for the Board and its Committees
Directors Pool & Reappointment of Directors	• Updated the list of potential candidates in the Directors Pool based on the background, skills and experience for future appointments on the Board • Considered the re-appointments and re-elections of TM Directors for the 38th AGM with reference to the Directors' fit and proper policy
Succession Planning of Pivotal Positions	• Reviewed the contract expiry and retirement of Pivotal Positions • Reviewed the talent pool and succession plan for Pivotal Positions • Assessed potential candidates for Pivotal Positions
Remuneration	• Reviewed the performance evaluation of MD/GCEO, Pivotal Positions and the Group Company Secretary against pre-set KPIs • Reviewed the FY2022 Bonus Pool and Salary Increment for TM employees • Assessed the FY2023 Scorecard and KPIs for TM, MD/GCEO and the Pivotal Positions • Reviewed Remuneration for Pivotal Positions with expanded roles • Assessed the eligibility for vesting of RS and PS shares pursuant to the LTIP • Reviewed and enhanced the guiding principles for the FY2023 Scorecard for Pivotal Positions • Reviewed the Voluntary Separation Scheme
BEE	• Reviewed the results of the BEE exercise for FY2022 and deliberated the results with Chairman and Board for follow up actions • Considered the implementation and scope for the 2023 BEE by an external independent consultant • Assessed the 2023 Results and identiify improvement plans
Governance	• Deliberated on the conduct of the 38th AGM ensuring compliance to relevant guidelines and best practices • Updated the status of Directors' continuing education programme in compliance with the BTP • Monitored the BTP as an agenda at the Board and its Committees' meetings • Observance and monitoring of governance requirements by the Directors pursuant to the Main LR and internal guidelines • Periodic review of the Board Charter • Amended the ToR of Board Committees • Reconstitution of BRC into BRIC • Reviewed the CG Overview and CG Report for the IAR

NRC Effectiveness Review & Performance

Based on the 2023 BPA/BEE findings, it was deduced that the Committee benefits from appropriate governance structure and members with requisite independence to discharge their duties.

There is sound oversight by NRC on succession and remuneration of Senior Management. An area for improvement is for NRC to consider in depth the Board skill set and succession planning.

BOARD TENDER COMMITTEE (BTC)

Chairman:
Balasingham A.Namasiwayam
Independent Non-Executive Director
Redesignated as Chairman on 1 September 2023

Meeting Attendance **12/12**

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 transparent, efficient and faster decision-making process;
- Closer monitoring of procurement matters;
- Ensuring all procurement policies and procedures are fully adhered to; and
- Ensuring that the best interests of the Company and Group are met and protected at all times.

Members:

Datuk Siti Zauyah Md Desa
Independent Non-Executive Director
[Meeting Attendance 12/12]
Redesignated as Member on 1 September 2023

Muhammad Afhzal Abdul Rahman
Non-Independent Non-Executive Director
[Meeting Attendance 12/12]

Datuk Dr. Shahrazat Haji Ahmad
Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Ahmad Taufek Omar
Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Iszad Jeffri Ismail
Non-Independent Non-Executive Alternate Director
Appointed as Alternate Member to Datuk Dr. Shahrazat Haji Ahmad on 1 March 2024

Former Member who served during the year under review:

Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Non-Independent Non-Executive Director
[Meeting Attendance 9/9]
Ceased as a Member on 25 September 2023

Iszad Jeffri Ismail
Alternate Member to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Ceased as Alternate Member on 25 September 2023

Membership

The membership of BTC has been strengthened in 2023 and early 2024 with rotation of its chairmanship and appointment of new members, befitting our aspiration as a TechCo.

As of 20 March 2024, BTC comprises five (5) members together with an Alternate Member, an increase of two (2) members from three (3) members as of 31 December 2023. All BTC members are NEDs, majority of whom have relevant experience in procurement matters.

Responsibilities

BTC's responsibilities are:

- Ensure the procurement process complies with applicable procurement ethics, policies and procedures;
- Verify the validity of the technical and financial capabilities of the tenderers;
- Consider and approve or recommend offers based on multitudes of relevant factors; and
- Monitor the achievement of Bumiputera Vendor Development Programme (BVDP).

Corporate Governance Overview Statement

Overview

BTC is supported by Management procurement committees chaired by the MD/GCEO and GCFO, based on the LoA accorded to the respective sub-procurement committees.

Throughout the BTC meetings, the MD/GCEO and CPO are invited to attend and relevant process owners are invited to present Management's justifications for their respective procurement proposals to BTC.

Key Activities of BTC in 2023

- Deliberated procurement proposals in accordance with the LoA
- Reviewed Procurement Processes and Policies e.g. Customer Purchase and Business Alliance, realignment of Sole/Single Sourcing, Variation Order and Emergency Purchase Method
- Reviewed and monitored the achievement of BVDP
- Considered the 2023 Group Procurement Digital Transformation Initiative and Procurement Modernisation
- Deliberated on Sustainable Supply Chain Roadmap for 2024 – 2026
- Reviewed on BTC's ToR
- Briefed on technology updates, procurement plans and strategies
- Considered Group Procurement's performance reports and procurement updates
- Identified strategic and critical procurement issues to be addressed

BTC Effectiveness Review & Performance

Based on the 2023 BPA/BEE conducted, BTC scored 87%. It was deduced that the BTC Chairman's leadership drives the effectiveness of BTC. BTC is in the mode of continuous improvement in its review of procurement policies, practices and alignment with risk management. BTC will continuously identify and address the gaps in procurement issues.

Responding to the proposed succession planning of the Board and Committees, BTC's succession planning was addressed in February 2024 with the enhancement of its membership.

PRINCIPLES

B

Effective Audit & Risk Management

Chairman:
Hisham Zainal Mokhtar
Independent Non-Executive Director

Meeting Attendance **11/11**

Members:
Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director
[Meeting Attendance 11/11]

Saheran Suhendran
Independent Non-Executive Director
[Meeting Attendance 11/11]

Rossana Annizah Ahmad Rashid
Independent Non-Executive Director
[Meeting Attendance 9/10*]

**Note: Rossana Annizah Ahmad Rashid abstained from one (1) BAC meeting during the year as she was deemed interested and conflicted in the proposal.*

Key Objectives

BAC oversees independent review of financial information and reports, its effectiveness, efficiency and internal controls, identifying the audit findings' root causes and recommends corrective measures. BAC also oversees ethics, integrity and governance matters, and instils good governance practices throughout the Group.

Audit committee extended oversight functions also encompass COI situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.

Membership

No change to the BAC membership since the last report. As at 20 March 2024, Members remain at four (4) of whom all are INEDs.

BAC Chairman, Hisham Zainal Mokhtar, is a CFA charterholder® and member of the CFA Institute of the USA, appointed to BAC since 2020.

Tunku Afwida Tunku Dato' A.Malek 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) fulfilling the requirement for a member to belong to a professional accounting body as stipulated in Paragraph 15.09(1)(c)(i) of the Main LR.

Rossana Annizah Ahmad Rashid has prior experience running a finance organisation. She is also a member of CPA Australia. Therefore, she meets the requirement of Paragraph 15.09(1)(c)(ii) of the Main LR.

Meanwhile, Saheran Suhendran, an experienced legal practitioner in the corporate sector, brings in the viewpoint of legal aspects, further strengthening the BAC's composition. None of the BAC members are alternate Directors.

Corporate Governance Overview Statement

Responsibilities

The ToR establishes the powers, duties and responsibilities of the BAC is incorporated in the Board Charter, which is accessible on the Company's official website at www.tm.com.my.

How the Committee Operates

11 BAC meetings spanning over 16 separate days, including continuation meetings, were held in 2023. The attendance at all BAC Meetings in 2023 fulfilled the requisite quorum as stipulated in its ToR. BAC meetings were structured into two (2) deliberation clusters, ensuring efficient planning by Management and Group Internal Audit (GIA) and sufficient time spent for the members to deliberate and discuss various matters. Members' attendance and total time spent for the BAC meeting are tabulated on page 174.

The MD/GCEO, GCFO and Chief Internal Auditor (CIA) and the external auditors attended each meeting where the quarterly, half-yearly and year-end results were discussed.

Private sessions with the external auditors were held twice a year, without the presence of Management. Whilst private sessions with the GIA were conducted as and when necessary. The BAC Chairman also conducts regular informal discussions with GCEO, GCFO, CIA, the external auditors and the Chief Integrity and Governance Officer (CIGO) as and when required.

The Company Secretaries and CIA act as joint secretariat for BAC meetings. Reports on the proceeding of the BAC meetings are presented to the Board while minutes are circulated to all members for comments prior to tabling at the subsequent BAC meeting for confirmation. Significant matters reserved for the Board's approval are tabled at TM Board meetings.

BAC spent considerable time in 2023 discussing the investment in a RPT, particularly on TM's participation in Digital Nasional Berhad (DNB), a Government-led operating entity responsible for the rollout of the 5G network in Malaysia. Two (2) out of 11 meetings in June and August 2023 were jointly conducted with the members of BRC (now reconstituted as BRIC) to consider TM's position in respect of the proposal.

Main Activities of BAC in 2023 (up to the date of this report)

Financial Reporting	a) Deliberated on the recommendation from the Best Practices Committee (BPC) on the TM Group's quarterly financial performance and statements. b) 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. c) 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. d) Discussed the quarterly internal audit reviews to ensure compliance with MFRS 134. e) Reviewed and recommended the audited financial statements of TM Group for the FYE 31 December 2023 for Board's approval. f) Assessed and recommended the dividend pay-outs in line with the Company's dividend policy, ensuring compliance with the provisions of the CA 2016.
Internal Control	a) Deliberated on the Directors' Statement on Risk Management and Internal Control (DSORMIC), which was reviewed by the external auditors, in February 2023 and 2024 for inclusion in the IAR 2022 and 2023. 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 LoBs 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 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 was satisfied sufficient controls were in place.

External Audit

a) Reviewed the external auditor's report for the FYE 31 December 2022 and FYE 31 December 2023 and the respective 2022 and 2023 SORMIC before recommending to TM Board for approval.
b) Reviewed the Management Letter Recommendation (MLR), 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 the CIA and GCFO.
c) Recommended the reappointment of external auditors for the Board's consideration. The shareholders at the 38th AGM approved the reappointment of Ernst & Young PLT (EY) for the FY 31 December 2023. Board also accepted BAC's recommendation for EY's reappointment for FY 31 December 2024 for shareholders' approval at the forthcoming 39th AGM.
d) Reviewed the 2023 external auditor's audit plan for TM Group.
e) Reviewed and monitored the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. GCFO was authorised by BAC to approve the proposed non-audit engagement valued below 50% of the cumulative value of statutory audit fee for the current year and to present to BAC for tracking and noting.

Non-audit service fees paid to the external auditors and member firms of EY during the year relative to the statutory audit fees are as follows:

	Company (RM'000)	Group (RM'000)
2023 Audit Fees		
Statutory Audit	393.7	3,600.0
Other Audit Related Services	–	740.0
Total Audit & Audit-Related Services	393.7	4,340.0
2023 Non-Audit Fees		
Other Services Approved in the previous financial year	29.5	526.9
Consultancy Services Approved in the current financial year	–	47.9
Total Non-Audit Fees	29.5	574.8
Percentage of Non-Audit Fees over Statutory Audit & Other Audit-related Services & Fees	7.5%	14.1%

The abovementioned non-audit fees paid/payable for the FY2023 to EY and its affiliates for the following non-audit works were within the limit provided in the BAC ToR:

- Special review on cyber security programme and management; and
- Tax advisory and compliance services

Internal Audit

a) Reviewed GIA's and CIA's performance for FYE 31 December 2022.
b) Deliberated and recommended the appointment of the new CIA.
c) Reviewed the internal audit plan and its budget to ensure adequate scope and comprehensive coverage of the Group's activities.
d) Reviewed GIA's quarterly performance and progress.
e) Reviewed the 2023 KPI targets, performances, competency and resources of the internal audit functions to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties.
f) Deliberated on the internal audit reports, audit recommendations and Management's action plan.
g) 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 being properly addressed.
h) Ensured the internal audit personnel are free from any relationships or COI, which could impair their objectivity and independence.
i) Reviewed the assistance and cooperation given by TM's officers to the Internal Auditors.

Corporate Governance Overview Statement

RPTs & Recurrent Related Party Transactions (RRPTs)	a) Reviewed reports of RPTs and RRPTs, 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. This includes the interests of related parties; major shareholders, directors and person connected. Based on the approved RRPT mandate, BAC discovered that there were reasonable controls in the monitoring and tracking of the RRPT amount transacted during the year. b) Reviewed the estimated RRPT Mandates for the ensuing year and Circular to Shareholders on the Renewal of Shareholders Mandate and Additional Mandates for RRPT amount transacted during the year. c) Periodically reviewed the RRPTs that were mandated at the 38th AGM and transactions against the mandated amount.
Conflicts or Potential Conflict of Interest (COI)	a) Deliberated and recommended TM's responses to a query from Bursa Securities' Corporate Surveillance Division on the potential COI matter involving an INED. Accordingly, the INED has vacated her directorship in the competing company. b) Deliberated and recommended moving forward plans on the proposed measures taken to resolve, eliminate and mitigate persistent COI, including the enhancement to BAC ToR, COI policy and processes. The proposal was approved by TM Board on 25 August 2023. c) Deliberated on COI disclosure of Directors and Management for proposals presented at each meetings.
Integrity, Ethics & Governance	a) Reviewed 2022 and 2023 KPI's target performances, competency and resources of the GIG functions to ensure that, collectively, GIG has the required expertise and professionalism to discharge its duties. b) Deliberated on GIG's Quarterly Performance and Progress Report. c) Reviewed the update on investigation matters, findings, root causes and actions taken including proposed enhancement on internal controls and processes. d) Deliberated on the prevention matters undertaken by GIG for Group-wide implementation. e) Deliberated and monitored the status of OACP.
Amendment to ToR	Reviewed and approved the amendments to BAC ToR to ensure compliance with relevant changes and updates to the Main LR and MCCG.
Significant Judgements & Issues	Deliberated on key audit matters during the year as identified by the external auditors and based on the assessments, concluded the accounting treatments applied under the financial reporting standards, the significant judgement and key assumptions used in the preparation of the financial statements and conclusions reached were appropriate.

BAC Effectiveness Review & Performance

The review on contributions and areas for potential enhancement of BAC, including the assessment on BAC's skills and composition and functionalities and oversight responsibilities, was conducted by an independent expert.

Based on the 2023 BPA/BEE results, BAC benefits from its composition of members with the relevant expertise and objectivity in discharging its duties. The Committee has also exercised vigilant oversight on RPT matters. An area of development for BAC to address is its succession planning.

Training

During the year, BAC members, as part of the BTP, attended various conferences, seminars and training programmes held in Malaysia and abroad to enhance their knowledge in order to efficiently discharge their duties as Directors of the Company, generally to enhance their technical competencies in their respective fields of expertise but not limiting to accounting and auditing standards. Their attendances for training are elucidated under Practice 2.1 of the CG Report.

BOARD RISK & INVESTMENT COMMITTEE (BRIC)

Chairman:
Dato' Mohamed Nasri Sallehuddin
Non-Independent
Non-Executive Director
Redesignated as Chairman on 1 October 2023

Meeting Attendance **6/7**

Members:
Tunku Afwida Tunku Dato' A.Malek
Senior Independent Director
[Meeting Attendance 7/7]

Balasingham A. Namasiwayam
Independent Non-Executive Director
[Meeting Attendance 7/7]
Redesignated as Member on 1 October 2023

Saheran Suhendran
Independent Non-Executive Director
[Meeting Attendance 7/7]

Hisham Zainal Mokhtar
Independent Non-Executive Director
Appointed as Member on 1 March 2024

Former member who served during the year under review:
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Non-Independent Non-Executive Director
[Meeting Attendance 6/6]
Ceased as a Member on 25 September 2023

Iszad Jeffri Ismail
Alternate Member to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Ceased as Alternate Member on 25 September 2023

Key Objectives

The former Board Risk Committee (BRC) was reconstituted as Board Risk and Investment Committee (BRIC) effective 1 January 2024, with expanded scope from reviewing of risks on strategic investment to reviewing of strategic investments proposals.

BRIC assists the Board in:

- Ensuring the existence of a sound and robust enterprise risk management (ERM) framework to achieve TM's strategic objectives;
- Focusing on risk issues by identifying, assessing and monitoring key business risks to safeguard shareholders' investment and the Group's assets;
- Reviewing and providing guidance on strategic investment proposals, focusing on assessment of the key associated risks and the mitigation strategies; and
- Ensuring the Group's strategies, priorities, targets and practices relating to sustainability are aligned with the Group's commitment towards sustainability.

Membership

During the year, BRIC's composition reduced from five (5) to four (4) due to the cessation of Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin and her alternate, Iszad Jeffri Ismail following her resignation as TM's NINED on 25 September 2023. On 1 October 2023, Dato' Mohamed Nasri Sallehuddin assumed the role of Chairman in place of Balasingham A. Namasiwayam who remained as member as part of Board succession planning. As at 20 March 2024, the composition increased to five (5) members with enhanced majority independent directors following the appointment of Hisham Zainal Mokhtar as additional member.

Corporate Governance Overview Statement

Responsibilities

Following its expanded scope, BRIC's ToR was duly revised and it may be referred in the official website at www.tm.com.my. The summarised key responsibilities of BRIC are as follows:

1. **Risk Management**
   - Ensure the establishment of sound ERM framework and its effectiveness
   - Recommend the levels of tolerance and appetite and monitoring the risks to be managed within the said tolerance and appetite.
   - Review, evaluate and assess the adequacy of risk management policies and framework including emerging key risks
   - Advise the Board on risk-related issues
2. **Investment**
   - Review and evaluate investment and divestment related proposals
   - Review any business collaboration and partnership
3. **Sustainability**
   - Establish and review the sustainability frameworks, strategies, policies, plans and initiatives
   - Ensure continuous monitoring and assessment of Sustainability matters and their impact to TM
   - Monitor and report Sustainability KPI and implementation
   - Review TM's Sustainability Statement

Overview

BRIC continues to engage with BAC and GIA to ensure better monitoring and mitigation of risks at TM Group. BRIC also assisted the Board in the continuous review and improvement of internal monitoring systems and processes and proactively highlighted corporate, strategic and emerging risk issues and deliberated extensively on risks controls to mitigate and/or pre-empt the risks.

During the year, BRIC reviewed and assessed the risks relating to several strategic investment proposals prior to the tabling of the proposals to the Board.

In relation to sustainability, BRIC had reviewed and enhanced the Group's Sustainability Framework and Sustainability Roadmap with the focus of improving TM's ability to retain and capture business opportunities in an increasingly sustainability-conscious market, as well as improving TM's efficiency and resiliency and value chains.

Main Activities of BRIC in 2023

Risk Management	• Reviewed and approved TM's updated Corporate Risk Management Policy and Risk Appetite Statement • Reviewed the Corporate/Operational Risk Tolerance and Measures • Reviewed TM's Business Support System (BSS) risks and mitigation controls • Assessed the risks and impacts arising from legal actions taken by or on TM Group on business operation and reputation • 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 • Continued the focus on strategic and emerging risks including cyber security, climate change and sustainability • Deliberated on health check of TM's key IT Systems and Network assets/facilities
Investment	• Reviewed key risks, mitigation plans and process flow for strategic investments • Reviewed three (3) investment proposals and recommended two (2) for the approval of TM Board • Reviewed and assessed the risk elements of high risks projects and endorsed the moving forward recommendation
Sustainability	• Reviewed the revision to TM Sustainability Framework and Roadmap • Deliberated on Sustainable Development Goals in relation to TM's core and non-core business areas • Reviewed and recommended the Sustainability Report and Materiality matters as part of IAR 2022 • Training on Task Force on Climate-related Financial Disclosures (TCFD) • Reviewed and recommended the inaugural TCFD Report • Reviewed the proposed ESG KPI for Pivotal Positions
Governance	• Deliberated the 2022 BEE for BRC and enhancement plans • Reviewed and recommended the expanded role of BRC into BRIC and enhanced ToR

BRIC Effectiveness Review & Performance

The review on the contributions and areas for potential enhancement of BRIC including the assessment on BRIC's skills and composition, and functionalities and oversight responsibilities, was conducted by an independent expert.

Based on the 2023 BPA/BEE results, BRIC benefits from the members' objectivity when considering issues presented thereat. An area of development is for BRIC to enhance its oversight on selected specialised areas and focus more on sustainability risk and industry-related risk areas.

PRINCIPLES

C

Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

Timely and effective communication are imperative to ensure the Group's performance and position are conveyed clearly to all stakeholders. TM has constantly disseminated relevant and material information in order to maintain effective, comprehensive, timely and continuing disclosure of information. An Internal Communication Policy and Best Practices facilitate the management and dissemination of accurate and timely information to shareholders. 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.

TM utilised various platforms to ensure nationwide reachability for news and activities concerning the Company that are of interests. Specific information to shareholders, investors and other stakeholders may also be accessed through engagement with the media, TM's website and teleconferences arranged by Investor Relations Unit. The Company's performances and critical information of shareholders' interests were announced through Bursa Malaysia Berhad's website and through media conferences held to ensure wide reachability to various stakeholders.

Relevant and important information involving the Group were accessible through Microsoft Teams, Zoom, Webex, on top of TM website for the engagement with investors and shareholders. Further, investors and shareholders also received the updates through their registered email service from TM's Investor Relations.

Several engagements have been executed with key shareholders, institutional investors, analysts, fund managers and other market participants, including the general public. Amongst others:

- Analyst briefing via teleconferencing with a presentation from the MD/GCEO and GCFO;
- Investor spotlight sessions;
- Conferences/Group meetings; and
- Feedback from queries.

CONDUCT OF GENERAL MEETING

TM continued to convene general meetings virtually post-COVID-19 pandemic in accordance with to the guidelines from the SC Guidance on the Conduct of General Meetings for Listed Issuer. At the virtual meeting, the Chairman, BAC Chairman, NRC Chairperson, MD/GCEO, GCFO and Group Company Secretary were present in person at the Broadcast Venue with other Directors attended the meeting remotely. Shareholders, corporate representatives and proxies participated in the 38th AGM remotely via live streaming and online voting using Remote Participation and Electronic Voting (RPEV) Facilities.

Shareholders participated actively during the questions and answers session were provided with ample opportunity to post their queries and were given answers to all the queries. Relevant responses were provided live and posted on the Company's website after the AGM. For an interactive and meaningful engagement, the CIA was tasked to ensure that pertinent and relevant questions posed by the shareholders during the AGM were responded to accordingly.

A total of 1,228 shareholders and proxies participated remotely via RPEV facilities. The proceedings of the 38th AGM include the MD/GCEO's presentation of the Company's performance and long-term strategies, as well as responses to the points raised by the Minority Shareholders Watch Group. The results of the online voting were scrutinised by the appointed independent scrutineers, Sky Corporate Services Sdn Bhd, before the poll results were announced by the Chairman.

COMPLIANCE STATEMENT

This Corporate Governance Overview Statement observes the Intended Outcome as prescribed in MCCG. The Board remains dedicated and committed to strengthen the Group's governance practices for the interest of all its stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors duly passed on 4 April 2024.

Profile of Board of Directors

DATO' ZAINAL ABIDIN PUTIH

Non-Independent Non-Executive Chairman

Date of Appointment : 1 August 2023
Date of Last Re-election : –

Attendance at Board & Board Committee Meetings in 2023:			Nationality:	Age:	Gender:
	TM Board	7/7	Malaysian	78	Male

BOARD COMMITTEE

- Nil

QUALIFICATIONS

- Fellow of the Institute of Chartered Accounts in England and Wales (ICAEW)
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- Land & General Berhad

Public Company:

- Tokio Marine Insurance (Malaysia) Berhad

WORKING EXPERIENCE

Dato' Zainal was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad and was an Adviser with Messrs Ernst & Young Malaysia until his retirement in 2005. He brings with him decades of extensive experience in audit, having worked as a practising accountant throughout his career covering many principal industries including banks, insurance, energy, transport, manufacturing, Government agencies, plantations, properties, hotels, investment companies and unit trusts. He also has good knowledge of taxation matters and management consultancy, especially in the areas of acquisition, takeovers, amalgamations, restructuring and public listing of companies.

He is currently the Chairman of Yayasan Telekom Malaysia (YTM) and several other companies including Land & General Berhad and Tokio Marine Insurance (Malaysia) Berhad. He also sits on the boards of several private limited companies.

Dato' Zainal also serves as the current Chairman of Financial Reporting Foundation and a Trustee of IJN Foundation. He was previously a Director of Khazanah Nasional Berhad, CIMB Bank Berhad, Dutch Lady Milk Industries Berhad, Pengurusan Danaharta Nasional Berhad, Petron Malaysia Refining & Marketing Berhad and Touch 'n Go Sdn Bhd. He was formerly the President of MICPA and Chairman of the Malaysia Accounting Standards Board, a member of the Malaysian Communications and Multimedia Commission (MCMC) and Investment Panel of Employees Provident Fund (EPF).

Other Information:

- Non-Executive Chairman (NEC) nominated by TM's Special Shareholder, the Minister of Finance (Incorporated) (MOF Inc.), a corporate body established under the Minister of Finance (Incorporation) Act 1957.

AMAR HUZAIMI MD DERIS

Non-Independent Executive Director

Date of Appointment : 1 August 2023
Date of Last Re-election : –

Attendance at Board & Board Committee Meetings in 2023:			Nationality:	Age:	Gender:
	TM Board	7/7	Malaysian	48	Male

BOARD COMMITTEE

- Nil

QUALIFICATIONS

- Master of Business Administration, Deakin University, Australia
- Bachelor of Commerce (Accounting and Finance), Monash University (Clayton), Australia
- Fellow Certified Practicing Accountant Australia (CPA), Australia
- Member of the Malaysian Institute of Certified Public Accountants
- Former Certified Information System Auditor (CISA)
- Attended various leadership programmes, including Proteus at London Business School (LBS); the Global CEO Programme at The Wharton School, National University of Singapore and IESE Business School

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Nil

WORKING EXPERIENCE

Amar brings with him over two (2) decades of experience in the telecommunication industry. Prior to his appointment as MD/GCEO, he served as the Executive Vice President (EVP) of TM Global, overseeing the Group's wholesale domestic and international business arm since 1 September 2018. During his tenure, Amar led TM Global in strategic ventures across diverse sectors, including sales, marketing, customer experience and relationship management, leveraging his entrepreneurial and financial acumen.

Amar, a home-grown talent, started his career in 1998 as part of TM's Group Financial Controller Division. Over the years, he has ascended through the ranks, holding the positions of Deputy Chief Internal Auditor, General Manager of Group Corporate and Regulatory, General Manager of Group CEO's Office and Vice President of Carrier Sales in TM Global. With a solid grasp of global leading technologies and a combination of strategic vision and operational experience, Amar is well-positioned to steer TM's journey to become a Digital Powerhouse by 2030.

Amar's leadership and vision have earned him recognition in his field. He was selected as one of CPA Australia's 40 young business leaders, a list that showcases highly talented individuals across regions and sectors. Additionally, he was included in Capacity Media's Power 100 in 2019 and 2023, a global index comprising influential leaders in the wholesale telecommunication sector.

Amar also sits on the board of TM Technology Services Sdn Bhd, TM Digital Innovation Sdn Bhd (Credence), Asean Telecom Holding Sdn Bhd, Bluetel Networks Pte Ltd and a member of Board of Trustee of YTM. He is also the chairman of TM's regional offices located in the United Kingdom (UK), United State of America (USA), Hong Kong, Singapore, Australia and Dubai.

Other Information:

- Executive Director nominated by MOF Inc.

Profile of Board of Directors

DATUK DR. SHAHRAZAT HAJI AHMAD

Non-Independent Non-Executive Director

Date of Appointment : 15 December 2023
Date of Last Re-election : –

Attendance at Board & Board Committee Meetings in 2023:	TM Board	N/A	**Nationality:** Malaysian
	BTC*	N/A	**Age:** 55
			Gender: Female

** Appointed as a member with effect from 1 March 2024*

BOARD COMMITTEE

- Member of BTC

QUALIFICATIONS

- Doctorate in Social Sciences in International Economics, The University of Kitakyushu, Japan
- Master in Social Sciences in International Economics, International University, Japan
- Advanced Diploma in Accounting, MARA Institute of Technology (ITM), Malaysia

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Nil

WORKING EXPERIENCE

Datuk Dr. Shahrazat began her service with the Government at the Ministry of Finance (MOF) in January 1995 at the Government Investment Company Division. First as Assistant Secretary then later as Principal Assistant Secretary. Subsequently in April 2010, she joined the Implementation Coordination Unit (ICU) in the Prime Minister's Department, where she served for 11 years until November 2021. She started with the position of Deputy Director of Infrastructure Division, before being promoted as Director in several different divisions including Economic, Social and Outcome Evaluation Divisions. Datuk Dr. Shahrazat was later appointed as Deputy Director General of Development, the last post she held in the ICU in the Prime Minister's Department before being transferred to the Ministry of Defence (MINDEF) in November 2021. She held the position of Deputy Secretary General of Development for two (2) years before transferred to her current position at MOF as Deputy Secretary General of Treasury (Investment).

She is currently a director of the Retirement Fund (Incorporated) (KWAP), The National Trust Fund of Malaysia (KWAN), Armed Forces Fund Board (LTAT) and Securities Commission. She also served as director in private companies under the purview of MOF Inc.

Other Information:

- Non-Executive Director (NED) nominated by MOF Inc.

DATO' MOHAMED NASRI SALLEHUDDIN

Non-Independent Non-Executive Director

Date of Appointment : 26 August 2019
Date of Last Re-election : 25 May 2022

Attendance at Board & Board Committee Meetings in 2023:		
	TM Board	16/16
	NRC	9/10
	BRIC	6/7

Nationality: Malaysian

Age: 53

Gender: Male

BOARD COMMITTEES

- Chairman of BRIC
- Member of NRC

QUALIFICATIONS

- Master of Business Administration, University of Strathclyde Business School, UK
- Utter Barrister by the Honourable Society of Gray's Inn, UK
- LLB (Honours), Aberystwyth University, Wales

DIRECTORSHIPS

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- UEM Group Berhad

WORKING EXPERIENCE

Dato' Nasri is currently Executive Director, General Counsel, Company Secretary and Head, Corporate & Support Services at Khazanah Nasional Berhad. He obtained his Bachelor of Laws (Honours) Degree from Aberystwyth University, Wales in 1993. He was subsequently admitted to Gray's Inn as a Barrister-at-Law in 1995 and after having completed his pupillage in Malaysia, he was admitted to the High Court of Malaya as an Advocate & Solicitor in 1996. Dato' Nasri also holds a Master of Business Administration (MBA) from University of Strathclyde, United Kingdom.

Dato' Nasri serves as a member of Khazanah's Management Committee and a permanent invitee to the Investment Committee. He is chairman of Destination Resorts and Hotels Sdn Bhd and Taman Tugu Development Sdn Bhd. He is also a director of UEM Group Berhad and Think City Sdn Bhd.

Other Information:

- NED nominated by Khazanah, a major shareholder of TM.

Profile of Board of Directors

MUHAMMAD AFHZAL ABDUL RAHMAN

Non-Independent Non-Executive Director

Date of Appointment : 1 December 2021
Date of Last Re-election : 25 May 2022

Attendance at Board & Board Committee Meetings in 2023:	TM Board	15/16	**Nationality:** Malaysian	**Age:** 48	**Gender:** Male
	BTC	12/12			

BOARD COMMITTEE

- Member of BTC

QUALIFICATION

- Bachelor of Science Degree in Electrical Engineering, Columbia University, New York, USA

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Nil

WORKING EXPERIENCE

Afhzal is currently the Employees Provident Fund's (EPF) Chief Digital Technology Officer (CDTO). As CDTO, he is responsible for driving digital technology strategy, business digital enablement, technology adoption and operations comprising 345 technology personnel.

He has over 25 years of experience in technology, 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 (Credence), a wholly-owned subsidiary of TM.

Other Information:

- NED nominated by EPF, a major shareholder of TM.

TUNKU AFWIDA TUNKU DATO' A.MALEK

Senior Independent Director

Date of Appointment : 28 April 2016
Date of Last Re-election : 25 May 2022

Attendance at Board & Board Committee Meetings in 2:		
	TM BOARD	15/16
	BAC	11/11
	NRC	10/10
	BRIC	7/7

Nationality: Malaysian

Age: 58

Gender: Female

BOARD COMMITTEES

- Chairman of NRC
- Member of BAC
- Member of BRIC

QUALIFICATIONS

- Bachelor of Science (Honours) 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
- DXN Holdings Berhad

Public Company:

- Affin Hwang Investment Bank

WORKING EXPERIENCE

Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was CEO and Executive Director (ED) of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was 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 of ENRA Group Berhad, DXN Holdings Berhad and SAM Engineering & Equipment (M) Berhad as well as chairman of Affin Hwang Investment Bank.

Tunku Afwida is a director of GITN Sdn. Berhad, a wholly-owned subsidiary of TM.

Profile of Board of Directors

BALASINGHAM A. NAMASIWAYAM

Independent Non-Executive Director

Date of Appointment : 28 April 2016
Date of Last Re-election : 25 May 2022

Attendance at Board & Board Committee Meetings in 2023:		
	TM Board	15/16
	BTC	12/12
	BRIC	7/7

Nationality: Malaysian

Age: 72

Gender: Male

BOARD COMMITTEES

- Chairman of BTC
- Member of BRIC

QUALIFICATIONS

- Bachelor of Science (Honours) in Electrical Engineering, Portsmouth Polytechnic, United Kingdom (UK)
- Diploma in Electrical Engineering, Technical College, Kuala Lumpur, Malaysia
- 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:

- Nil

WORKING EXPERIENCE

Balasingham has been involved in the telecommunications industry for more than 50 years. He began his career with the then 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 involved in the deployment of fibre cable and sale of fibre products. In 2008, he was appointed as 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.

Balasingham is a director of Universiti Telekom Sdn Bhd and a member of its Board of Governors.

HISHAM ZAINAL MOKHTAR

Independent Non-Executive Director

Date of Appointment : 3 October 2018
Date of Last Re-election : 25 May 2023

Attendance at Board & Board Committee Meetings in 2023:		
	TM Board	16/16
	BAC	11/11
	BRIC*	–

Nationality: Malaysian
Age: 62
Gender: Male

** Appointed as a member with effect from 1 March 2024*

BOARD COMMITTEES

- Chairman of BAC
- Member of BRIC

QUALIFICATIONS

- Chartered Financial Analyst®, CFA Institute, USA
- 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
- Aeon Co. (M) Bhd.

Public Company:

- Nil

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 (COO) with Astro Overseas Limited from July 2014 until June 2018 and Director in the Investments Division at Khazanah 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 Aeon Co. (M) Bhd and also sits on other private companies.

Profile of Board of Directors

SAHERAN SUHENDRAN

Independent Non-Executive Director

Date of Appointment : 3 October 2018
Date of Last Re-election : 25 May 2021

Attendance at Board & Board Committee Meetings in 2023:		
	TM BOARD	15/16
	BAC	11/11
	BRIC	7/7

Nationality: Malaysian

Age: 63

Gender: Male

BOARD COMMITTEES

- Member of BAC
- Member of BRIC

QUALIFICATIONS

- LLM, University of Cambridge, UK
- LLB (Honours), University of London, UK
- Barrister-at-law of Gray's Inn, UK

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Nil

WORKING EXPERIENCE

Saheran is currently a consultant at Messrs Sanjay Mohan. He has been practicing law for over 36 years including as a partner at Zul Rafique & Partners and Kadir Andri & Partners before joining Messrs Sanjay Mohan in 2019.

Saheran has extensive experience in corporate restructuring and insolvency work. He is also 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

Date of Appointment : 10 June 2020
Date of Last Re-election : 25 May 2023

Attendance at Board & Board Committee Meetings in 2023:		
	TM BOARD	16/16
	NRC	10/10
	BTC	12/12

Nationality: Malaysian

Age: 64

Gender: Female

BOARD COMMITTEES

- Member of NRC
- Member of BTC

QUALIFICATIONS

- Master of Business Administration (International Banking), University of Manchester, UK
- Bachelor of Science (Honours) in Quantity Surveying (Second Class Upper), University of Reading, UK
- Diploma in Public Administration (Excellent), INTAN, Malaysia
- Completed the Oxford High Performance Leadership Programme at Said Business School, University of Oxford, UK

DIRECTORSHIPS

Listed Issuers:

- Telekom Malaysia Berhad
- Westports Holdings Berhad

Public Companies:

- Cagamas Holdings Berhad
- Cagamas SRP Berhad

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 served as Director of National Budget, National Budget Office from 12 December 2014 until 1 February 2016. She was then appointed as Deputy Secretary General (Policy) from 2 February 2016 until her retirement on 13 November 2019.

Datuk Siti Zauyah serves as a director in several listed and non-listed companies and is also a member of Board of Trustee of Capital Market Development Fund.

She is the chairperson of GITN Sdn Berhad, a wholly-owned subsidiary of TM.

Profile of Board of Directors

ROSSANA ANNIZAH AHMAD RASHID

Independent Non-Executive Director

Date of Appointment : 22 November 2021
Date of Last Re-election : 25 May 2022

Attendance at Board & Board Committee Meetings in 2023:		
	TM Board	16/16
	BAC*	9/10
	NRC	10/10

Nationality: Malaysian

Age: 58

Gender: Female

* Abstained from 1 BAC meeting during the year as she was deemed interested in the proposal

BOARD COMMITTEES

- Member of BAC
- Member of NRC

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 Issuer:

- Telekom Malaysia Berhad

Public Company:

- Prudential BSN Takaful Berhad

WORKING EXPERIENCE

Rossana 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 Country Chairman of Jardine Matheson Group in Malaysia. She is also the chairman of Prudential BSN Takaful Berhad and a member of International Advisory Council in Malaysia for Singapore Management University (SMU). She also sits on the boards of several private limited companies.

Rossana is the chairperson of TM Digital Innovation Sdn. Bhd. (Credence), a wholly owned subsidiary of TM.

AHMAD TAUFEK OMAR

Non-Independent Non-Executive Director

Date of Appointment : 1 November 2023
Date of Last Re-election : –

Attendance at Board & Board Committee Meetings in 2023:		
	TM Board	3/3
	NRC*	–
	BTC*	–

Nationality: Malaysian
Age: 55
Gender: Male

** Appointed as a member with effect from 1 March 2024*

BOARD COMMITTEES

- Member of NRC
- Member of BTC

QUALIFICATIONS

- Bachelor of Business Administration (B.BA Hons), International Islamic University Malaysia (IIUM), Malaysia
- Completed the INSEAD General Management Programme

DIRECTORSHIP

Listed Issuer:

- Telekom Malaysia Berhad

Public Company:

- Nil

WORKING EXPERIENCE

Ahmad Taufek has more than 30 years' experience in the telecommunication and IT industry, particularly in business development and sales, having worked with almost all major telcos in Malaysia namely Maxis Communications Berhad, Celcom Axiata Berhad, Digi Telecommunications Berhad, Time dotcom Berhad, including TM.

His last position was as Chief Business Development and Marketing Officer of Sapura and prior to that, as the Chief Commercial Officer of Digital Nasional Berhad. He was the Executive Vice President of TM One from August 2019 to August 2021 entrusted to lead TM One as a fully integrated digital enabler for enterprises and public sector.

Besides being in telecommunication industry, Ahmad Taufek has also served as the Chief Digital Marketing and Information Technology Officer for QSR Brands Berhad and Chief Enterprise and Business Solutions Officer of PT Smartfren TBK in Indonesia.

Profile of Board of Directors

ISZAD JEFFRI ISMAIL

Non-Independent Non-Executive Alternate Director

Date of Appointment : 15 December 2023
Date of Last Re-election : N/A

Attendance at Board & Board Committee Meetings in 2023:	TM Board	N/A
	BTC*	N/A

Nationality: Malaysian
Age: 43
Gender: Male

* Appointed as alternate member with effect from 1 March 2024

BOARD COMMITTEE

- Nil

QUALIFICATIONS

- Masters Science in Finance, Daniels College of Business, University of Denver, USA
- Bachelor of Financial Engineering, Multimedia University, Malaysia

DIRECTORSHIPS

Listed Issuer:

- Telekom Malaysia Berhad

Public Companies:

- Keretapi Tanah Melayu Berhad
- Ocean Sunshine Berhad

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. In line with 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.

Prior to his current position, Iszad was a Senior Private Secretary to the Minister of Finance II, responsible for managing and administering his ministerial. Iszad also served as the Principal Assistant Secretary at the Economic and International Division, MOF for six (6) years, where he was involved in the macroeconomic 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 for two (2) years, responsible for drafting and formulating the national budget speech.

Iszad is also a director of Keretapi Tanah Melayu Berhad and serves as director in private companies under the purview of MOF Inc.

Additional Information:

- Alternate Director to Datuk Dr. Shahrazat Haji Ahmad, NED nominated by MOF Inc.

Notes:

1. *Dato' Zainal Abidin Putih resigned as director of Khazanah Nasional Berhad (Khazanah), TM's major shareholder, on 5 December 2023. He is deemed interested in contracts, proposed contracts or transactions entered into by the Company involving Khazanah Group, until 4 June 2024, being the expiry of the 6-month period from the date of his resignation.*
2. *Ahmad Taufek's son operates a competitor's outlet.*
3. *Save as disclosed above, none of the directors has:*
   a) Any family relationship with any Directors/major shareholders of the Company;
   b) Any COI or potential COI, including in any competing business with the Group;
   c) Any conviction for offences (other than traffic offences) within the past five (5) years; and
   d) Any public sanction or penalty imposed by the relevant regulatory bodies during the FYE 31 December 2023.

Profile of Company Secretaries

HAMIZAH ABIDIN
Group Company Secretary (GCS)

Date of Appointment : 1 September 2020

Nationality: Malaysian
Age: 53
Gender: Female

QUALIFICATIONS

- Bachelor of Law (First Class Honours), International Islamic University of Malaysia (IIUM), Malaysia
- Licenced Secretary, Companies Commission of Malaysia since December 1998

WORKING EXPERIENCE

Hamizah spent the early years of her career in legal practice before joining TM in 1996 where she climbed the rank from being Assistant Company Secretary to GCS on 1 January 2017. She left TM on 31 December 2019 and rejoined on 1 September 2020, heading the Group Company Secretarial Division.

She brings with her more than 27 years of experience on corporate secretarial, compliance and corporate governance matters as well as due diligence exercises and special projects.

MOHAMMAD YAZMI MAT RASCHID
Joint Secretary

Date of Appointment : 1 January 2020

Nationality: Malaysian
Age: 50
Gender: Male

QUALIFICATIONS

- Chartered Secretary and Chartered Governance Professional of The Chartered Governance Institute, United Kingdom
- Associate of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) since 2001

WORKING EXPERIENCE

A graduate of Institute Professional Baitulmal Kuala Lumpur, Yazmi started his career in a company secretarial service firm in 1996 prior to joining TM in 2001 as an Assistant Company Secretary. He was then promoted to Assistant General Manager in 2013 and subsequently as Joint Secretary following his appointment as General Manager, Group Company Secretarial Division on 1 January 2020.

He has over 25 years of experience in corporate secretarial matters, corporate governance, compliance, special projects and due diligence exercises.

Profile of Senior Management

AMAR HUZAIMI MD DERIS
Managing Director/
Group Chief Executive Officer (MD/GCEO)

Male	Age 48	Malaysian	Date of Appointment: 1 September 2018[1]

QUALIFICATIONS

- Master of Business Administration, Deakin University, Australia
- Bachelor of Commerce (Accounting and Finance), Monash University (Clayton), Australia
- Fellow Certified Practicing Accountant Australia (CPA), Australia
- Member of the Malaysian Institute of Certified Public Accountants
- Former Certified Information System Auditor (CISA)
- Attended various leadership programmes, including Proteus at London Business School (LBS); the Global CEO Programme at The Wharton School, National University of Singapore and IESE Business School

WORKING EXPERIENCE

Amar brings with him over two (2) decades of experience in the telecommunication industry. Prior to his appointment as MD/GCEO on 1 August 2023, he served as the Executive Vice President (EVP) of TM Global, overseeing the Group's wholesale domestic and international business arm since 1 September 2018. During his tenure, Amar led TM Global in strategic ventures across diverse sectors, including sales, marketing, customer experience and relationship management, leveraging his entrepreneurial and financial acumen.

Amar's leadership and vision have earned him recognition in his field. He was selected as one of CPA Australia's 40 young business leaders, a list that showcases highly talented individuals across regions and sectors. Additionally, he was included in Capacity Media's Power 100 in 2019 and 2023, a global index comprising influential leaders in the wholesale telecommunication sector.

Amar also sits on the board of TM Technology Services Sdn Bhd, TM Digital Innovation Sdn Bhd (Credence), Asean Telecom Holding Sdn Bhd, Bluetel Networks Pte Ltd and a member of Board of Trustee of YTM. He is also the chairman of TM's regional offices located in the UK, USA, Hong Kong, Singapore, Australia and Dubai.

DIRECTORSHIP

Listed Issuer:
- Telekom Malaysia Berhad

Public Company:
- Nil

RAZIDAN GHAZALLI
Group Chief Financial Officer (GCFO)

Male	Age 61	Malaysian	Date of Appointment: 1 November 2019

QUALIFICATIONS

- Chartered Accountant of the Malaysian Institute of Accountants, Malaysia
- Certified Practising Accountant (CPA), CPA Australia
- Bachelor of Commerce (Accounting & Finance), University of Tasmania, Australia
- Post Graduate Diploma in Marketing, Chartered Institute of Marketing, UK
- Associate member of the Chartered Institute of Marketing, UK

WORKING EXPERIENCE

Razidan first joined TM on 16 September 2019 as Financial Advisor and was subsequently appointed as GCFO on 1 November 2019.

He has more than 36 years of working experience in public accounting and 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 the Netherlands, amongst others.

Razidan also sits on the board of several subsidiaries of TM.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Tulip Maple Berhad

ANAND VIJAYAN
Chief Business & Consumer Officer (CBCO)

Male	Age 49	Malaysian	Date of Appointment: 1 February 2020[1]

QUALIFICATIONS

- Master of Business Administration (e-Commerce), Charles Sturt University, Australia
- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology (RMIT) University, Australia
- Certified Practising Accountant, CPA Australia
- Certified Information Systems Auditor (CISA), Information Systems Audit & Control Association (ISACA)

WORKING EXPERIENCE

Anand was previously appointed as Chief Commercial Officer of TM on 1 February 2020 where he was primarily responsible for the Unifi business. Under his leadership, TM's consumer segment experienced exceptional growth. He assumes the new position on 15 November 2023.

He started his career in 1996 providing professional services in the big four (4) accounting firms working several years in assurance and advisory services across several countries including in Kazakhstan, Bulgaria, Russia, Albania and Uzbekistan.

He has vast and diverse experience in consultancy, risk management, business turn-around and most notably telecommunications.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

JASMINE LEE SZE INN
Chief Commercial Officer (CCO), Consumer

Female	Age 53	Malaysian	Date of Appointment: 1 October 2022[1]

QUALIFICATIONS

- Bachelor of Arts in Communication & Social Sciences (Honours), Universiti Kebangsaan Malaysia, Malaysia

WORKING EXPERIENCE

Jasmine first joined TM on 1 October 2022 as TM's EVP Mobile where she was responsible for the Unifi mobile segment. She has over 20 years' of experience in building and expanding different technology-based businesses and has also served in various telecommunications and technology industries. She was appointed to the new position on 15 November 2023.

Her strengths in driving the mobile business, marketing, innovation, new business development, digital and customer relations marketing are crucial in driving force for sales, product and marketing for TM to meet the Convergence's market demand while innovating the future.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

Profile of Senior Management

SHANTI JUSNITA JOHARI
Chief Commercial Officer (CCO), Consumer Strategy & Business

Female	Age 48	Malaysian	Date of Appointment: 1 February 2021[1]

QUALIFICATIONS

- Master of Business Administration (Strategic Management), Universiti Teknologi Malaysia, Malaysia with Tampere University, Finland
- Bachelor of Engineering (Electronics) Vanderbilt University, USA

WORKING EXPERIENCE

Shanti Jusnita was previously the Chief Marketing Officer of TM from 1 February 2021 and was responsible for the overall strategy, transformation and management of TM brand & marketing as well as customer experience and touchpoints before assuming her current position on 15 November 2023.

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. She has more than 25 years' experience in various strategy, commercial and operational roles in the telecommunication industry, mainly in areas of marketing, product management and sales for both consumer and enterprise market segments.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

SHAZURAWATI ABD KARIM
Executive Vice President, TM ONE

Female	Age 50	Malaysian	Date of Appointment: 1 January 2022

QUALIFICATIONS

- Master of Arts, Cambridge University, UK
- Master of Engineering, Cambridge University, UK
- Bachelor of Arts (Electrical Engineering) (Honours), Cambridge University, UK
- Leadership programme, Stanford University, USA

WORKING EXPERIENCE

Shazurawati is an experienced professional who has held various leadership capacities across multiple domains and portfolios within TM Group.

She was previously the Vice President (VP) at TM Chief Operating Officer and Transformation Office, driving the Group's performance improvement programmes. She also served as VP, Partnership where she led TM One's partnership programme and alliances across industry verticals, technologies, products, services and solutions with both local and global partners. As the VP of TM One Business Services, she was in charge of the customer experience management outsourcing business portfolio in Malaysia and Indonesia. Shazurawati was the COO of VADS Berhad, responsible for ICT business operations for large organisations in the country. Prior to that, being the VP of Technology and Innovation TM, she was responsible for technical design, product development and technology business strategy at TM.

Shazurawati sits on the board of several subsidiaries of TM and is appointed as the Industry Advisory Committee for the Department of Polytechnic and Community College Education under Ministry of Higher Education Malaysia.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- VADS Berhad

KHAIRUL LIZA IBRAHIM
Executive Vice President, TM Global (Covering)

Female	Age 54	Malaysian	Date of Appointment: 1 August 2023

QUALIFICATIONS

- Bachelor of Engineering (Major in Electrical Engineering), Universiti Teknologi Malaysia, Malaysia
- Strategic Board Leadership Programme in collaboration between Multimedia University and Henley Business School
- Digital Transformation Journey Programme by IMD Business School

WORKING EXPERIENCE

Khairul Liza is the VP Product & Marketing of TM Global, where her main focus is to drive TM Global's portfolio of products and services, catering to both domestic and international markets. Her primary mission is to explore new business potential and capitalise on emerging opportunities. She is the covering EVP Global since 1 August 2023.

She joined TM in 1992 and was one of the pioneers in the development of Malaysia's high-speed broadband (HSBB) network. She was also responsible for formulating the strategic marketing plan for TM Global.

Her leadership and vision have earned her recognition in her field. She was recognised as Capacity Media's '20 Women to Watch' in 2020, a power listing honouring top 20 Women leaders in the wholesale telecom sector.

She also sits on the boards of several subsidiaries of TM.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

MOHAMED REJAB SULAIMAN
Chief Executive Officer, Credence (Covering)

Male	Age 46	Malaysian	Date of Appointment: 17 October 2023

QUALIFICATIONS

- Master of Applied Statistics, University of Malaya, Malaysia
- Bachelor of Electronic & Electric Engineering, University College London, UK

WORKING EXPERIENCE

Mohamed Rejab is the Senior Vice President, Cloud Services of Credence. With his 20 years' experience in the telecommunications industry, Mohamed Rejab is currently leading the Credence team in spearheading TM technology and digital innovations and covering the role as CEO Credence effective 17 October 2023.

He has led key projects in TM namely Streamyx nationwide expansion, HSBB planning and Go-To-Market (GTM), public switch telephone network (PSTN) and several legacy network migrations and transformation to HSBB network and was also instrumental in Long-Term Evolution (LTE) network rollout project.

He was also involved in the growth and expansion of Hyperscale Data Centre and the setting up of Cloud Alpha, under the Government's MyDIGITAL initiative.

He sits on the board of several subsidiaries of TM.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

Profile of Senior Management

MOHAMED TAJUL MOHAMED SULTAN
Chief Network Officer (CNO)

Male	Age 53	Malaysian	Date of Appointment: 1 November 2020

QUALIFICATIONS

- Master of Business Administration (Strategic Management), International Business School, Universiti Teknologi Malaysia, Malaysia
- Bachelor's Degree in Electrical Engineering, Hanyang University, Seoul, South Korea

WORKING EXPERIENCE

Mohamed Tajul is responsible for the end to end network planning, roll out and operations of TM network. His focus is on TM network modernisation, process simplification and automation, as well as ensuring the best customer experience for Unifi, TM One and TM Global customers.

He has over 27 years of experience spearheading the full spectrum of new technology adoption, operations management, service enhancements and network infrastructure transformation for telecommunication.

He also sits on the board of several subsidiaries of TM.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

IVAN CHONG
Chief Information Officer (CIO)

Male	Age 42	Malaysian	Date of Appointment: 1 September 2022

QUALIFICATIONS

- Master of Business Administration, Leadership Programme, Harvard Business School, USA
- Bachelor of Business Information and Technology (Honours), Coventry University, UK
- Professional Certification of PMP, Advanced Scrum Master, ITIL V3 and Data Centre Professional

WORKING EXPERIENCE

Ivan has 19 years of professional experience in his field where he spent 15 years working in Technology and Management Consulting firms such as Accenture and Hewlett Packard (HP). He has worked in over 13 countries across Asia Pacific and Europe. He brings with him the depth and breadth of experiences across multiple industries namely, telecommunications, financial services, healthcare, energy and resources.

Due to his achievements in driving innovation, rapid change, building good cultures and influencing leadership teams in TM, he has been recognised as Top 3 CIO in ASEAN and Hong Kong at the CIO100 Awards organised by International Data Corporation (IDC) on 31 October 2023. Subsequently, he was awarded the winner of Transformative CIO in Southeast Asia by Economic Times on 29 January 2024.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

SARINAH ABU BAKAR
Chief Human Capital Officer (CHCO)

Female	Age 57	Malaysian	Date of Appointment: 15 June 2021

QUALIFICATIONS

- Master of Business Administration, University of South Australia, Australia
- Bachelor's Degree in Chemical Engineering, Queen's University of Belfast, UK

WORKING EXPERIENCE

Sarinah has over 30 years of diverse experiences in strategic human resources business partnering with global portfolio, organisational transformation, integrated talent management, executive coaching and merger & acquisition across global industrial technology companies. Sarinah is responsible in delivering a future-proof organisation to realise new TM aspirations with her human resource best practices and strong stakeholder management in highly complexed and demanding environments.

Sarinah is currently a member of the Board of Trustees of YTM and director of Universiti Telekom Sdn Bhd.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

DATO' NAJMUDDIN ABDULLAH
Chief Corporate and Regulatory Officer (CCRO) (Covering)

Male	Age 54	Malaysian	Date of Appointment: 1 December 2023

QUALIFICATIONS

- Master of Arts in Economics, University of Toledo, Ohio, USA
- Bachelor of Arts in Economics, University of Toledo, Ohio, USA
- Diploma in Public Administration, Universiti Teknologi Mara, Malaysia
- Advanced Management Programme, Columbia Business School, New York, USA
- Leadership Programme, the Wharton School, University of Pennsylvania, USA

WORKING EXPERIENCE

Dato' Najmuddin has over 25 years' experience in leadership roles, strategic communication, media relations, crisis management, stakeholder management, Government liaison, internal communication, event management, marketing and sustainability management.

He is also an experienced professional managing senior leadership roles in notable companies such as Celcom Axiata Berhad, Malaysia Airlines Berhad, FGV Holdings Berhad, Pharmaniaga Berhad and etc.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

Profile of Senior Management

NOR AZURA AB. WAHAB
Chief Procurement Officer (CPO)

Date of Appointment

Female	Age 54	Malaysian	1 October 2021

QUALIFICATIONS

- Master of Business Administration, Multimedia University (MMU), Malaysia
- Bachelor of Accountancy, Sheffield University, UK
- Postgraduate Diploma in Accountant, Demontfort University Leicester, UK

WORKING EXPERIENCE

Nor Azura is TM's home grown talent and is responsible in leading 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. She has more than 21 years of experience working in TM in different areas and divisions.

Prior to becoming CPO, Nor Azura was appointed as Head of Partnership for TM One where she had successfully centralised the partnership function and transformed the overall partnership process and governance as part of internal control improvements.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

AZWEEN ZAKARIA
Chief Strategy Officer (CSO) (Covering)

Date of Appointment

Female	Age 52	Malaysian	1 August 2023

QUALIFICATIONS

- Master of Business Administration in Strategic Management, Universiti Teknologi Malaysia, Malaysia
- Bachelor of Business Administration (Honours), IIUM, Malaysia

WORKING EXPERIENCE

Azween has held various senior leadership positions in her 29 years' serving TM. She is currently VP Strategy and covering the CSO position effective 1 August 2023.

Throughout her tenure in TM, she has overseen and led key strategic initiatives in the new TM transformation journey, across TM Group, focused on aligning TM core business and new growth areas, strategic business development and stakeholder engagement.

Azween is a seasoned mentor and leader. She has consistently demonstrate strong leadership and maturity, the ability to inspire her team and collaborate with stakeholders.

She also sits on the board of a subsidiary of TM.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

NIK AZLI ABU ZAHAR
Group General Counsel (GGC)

Male	Age 53	Malaysian	Date of Appointment: 1 October 2022

QUALIFICATIONS

- Bachelor of Laws (Honours), University of Newcastle Upon Tyne, UK
- Certificate of Legal Practice, Malaysia
- Advocate and Solicitor of the High Court of Malaya

WORKING EXPERIENCE

Nik Azli has extensive experience as an in-house legal counsel, where he has been part of the leadership team of several prominent organisations. Prior to joining TM, Nik Azli held several pivotal positions at companies such as Sapura Energy Berhad and Malaysia Airlines Berhad with notable and commendable achievements.

Whilst practicing law, he was one of the advisers for several multinational companies in commercial transactions and energy and utility projects, including overseas transactions and projects spanning from China to the Middle East.

He was also one of the recipients of the Energy and Resources In-House Legal Team Award at the prestigious Asia Legal Business (ALB) Malaysia Law Awards in 2015. In 2023, he was recognised and enlisted in the Legal 500 GC Powerlist Malaysia 2023.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

HAIKEL ISMAIL
Chief Risk Officer (CRO)

Male	Age 49	Malaysian	Date of Appointment: 1 November 2019[1]

QUALIFICATIONS

- Master of Business Administration, Edinburgh Business School of Heriot Watt University, UK
- Bachelor of Commerce & Management, Lincoln University, New Zealand
- Associate, Chartered Institute of Management Accountant (ACMA), CIMA, UK
- Chartered Accountant of the Malaysian Institute of Accountant (MIA)
- Chartered Global Management Accountant (CGMA), CIMA, UK 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), Association of Certified Fraud Examiners, USA
- Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA)

WORKING EXPERIENCE

Haikel has over 25 years of experience in internal audit and risk management and is currently responsible for identifying business challenges and driving risk strategy for the future sustainability of TM. Prior to becoming CRO on 1 February 2023, he was the Chief Internal Auditor of TM.

He has led various internal audit and risk management functions at both private and public listed companies.

Haikel is currently a member of the Board of Governors for the Institute of Internal Auditors Malaysia. He was a Central Committee member and the founding Secretary General for the Society of Certified Risk Professionals from 2017 to 2019.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

Profile of Senior Management

HAWABY SULTAN MUHAMAD
Chief Internal Auditor (CIA)

Female	Age 51	Malaysian	Date of Appointment: 1 November 2023

QUALIFICATIONS

- Bachelor of Accounting and Finance, De Montfort University, UK
- Fellow member of the Association of Chartered Certified Accountants (FCCA)
- Certified Internal Auditor (CiA)
- Master certification in Project Management
- Leadership Programme from IMD and Harvard Business School, USA

WORKING EXPERIENCE

Hawaby brings with her over two (2) decades of corporate experiences in Financial Audit, Internal Audit or Review of Internal Controls, Enterprise Risk Management, Strategic Project Management, Strategic Planning, Quality Management and Stakeholder Management.

She joined TM in 2005 and has served in several roles within the Group Internal Audit Department, notably at VADS Berhad. Prior to her current position, she was the Chief Financial Officer of Unifi Mobile in TM Technology Services Sdn. Bhd., and also acted as a strategic business leader and trusted advisor to stakeholders focusing on implementing financial strategies for business and performance improvement, enhancing efficiencies of finance operations and refining process.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

MUHAMAD ASRI DOLLAH
Chief Integrity & Governance Officer (CIGO)

Male	Age 49	Malaysian	Date of Appointment: 2 October 2023

QUALIFICATIONS

- Master of Corruption Studies, Universiti Kebangsaan Malaysia, Malaysia
- Bachelor's Degree in Communication, Universiti Sains Malaysia, Malaysia
- Certified Integrity Officer, Malaysian Anti-Corruption Academy, Malaysia

WORKING EXPERIENCE

Muhamad Asri has served in several pivotal roles in MACC before he was assigned to TM as CIGO to spearhead TM's strategy in combatting corruption through prevention, education and awareness as well as enforcement in strengthening an ethical culture in TM Group.

He is a Certified Integrity Officer from the Malaysian Anti-Corruption Academy which reflects his core dedication towards upholding integrity culture at its core.

DIRECTORSHIP

Listed Issuer:
- Nil

Public Company:
- Nil

HAMIZAH ABIDIN
Group Company Secretary (GCS)

Female	Age 53	Malaysian	Date of Appointment 1 September 2020

QUALIFICATIONS

- Bachelor of Law (First Class Honours), IIUM, Malaysia
- Licenced Secretary, Companies Commission of Malaysia since December 1998

WORKING EXPERIENCE

Hamizah spent the early years of her career in legal practice before joining TM in 1996 where she climbed the rank from being Assistant Company Secretary to GCS on 1 January 2017. She left TM on 31 December 2019 and rejoined on 1 September 2020, heading the Group Company Secretarial Division.

She brings with her more than 27 years of experience on corporate secretarial, compliance and corporate governance matters as well as due diligence exercises and special projects.

DIRECTORSHIP

Listed Issuer:

- Nil

Public Company:

- Nil

Notes:

1. *Date of appointment refers to the first date of appointment as TM's senior management.*
2. *The spouse of Shazurawati Abd Karim, is an employee of EPF, TM's major shareholder.*
3. *Save as disclosed above, none of the senior management has:*
   a) *Any family relationship with any Directors/major shareholders of the Company;*
   b) *Any conflict of interest or potential conflict of interest, including in any competing business with the Group;*
   c) *Any conviction for offences (other than traffic offences) within the past five (5) years; and*
   d) *Any public sanction or penalty imposed by the relevant regulatory bodies during the FYE 31 December 2023.*

Directors' Statement on Risk Management & 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 is 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.

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. SORMIC is jointly endorsed by the BRC and Board Audit Committee (BAC).

RESPONSIBILITY & ACCOUNTABILITY

The Board

The Board is responsible for establishing and overseeing the Group's risk management framework and internal control systems, guided by the Group's risk appetite to ensure alignment within acceptable tolerance levels. This aims to achieve the Group's goals and objectives in generating returns for shareholders. The Board periodically reviews the effectiveness and adequacy of the framework and systems by identifying, assessing, monitoring and communicating key 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:

1 Board Risk & Investment Committee (BRIC)

The primary responsibility of the BRIC is to assist the Board in ensuring a robust ERM framework and its effective implementation, thereby enhancing the Group's corporate governance practices. This involves a concentrated focus on risk issues through the identification, assessment and monitoring of key business and investment risks. In 2023, recognising the growing importance of sustainability/ESG, as well as heightened risk profiles of Cyber Security, Regulatory Policy Shift, Mobile and IT and Digital Resilience, these subjects continue to take centre stage on the Board's agenda. The BRIC serves as the oversight platform to engage in discussions concerning these risks and the associated control implementations.

The Terms of Reference (ToR) and primary duties of the BRIC concerning risk management are incorporated in the Board Charter, which is accessible on the company's official website at www.tm.com.my.

2 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 the Group Internal Audit (GIA) function.
- Reviews and provides 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 188 to 190.

Other Board Committees, such as the Nomination and Remuneration Committee (NRC) and Tender 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 of key risks and internal control systems in this IAR.

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 ERM 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, 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.

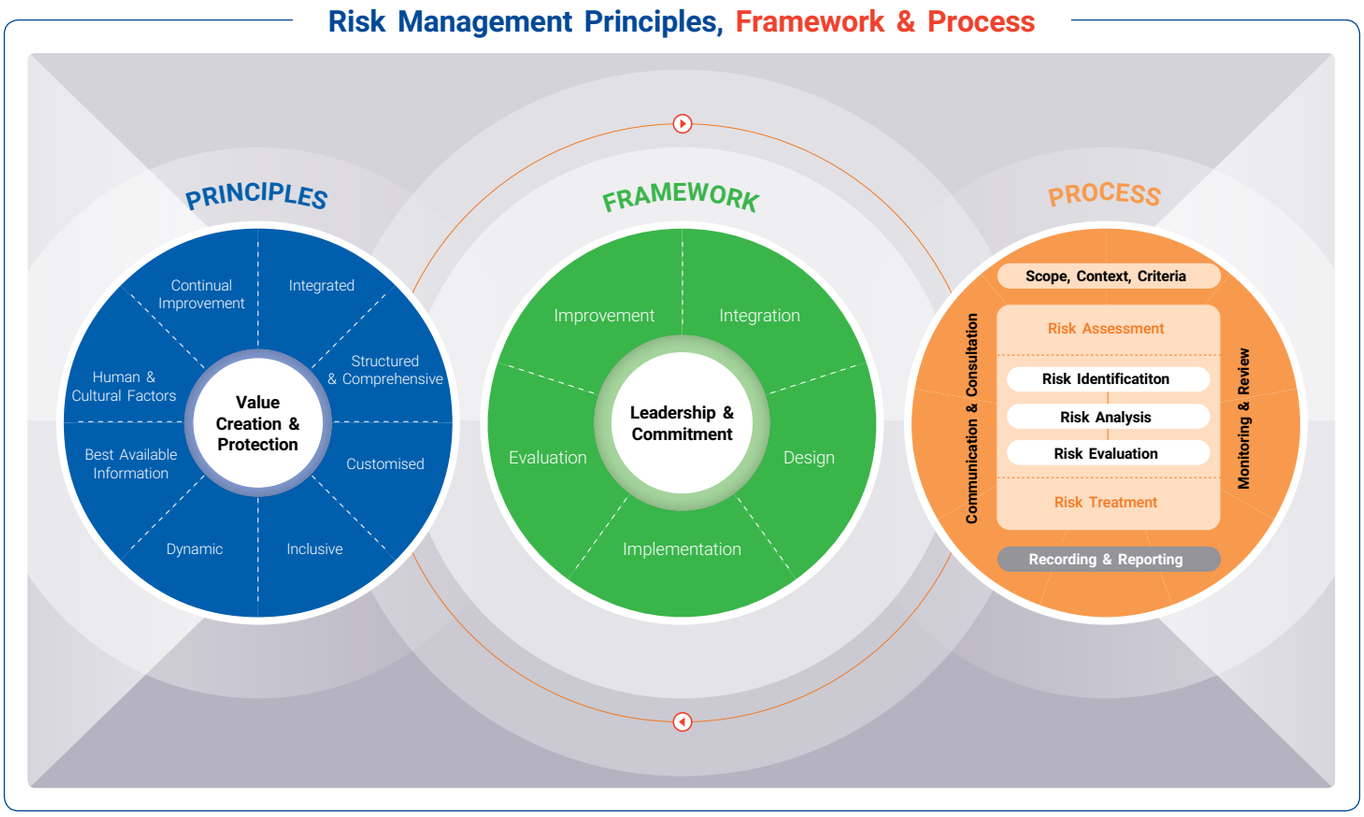


Figure 1: ISO 31000: 2018 Risk Management Standard – Risk Management Principles, Framework & Process

The ERM practice has been progressively implemented throughout TM, including its subsidiaries, to support the execution of business strategies and operations.

Directors' Statement on Risk Management & Internal Controls

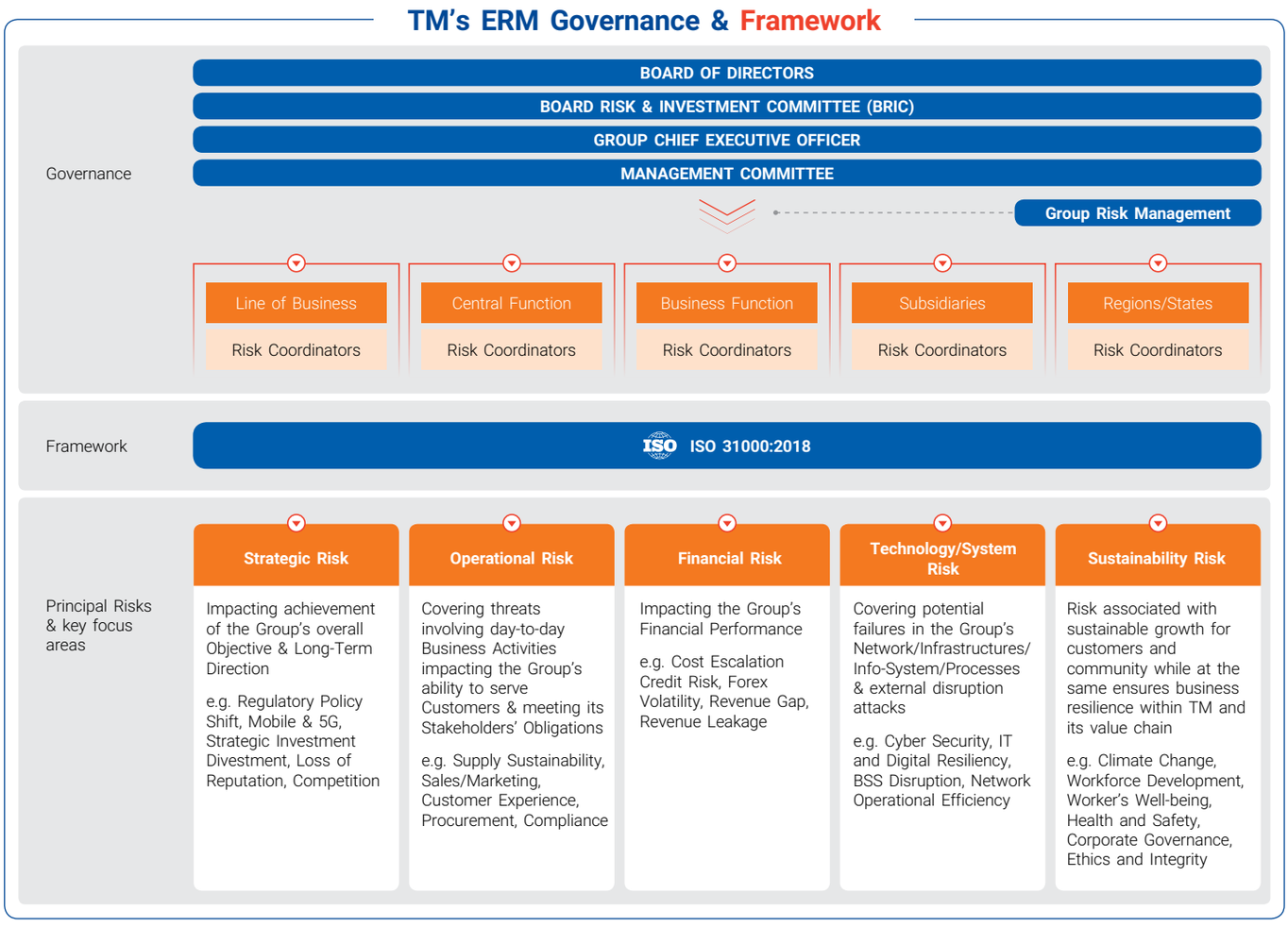


Figure 2: TM's ERM Governance & Framework

TM's ERM structure spans the entire organisation, from the Board to all levels of operations. Through such governance and framework, material risks are consolidated from all customer-facing business units to the MC and escalated up to the BRIC and Board. Applying a TM Group-wide perspective, leaders will evaluate, scrutinise, warrant further exploration and approve the top risks (including Principal Risks) through the BRIC platform.

There are appointed Risk Coordinators at every LoB, central function, business function, subsidiary and region/state. Their primary role is to lead the coordination of risk management activities with an aspiration to build a risk-based decision-making workforce, together with strong accountability and responsibility from the respective Heads of Divisions to ensure the discipline is successfully instituted. The outcome is reflected through the encouraging feedback from the 2023 TM's Risk Maturity Survey. In all ERM activities, the importance of the staff's role is always emphasised.

IR For more information on our Principal Risks, please see pages 230 to 231.

TM Principal Risk Management Policy & Risk Appetite Statement

Established in 2005, TM's 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 Principal Risk Appetite Statement.

With this incorporation, it has been renamed "TM's Principal Risk Management Policy and Risk Appetite Statement", which aims to minimise risks and optimise opportunities in line with TM Group's risk appetite. The statement is as stipulated below, including how this can be cascaded to the operational level.

Cascading the Principal Risk Appetite to Operational

TM Principal Risk Management Policy & Risk Appetite Statement

- TM Group is committed to deliver shareholder's 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 as well as 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 in tandem with the evolving industry and market conditions.

Operational

- Likelihood: Principal Risk appetite guides the determination of the risk occurrence's probability by ensuring the risk assessments at the operational level align with the organisation's tolerance level.
- Impact: The Principal Risk appetite guides the determination of the severity level of the impact parameter at the operational level.

The Risk Appetite of TM is reviewed annually to ensure it is aligned to the strategic objectives of the company.

Principal Risks

The Principal Risks are based into five (5) categories: Strategic Risk, Financial Risk, Technology/System Risk, Operational Risk and Sustainability Risk. TM continuously reviews and updates the risks, including incorporating relevant emerging risks 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 monitored by the Board are listed on pages 230 to 231.

Exposure to compliance risk is monitored through the Corporate Compliance Dashboard, with the potential and actual impact of non-compliance presented to the MC.

The BRIC and MC continue to provide oversight and appraise the adequacy and 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 COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control-Integrated Framework. They are reviewed regularly throughout the year by the Board, considering 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 support the sustainability of the company are further elaborated below:

Sustainability objectives:

i Enable Sustainable Growth for Customers & the Community
a. Solutions Provider
b. Digital Inclusion

ii Ensure Business Resilience within TM & our Value Chain
a. Environmental Management
b. Responsible Employer
c. Ethical Business

Directors' Statement on Risk Management & Internal Controls

Governance:

Clearly Defined Lines of Responsibility & 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 Board duly approves the LoA and subject to regular review and enhancement to ensure it reflects changes in accountability and the Group's risk appetite.

Strategic Theme, Objectives & Core Values

Set to enable a Digital Malaysia, TM has a comprehensive suite of communication services and digital offerings to serve and empower communities, businesses and Government. This includes fixed connectivity, mobile, content, WiFi, cloud, data centre, cyber security, IoT and smart services.

As Malaysia's leading integrated Telco, TM has the strategic role of being the catalyst in shaping the nation's economic growth, social inclusion and digital adoption. Carrying a dual role as a PLC and GLC, require TM to continue playing the balancing act. The primary focus is on long-term commercial sustainability, as it is important for TM to be financially reliable to continue as a strategic partner for nation building.

TM is consistently driven by stakeholder value creation and places high emphasis on delivering an enhanced customer experience in today's highly competitive environment. This is made possible via continuous customer service quality improvements and innovations that include enhanced customer touchpoints and developed a more personalised and seamless digital omnichannel experience.

Through the first phase of its three-year transformation journey (2021-2023), TM has turned around its core business with better profitability, increased operational efficiency, as well as productivity. Our initial transformation has set a solid foundation, edging TM towards becoming a TechCo company. The next phase for TM is to protect our leadership position in connectivity and embark on platform play to capture future opportunities. This is aligned with TM's long-term aspiration to become a Digital Powerhouse by 2030. As the future shapers of tomorrow and enabler of a Digital Malaysia, we continue driving Malaysia towards becoming a digital nation and setting Malaysia as a digital hub for the region.

In its pursuit of sustainable future growth, TM will continue to place the highest standards of integrity in its business dealings. The commitment to an ethical working environment is reflected in TM CBE. All TM employees are also committed to embracing KRISTAL core values, which includes total commitment to customers, uncompromising integrity and respect & care in our interactions, whether internal or external stakeholders.

Risk Management & Internal Control Policy Statement

The board and management issued our TM Principal Risk Management Policy and Risk Appetite Statement to provide reasonable assurance that the Group will achieve its business objectives, while safeguarding and enhancing shareholders' investments and the Group's assets. The Group CEO, Heads of LoBs, Heads of Business and Support Groups and TM subsidiaries' CEOs are responsible for implementing the Enterprise Risk Management framework and practices.

Product Governance Framework

Product Governance Framework is established to govern and oversee the business value creation related to product creation and management, 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: Right Quality, Right Quantity, Right Time, Right Place and Right Price.

Policy, Manual & 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 & 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 the Management Committee (MC), Business Operations Council (BOC) and Technology Committee (TechCom), were established to provide timely guidance and decisions in their respective scope and focus. The 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 Management Committee that reports to the BAC. The BPC serves as a platform to review, update and discuss developments in listed issuer compliance, policies, 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 Group CEO, 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 to determine 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 the 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 procurement compliance-related matters and identifying the appropriate consequence actions.

TM Sponsorship Management Guidelines

This Guideline serves to provide and implement rules and procedures in relation to giving out sponsorship, donation, gift and hospitality. This is to ensure that the objective of doing sponsorship and donation is met, to prevent any unethical activities so that any potential associated risks resulting thereof can be minimised. Through sponsorship, the objective is to provide value in the areas of business growth, technology advancement, people development and nation building and, where applicable, enhance TM's brand image through the deliverables assured by the sponsorship activities.

Human Capital Policy & Framework

Human Resource Policies and Procedures are in place to clarify all aspects of human capital management within the Group. Our learning and development programmes are designed to enhance the skills and capabilities of our employees, mitigating the risk of skill gaps and ensuring a competent workforce. Periodic succession planning is in place to identify and groom internal talent and ensure organisational continuity. In achieving the next level of productivity, we have established a performance management framework to monitor, assess and enhance employee performance, aligning individual goals with organisational objectives and mitigating the risk of suboptimal performance. As a part of the new TM transformation, we have introduced the Culture Statement to set the expected behaviour and shape the desired culture in TM.

OSHE Policy

TM aims to create a Digital Malaysia through technology that empowers communities, businesses and Government and is committed to achieving the highest attainable level in providing a safe, healthy and environmentally sustainable workplace for its employees, contractors, visitors and other persons throughout all areas of its activities.

TM demonstrates leadership and commitment through its leaders, complies with legislation and other requirements, takes proactive steps to prevent and eliminate the risk of injuries and health hazards, takes commitment to building a culture of high environmental standards and compliance, prevention of pollution and damage to properties, including the preservation and conservation of the environment, awareness in the communication and ongoing education, training and supervision of all TM employees and contractors and continuous improvement in the OSHE management system.

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 TM IT Policy and Enterprise Architect Standard, which is in place to control and monitor access adequately.

TM Cyber Security Management

- **Information Security Governance & Certifications**

  In addressing compliance with security requirements for TM's Mission Critical (MC)/Business Critical (BC) services, continuous assessments are conducted to ensure the implementation of essential security controls, focusing on systems that store Personally Identifiable Information (PII) and/or public-facing.

  To increase the organisation's resilience to cyber attacks and maintain positive relationships with our customers, TM maintains existing internationally accepted certifications and has completed the certification standards on Information Security Management Systems, Business Continuity Management Systems and Payment Card Industry Data Security Standard for TM's cloud services, Network Operations and IT systems/Applications.

- **Technology Uplift**

  To mitigate security risk at endpoints and prioritise key businesses in TM, the following critical assets and business data, security controls as below have been implemented:

  i. Enhance Endpoint Control (for servers and user endpoints) – with the objective of mitigating security risks at endpoints, prioritising key MC/BC servers, admins, normal/basic user devices and shared terminals.
  ii. Fortify Identity and Access Control – with the objective to protect user access, secure the Active Directory and improve staff experience in accessing applications in TM.
  iii. TM's public-facing a Web/Applications are protected by Web Application Firewall (WAF) – with the objective of reducing TM's attack surface and PII Data Exposure.

Directors' Statement on Risk Management & Internal Controls

- **Cyber Security Focused People Development**

  In ensuring complete coverage of reaching out to both the technical and overall *Warga TM*, previous and new programmes were initiated towards and taking advantage of technology mainly in elevating the awareness of social engineering and to test the organisation's cyber capacity by measuring its ability to detect and respond to a security incident, as well as develop security capabilities amongst lead software developers. TM's Information Security team has conducted email phishing simulation, TM Cyber Security Month/Day and Application Security Workshop for TM Internal Developers.

- **Third-Party Information Security Requirements**

  To enhance security requirements in managing 3rd party risks, security requirements are embedded at all touchpoints to safeguard the security of the TM's information asset.

  i. Supplier on-boarding registration requires security criteria to be met.

  ii. Technical cyber security clauses and requirements are part of the technical specification of any IT and network solutions.

  iii. In 2023, the Vendor Security Index (VSI) was initiated by GIS to assess and measure the key aspects of vendors' cyber security hygiene. Periodic assessment of Vendor Security Index will be performed during the Preventive Maintenance.

Sustainability Management Function

Led by the Chief Corporate and Regulatory Officer (CCRO), 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 expand our horizon further for a holistic view of ERM in the organisation. With structured sustainability management and risk framework in place, TM progressively assesses the emerging sustainability risks 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. Starting in 2021, TM started to alleviate the climate change risk as part of Principal Risks monitored by BRIC.

We continue our progressive effort in optimising our opportunities in the sustainability agenda while at the same time minimising related risks. During the year, as part of our key improvement areas in sustainability, we revised our framework and roadmap, which detailed our latest execution plan for 2024 to 2026, tapping into the opportunities of enabling sustainable growth for our customers and community while ensuring resilience within TM's our value chain. The Sustainability Committee, comprising of key members of the top management, has been appointed to oversee the implementation of TM's Sustainability Framework and Integration Plan. Details of the framework and integration plan are as per the Sustainability chapter from page 86 to 89.

Integrity:

The Group's commitment to upholding integrity in carrying out its duties is evidenced by:

TM Code of Conduct & Business Ethics (CBE) & 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 the Anti-Corruption Policy, Provision 13, which focuses on the TM zero-tolerance approach against all forms of corruption and our top-level commitment to 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 improper solicitation, bribery, or other corrupt activities and issues that may arise in the course of conducting business. In view of the provisions of Section 17A, Corporate Liability of MACC Act 2009, our controls and initiatives are implemented based on the T.R.U.S.T Principles. This is to ensure that TM has adequate control to conduct its business with integrity and eradicate corrupt practices.

Awareness & Briefing Sessions

Ongoing awareness and briefing sessions on CBE and Corporate Liability Section 17(A) are essential for TM employees to have sufficient knowledge and understanding of CBE. This includes a strong understanding of Corporate Liability Provision Section 17A of MACC Act 2009, which has been enforced since 1 June 2020. More than 7,300 employees have attended the awareness session, which includes both physical and virtual, for the year 2023. In 2023, GIG has also issued 26 awareness snippets on the understanding of TM CBE with a sample of scenarios/case studies.

Organisational Anti-Corruption Plan (OACP)

The OACP is positioned as a new initiative to strengthen controls & monitoring of Corruption, Integrity & Governance risks and as a defence towards compliance with Section 17A of MACC Act 2009. TM adopted the framework from the Institute Integrity of Malaysia by analysing and interpreting data from multiple sources internally & externally, defining the corruption-related risks and understanding the root causes based on the TM ERM framework adopted from the ISO 31000:2018 Risk Management Guidelines. The scope covered 20 divisions from various LoBs and support functions. The corruption risk assessment results were further analysed to focus on the moderate or higher risks. A total of 91 action plans were generated based on corruption risk assessments with 20 divisions in 2021. However, in 2023, 103 action plans have been generated based on corruption risk assessment undertaken by the divisions in TM. For 2023, we managed to achieve a completion rate of 82% over five (5) years.

TM CBE e-Learning

In ensuring comprehensive 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 TM CBE e-Learning. This programme has been designed and developed to address how employees should demonstrate the value of integrity in their daily work via interactive learning videos and messages based on real case scenarios. More than 18,000 employees have completed this e-Learning exercise for the Phase 2 in 2023.

TM Integrity Day 2023

To demonstrate its commitment and continuous effort to uphold high integrity, governance and transparency in its business operations, TM organised its annual TM Integrity Day 2023 (TMID) on 1 November 2023, in conjunction with the National Integrity Day. The key highlights of TMID include a special forum featuring prominent speakers and a special theatre performance on corruption and its impact. This event is attended by the TM BOD, Chairman, GCEO, Management, *Warga TM* and Business Partners nationwide via this Hybrid event.

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. TM have appointed 18 coordinators to oversee their respective divisions and trained 52 lead auditors to maintain the ABMS effectively. TM has maintained our MS ISO 37001:2016 ABMS certification since 2021, which shows our commitment to good governance and integrity. Currently, high corruption risk processes under seven (7) divisions nationwide (Unifi, TM One, TM Global, Group Procurement, GNT, GITD and Support Business) have been certified under the ABMS scope.

Declaration of Assets & Interest (DOA) & Integrity Pledge (IP)

Annual DOA and IP are important to ensure transparency in TM's daily business dealings and to avoid any conflict of interest. This is one of the many initiatives that TM has put in place to build a culture of integrity throughout the organisation. In 2023, 100% of TM Employees had completed the DOA and IP. The declaration of interest includes the employees' declaration of any employment or business outside TM and a declaration of their family members' involvement in business dealings with TM or who work or provide services to TM's competitor. This DOA exercise is in compliance with the provision stipulated under the TM CBE.

Whistle-Blowing Policy

TM and its BOD are committed to whistle-blowing policy, which 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.

Integrity, Governance & Anti-Corruption Award

In 2023, TM won the Highest Gold Award at the Anugerah Integriti, Governans dan Antirasuah 2023 (AIGA 2023). Additionally, TM has been awarded the anti-corruption accolade by UNGC (United Nations Global Compact) on November 2023. TM's achievements underscore a steadfast commitment to transparency, accountability and creating an ethical corporate culture guided by the TM CBE.

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 accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving ERM effectiveness, control and governance processes. During the financial year, the internal audit function provided continuous assurance on matters related 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.

IR Further information on Internal Audit is provided on pages 227 to 229 of this IAR.

Directors' Statement on Risk Management & Internal Controls

ADEQUACY & EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS

The TM Risk Maturity Assessment 2023 (TMRMA 2023) plays a vital role in our ERM framework toward to ensure the adequacy and effectiveness of our ERM and internal control systems. The TMRMA aims to achieve the following objectives:

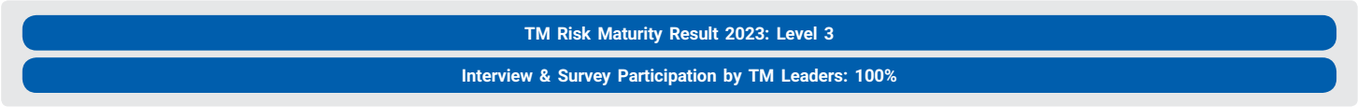
- Understanding the current risk management maturity level with in organisation
- Identifying areas where TM can improve risk management processes
- Providing business assurance in meeting organisational targets/goals
- Enabling more informed decisions about risk and integrated analytics to manage opportunities as well as potential negative impacts

Spearheaded by the Group Risk Management (GRM), this assessment actively engages key stakeholders, including selected Directors, Heads of Divisions and risk coordinators across the organisation.

Risk Maturity Results

An initiative to gauge our Risk Maturity level and benchmarking was conducted with an appointed consultant from September to December 2023 involving interviews with selected Directors and TM leaders, survey and validation with the GRM and risk coordinators.

The assessment was conducted in accordance with the consultant's risk maturity framework, covering the following nine (9) components. Overview of Risk Maturity results summarised in the following illustration:



Risk Maturity Framework 2023

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 BOD and senior management posting(s) to the various subsidiaries and 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 Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Controls. 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. 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.

Statement of Internal Audit

Group Internal Audit (GIA) supports TM Group in achieving its business objectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. GIA provides independent and objective assurance and consulting services to enhance and protect organisational value. The internal audit charter approved by the BAC defines GIA's purpose, authority and responsibility.

GIA, headed by the Chief Internal Auditor (CIA), reports directly to the BAC to preserve its independence and objectivity while ensuring audit personnel are free from any relationships or conflicts of interest that 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 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 out audit functions aligned with the Group's objectives. The CIA periodically reports on the activities performed by the 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.

PRACTICES & 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 the adequacy and effectiveness of the design, implementation and efficiency of the Group's overall internal control system, risk management and governance.

GIA adopts the International Professional Practices Framework (IPPF)® and its mandatory elements, including the 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 to effectively and efficiently execute the audit engagements.

SCOPE & COVERAGE

GIA continues to adopt a risk-based audit plan approach in formulating the annual audit plan, considering TM's strategic objectives, risk profiling and inputs from the BAC and Senior Management. This is to provide independent assurance to the Board that the audit plans are prioritised based on the Group's strategies, objectives and key risk areas.

GIA **focused on seven (7) key audit areas** covering the business value chain, in line with TM's direction and risks. Among the key areas reviewed during FY2023 are:

STRATEGIC PARTNERSHIPS & COLLABORATIONS

Audit Area	Key Audit Review
Sales Strategy & Conversion	• Churn and Retention Programme • Reseller Management • Revenue Performance Management
Customer Experience Strategy & Management	• Content Marketing • Unifi Credit and Collection Management • Digital Platform Experience
Infrastructure & Capacity Management	• Project Planning and Management • Capacity Management • Inventory Management
IT & Cyber Security	• Software License Management • Cyber Security Implementation • Application Management • System Assessment
Supplier/Partner Development & Management	• Partners' Appointment and Management • Partners' Contract Management
Workforce Strategy & Management	• Scholarship Management
Governance & Compliance	• Procurement Contract Management • Consultancy Engagement • Capex Management

Statement of Internal Audit

Based on a total of 48 audits carried out in FY2023, among the key risks identified are:

- The strategy, planning, development and management of key products from the three (3) LoBs i.e. Unifi, TM One and TM Global
- The ecosystem that drives the revenue and cost management within the LoBs includes the team setup effectiveness, sales management, sales campaigns, partners' appointments and management
- The delivery and management of TM's main projects and services, which include the processes, systems, network infrastructure and people capabilities
- Governance and compliance to assess the adherence and improvement needed on key areas within the financial-Capex spending, procurement, workforce, license management and cyber security matters

All internal audit reports with significant improvement opportunities were presented to the BAC for deliberation, while others were reported in the quarterly reporting 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 continuously monitors and validates 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 contributions and value-adding recommendations to the 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.

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 results and conclusions. Audit reports are prepared by the respective GIA Head of Units, reviewed by the Deputy Chief Internal Auditors, with final review and approval 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.

GIA has fully utilised the Audit Management System (AMS) named Pentana. Pentana provides systematic audit work documentation and task tracking. The GIA internal analytics platform (ADEPT) is being applied to enable analytic-based audits as part of the audit fieldwork. This ADEPT was developed internally by Credence.

In maintaining the quality of audit work, GIA ensures that all audits conform to the Internal Audit IPPF standards. The IPPF was incorporated into the GIA Audit Manual, established for internal auditors to follow, where regular compliance reviews were conducted to ensure that internal audits complied with the Audit Manual.

The effectiveness and quality of the internal audit activities are also assessed externally by the Institute of Internal Auditor Malaysia (IIAM) via the External Quality Assessment Review (EQAR). Pursuant to the review, IIAM opined that the overall final opinion "Generally Conforms" to the Standards. GIA has fulfilled its key objectives in accordance with the IIA's International Standards for the IPPF.

In addition to conformance to the standard, GIA was noted to be generally operating at "Managed" levels against the Internal Audit Maturity Assessment (IAMA) framework. The matrix consists of five (5) levels, i.e. Initial, Defined, Implemented, Managed and Optimised.

This indicates that GIA manages reasonably well in meeting governance objectives, ensuring audit plans are risk-based and periodically reviewed, putting in place adequate policies and procedures, using audit management systems and data analytic tools in performing audits, supervising work quality, communicating audit results, following up on audit issues and reporting to Audit Committee on the implementation status, applying and declaring adherence to IIA's code of ethics.

RESOURCES

The internal audit activities in FY2023 were executed by 44 internal auditors from various educational backgrounds, as follows:

Education Background	No. of Internal Auditors as of 31 December 2023	Percentage %
Engineering/Network	16	36%
Accounting & Finance	14	32%
Information Technology/ Computer Science	9	20%
Business Administration/ Marketing	4	9%
Procurement/Human Resources/Law	1	2%
Total	**44**	**100%**

A total of RM8.2 million was incurred on internal audit activities in 2023. A summary of the internal audit costs is as follows:

Category	RM (million)	% of the total cost
Manpower	7.17	87.9%
Supplies and Material	0.06	0.8%
Other operating costs	0.91	11.1%
Depreciation	0.02	0.2%
Total	**8.16**	**100%**

PROFESSIONAL QUALIFICATION & CONTINUOUS COMPETENCY DEVELOPMENT

GIA is committed to equip 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 qualification. As of 31st December 2023, 23 internal auditors hold a total of 40 professional certifications and qualification, as shown below:

No.	Qualification	No. of Certifications
1	MBA/Masters	13
2	FCCA/CPA/CA/ACCA	3
3	Information Technology Infrastructure Library (ITIL)	3
4	Certified Internal Auditor (CiA)	2
5	Certified Professional Engineer (Ir.)	1
6	Certified Professional Requirements Engineering (CPRE)	1
7	Certified Tester, Foundation Level (CTFL)	1
8	Certified Data Centre Professional (CDCP)	1
9	Certified Tester, Advanced Level Test Analyst (CTAL- TA)	1
10	Certified IP Associate (CIPA)	1
11	Qualified Risk Auditor (QRA)	1
12	CISCO Certified Network Associate (CCNA)	3
13	Professional Technologist	2
14	MCI Consulting (Management Consulting, Level 1: Analyst)	1
15	Prince 2 Foundation Certification	1
16	NIOSH Certification	2
17	IPV6 Certification	1
18	Data Scientist	1
19	Kaizen Lean Six Sigma (Green Belt) & QMS 9001: 2015 as Auditor/Lead Auditor	1
	Total	**40**

Note: FCCA – Fellow Chartered Certified Accountant, CPA – Certified Public Accountant, CA – Chartered Accountant, ACCA – Association of Chartered Certified Accountant

In addition to the above, 34% (15 auditors) are in the midst of pursuing their professional certifications at various stages.

GIA commits to continuously strive to improve the proficiency and effectiveness of its service as stipulated in the Internal Audit Charter. These are accomplished through the following:

- Involvement of auditors in the identified areas, such as audit training, strategic initiatives, leadership and communication, business acumen, data analytics and career progression
- Maintain corporate membership status in IIA Malaysia, which provides access to internal auditors for training, reading materials, audit resources and current happenings in the audit fraternity

GIA continuously encourages auditors to equip themselves with sufficient knowledge and skills to demonstrate a high level of proficiency and due professional care in fulfilling auditors' responsibilities. In 2023, the internal auditors attended 2,340 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 portfolio-focused, which supports talent development within GIA and enables the auditors to have adequate exposure to performing audits across the entire TM value chain.

Hawaby Sultan Muhamad
Chief Internal Auditor

Hisham Zainal Mokhtar
Chairman, Audit Committee

Enterprise Risk Management (ERM)

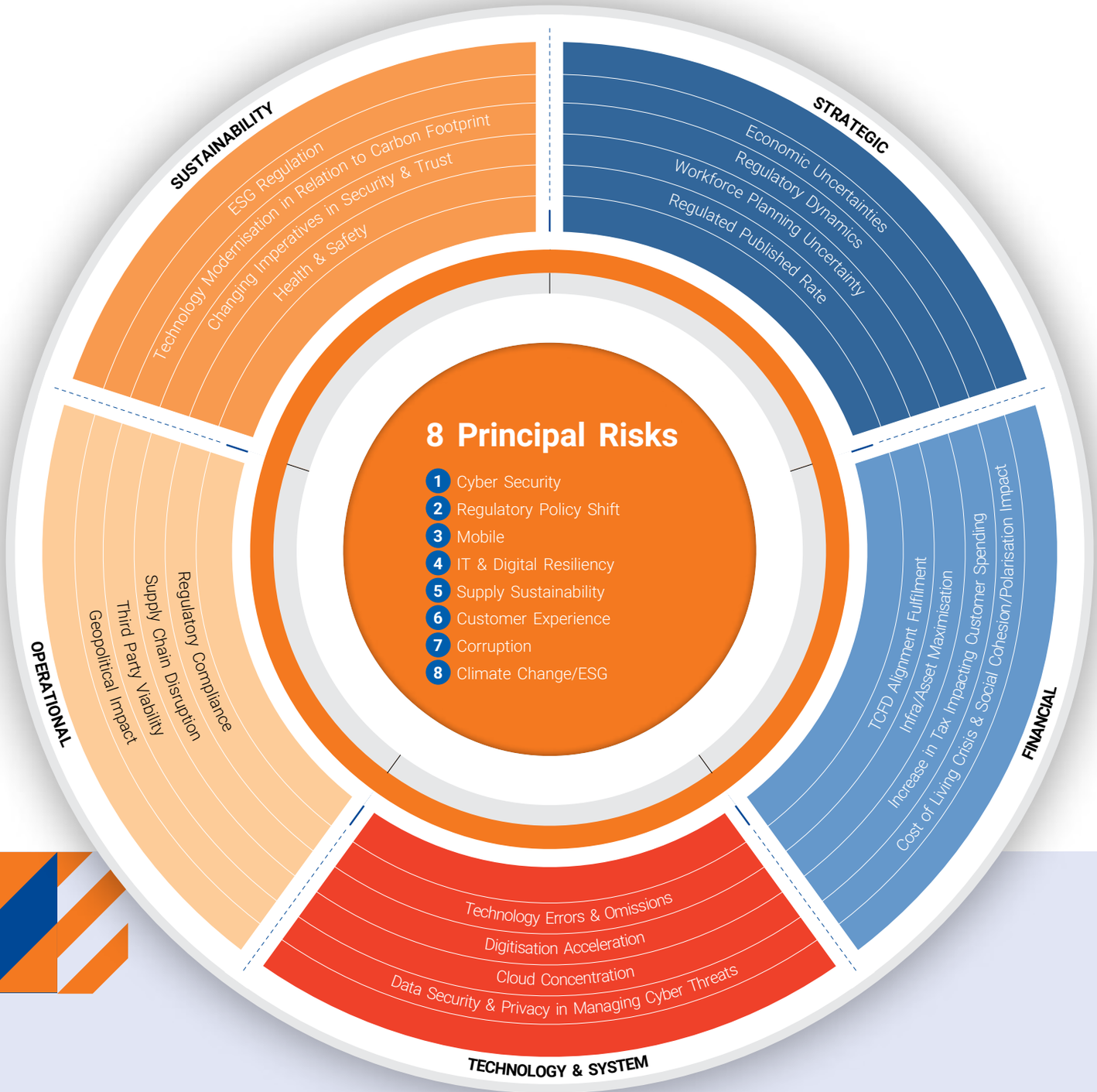


Figure 1: *TM's Risk Landscape*

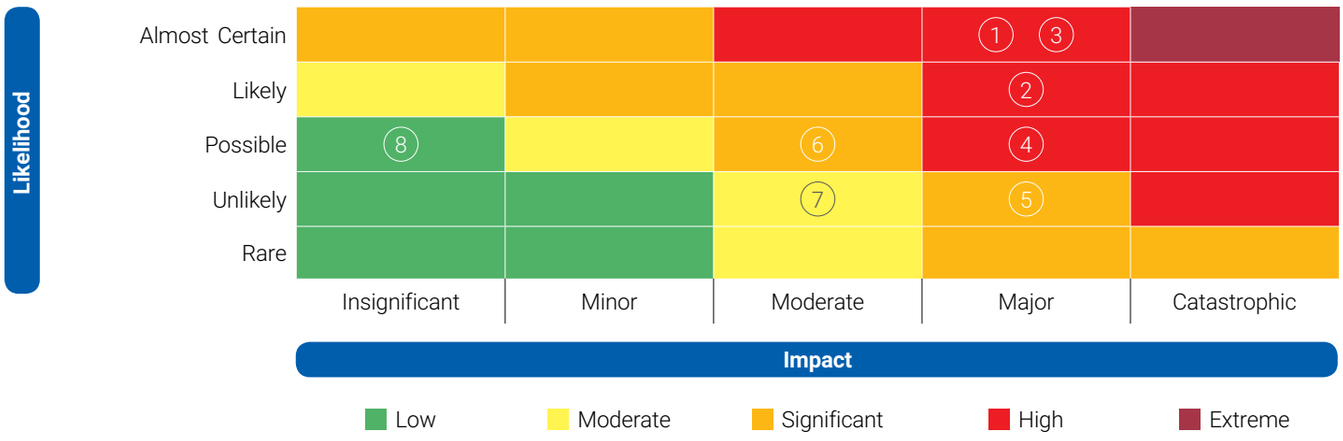
MANAGING UNCERTAINTIES IN OUR BUSINESS

TM Risk Landscape 2023 comprises of eight (8) Principal Risks, as well as external and internal factors that may directly or indirectly impact the organisation. The landscape provides perspective on managing uncertainties within our business. At its core, the Principal Risks guide board-level decisions and shape our enterprise strategy. Surrounding this core are risks stemming from external and internal factors that are continually monitored for their potential to escalate into corporate-level concerns.

The external and internal factors primarily economic shifts, regulatory dynamics, market landscapes, global sentiments and sustainability obligations, serving as our early warning system. This facilitates foresight and navigation through the ever-evolving external environment, ensuring our continuous alignment with business objectives while remaining vigilant in navigating uncertainties toward sustainable growth and resilience.

OUR PRINCIPAL RISKS

ERM implementation in TM covers the width and breadth of the Group's operations as illustrated in the following sections, to provide a more structured overview of the Principal Risks in 2023.



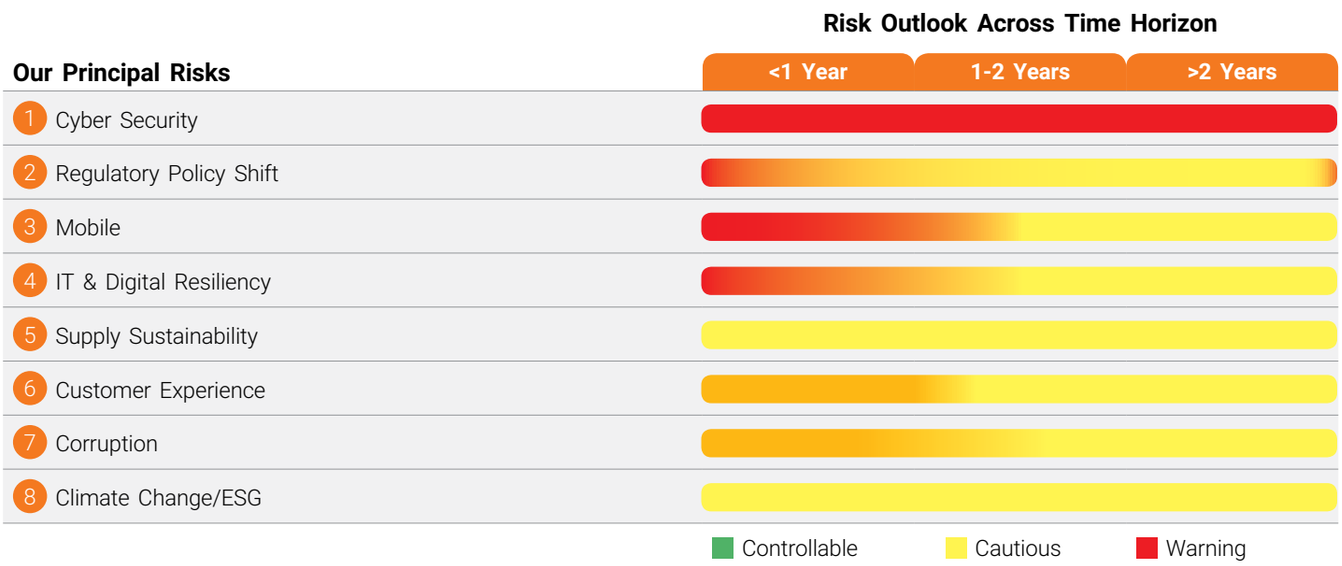


Figure 2: *2023 Principal Risks Heat Map & Risk Horizon*

Our heat map depicts TM's full-year rating for the Principal Risks in 2023, which are presented to BRIC every quarter – these reflect the risks with the highest material impact on TM's strategy, business and operations.

Based on the heat map in Figure 2, TM's Principal Risks ratings range between LOW to HIGH. Cyber Security, Regulatory Policy Shift, Mobile and IT and Digital Resiliency have potential material impacts that will continue to be given attention. With the identified controls in place, the risks are expected to be managed more effectively as we progress towards completing our key mitigations.

Enterprise Risk Management (ERM)

External and internal factors that may pose as potential risks to TM's business and operations:

Evolving Nature of Cyber Threats	• TM proactively addresses dynamic cyber threats through a robust Cyber Security Strategy and Technology Framework • Comprehensive measures include the development of cyber security capabilities, regular cyber drill exercises, liability mitigation and prioritising essential security controls • TM maintains effective security controls to safeguard the business ecosystem from cyber attacks
Economic Uncertainties	• Economic uncertainties originating from the global conflicts contribute to a volatile risk environment and may have significant bearings towards economic and supply chain that led to escalation of technology cost • Anticipated increase in the cost of living prompt a comprehensive reassessment of spending priorities for households, businesses and Government
Regulatory Dynamics	• Ongoing regulatory shifts are shaping TM's operations and the industry landscape • TM is managing the operational challenges coming from infrastructure expansion and regulatory parameters outlined in the Access List (AL) and MSAP • These dynamics elevate costs and pressure margins, necessitating strategic responses
IT & Digital Resiliency	• The landscape includes potential operational disruptions from IT applications and the ecosystem • Exposure to Mission Critical Business Critical (MCBC) system obsolescence • Addressing vulnerabilities necessitates a phased Application Transformation and Modernisation plan from 2023 to 2026
Increasing Competition & Evolving Customer Needs	• Amidst fierce competition, TM sets itself apart by enhancing customer experience through strategic digitalisation efforts • Continuous enhancements to network and services to provide high quality services, tailored products, expanding market share and meeting the nation's connectivity and inclusiveness requirements
Skill & Talent Dynamics	• TM commits to transforming talent capabilities by embracing the Agile Way of Working and fostering digital skill development among *Warga TM* • Strategic initiatives are undertaken to bridge talent gaps and ensure alignment with future business needs
Climate Change	• TM acknowledges the escalating risks posed by climate change to its operations and infrastructure • Strategic initiatives are in place to enhance climate change resilience and sustainability • Focus areas include reducing carbon emissions, adopting eco-friendly practices and aligning with global efforts for a greener, more sustainable future

On the business front, TM prioritised improvements in the Mobile sector by closely monitoring risks related to quality and coverage to enhance customer experience and leverage 4G and 5G capabilities.

Our strategic focus on brand and customer experience is evidenced by innovations aligned with the JENDELA plan, ensuring broader coverage and enhanced broadband experiences. Throughout 2023, despite the intense competition among service providers, we continued our unwavering dedication to providing attractive offers. Unifi *Pakej RAHMAH* was launched in line with the Government's goal of enhancing digital inclusivity by providing affordable access. It contributes to increased accessibility and affordability while reinforcing our commitment to customer-centric solutions.

Continuing our convergence agenda and recognising the digitalisation of TM's business, caution prevailed amidst emerging uncertainties. This encompassed concerns about data privacy and protection, cyber threats, adaptation to the digital revolution, changing market demands, regulatory dynamics and the increasing impacts of climate change risk. These challenges are directly aligned with TM's material matters, identified through comprehensive stakeholder engagement and are integral to our Group Sustainability Framework. TM incorporated strategic actions into operational plans, emphasising ESG considerations, including efforts to reduce carbon emissions from our operations as detailed in our Sustainability Report on pages 126 to 131.

In 2023, TM pioneered industry growth through digital innovation and sustainability, advancing toward the envisioned milestone of transforming into a Digital Powerhouse by 2030. TM aspires to harness cutting-edge technologies to make significant progress in the digital landscape, positioning Malaysia as the regional digital hub. Our strategic focus extends beyond connectivity, as we set our sights on shaping the future of technology on a global stage.

Our ESG initiatives not only provide a competitive edge but also deliver tangible benefits to customers, employees, investors and stakeholders. In the current economic recovery phase, TM showcases agility in response to market dynamics, evolving customer needs and regulatory shifts. Our shareholders highly value our dedication to competitiveness, risk resilience and seizing opportunities. As we navigate the changing landscape, our unwavering focus is on sustaining growth, fostering innovation and creating lasting value for all stakeholders, aligning seamlessly with our vision for the future.

Looking ahead, Group Risk Management (GRM) is enhancing how we handle risks, not only in day-to-day operations but also in strategic projects and investments. This fortifies our base for the future and echoes with the formation of BRIC to supersede the current BRC starting January 2024.

Business Continuity Management (BCM)

Theme: To regain trust and confidence in Business Continuity and Resilience in driving the country towards becoming a Digital society and enhancing service coverage and quality of experience for all Malaysians

FACTS AT A GLANCE

a. TM is committed to its aspiration of becoming a Digital Powerhouse by 2030 with a vision to shape the future of technology on the global stage

b. Further improvement in the effectiveness of the Business Continuity Plan (BCP) and DRP through regular Testing & Simulation exercises in collaboration with both external (Government Agencies and other GLCs) and internal (Divisions/LoBs/Subsidiaries & State Operations Centre) stakeholders

c. Execution of best practices, coordination, monitoring, critical assets inventory management, physical hardening and inspection compliance requirements at TM's critical locations which are gazetted as the National Critical Keypoint *(Sasaran Penting Negara)*

TM'S BUSINESS CONTINUITY MANAGEMENT (BCM) – CONTEXT

In the evolving digital landscape, TM underscores its commitment to ensuring business continuity through a dedicated BCM governance framework. TM recognises the profound impact of technology in our operations and the importance of prioritising customer experience amidst embarking on our digital transformation. Our BCM governance strategy integrates practical policies and robust structures to navigate the complexities of the ever-changing technological environment and market requirements.

Figure 1: *TM BCM's Framework*

This framework ensures that technological innovations not only enhance connectivity but also adhere to ethical standards, inclusivity and privacy protection. TM's professionalism in BCM governance reflects our dedication to seamlessly sustain operations, foster resilience and uphold transparency as well as responsibility in the face of evolving challenges in the digital era.

TM's dedication to BCM is deeply ingrained in our governance structure. Within this framework, we meticulously analyse and address risks to safeguard the seamless delivery of our services, ensuring uninterrupted operations. In summary, the organisation prioritises business continuity through a well-structured governance framework that involves careful risk assessment and mitigation strategies. This commitment reflects a strategic mindset focused on ensuring the resilience and reliability of service delivery, even in the face of unforeseen challenges. TM's BCM framework includes proactive policies that address potential disruptions, providing a resilient response to disasters and crises. Underpinning our approach is a continuous improvement cycle that capitalises on lessons learnt, technological advancements and changes in the business landscape. On top of these, effective crisis communication, a key component of our BCM governance, keeps stakeholders informed about our strategies and measures in place.

As we navigate the digital landscape, TM's BCM governance not only safeguards business operations but also exemplifies our dedication to become a Digital Powerhouse by 2030, where the seamless integration of technology aligns with the principles of responsibility, inclusivity and positive societal impact. This commitment underscores our role as a technology leader contributing to a digitally connected and resilient future.

Business Continuity Management (BCM)

BUSINESS IMPACT ANALYSIS (BIA) PROVIDES THE FOUNDATION FOR EFFECTIVE BUSINESS CONTINUITY EXECUTION

A resilient organisation is one that can pre-empt and adapt to change, regardless of whether it is a planned change or a sudden change. With change also comes opportunities, so it is about understanding the wider benefits that a Business Impact Analysis (BIA) can provide to the organisation. it is a critical component of an organisation's risk management and business continuity planning process. Regular reviews of key BIA are essential to ensure that it remains up-to-date and aligned with the evolving business environment. It is important to take a holistic view and understand how a major change or incident can affect the operation of TM's business, our customers and potentially their customers. In a world of digital transformation, where so many companies are interconnected and dependent on each other, it is important that the BIA also take external factors as a consideration.

The BIA stands as a pivotal component of TM's BCM framework. A total of 13 registered BIAs are planned throughout 2023, covering the scope of our BCM key pillars, which include Network Connectivity and Mobile, IT & Information Security, Customer Touchpoint, Civil, Mechanical and Electrical (CME) Infrastructure and Commercial Building and Procurement & Logistic Operation. The objective of conducting the BIA is to develop a comprehensive understanding of how potential disruptions could impact various facets of our business operations. Through meticulous evaluation of critical processes, dependencies and resources, our goal at TM is to identify vulnerabilities and prioritise areas for required mitigations.

This proactive approach is designed to equip TM with the necessary tools to navigate challenges, minimise downtime and uphold a high service continuity. The desired outcome extends beyond mere resilience; we aim for an improved capacity to respond swiftly and effectively to unforeseen events, thereby safeguarding our reputation and instilling confidence among stakeholders.

Business Impact Analysis (BIA) Objective – To outline BCP & DRP Strategy Plan, e.g. RTO, MBCO timeline, Recovery Plan

No.	BCM Key Pillars	Planned BIA (based on critical scope)	BIA Key Highlights & Improvement Areas
1	**Network & Mobile**	1. BIA for Telco Cloud 2. BIA for 5G Core 3. BIA for NGOSS	• Evaluating and reviewing BC Strategy Plan (e.g. RTO & MBCO capabilities) • Prioritisation of Critical Business Function i. Enabler & System Availability ii. Product & Service Availability iii. Workforce & Vendor Capability • Quantify the business impact by assessing the financial, operational and strategic implications of the outcomes • Regularly perform DRP/BCP Simulation exercises (e.g. TTX & FTX) • Review recovery requirements to develop BCP/DRP strategies, ERP/CMP protocol and procedure, crisis communication plan and recovery solutions • Continuous Improvement i.e. PIR/AAR • TTX/FTX collaboration effort with external stakeholders (e.g. key suppliers, Government agencies, local authorities & regulators)
2	**IT & Information Security**	1. BIA for Unifi Mobile Reward system 2. BIA for RPA system 3. BIA for TM API system 4. BIA for Security Gateway	
3	**CME Infrastructure & Building**	1. BIA for TM's Hill Station (Priority to 6 Critical sites nationwide)	
4	**Customer Touchpoints**	1. BIA for Smart Services 2. BIA for Tech Inventory & Supply Chain 3. BIA for Private 5G Connectivity 4. BIA for Business Process Outsourcing	
5	**Procurement**	1. BIA for Upstream Supply Chain	

Table 1: *2023 Key Business Impact Analysis (BIA) based on TM's BCM Key Pillars*

BUSINESS CONTINUITY PLAN (BCP)

As a testament to our commitment to operational resilience, TM significantly emphasises regular testing and simulation exercises for our BCP and DRP. Internally, these exercises involve the active participation of key stakeholders across various departments, ensuring a comprehensive evaluation of response mechanisms and the effectiveness of our strategies. External stakeholders, including partners and regulatory bodies, are also engaged in selected simulations to enhance coordination and strengthen the collective resilience of the entire ecosystem.

1. Disaster Recovery Equipment (DRE) Cabin & Cellular on Wheel (CoW) Mobilisation FTX Simulation Exercise

In our pursuit of operational excellence, TM systematically executes BCP & DRP testing and simulation exercises, engaging both internal and external stakeholders. A notable highlight in this commitment was the recent DR Simulation Drill exercise conducted in Bagan Pasir, Perak, from 12 to 13 October 2023.

The exercise was focused on validating the operational readiness of our CoW and DRE Service Cabin units. Positioned as operational hubs during crises, these mobile units showcased their capabilities in real-time communication, decision-making and resource coordination. This hands-on mobilisation exercise not only served to test the efficiency of our Disaster Recovery team's response but also confirmed the seamless integration of these units with our broader BCP and DRP strategies.

The objective of the DR Simulation Drill exercise is to ensure TM's readiness for deployment of DRE Service Cabin and CoW during disasters or crises as part of the Business Continuity Strategy Plan led by GNT and TM State Operation Centre (TSOC) Perak.

In line with the TCFD recommendations in addressing the climate risk, BCM is covering the Physical Risk such as direct damage to assets and property caused by natural calamity. TM continue to assess and review climate related risks in managing the physical risk brought forth by the climate change, hence we continue to strengthen our BCP & DRP execution to sustain and strengthen our operational resiliency.

Field Training Exercise (FTX) Objective – To validate the readiness of the Operational Response Team (ORT) in responding to and recovering from various disasters or crises

No.	Scenario Plan	Scope DRP Testing & Observations	Results & Expected Outcomes
1	**Major Fire Incident**	1. Mobilisation of DR Equipment to recover services • Deployment of CoW through fibre • Deployment of DR Equipment (network element) OLT, MG, DWDM • Deployment of DR Equipment (power equipment) Mobile genset, LiOn battery, mobile rectifier	1. Achieved Network and Service Recovery within the pre-defined RTO targets 2. Successfully validate the effectiveness of the recovery plan 3. Identification of gaps & improvement opportunities
2	**Major Flood Incident**	2. Establish temporary communication via VSAT 3. Resumption of services in affected areas: • Unifi (Fixed Broadband Service) • Unifi (4G/LTE Mobile Service) • IPME via NID • Voice via MG (test gear) • Data via VSAT connectivity 4. Observation from gaps improvement & closure: • To review and further improve the target for the Recovery Time Objective (RTO) based on mobilisation distance • To explore other alternative technologies as temporary backhaul	**DSNG** ✓ **DRE Cabin** ✓ **CoW** ✓

Table 2: *DR simulations exercise key highlights & outcomes*

Business Continuity Management (BCM)

2. 2023 National Comprehensive Security Exercise (EX-COMSEC) Seminar & Tabletop Exercise (TTX)

The Government of Malaysia has recognised TM as one of the Critical National Infrastructures (CNI) by virtue of it being one of the key players for essential services in the telecommunication sector. As such, TM aligned itself with the Government's commitment towards national security preparedness, which is led by the National Security Council (MKN). In 2023, TM participated in the inaugural cross-agency/cross-industry EX-COMSEC organised by MKN towards readiness in managing national level security threats. The overview of EX-COMSEC and what it meant for TM is depicted in the following diagramme:

platform untuk merealisasikan aspirasi Dasar Keselamatan Negara 2021-2025 dan menghasilkan pendekatan baharu bersama-sama sejajar dengan konsep Keselamatan Menyeluruh (Comprehensive Security – COMSEC)

"... MKN to lead the implementation of Comprehensive Security practices involving various ministries, agencies, private sector and communities at the Federal, State and District levels.."

Figure 2: *TM's participation in the cross-agency/cross-industry EX-COMSEC organised by MKN*

The EX-COMSEC initiated by the MKN was held from 14 - 17 November 2023. Professional Sharing sessions by speakers from MKN, PDRM, ATM, NRC, APM, JPeN and GLCs (PETRONAS, TM & TNB) have provided insights on terrorism, public order threats crises and crisis management handling. 255 participants from various Federal and State Governments (35 agencies/authorities) were involved with PETRONAS, TM and TNB appointed as strategic partners.

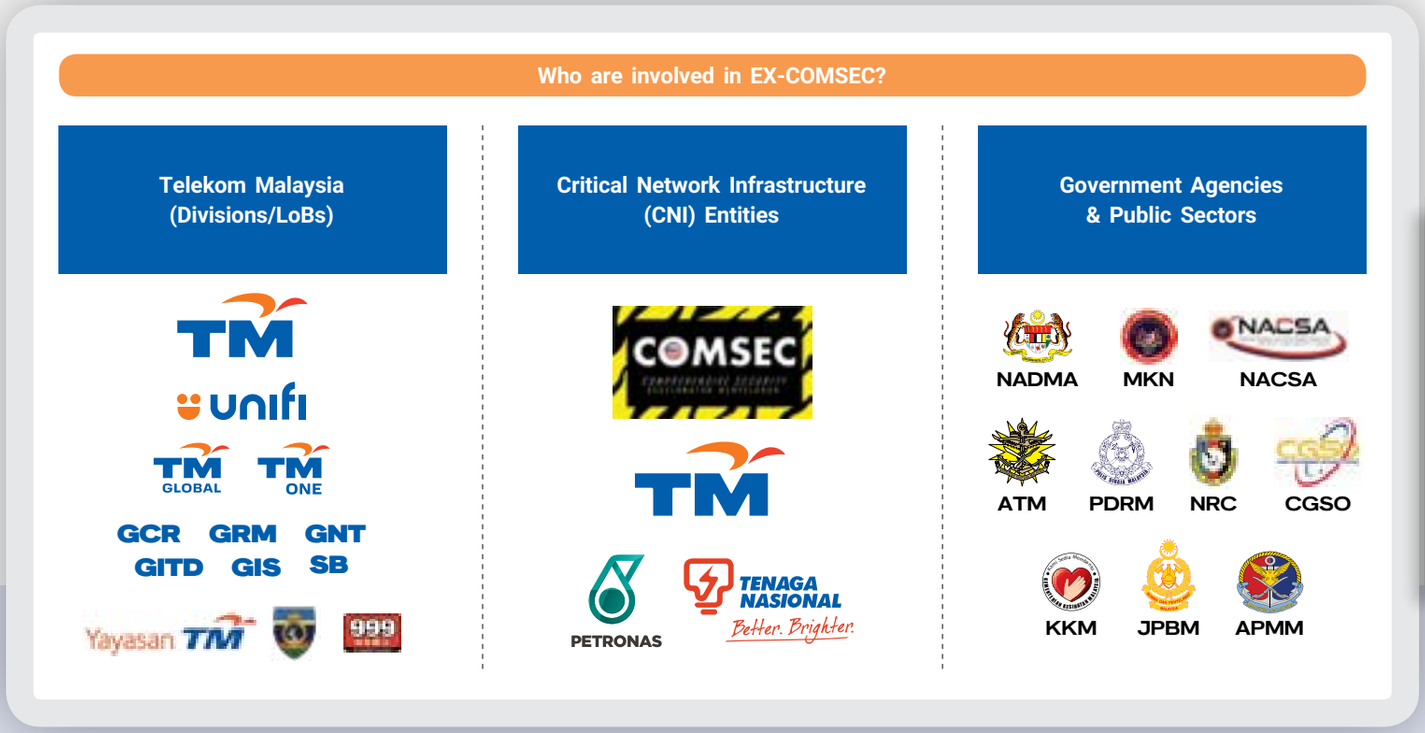


Figure 3: *EX-COMSEC Participants from various Federal & State Government agencies and GLCs*

TM has been given the opportunity to participate in the TTX as one of the industry players to test relevant SOPs for emergency response actions and crisis management handling together with other agencies, local authority, industries and communities in relation to the NSC Directive No.18 to Terrorism & Public Order threats crises.

TM's participation in EX-COMSEC is particularly crucial, given our recognition by the Government due to TM's roles as an essential services provider. This acknowledgment underscores TM's pivotal position in ensuring readiness and facilitating smooth cross-agency coordination in response to potential national security threats.

Figure 4: *Table Top Exercise (TTX) session successful with involvement 35 agencies/authorities & GLCs participants*

Business Continuity Management (BCM)

Representing a significant milestone as Malaysia's first National-scale exercise, EX-COMSEC stands as a pivotal event designed to enhance better coordination and crisis communication, emergency response capabilities among various Government inter-agencies, GLCs and communities in managing national security crises.

Figure 5: *The closing ceremony of EX-COMSEC 2023 was graced by the Director General of National Security Council (MKN)*

Post EX-COMSEC 2023 TTX event, an After-Action Review (AAR) meeting was conducted to debrief the TTX outcomes in order to facilitate learning and continuous improvement by identifying what worked well, what could be improved and how to apply the lessons learnt for future TTX/FTX activities planned for 2024.

Figure 6: *After-Action Review (AAR) Meeting for Post TTX Implementation review*

Beyond its immediate impact, the exercise provides TM with a unique opportunity to refine and improve its Business Continuity Plan. Additionally, it serves as a platform for upskilling our team, equipping them to effectively address potential national-level threats. TM's active involvement in EX-COMSEC not only underscores our commitment to national security interest but also reinforces our credibility with key stakeholders, ensuring our ongoing contribution to the resilience and preparedness of the nation.

CRITICAL NATIONAL INFRASTRUCTURE (CNI) & TM'S CRITICAL KEYPOINT PROTECTION SEMINAR & AWARENESS

Building upon the momentum of our commitment to national security, TM orchestrated a seminar on the CNI and TM Keypoint Protection on 27 February 2023. This seminar and awareness event represented a concerted effort to refine and elevate the management and compliance requirements of National Keypoint (i.e. *Sasaran Penting*) related regulations, directives and acts.

Figure 7: *Critical National Infrastructure (CNI) and Keypoint Protection Seminar & Awareness Session*

In addition to providing a platform for TM personnel to gain insights, the programme also included Professional Sharing sessions by reputable speakers from relevant authorities (e.g. the National Security Council (MKN), the Chief Government Security Officer (CGSO), the National Cyber Security Agency (NACSA), the Civil Aviation Authority of Malaysia (CAAM) and the MCMC.

TM's proactive effort in organising this seminar and awareness programme reflects our unwavering commitment to continuously improve the national security protocols. This includes our commitment to regularly review and assess control effectiveness at the designated Critical Keypoint sites to ensure the compliance requirements are being fulfilled, hence strengthening our commitment to fortify and safeguard TM's interest, which can lead to a significant impact on economic, defence, security or disruption to Government functions at the national level.

Moving Forward

TM continues to drive improvement of its BCM programmes whilst embedding business continuity as part of TM's culture. Being at the forefront of telecommunication technology evolution of the nation and providing connectivity to millions of Malaysians, business continuity management and its discipline have become even more important for TM as we progress towards becoming a Digital Powerhouse by 2030. TM remains committed to providing reliable quality service to its customers, ensuring that national security and essential services continue to operate in the face of national-level crises or disasters attributed to aggressive climate change or man-made impacts. By addressing TM's business continuity matters, the Group can create better stakeholder value, manage associated risks and opportunities and create positive economic, environmental and social impacts for sustainable growth.

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 & 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 2023 or entered into since the end of the previous FYE 31 December 2022, 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)	1. Provision of 5G RAN to-Edge Fronthaul and Backhaul Service	DNB to TM	**Agreement Date:** 14 April 2022 **Effective date:** 28 August 2021	Cash	a) MOF Inc., a corporate body established under the Minister of Finance (Incorporation) Act, 1957, is the holding company of DNB and a person connected to Khazanah Nasional Berhad (Khazanah).
	2. Share Subscription Agreement for equity stake in DNB between TM, MOF Inc. and DNB	TM to DNB	**Agreement date:** 1 December 2023	Cash	b) Khazanah is a major shareholder of TM. c) Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is also a former director of Khazanah within the preceding 6 months. d) Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board.
	3. Subscription to DNB's regulated 5G services	TM to DNB	**Agreement date:** 7 October 2022	Cash	

Disclosed in accordance with Appendix 9C, Part A, items 21 and 22 of the Main LR

3.0 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 objective of the LTIP is to encourage performance culture and as a retention tool. The LTIP comprises Restricted Share (RS) and Performance Share (PS) grants. The main difference between the RS and PS are 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.

TM LTIP shares granted, vested, lapsed and outstanding since the implementation of the plan until FY2023 are as follows:

	Restricted Shares (RS)	Performance Shares (PS)
Total number of shares granted	48,922,900	8,465,500
Total number of shares vested	43,103,600	3,559,100
Total number of shares lapsed	5,819,300	4,906,400

There was no granting of new RS or PS pursuant to the LTIP during the FYE 31 December 2023 and no PS grants have been accorded to the MD/GCEO to date. Further details on the grant's status to date are disclosed in our Financial Statement Book 2023.

Disclosed in accordance with Appendix 9C, Part A, item 27 of the Main LR

Additional Compliance Information

4.0 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

At the 38th Annual General Meeting (AGM) held on 25 May 2023, 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 26 April 2023 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of the forthcoming 39th AGM of the Company to be held on 30 May 2024.

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 FYE 31 December 2023 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 Transaction (RM '000)
Our Company and/or our subsidiaries	Axiata Group Berhad (Axiata) and/or its subsidiaries (Axiata Group)	**Interested Major Shareholder** • Khazanah **Interested Directors** • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin **Interested Person Connected** • MOF Inc.	Khazanah is a Major Shareholder of TM and Axiata. Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is also a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board. MOF Inc. is a Person Connected to Khazanah.	**Revenue** • Interconnect revenue from Axiata Group. • Provision of data and bandwidth-related services to Axiata Group. • Provision of contact centre and business process outsourcing services by VADS Berhad (VADS) to Axiata Group. • Provision of fibre optic core, data and bandwidth services by Fiberail Sdn Bhd (Fiberail) to Axiata Group. • Provision of fibre optic, bandwidth, space and facility by Fibrecomm Network (M) Sdn Bhd (Fibrecomm) to Axiata Group. **Cost** • Interconnect charges by Axiata Group. • Leased-line charges by Axiata Group. • Site rental for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group. **TOTAL**	444 3,236 19,924 121 192 9 1,477 29,902 **55,305**

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Relationship	Nature of RRPT	Value of Transaction (RM '000)
Our Company and/or our subsidiaries	Tenaga Nasional Berhad (TNB) and/or its subsidiaries (TNB Group)	**Interested Major Shareholder** • Khazanah	Khazanah is a Major Shareholder of TM and TNB.	**Revenue** • Provision of connectivity services, ICT equipment and security surveillance devices to TNB Group.	16,035
		Interested Directors • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin	Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is also a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board.	• Provision of fibre optic and bandwidth for telecommunication services to TNB Group. • Provision of digital services solutions and software to TNB Group. **Cost** • Leasing of fibre optic from TNB Group. • Leasing of infrastructure for telecommunication services from TNB Group.	7,698 0 13,533 8,360
		Interested Person Connected • MOF Inc.	MOF Inc. is a Person Connected to Khazanah.		
				TOTAL	**45,626**
Our Company and/or our subsidiaries	Petroliam Nasional Berhad (Petronas) and/or its subsidiaries (Petronas Group)	**Interested Directors** • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin	Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is also a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board. Khazanah is a major shareholder of TM.	**Revenue** • Provision of connectivity, customer and smart services to Petronas Group. • Sales of fibre optic cables, bandwidth and ethernet services to Petronas Group. • Provision of digital services solutions and software to Petronas Group. **Cost** • Payment of charges by Petronas Group on the design, supply, installation and maintenance of the Solar Power System. • Right of way, cabin and reimbursement fees of Fiberail's facilities charges by Petronas Group. • Purchase of fuel from Petronas Group.	78,606 19,747 0 101 3,845 4,196
		Interested Person Connected • MOF Inc.	MOF Inc. is a Major Shareholder of Petronas and a Person Connected to Khazanah.		
				TOTAL	**106,495**

Additional Compliance Information

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Relationship	Nature of RRPT	Value of Transaction (RM '000)
Our Company and/or our subsidiaries	Astro Malaysia Holdings Berhad (AMHB) and/or its subsidiaries (AMHB Group)	**Interested Major Shareholder** • Khazanah	Khazanah is a Major Shareholder of TM and AMHB.	**Revenue** • Provision of data, transmission and content delivery services AMHB Group.	55,092
		Interested Directors • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin	Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board.	• Provision of connectivity, customer and smart services to AMHB Group.	10,740
		Interested Person Connected • MOF Inc.	MOF Inc. is a Person Connected to Khazanah.		
				TOTAL	**65,832**
Our Company and/or our subsidiaries	CelcomDigi Berhad (CelcomDigi) and/or its subsidiaries (CelcomDigi Group)	**Interested Major Shareholder** • Khazanah	Axiata is a Major Shareholder of CelcomDigi. Khazanah is a Person Connected to Axiata and also an indirect Major Shareholder of CelcomDigi.	**Revenue** • Interconnect revenue from CelcomDigi Group.	12,809
				• Core rental and mobile services charges to CelcomDigi Group.	581
				• Provision of fibre optic, bandwidth, space and facility by Fibrecomm to CelcomDigi Group.	331
		Interested Directors • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin	Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board.	• Provision of fibre optic core, data and bandwidth services by Fiberail to CelcomDigi Group.	5,160
				• Provision of data and bandwidth related services to CelcomDigi Group.	158,589
				• Provision of internet access and broadband services to CelcomDigi Group.	389
				• Provision of leased-line services to CelcomDigi Group.	61,013
		Interested Person Connected • MOF Inc.	MOF Inc. is a Person Connected to Khazanah.	• Site rental for telecommunication infrastructure, equipment and related charges by TM Group to CelcomDigi Group.	46,318

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Relationship	Nature of RRPT	Value of Transaction (RM '000)
				Cost	
				• Interconnect charges by CelcomDigi Group.	11,638
				• Core rental and mobile services from CelcomDigi Group to TM Group.	4,789
				• Domestic Roaming and Multi Operator Core Network technologies by CelcomDigi Group to TM Technology Services Sdn. Bhd.	12,365
				• Leased-line charges by CelcomDigi Group.	957
				• Site rental for telecommunication infrastructure, equipment and related charges by CelcomDigi Group to TM Group.	4,997
				• Fibre optic and leased-line charges by CelcomDigi Group to Fibrecomm.	1,046
				TOTAL	**320,982**
Our Company and/or our subsidiaries	DNB	**Interested Directors** • Dato' Zainal Abidin Putih • Amar Huzaimi Md Deris • Datuk Dr. Shahrazat Haji Ahmad • Iszad Jeffri Ismail • Dato' Mohamed Nasri Sallehuddin **Interested Person Connected** • MOF Inc.	Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Datuk Dr. Shahrazat Haji Ahmad and her alternate director, Iszad Jeffri Ismail are nominee directors of MOF Inc. on TM Board. Dato' Zainal Abidin Putih is also a former director of Khazanah for the preceding six (6) months. Dato' Mohamed Nasri Sallehuddin is a nominee director of Khazanah on TM Board. MOF Inc. is the holding company of DNB and a Person Connected to Khazanah.	**Revenue** • Provision of connectivity, customer and smart services to DNB. • Provision of 5G connectivity and its core network comprising the leasing of fibre, site, data centre, edge facilities and other related transmission services to DNB. **Cost** • Subscription to DNB 5G Access Network. • Site rental for telecommunication infrastructure, equipment and related charges by DNB to TM Group.	254 105,228 3,043 0
				TOTAL	**108,525**

Note: Disclosure on Interested Major Shareholder/Director is as at 31 March 2024, coincides with the Latest Practicable Date (LPD) for Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for RRPT dated 30 April 2024.

Corporate Information

BOARD OF DIRECTORS

Dato' Zainal Abidin Putih
Chairman
Non-Independent Non-Executive Chairman

Amar Huzaimi Md Deris
Managing Director/Group Chief Executive Officer
Non-Independent Executive Director

Datuk Dr. Shahrazat Haji Ahmad
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

Ahmad Taufek Omar
Non-Independent Non-Executive Director

Iszad Jeffri Ismail
Alternate Director to Datuk Dr. Shahrazat Haji Ahmad
Non-Independent Non-Executive Alternate Director

** referred to as "Saheran Suhendran" throughout this IAR*

SENIOR INDEPENDENT DIRECTOR

Tunku Afwida Tunku Dato' A.Malek
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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

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Fax : +603-7890 4670
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CONTACT US

Unifi Customer Service
Reach out to our digital channels:

- maya.unifi.com.my
- help@tm.com.my
- @Unifi
- @Unifi

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For enquiries on TM

- Website: www.tm.com.my
- Contact our general line at +603-2020 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, PLC Compliance and Corporate Governance Unit. Her profile is disclosed on page 207 of the IAR 2023.

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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 23 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 companies. 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 has completed the Leadership Programme at Harvard Business School in 2021. He 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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Follow Unifi on:

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Download Unifi apps:

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GRI Content Index

Statement of use	Telekom Malaysia has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRJ version

GRI Standard	Disclosure	Reference Page
GRI 2: General Disclosures	2-1 Organisational details	About TM, pages 8 to 15
	2-2 Entities included in the organisation's sustainability reporting	Our Reporting Journey, pages 4 to 5
	2-3 Reporting period, frequency and contact point	Our Reporting Journey, pages 4 to 5
	2-4 Restatements of information	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
	2-5 External assurance	Our Reporting Journey, pages 4 to 5, 257 to 259
	2-6 Activities, value chain and other business relationships	About us: Value Creation Story – Value Creation Business Model, pages 58 to 59 Our Business: Unifi, page 72 Our Business: TM One, page 76 Our Business: Credence, page 80 Our Business: TM Global, page 82
	2-7 Employees	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
	2-8 Workers who are not employees	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
	2-9 Governance structure and composition	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-10 Nomination and selection of the highest governance body	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-11 Chair of the highest governance body	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Sustainability Journey: Sustainability Governance – Governance Structure, page 94 Our Governance: Corporate Governance Overview Statement, pages 170 to 193 Our Governance: Director's Statement on Risk Management and Internal Controls, pages 218 to 226 Our Governance: Enterprise Risk Management, pages 230 to 233 Our Governance: Business Continuity Management, pages 234 to 241
	2-13 Delegation of responsibility for managing impacts	Our Sustainability Journey: Sustainability Governance – Governance Structure, page 94 Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Journey: Sustainability Governance – Governance Structure, page 94
	2-15 Conflicts of interest	Our Governance: Corporate Governance Overview Statement, pages 170 to 193 Our Governance: Statement of Internal Audit (SIA), pages 227 to 229
	2-16 Communication of critical concerns	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-17 Collective knowledge of the highest governance body	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-18 Evaluation of the performance of the highest governance body	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-19 Remuneration policies	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-20 Process to determine remuneration	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-22 Statement on sustainable development strategy	About us: Words from the leaders – Chairman's Message, page 16 About us: Words from the Leaders – GCEO's Message, page 20 Our Sustainability Journey: Sustainability at TM – Sustainability Framework & Integration Plan, pages 88 to 89
	2-23 Policy commitments	Our Sustainability Journey: Sustainability at TM – Sustainability Framework & Integration Plan, pages 88 to 89 Our Sustainability Journey: Sustainability Governance – Policies, Guidelines & Certifications, pages 95 to 96

GRI Standard	Disclosure	Reference Page
GRI 2: General Disclosures	2-24 Embedding policy commitments	Our Sustainability Journey: Sustainability at TM – Sustainability Framework & Integration Plan, pages 88 to 89 Our Sustainability Journey: Sustainability Governance – Policies, Guidelines & Certifications, pages 95 to 96 Our Sustainability Journey: Enable Sustainable Growth for Customers and the Community, pages 98 to 121 Our Sustainability Journey: Ensure Business Resilience within TM and our Value Chain, pages 122 to 165
	2-25 Processes to remediate negative impacts	Our Governance: Corporate Governance Overview Statement, pages 170 to 193
	2-27 Compliance with laws and regulations	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Good Governance), pages 161 to 165
	2-28 Membership associations	Our Sustainability Journey: Sustainability at TM – Becoming a Sustainability Thought Leader, page 93
	2-29 Approach to stakeholder engagement	About Us: Value Creation Story – Stakeholder Priorities, pages 32 to 35
	2-30 Collective bargaining agreements	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
GRI 3: Material Topics 2021	3-1 Process to determine material topics	About Us: Value Creation Story – Material Matters, pages 37 to 44
	3-2 List of material topics	About Us: Value Creation Story – Material Matters, pages 37 to 44 About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Customer Experience), pages 103 to 107
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Network Stability & Quality), pages 108 to 110
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Affordability & Inclusion), pages 112 to 115
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	About Us: Value Creation Story – Market Trends, page 45 Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Affordability & Inclusion), pages 112 to 115
	203-2 Significant indirect economic impacts	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Affordability & Inclusion), pages 112 to 115
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Community Development), pages 116 to 121
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Community Development), pages 116 to 121
	203-2 Significant indirect economic impacts	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Community Development), pages 116 to 121
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Our Sustainability Journey: Enable Sustainable Growth for Customers & the Community – Digital Inclusion (Community Development), pages 116 to 121

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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
	303-3 Water withdrawal	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
	303-5 Water consumption	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
	306-2 Management of significant waste-related impacts	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Environmental Quality), pages 124 to 125
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
	302-4 Reduction of energy consumption	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
	305-2 Energy indirect (Scope 2) GHG emissions	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131
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	305-5 Reduction of GHG emissions	About Us: Words from the Leaders – GCFO's Message, page 26 About Us: Words from the Leaders – Chairman's Message, page 16 About Us: Words from the Leaders – GCEO's Message, page 20 About Us: Value Creation Story – Our Capitals, pages 60 to 62 About Us: Value Creation Story – Value Creation Business Model, pages 59 to 59 About Us: Value Creation Story – Risks Linked to Value Creation, pages 51 to 57 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Environmental Management (Carbon Emissions), pages 126 to 131 Our Governance: Corporate Governance Overview Statement, pages 170 to 193
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140

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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
	401-3 Parental leave	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	A Snapshot of 2023, page 2 About Us: Words from the Leaders – GCEO's Message, page 20 Our Sustainability Journey: Our Impact Scorecard, page 97 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
	405-2 Ratio of basic salary and remuneration of women to men	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
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	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Fair Employment), pages 133 to 140
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Health & Safety), pages 141 to 145
	403-2 Hazard identification, risk assessment, and incident investigation	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Health & Safety), pages 141 to 145
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	403-5 Worker training on occupational health and safety	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Health & Safety), pages 141 to 145
	403-6 Promotion of worker health	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Health & Safety), pages 141 to 145
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	403-8 Workers covered by an occupational health and safety management system	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Health & Safety), pages 141 to 145
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Learning & Development), pages 146 to 150
	404-2 Programmes for upgrading employee skills and transition assistance programmes	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Learning & Development), pages 146 to 150
	404-3 Percentage of employees receiving regular performance and career development reviews	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Responsible Employer (Learning & Development), pages 146 to 150
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Sustainable Supply Chain), pages 152 to 154
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	About Us: Value Creation Story – Value Creation Business Model, pages 58 to 59 About Us: Value Creation Story – Our Capitals, pages 60 to 62 Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Sustainable Supply Chain), pages 152 to 154
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Sustainable Supply Chain), pages 152 to 154
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Sustainable Supply Chain), pages 152 to 154
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Ethical Business (Sustainable Supply Chain), pages 152 to 154
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GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Business Ethics (Responsible Communication), pages 155 to 157
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GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Business Ethics (Cyber Security), pages 158 to 160
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GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Business Ethics (Good Governance), pages 161 to 165
	205-2 Communication and training about anti-corruption policies and procedures	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Business Ethics (Good Governance), pages 161 to 165
	205-3 Confirmed incidents of corruption and actions taken	Our Sustainability Journey: Ensure Business Resilience within TM & our Value Chain – Business Ethics (Good Governance), pages 161 to 165

SIRIM Independent Assurance Statement

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Telekom Malaysia Berhad (hereafter referred to as Telekom Malaysia) to perform an independent verification and provide assurance of Telekom Malaysia Sustainability Statement 2023. The main objective of the verification process is to provide assurance to Telekom Malaysia and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to sustainable performance information (subject matter) within the assurance scope which is included in Telekom Malaysia Sustainability Statement 2023.

The management of Telekom Malaysia was responsible for the preparation of the Sustainability Statement. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Telekom Malaysia's Sustainability Statement, and Integrated Annual Report 2023.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of Telekom Malaysia Sustainability Statement and its overall presentation against respective frameworks such as UN-SDGs, GRI Standards requirement, TCFD and other relevant frameworks. The assurance process involves verification of 14 material matters as presented in the Sustainability Statement as follows i.e., Innovation & Technology, Customer Experience, Network Quality & Stability, Affordability & Inclusion, Community Development, Environmental Quality, Carbon Emissions, Fair & Transparent Employment, Health & Safety, Learning & Development, Sustainable Supply Chain, Responsible Communication, Cyber Security and Good Governance. Details are provided in Appendix 1.

The verification was carried out by SIRIM QAS International in February 2024 to March 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Statement includes a detailed check of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Telekom Malaysia Integrated Annual Report 2023.
- The corporate office, TM HQ at Cyberjaya was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Telekom Malaysia's buildings and offices. And,
- The verification team did not verify any contractor or third-party data.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Telekom Malaysia relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Statement was subsequently reviewed and revised by Telekom Malaysia. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Telekom Malaysia has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Telekom Malaysia Sustainability Statement 2023 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Statement offers a reasonable and balanced presentation of Telekom Malaysia's sustainability performance.

SIRIM Independent Assurance Statement

List of Assessors.

1) Ms. Aernida Abdul Kadir : Team Leader
2) Ms. Kamini Sooriamoorthy : Team Member
3) Ms. Farhanah Ahmad Shah : Team Member
4 Ms. Suzalina Kamaralarifin : Team Member

Statement Prepared by:

AERNIDA BINTI ABDUL KADIR
Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date: 21 March 2024

Statement Approved by:

Ts. MD ADHA BIN RAHMAT
Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd
Date: 26 March 2024

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantees the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (21 March 2024).

Appendix 1 The material matters covered in this assessment are tabulated below:	**CLASSIFICATION OF DATA**			
	HIGH	**MEDIUM**	**LOW**	**UN SUBSTANTIATED**
Innovation & Technology	■			
Customer Experience	■			
Network Quality & Stability	■			
Affordability & Inclusion	■			
Community Development			■	
Environmental Quality		■		
Carbon Emissions	■			
Fair & Transparent Employment	■			
Health & Safety	■			
Learning & Development	■			
Sustainable Supply Chain	■			
: Bumiputera Vendor Development Programme (BVDP)				■
Responsible Communication	■			
Cyber Security	■			
Good Governance	■			

Note 1:
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (21 March 2024).

Note 2:
The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:
Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

HIGH : The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM : Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

LOW : Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED : The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

Glossary

A

12MP	12th Malaysia Plan
AAPG	Audit and Assurance Practice Guide
AAR	After-Action Review
ABMS	Anti-Bribery Management System
ACCA	Association of Chartered Certified Accountants
ACG	Anti-Corruption Guide
ACMA	Associate Chartered Institute of Management Accountant
ADEPT	Audit Data IntElligence PlaTform
AGM	Annual General Meeting
AI	Artificial Intelligence
AIGA	Integrity, Governance and Anti-Corruption Award
AL	Access List
ALB	Asia Legal Business
AMHB	Astro Malaysia Holdings Berhad
AMS	Audit Management System
AN	Autonomous Networks
AOP	Annual Operating Plan
API	Application Programming Interface
APM	Angkatan Pertahanan Awam Malaysia
AR	Augmented Reality
ARI	All Risk Industry
ATM	Angkatan Tentera Malaysia

B

B2B	Business-to-Business
BAC	Board Audit Committee
BC	Business Critical
BCIC	Bumiputera Commercial and Industrial Community
BCM	Business Continuity Management
BCMS	Business Continuity Management System
BCP	Business Continuity Plan
BEE	Board Effective Evaluation
BFDC	Brickfields Data Centre
BIA	Business Impact Analysis
BOC	Business Operations Council
BOD	Board of Directors
BPA	Board Performance Evaluation
BPOCs	Building & Premise OSHE Committees
BPC	Best Practice Committee
BPG	Business Policy and Governance
BRC	Board Risk Committee
BPOCs	Building and Premise OSHE Committees
BRA	Bukit Raja
BPM SUK	Bahagian Pengurusan Maklumat Setiausaha Kerajaan
BRIC	Board Risk and Investment Committee
BSS	Business Support System
BTC	Board Tender Committee
Bursa Securities	Bursa Malaysia Securities Berhad
BVDP	Bumiputera Vendor Development Programme

C

CA	Certifying Agency
CA	Certificate Authority
CA 2016	Companies Act 2016
CAAM	Civil Aviation Authority of Malaysia
CAE	Cloud Alpha Edge
CAGR	Compound Annual Growth Rate
CAN	CEO Action Network
Capex	Capital Expenditure
CBE	Code of Conduct & Business Ethics
CBCO	Chief Business & Consumer Officer
CBJ	Cyberjaya
CCAM	Contact Centre Association of Malaysia
CCO	Chief Commercial Officer
CCNA	CISCO Certified Network Associate
CCRO	Chief Corporate and Regulatory Officer
CDCP	Certified Data Centre Professional
CDN	Content Delivery Network
CDP	Climate Disclosure Project
CDTO	Chief Digital Technology Officer
CEO	Chief Executive Officer
CeIO	Certified Integrity Officer
CFE	Certified Fraud Examiner
CHCO	Chief Human Capital Officer
CHE	Sistem Kabel Dasar Laut (SKDL) Cherating
CGMA	Chartered Global Management Accountant
CGSO	Chief Government Security Officer
CiA	Certified Internal Auditor
CIA	Chief Internal Auditor
CIGO	Chief Integrity and Governance Officer
CIPA	Certified IP Associate
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CME	Civil, Mechanical and Electrical
CMIIA	Chartered Member of the Institute of Internal Auditors Malaysia
CMP	Crisis Management Plan
CNI	Critical National Infrastructures
CNO	Chief Network Officer
COBIT	Control Objectives for Information and Related Technology
COMSEC	National Comprehensive Security
COO	Chief Operating Officer
COP28	28th annual United Nations (UN) Climate Change Conference
COSO	Committee of Sponsoring Organisations of the Treadway Commission
COVID-19	Coronavirus Disease 2019
CoW	Cellular on Wheel
CPA	Certified Public Accountant
CPO	Chief Procurement Officer
CPRE	Certified Professional Requirements Engineering

CREDENCE	TM Digital Innovation Sdn Bhd
CRO	Chief Risk Officer
CSA	Chartered Secretaries and Administrators
CSA	Corporate Sustainability Assessment
CSO	Chief Strategy Officer
CSP	Cloud Service Provider
CTAL- TA	Certified Tester, Advanced Level Test Analyst
CTDC	Brickfield Data Centre
CTFL	Certified Tester, Foundation Level
CUU	Cooling Unit Upgrading
CVM	Customer Value Management
CX	Customer Experience

D

DC	Data centre
DEI	Diversity, Equity & Inclusion
DiLea	Digital Learning Programme
DNB	Digital Nasional Berhad
DOA	Declaration of Assets & Interests
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
DRAN	Distributed Radio Access Network
DR	Disaster Recovery
DRE	Disaster Recovery Equipment
DRP	Disaster Recovery Plan
DRS	Dividend Reinvestment Scheme
DSORMIC	Directors' Statement on Risk Management & Internal Control
DWDM	Dense Wavelength Division Multiplexing

E

EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECRL	East Coast Rail Link
ED	Executive Director
EEO	Energy Efficiency Optimisation
EESG	Economic, Environmental, Social and Governance
EGM	Extraordinary General Meeting
EMAS	Eco-Management Audit Scheme
EPC	Energy Performance Contracting
EPF	Employee Provident Fund
EPL	Ethernet Private Line
ePOS	electronic Point of Sale
ePTW	electronic Permit-to-Work
EQAR	External Quality Assessment Review
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
e-TVCMS	e-Television Content Management System
EV	Electric Vehicles
EVP	Executive Vice President
EVPL	Ethernet Virtual Private Line
EX-COMSEC	2023 National Comprehensive Security Exercise
EY	Ernst & Young PLT

F

FALCON	Fibre Access Lan Campus Optical Network
FAQs	Frequently Asked Questions
FBO	Facilities-Based Operator
FCCA	Fellow Chartered Certified Accountant
FL	Federated Learning
FMC	Fixed-Mobile Convergence
FR	Frequency Rate
FTA	Free-To-Air
FTE	Full-Time Equivalent
FTX	Field-Trial Exercise
FWA	Flexible Working Arrangement

G

GBA	Group Business Assurance
GBI	Green Building Index
GBS	Global Business Malaysia
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GDP	Gross Domestic Product
GDPM	Geran Digital PMKS MADANI
GDPO	Group Data Privacy Officer
GET	Green Energy Tariff
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
GNT	Group Network & Technology
GPA	Group Personal Accident
GRI	Global Reporting Initiative
GRM	Group Risk Management
GTM	Go-To-Market
GWP	Global Warming Potential

H

HIRARC	Hazard Identification Risk Assessment and Risk Control
HP	Hewlett Packard
HR	Human Resource
HSBB	High-speed broadband
HSBA	High-Speed Broadband Access
HW	Hot Work

Glossary

I

IAMA	Internal Audit Maturity Assessment
i-CBYD	i-Call Before You Dig
IDC	International Data Corporation
IAR	Integrated Annual Report
ICAEW	Institute of Chartered Accountants in England and Wales
ICAO	The Civil Aviation Organisation
i-CBYD	Intelligence Call Before Your Dig
ICE	Internal Combustion Engines
ICT	Information & Communications Technology
ICU	Implementation Coordination Unit
IIA	Institute of Internal Auditors
IIAM	Institute of Internal Auditors Malaysia
IIUM	International Islamic University Malaysia
INTAN	National Institute of Public Administration
INED	Independent Non-Executive Director
IoT	Internet of Things
IP	Integrity Pledge
IP	Internet Protocol
IPAM	Insolvency Practitioners Association of Malaysia
IPCC	Intergovernmental Panel on Climate Change
IPDC	Iskandar Puteri Data Centre
IPPF	International Professional Practices Framework
IPSDN	IP-based Secure Data Network
IR	Incident Rate
IR4.0	Industrial Revolution 4.0
ISACA	Information Systems Audit & Control Association
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT-DR	IT Disaster Recovery
IT BCP	IT Business Continuity Plan
ITM	Mara Institute of Technology

J

JENDELA	Jalinan Digital Negara
JIC	JENDELA Implementation Committee
JPAST	Mesyuarat Jawatankuasa Pengurusan Aduan Sektor Telekomunikasi
JPDP	Department of Privacy & Data Protection
JPeN	Jabatan Penerangan
JPNS	Jabatan Perhutanan Negeri Selangor
JPPKK	Jabatan Pendidikan Politeknik dan Kolej Komuniti
JRC	Jalan Raja Chulan
JSC	JENDELA Steering Committee

K

KI	Kuala Lipis
KKD	Kementerian Komunikasi dan Digital
KL20	The Government's Kuala Lumpur 20 initiative
KLJ	Kelana Jaya
KPI	Key Performance Indicator
KRISTAL	TM's Core Values
KO	Kota Bharu
KVDC	Klang Valley Data Centre
KWAN	National Trust Fund of Malaysia
KWAP	Retirement Fund Incorporated

L

L&D	Learning and Development
LEED	Leadership in Energy and Environmental Design
LLM	large language models
LoA	Limit of Authority
LoBs	Lines of Business
LTIPs	Long-Term Incentive Plans
LTE	Long-Term Evolution
LTIP	Long-Term Incentive Plan

M

MACA	Malaysian Anti-Corruption Academy
MACC	Malaysian Anti-Corruption Commission
MAICSA	Malaysian Institute of Chartered Secretaries and Administrators
Main LR	Main Market Listing Requirements
MAINS	Majlis Agama Islam Negeri Sembilan
MAP II	Mandatory Accreditation Programme Part II
MAS	Microsoft Azure Stack
MBCO	Minimum Business Continuity Objective
MC	Management Committee
MCBC	Mission Critical Business Critical
MCCG	Malaysian Code on Corporate Governance
MCMC	Malaysian Communications and Multimedia Commission
MD	Managing Director
MEC	Multi-Access Edge Computing
MEF	Metro-Ethernet Forum
MEIH	Malaysia Energy Information Hub
MFA	Multifactor Authentication
MFRS	Malaysian Financial Reporting Standards
MG	Media Gateway
MH	Material Handling
MIA	Malaysian Institute of Accountant
MICPA	Malaysian Institute of Certified Public Accountants
MINDEF	Ministry of Defence
MLRP	Multi-Layer Restoration for Port
MMU	Multimedia University
MOCN	Multi-Operator Core Networks
MoC	Memorandum of Collaboration
MOF	Ministry of Finance

MoU	Memorandum of Understanding
MPBP	Majlis Perbandaran Batu Pahat
MPKS	Majlis Perbandaran Kuala Selangor
MRT	Mass Rapid Transit
MSAP	Mandatory Access Standard Pricing
MSME	Micro Small Medium Enterprise
MSQoS	Mandatory Standard of Quality of Service
MSSP	Managed Security Services Provider
MyDigital	Malaysia Digital Economy Blueprint

N

NACSA	National Cyber Security Agency
Nadi	National Information Dissemination Centre
NBOS	National Blue Ocean Strategy
NC4	National Cyber Coordination & Command Centre
NEC	Non-Executive Chairman
NED	Non-Executive Director
NETR	National Energy Transition Roadmap
NGOs	Non-Government Organisations
NGOSS	Next Generation Operation Support System
NIC	Network Intelligence Centre
NID	Network Interface Device
NIMP	New Industrial Master Plan
NIMP	National Information and Communications Technology (ICT) Initiatives Policy
NIST	National Institute of Standards and Technology
NIOSH	National Institute for Occupational Safety and Health
NOC	Network Operations Centre
NNOC	National Network Operations Centre
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NRC	National Recovery Council
NSC	National Security Council
NSRC	National SCAM Response Centre
NTT	Network Trouble Ticket
NUTE	Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia

O

OACP	Organisational Anti-Corruption Plan
OHI	Organisational Health Index
OLT	Optical Line Terminal
OPEX	Operating Expenditure
OSHE	Occupational Safety, Health and Environment
OSHEC	Occupational Safety and Health Committees
OSHMS	Occupational Safety and Health Management System
OSS	Operation Support System
OTT	Over-The-Top
OWASP	Open Worldwide Application Security Project

P

PATAMI	Profit After Tax and Minority Interests
PBT	Pihak Berkuasa Tempatan
PCC	Procurement Compliance Committee
PCI DSS	Payment Card Industry Data Security Standard
PDRM	Polis DiRaja Malaysia
PEDi	Pusat Ekonomi Digital (Digital Economy Centre)
PEMERKASA	Program Strategic Memperkasa Rakyat dan Ekonomi (Strategic Programme to Empower the People and the Economy)
PEMULIH	Pakej Perlindungan Rakyat dan Pemulihan Ekonomi (National People's Well-Being and Economic Recovery Package)
PG	Payment Gateway
PII	Personal Identifiable Information
PIR	Post Implementation Review
PLC	Public Listed Company
PMC	Park City Medical Centre
PMI	Procurement Maturity Index
PMKS	Perusahaan Mikro Kecil & Sederhana
POC	Proof of Concept
PoPs	Point-of-presence
PPAs	Power Purchase Agreements
PUE	Power Usage Effectiveness
PWR 2030	Digital Powerhouse by 2030
PS	Performance Share
PSTN	Public Switched Telephone Network

Q

QRA	Qualified Risk Auditor

R

R&D	Research & Development
R2R	Recording to Reporting
RECs	Renewable Energy Certificates
RGTSU	Petronas' Regasification Terminal Sungai Udang
RECs	Renewable Energy Credits
RMIT	Royal Melbourne Institute of Technology
RS	Restricted Share
ROD	Record of Depositors
ROIC	Return On Invested Capital
RPA	Robotic Process Automation
RPEV	Remote Participation and Electronic Voting
RPT	Related Party Transactions
RRPTs	Recurrent Related Party Transactions
RS	Restricted Share
RTO	Recovery Time Objective
RTS	Rapid Transit System

Glossary

S

SaaS	Software as a Service
SCARLET	Scalable Renewable Energy System
SDEC	Sarawak Digital Economy Corporation
SDGs	Sustainable Development Goals
SDG9	Sustainable Development Goal no 9 on Industry, Innovation, and Infrastructure
SDG17	Sustainable Development Goal no 17 on Partnerships for the Goals
SDLC	Software Development Life Cycle
SDN	Software-Defined Network
SEAHK	South East Asia and Hong Kong
SICDA	Securities Industry (Central Depositories) Act 1991
SID	Senior Independent Director
SIRIM	Standards and Industrial Research Institute of Malaysia
SISDIT	Program Siswazah Usahawan Digital Terengganu
SME	Small Medium Enterprise
SMU	Singapore Management University
SOC	Security Operation Centre
SOPs	Standard Operating Procedures
SPE	Supplier Performance Evaluation
SPPA	Sustainable Power Purchase Agreements
SSI	Supplier Satisfaction Index
STEM	Science, Technology, Engineering, And Mathematics
SUTE	Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah
SUTEN	Kesatuan Pekerja-Pekerja Telekomunikasi Malaysia Berhad Sabah
SWGs	Sustainability Working Groups

T

TaaS	Telco-as-a-Service
TCFD	Task Force on Climate-Related Financial Disclosures
TechCom	Technology Committee
TMD3P	TM Data Privacy and Protection Policy
TMFS	TM Future Skills
TMGP	TM Graduate Programme
TM R&D	TM Research and Development
TMRMA 2023	TM Risk Maturity Assessment 2023
TMID	TM Integrity Day
TMiX	TM Internet Exchange
TNB	Tenaga Nasional Berhad
ToR	Terms of Reference
TOSC	Transformation Office Steering Committee
TSOC	TM State Operation Centre
TSR	Total Shareholder Returns
TTX	Tabletop Exercise
TVET	Technical and Vocational Education and Training

U

UNCDF	United Nations Capital Development Fund
UNGC	United Nations Global Compact
UM	Universiti Malaya
UniKL	Universiti Kuala Lumpur
UN SDGs	United Nations Sustainable Development Goals
USA	United States of America
UTES	Kesatuan Pekerja Telekom Malaysia Berhad Sarawak
USIM	University Sains Islam Malaysia

V

VoNR	Voice over New Radio
VP	Vice President
VPC	Virtual Private Cloud
VR	Virtual Reality
VSAT	Very Small Aperture Terminal
VSI	Vendor Security Index

W

WAF	Web Application Firewall
WAH	Working at Height
WAN	Wide Area Network
WCS	Working in Confined Space
WHV	Working near High Voltage
WOP	Working in Office/Premise
WOR	Working on/by Road

Y

YTM	Yayasan TM
YUM	Yayasan University Multmedia

Notice of the 39th AGM

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting (39th AGM) of Telekom Malaysia Berhad ("TM" or "the Company") will be held virtually through live streaming and online remote voting using the Remote Participation and Electronic Voting (RPEV) facilities available at https://investor.boardroomlimited.com with the Broadcast Venue at the Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 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 (FYE) 31 December 2023 together with the Reports of the Directors and Auditors thereon.

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) Dato' Zainal Abidin Putih **(Ordinary Resolution 1)**
(ii) Amar Huzaimi Md Deris **(Ordinary Resolution 2)**
(iii) Ahmad Taufek Omar **(Ordinary Resolution 3)**
(iv) Datuk Dr. Shahrazat Haji Ahmad **(Ordinary Resolution 4)**

3.0 To re-elect Suhendran Sockanathan who retires by rotation pursuant to Clause 112 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 5)**

YM Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam who also retire by rotation in accordance with Clause 112 of the Company's Constitution, have expressed their intention not to seek for re-election at this 39th AGM. Hence, both Directors will retain office until the conclusion of the 39th AGM.

4.0 To approve the payment of the following Directors' fees with effect from the 39th AGM until the next AGM of the Company:

(i) RM30,000 per month for the Non-Executive Chairman (NEC);
(ii) RM22,250 per month for Senior Independent Director (SID); and
(iii) RM20,000 per month for each Non-Executive Director (NED). **(Ordinary Resolution 6)**

5.0 To approve the payment of benefits payable to NEC and NEDs (including SID) of the Company up to an amount of RM2,350,000 from the 39th AGM until the next AGM of the Company. **(Ordinary Resolution 7)**

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 2024 and to authorise the Board of Directors to determine their remuneration. **(Ordinary Resolution 8)**

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. **(Ordinary Resolution 9)**

7.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate) with the following Related Parties:

(i)	Axiata Group Berhad and/or its subsidiaries (Axiata Group)	**(Ordinary Resolution 10)**
(ii)	Tenaga Nasional Berhad and/or its subsidiaries (TNB Group)	**(Ordinary Resolution 11)**
(iii)	Petroliam Nasional Berhad and/or its subsidiaries (Petronas Group)	**(Ordinary Resolution 12)**
(iv)	Astro Malaysia Holdings Berhad and/or its subsidiaries (AMHB Group)	**(Ordinary Resolution 13)**
(v)	CelcomDigi Berhad and/or its subsidiaries (CelcomDigi Group)	**(Ordinary Resolution 14)**
(vi)	Digital Nasional Berhad (DNB)	**(Ordinary Resolution 15)**

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 recurrent related party transactions of a revenue or trading nature with each of the abovementioned parties, respectively, pursuant to Ordinary Resolutions 10 to 15, as set out in Appendix I of the Company's Circular to Shareholders dated 30 April 2024;

PROVIDED THAT such transactions are necessary for the day-to-day operations and 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.

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 39th 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 23 May 2024. Only a depositor whose name appears in the ROD as at 23 May 2024 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) (SSM Practising Certificate No. 201908001071)
Mohammad Yazmi Mat Raschid (MAICSA 7028878) (SSM Practising Certificate No. 202308000182)
Company Secretaries

Kuala Lumpur
30 April 2024

NOTES:

1.0 Registration for Remote Participation and Electronic Voting (RPEV) Facilities

1.1 The 39th AGM will be conducted on virtual basis through live streaming from the Broadcast Venue. 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://investor.boardroomlimited.com.

1.2 Registration for RPEV is open from the date of Notice of the 39th AGM on Tuesday, 30 April 2024 until 10:00 a.m. on Wednesday, 29 May 2024. Please follow the procedures provided in the Administrative Guide to register and participate remotely via the RPEV facilities.

1.3 The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman of the meeting to be present at the main venue of the 39th AGM and to facilitate the conduct of the virtual meeting.

1.4 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 and during the 39th AGM

2.1 Members may submit questions electronically in relation to the agenda items prior to the meeting via https://investor.boardroomlimited.com not later than 10:00 a.m. on Wednesday, 29 May 2024. Click 'Submit Questions' after selecting "TELEKOM MALAYSIA BERHAD (39th) ANNUAL GENERAL MEETING" from 'Meeting Event(s). The responses to these questions will be shared at the 39th AGM.

2.2 Members may also pose questions via real time submission of typed text at the 39th 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 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.

3.5 The instrument appointing the proxy must be deposited or submitted in the following manner not less than 24 hours before the time appointed for the taking of the poll or not later than 10:00 a.m. on Wednesday, 29 May 2024:

(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 submission at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information on the electronic submission.

Any alteration to the instrument appointing the proxy must be initialled.

3.6 By submitting the duly executed Proxy Form, the member and his/her proxy(ies) 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 2010 for the purpose of the 39th AGM and any adjournment thereof.

4.0 Voting by Poll

Pursuant to Paragraph 8.29A of the Main LR, all resolutions set out in the Notice of 39th AGM will be put to vote by poll.

5.0 Audited Financial Statements for the FYE 31 December 2023

The Audited Financial Statements are laid before the shareholders, pursuant to the provisions of Sections 266(1)(a) and 340(1)(a) of CA 2016, for discussion only. They do not require shareholders' approval and hence, will not be put for voting.

6.0 Ordinary Resolutions 1 to 5: Re-election of Directors who retire pursuant to Clause 106(2) and Clause 112 of the Company's Constitution

6.1 Clause 106(2) of the Company's Constitution provides that any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election.

Dato' Zainal Abidin Putih, Amar Huzaimi Md Deris, Ahmad Taufek Omar and Datuk Dr. Shahrazat Haji Ahmad 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.

6.2 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.

6.3 At this AGM, three (3) out of eight (8) eligible Directors are to retire in accordance with Clause 112. YM Tunku Afwida Tunku Dato' A.Malek, Balasingham A. Namasiwayam and Suhendran Sockanathan being the longest in office since their last retirement are to stand for re-election as Directors of the Company.

YM Tunku Afwida and Balasingham, who had served more than eight (8) years as TM's Independent Non-Executive Directors (INEDs), have notified the Board of their intention not to seek for re-election and hence, they shall retire as Directors upon the conclusion of the 39th AGM.

6.4 For the purpose of determining the eligibility of Director to stand for re-election at the 39th AGM, the Board through its Nomination and Remuneration Committee (NRC) had assessed the retiring Director and considered the following:

(i) The Directors' performance and contribution based on the Self and Peer Assessment results and Fit and Proper Assessment of the Board Performance Assessment (BPA)/Board Effectiveness Evaluation (BEE) 2023;
(ii) The Directors' level of contribution to the Board deliberations through their skills, experience, character and commitment; and
(iii) The level of independence demonstrated by the Independent Director, and his ability to act in the best interests of the Company in decision-making.

6.5 In line with Practice 6.1 of the Malaysian Code on Corporate Governance (MCCG), the Board had conducted an assessment of the Directors based on the relevant performance criteria via the BPA/BEE 2023. The Directors met the performance criteria required of an effective and a high-performance Board. In addition, the retiring Directors also provided their fit and proper declarations including non-conflict of interest and independence confirmations, where applicable.

6.6 Board, save for the abovenamed Directors who abstain on their respective re-election proposals, approved the NRC's recommendation that the aforesaid five (5) Directors who retire in accordance with Clause 106(2) and Clause 112 of the Company's Constitution, are eligible to stand for re-election.

6.7 Being eligible, the aforesaid five (5) Directors have consented and offered themselves to be re-elected as Directors of the Company. Their profiles are set out in the Profile of Board of Directors section on pages 194, 195, 196, 202 and 205 of the Integrated Annual Report (IAR) 2023.

7.0 Ordinary Resolutions 6 and 7: Directors' Fees and Benefits Payable by the Company

7.1 Section 230(1) of CA 2016 provides amongst others, that "the 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 shall be sought at the 39th AGM on the Directors' remuneration in two (2) separate resolutions as follows:

(i) Ordinary Resolution 6 on the payment of Directors' fees for the Company as determined by the Board from the date of the 39th AGM until the next AGM.

A review of TM Board's Remuneration and Benefit Policy was undertaken in 2023. The Board approved NRC's recommendation for the Directors' fees for the Company to remain unchanged, as they are still competitive, appropriate and in line with the prevalent market rate.

On 1 November 2023, the Subsidiaries Remuneration Framework (SRF) was revised whereby the Directors' fees for TM's NEC and NEDs appointed on Tier 1 and Other Subsidiaries were abolished.

(ii) Ordinary Resolution 7 on the payment of benefits payable to the NEC and NEDs (including SID) from the 39th AGM until the next AGM.

The benefits payable applicable to NEC and NEDs (including SID) comprise meeting fees, emoluments and claimable benefits are as stipulated below:

(a) Meeting fee structure for Board and Board Committees:

	TM Board (RM)	Board Audit Committee (RM)	Nomination & Remuneration Committee (RM)	Board Tender Committee (RM)	Board Risk and Investment Committee (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 revised 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 & UTSB*	3,000	2,000	500	300
Other Subsidiaries	1,500	1,000	Nil	Nil

* UTSB – Universiti Telekom Sdn Bhd.

(c) Benefits such as training programme, leave passage, business equipment, telecommunication bills, insurance and medical coverage.

7.2 The amount of remuneration received by each Director is provided in the Directors and Senior Management Remuneration section of the Corporate Governance Overview Statement and Note 6(b) on page 65 of the Audited Financial Statements for the FYE 31 December 2023.

7.3 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. Upon considering the revision to the SRF, the Board is recommending a quantum of RM2,350,000 as per the previous AGM.

7.4 Subject to the shareholders' approval of Ordinary Resolutions 6 and 7, the payment for fees and benefits for the period commencing from the 39th 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.

7.5 NEDs who are shareholders of the Company will abstain from voting on the aforesaid resolutions at the 39th AGM.

8.0 Ordinary Resolution 8: Re-appointment of Auditors and Audit Fees

8.1 The BAC had undertook and deliberated on the annual assessment of the external auditors, Ernst and 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.

8.2 BAC has also noted on the information in EY's 2023 Transparency Report and was satisfied in its review that the provision of non-audit services by EY to the Company for the financial year 2023 did not in any way impair their objectivity and independence as external auditors of TM. Based on the assessment, BAC recommends the re-appointment of EY as external auditors of the Company for the financial year 2024.

8.3 The Board at its Meeting on 23 February 2024 approved BAC's recommendation for shareholders' approval to be sought at the 39th AGM in accordance with Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

9.0 Ordinary Resolution 9: Allotment of Shares in relation to DRS

The proposed Ordinary Resolution 9, if passed, will give authority to the Directors to allot and issue new TM Shares pursuant to the DRS in respect of dividends to be declared after this AGM, if any. This authority shall expire at the conclusion of the next AGM.

10.0 Ordinary Resolutions 10 to 15: Proposed Renewal of Shareholders' Mandate

10.1 Ordinary Resolutions 10 to 15, if passed, will authorise the Company and/or its subsidiaries to continue to enter into recurrent related party transactions with related parties i.e. Axiata Group, TNB Group, Petronas Group, AMHB Group, CelcomDigi Group and DNB, 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.

10.2 The Interested Directors as indicated in Section 6 of the Circular to Shareholders dated 30 April 2024 and their Persons Connected will abstain from voting on Ordinary Resolutions 10 to 15. Detailed information on the proposals is as set out in the Circular.

Statement Accompanying Notice of the 39th AGM

Pursuant to Paragraph 8.27(2) and Appendix 8A of the Main LR of Bursa Securities

RE-ELECTION OF DIRECTORS AT THE 39TH AGM

1.1 The profiles of the following Directors who are retiring pursuant to Clause 106(2) of the Company's Constitution and standing for re-election are stated in the IAR 2023:

(i) Dato' Zainal Abidin Putih (Ordinary Resolution 1) – page 194

(ii) Amar Huzaimi Md Deris (Ordinary Resolution 2) – page 195

(iii) Ahmad Taufek Omar (Ordinary Resolution 3) – page 205

(iv) Datuk Dr. Shahrazat Haji Ahmad (Ordinary Resolution 4) – page 196

1.2 The profile of Suhendran Sockanathan (Ordinary Resolution 5) who is retiring pursuant to Clause 112 of the Company's Constitution and standing for re-election is stated on page 202 of the IAR 2023.

YM Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam who are also retiring by rotation in accordance with Clause 112 are not seeking for re-election at this 39th AGM. Hence, both Directors will retain office until the conclusion of the 39th AGM.

1.3 None of the above Directors has any interest in the securities of the Company, save for Amar Huzaimi Md Deris and Balasingham A. Namasiwayam, whose interests in shares are disclosed on page 25 of the Financial Statements.

1.4 Save as disclosed in the footnotes of the Profile of Board of Directors on page 206 of the IAR 2023, none of the above named Directors has:

(i) Any family relationship with any Directors/major shareholders of the Company;

(ii) Any conflict of interest (COI) or potential COI, including in any competing business with the Group;

(iii) Any conviction for offences (other than traffic offences) within the past five (5) years; and

(iv) Any public sanction or penalty imposed by the relevant regulatory bodies during the FYE 31 December 2023.

1.5 Based on the independence assessment undertaken via the BPA/BEE 2023, Suhendran Sockanathan who stands for re-election satisfies the criteria of independent director as defined under Paragraph 1.01 of the Main LR of Bursa Securities, 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.

1.6 Based on the Fit and Proper Assessment of BPA/BEE 2023, all the abovenamed Directors, save for Datuk Dr. Shahrazat Haji Ahmad (who did not participate in the BPA/BEE 2023 since she was only appointed on 15 December 2023), have the required probity, personal integrity, financial integrity, experience and competence and time commitment. Datuk Dr. Shahrazat Haji Ahmad's fit and proper assessment was duly conducted by NRC, Board and herself prior to her appointment as TM's new NINED.

Administrative Guide for 39th AGM

VIRTUAL AGM

The Thirty-Ninth Annual General Meeting **(39th AGM)** of the Company will be conducted virtually through live streaming via Remote Participation and Electronic Voting (RPEV) facilities, as stipulated below:

DATE	BROADCAST VENUE	MEETING MODE AND PLATFORM
Thursday, 30 May 2024 **TIME** 10:00 a.m.	Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia	Virtual basis through live streaming and online remote voting via meeting platform at https://investor.boardroomlimited.com

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 Thursday, 30 May 2024.

2) Shareholders may submit their questions in advance on AGM resolutions prior to commencement of the 39th AGM via the following mode:

   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 30 April 2024 and not later than 10:00 a.m. on 29 May 2024.

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. **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 39th AGM from any place at your convenience, safely and securely.

Remote Participation and Electronic Voting (RPEV)

- Please note that the RPEV is available to (i) Individual Shareholders; (ii) Corporate Shareholders; (iii) Authorised Nominees; and (iv) Exempt Authorised Nominees.
- 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 (BSIP)
(For first time registration only)
[Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2.]

a. Access website https://investor.boardroomlimited.com
b. Click **Register**>> to sign up as a user.
c. Please select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder".
d. Complete registration with all required information. Upload and attach a softcopy of your or representative's MyKad (front and back) or passport in JPEG, PNG or PDF format. For Corporate Holder, kindly upload the authorisation letter as well. Click "Sign Up".
e. You will receive an email from BSIP for email address verification. Click on "**Verify E-mail Address**" from the e-mail received to continue with the registration.
f. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click on "**Request OTP Code**" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "**Enter**" to complete the process.
g. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Administrative Guide for 39th AGM

STEP 2

Submit Request for Remote Participation User ID and Password

*[Note: The registration for remote access will be opened on **30 April 2024**]*

For Individual/Corporate Shareholders

- Login to https://investor.boardroomlimited.com using your user ID and Password from Step 1 above.
- Select "**TELEKOM MALAYSIA BERHAD (39th) ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".

(i) To attend the virtual AGM

- 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.

(ii) To appoint proxy

- Click on "**Submit eProxy Form"**.
- Select the company you would like to be represented (if more than one (1), for Corporate Shareholder).
- Enter your CDS Account Number and number of securities held.
- Select your proxy - either the Chairman of the meeting or individual named proxy(ies)
- Read and accept the General Terms and Conditions by clicking "**Next**".
- Enter the required particulars of your proxy(ies).
- 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**.
- Review and confirm your proxy(ies) appointment.
- Click "**Apply**".
- Download or print the eProxy Form as acknowledgement.

Note for Corporate Shareholders: if you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add company's name

(iii) For Corporate Shareholders (via email)

- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Shareholder and CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case maybe) to submit the request.
- Please provide a copy of Corporate Representative's or Proxy Holder's MyKad (Front and Back) or Passport in JPEG, PNG or PDF format together with his/her email address.

For Authorised Nominee and Exempt Authorised Nominee

(i) Via BSIP

- Login to https://investor.boardroomlimited.com using your User ID and Password from Step 1 above.
- Select "**TELEKOM MALAYSIA BERHAD (39th) ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".
- Click on "**Submit eProxy Form**".
- Select the company you would like to be represented (if more than one (1)).
- Proceed to download the file format for "**Submission of Proxy Form**".
- Prepare the file for the appointment of proxies by inserting the required data.
- Proceed to upload the duly completed Proxy Appointment file.
- Review and confirm your proxy appointment and click "**Submit**".
- Download or print the eProxy form as acknowledgement.

*Note: if you wish to appoint more than one (1) company, kindly click the home button and select "**Edit Profile**" in order to add company's name*

STEP 2 (Cont'd)

(ii) Via email

- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Shareholder and CDS Account Number accompanied with the Form of Proxy to submit the request.
- Please provide a copy of the Proxy Holder's MyKad (front and back) or Passport in JPEG, PNG or PDF format together with 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 are encouraged to submit your request **at least twenty-four (24) hours before the commencement of the Virtual AGM, i.e. by 10:00 a.m on 29 May 2024** to avoid any delay in the registration process.

STEP 3

Login to Virtual Meeting Portal

[Please note that the quality of the connectivity to Virtual Meeting Portal for live webcast 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. Login to https://investor.boardroomlimited.com with your registered email address and password.

b. Click into "Meeting Event(s) and go to **"TELEKOM MALAYSIA BERHAD (39th) ANNUAL GENERAL MEETING"** and then click "Join Live Meeting" to join the proceedings of the 39th AGM remotely.

c. The live webcast will end and the Messaging window will be disabled the moment the Chairman announces the closure of the AGM.

d. You can now logout from Virtual Meeting Portal.

***FOR THE BEST LIVE STREAMING EXPERIENCE, IT IS ADVISABLE TO KEEP YOUR VIDEO RESOLUTION AT 240P.**

Administrative Guide for 39th AGM

Entitlement to Participate and Vote

- Only a member or depositor whose name appears in the Register of Members/Record of Depositors (ROD) as at 23 May 2024 shall be entitled to attend the 39th 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 39th AGM using the RPEV facilities. If you are unable to attend the virtual AGM, 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 tm.com.my/iar2023.
- 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 10:00 a.m. on 29 May 2024 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: +603-7890 4700

- 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 10:00 a.m. on 29 May 2024. For further information, kindly refer to the RPEV Step 1 to 3 above.
- 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 or login to https://investor.boardroomlimited.com (as the case maybe) 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 the Main LR of Bursa Securities. The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Deloitte Business Advisory Sdn Bhd as Scrutineers to the poll results.
- During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules.
- 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, Questions and Voting

- TM welcomes participation and questions from shareholders on the AGM Resolutions at the 39th 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 on TM's website.
- Shareholders may submit their questions in advance on AGM resolutions prior to commencement of the 39th 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 30 April 2024 and not later than 10:00 a.m. on 29 May 2024.

- Shareholders may also pose questions during the live streaming of the 39th AGM via https://investor.boardroomlimited.com

How to Access the Integrated Annual Report 2023 (IAR 2023) and Related AGM Documents

- As part of our continuous commitment to sustainability, the IAR 2023 can be downloaded from our website at tm.com.my/iar2023 and also Bursa Malaysia's website.
- Shareholders may request for a printed copy of IAR 2023, 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 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.

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. Encik Kok Wen Tek	+603-7890 4799
2. Puan Farah Amirah Rahmad	+603-7890 4723

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.):

Group Company Secretarial Division

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)

Registration 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. _____
(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-Ninth (39th) Annual General Meeting (AGM) of the Company to be held virtually via the meeting platform https://investor.boardroomlimited.com from the Broadcast Venue at the Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 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)

Registration 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. _____
(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 39th AGM of the Company to be held virtually via the meeting platform https://investor.boardroomlimited.com from the Broadcast Venue at the Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 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"		Proxy "B"	
			For	Against	For	Against
Ordinary Resolution						
1.	Re-election of Dato' Zainal Abidin Putih pursuant to Clause 106(2)	Resolution 1				
2.	Re-election of Amar Huzaimi Md Deris pursuant to Clause 106(2)	Resolution 2				
3.	Re-election of Ahmad Taufek Omar pursuant to Clause 106(2)	Resolution 3				
4.	Re-election of Datuk Dr. Shahrazat Haji Ahmad pursuant to Clause 106(2)	Resolution 4				
5.	Re-election of Suhendran Sockanathan pursuant to Clause 112	Resolution 5				
6.	Payment of Directors' fees	Resolution 6				
7.	Payment of Benefits Payable to Non-Executive Chairman and Non-Executive Directors	Resolution 7				
8.	Re-appointment of Ernst & Young PLT (EY) as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration	Resolution 8				
Special Business						
9.	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)	Resolution 9				
10.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate) with Axiata Group Berhad and/or its subsidiaries (Axiata Group)	Resolution 10				
11.	Proposed Renewal of Shareholders' Mandate with Tenaga Nasional Berhad and/or its subsidiaries (TNB Group)	Resolution 11				
12.	Proposed Renewal of Shareholders' Mandate with Petroliam Nasional Berhad and/or its subsidiaries (Petronas Group)	Resolution 12				
13.	Proposed Renewal of Shareholders' Mandate with Astro Malaysia Holdings Berhad and/or its subsidiaries (AMHB Group)	Resolution 13				
14.	Proposed Renewal of Shareholders' Mandate with CelcomDigi Berhad and/or its subsidiaries (CelcomDigi Group)	Resolution 14				
15.	Proposed Renewal of Shareholders' Mandate with Digital Nasional Berhad (DNB)	Resolution 15				

Signed this _____ day of _____ 2024

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.
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 Registrars, 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 10:00 a.m. on Wednesday 29 May 2024**. The Share Registrars will also provide a box at the ground floor of its office building for drop-in of proxy forms.

   Proxy form can also be deposited by electronic submission at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information on the electronic submission.

Members Entitled to Attend

7. For the purpose of determining a Member who shall be entitled to attend the 39th 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 23 May 2024. Only a depositor whose name appears on the Register of Members/ROD as at 23 May 2024 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 2010, 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 39th AGM will be put to vote on a poll.

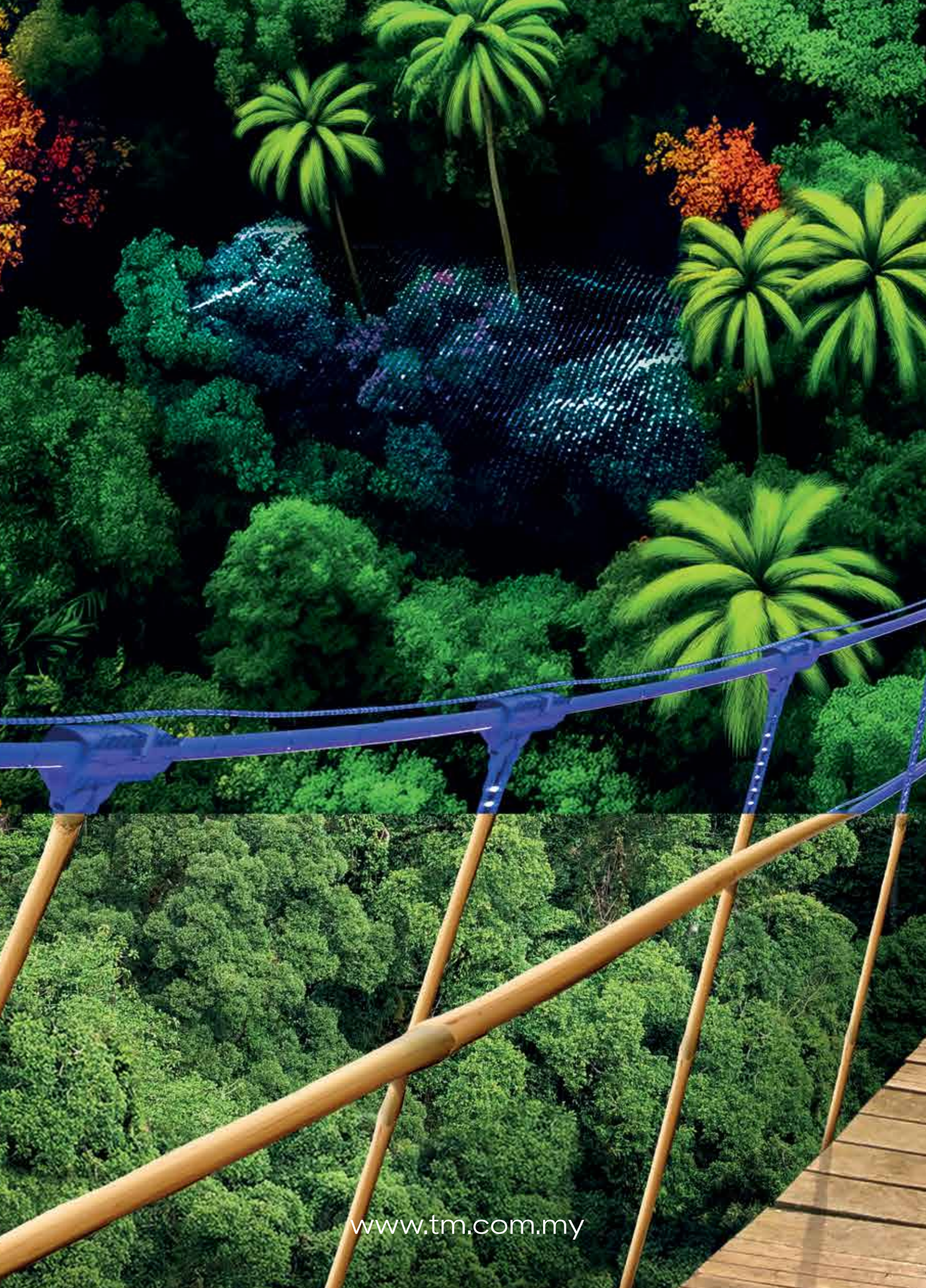
2. Fold this flap to seal

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


www.tm.com.my