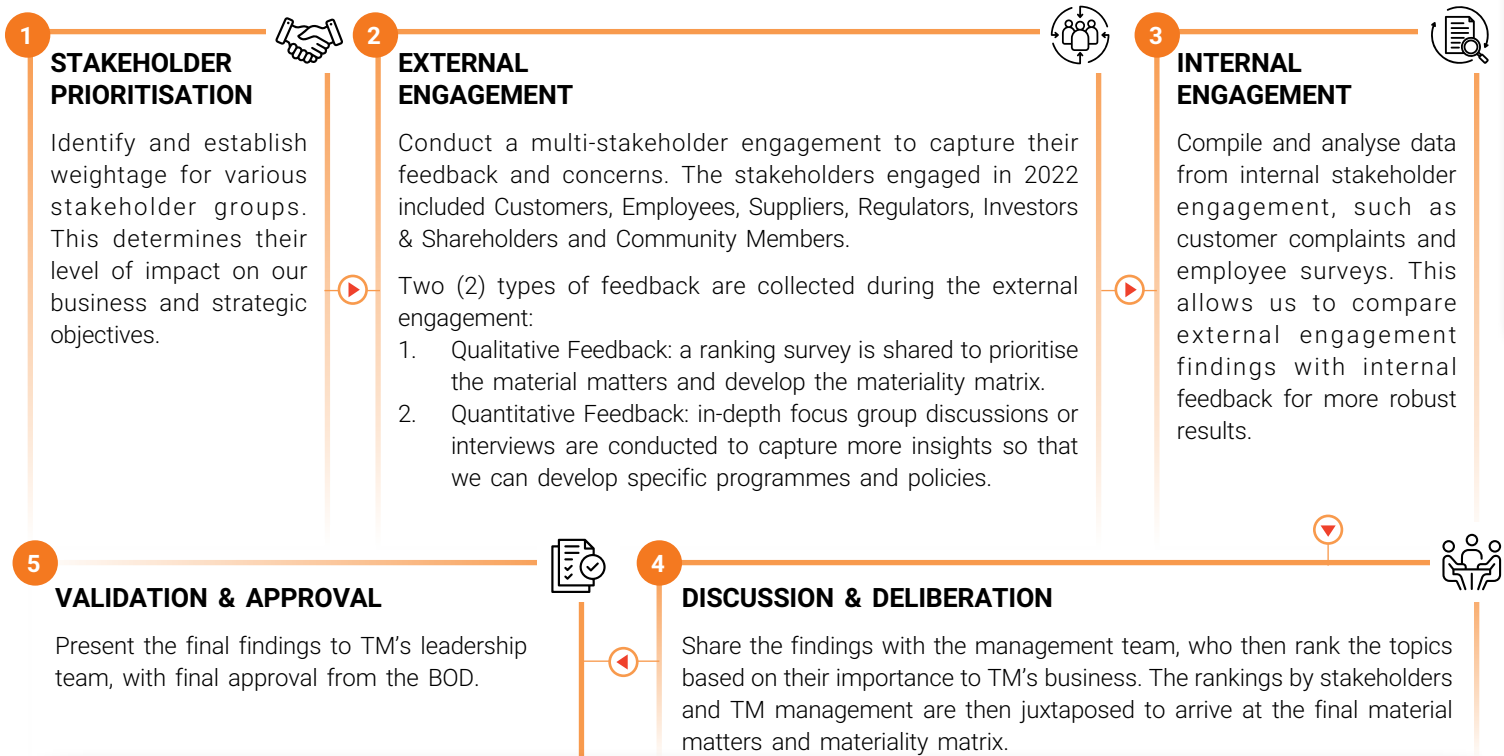


Material Matters

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.

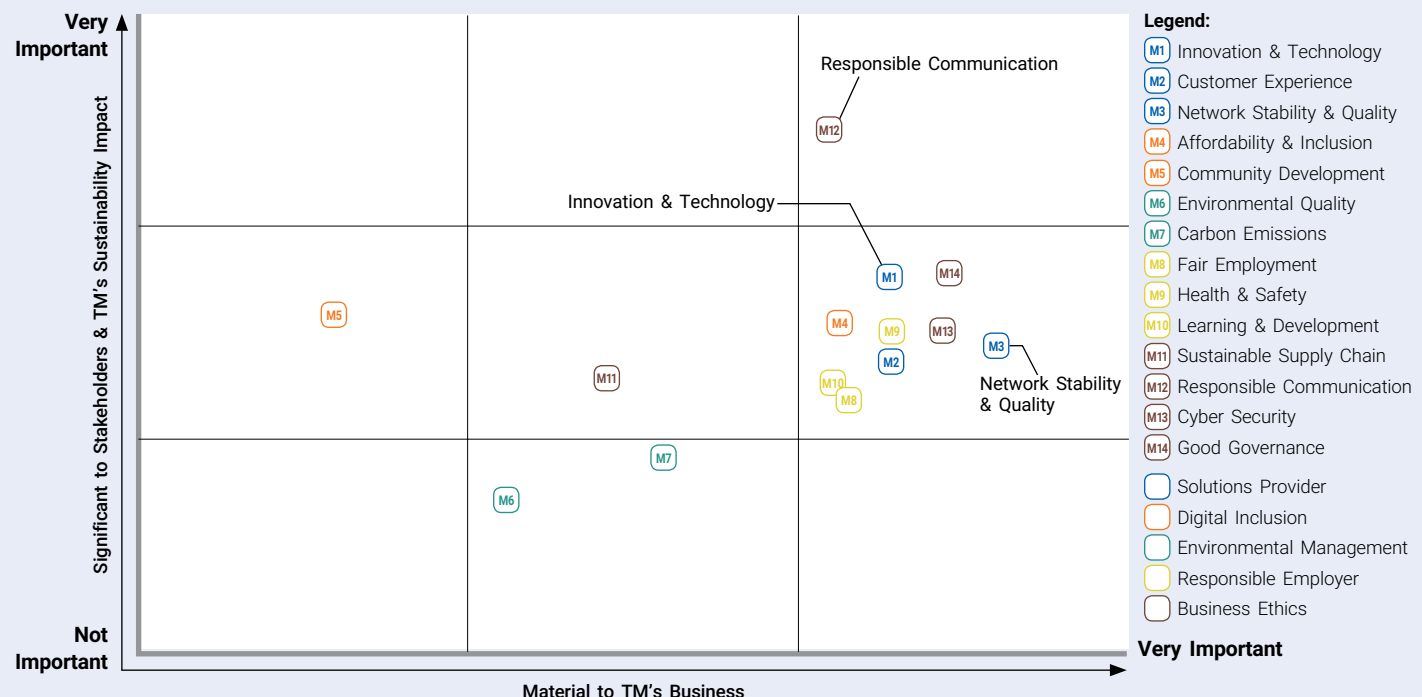
Our material matters are identified via a materiality determination process. The last process was conducted in 2022. TM carries out a materiality determination process every three (3) years to ensure that our material matters are relevant and timely. Our material matters have guided our refreshed Sustainability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

MATERIALITY PROCESS



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 technologies 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:



 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:



 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:



 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:



 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:



 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:



 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:



IR 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:




IR For more information, refer to pages 155 to 157.




















Material Matters


M13 CYBER SECURITY


Why it Matters	What are the Risks	What are the Opportunities		
Protect TM's operations as well as its stakeholder against cyber security attacks, data loss, privacy issues, potential breaches and sabotage	<ul style="list-style-type: none">• Data breaches compromising sensitive customer information• Phishing attacks targeting TM's stakeholders for credentials	<ul style="list-style-type: none">• Enforcement of cyber security measures		
What We Did	Outlook			
<ul style="list-style-type: none">• Strengthened information security governance and compliance• Conducted cyber security awareness and training sessions for our stakeholders• Embedded security requirements in third-party systems/engagements	<p>Short-Term</p> <ul style="list-style-type: none">• 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 <p>Medium to Long-Term</p> <ul style="list-style-type: none">• Investments in cyber security and next-gen connectivity			
Deployed Capitals:   	Stakeholders Affected: 	Sustainability Impact:   	Key Risks:    	UNSDGs: 

 For more information, refer to pages 158 to 160.

M14 GOOD GOVERNANCE

Why it Matters	What are the Risks	What are the Opportunities		
Conduct ourselves with the highest standards of integrity, transparency and accountability, with zero-tolerance for corruption and unethical practices	<ul style="list-style-type: none">Corruption and misconduct cases result in reputational damage	<ul style="list-style-type: none">High transparency leads to efficient execution of business plans and strategyGood governance creates a high-performance work environment and culture		
What We Did	Outlook			
<ul style="list-style-type: none">Implemented ISO37001:2016 standards Anti-Bribery Management System (ABMS)Executed the Organisational Anti-Corruption Plan (OACP)Conducted training and awareness programmes	Short-Term <ul style="list-style-type: none">Diligent management of the OACPExpand the ABMS to cover high-risk processesConduct ongoing training and awareness programmes for all stakeholders Medium to Long-Term <ul style="list-style-type: none">Embed a culture of integrity and zero-tolerance towards corruptionEnhance our resilience to external threats and protect our integrity and reputation			
Deployed Capitals: <div></div>	Stakeholders Affected: <div></div>	Sustainability Impact: <div></div>	Key Risks: <div></div>	UNSDGs: <div></div>

 For more information, refer to pages 161 to 165.

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