

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.

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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.

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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.

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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.

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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.

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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.

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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
-  Operational
-  Sustainability
-  Financial
-  Technology/System

Sustainability Impact

-  Economic
-  Environmental
-  Social
-  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.