SERVING THE NATION IN TIMES OF NEED

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

CUSTOMERS

How They Were Affected:
- Prolonged service restorations and installations
- Business customers were unable to operate during the MCO
- Service disruption from floods

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

EMPLOYEES

How They Were Affected:
- Health risks to frontline employees, particularly for those with existing medical conditions
- Challenges to employee motivation and productivity

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

ALWAYS THERE FOR THE NATION

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

KEEPING THE NATION SAFE 24x7x365

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

REBUILDING THE COUNTRY THROUGH DIGITAL

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

SUPPLIERS

How They Were Affected:

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

How We Provided Support:

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

GOVERNMENT

How They Were Affected:

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

How We Provided Support:

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

COMMUNITIES

How They Were Affected:

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

How We Provided Support:

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

ACHIEVEMENTS & HIGHLIGHTS

CUSTOMERS

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

EMPLOYEES

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

COMMUNITIES

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

GOVERNMENT

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

- **Achieved over 100%** of TM's 2021 JENDELA target
- Installed **over 1.0 million** broadband ports nationwide
- Expanded the 4G and **5G fibre infrastructure**:
  - **Achieved the highest active port subscription** for wholesale High-Speed Broadband (HSBB) access with **more than 550,000** total ports for other Malaysian fibre broadband telcos
  - **Recorded 190 new deals** from hyperscalers and global service providers for various wholesale International Data services
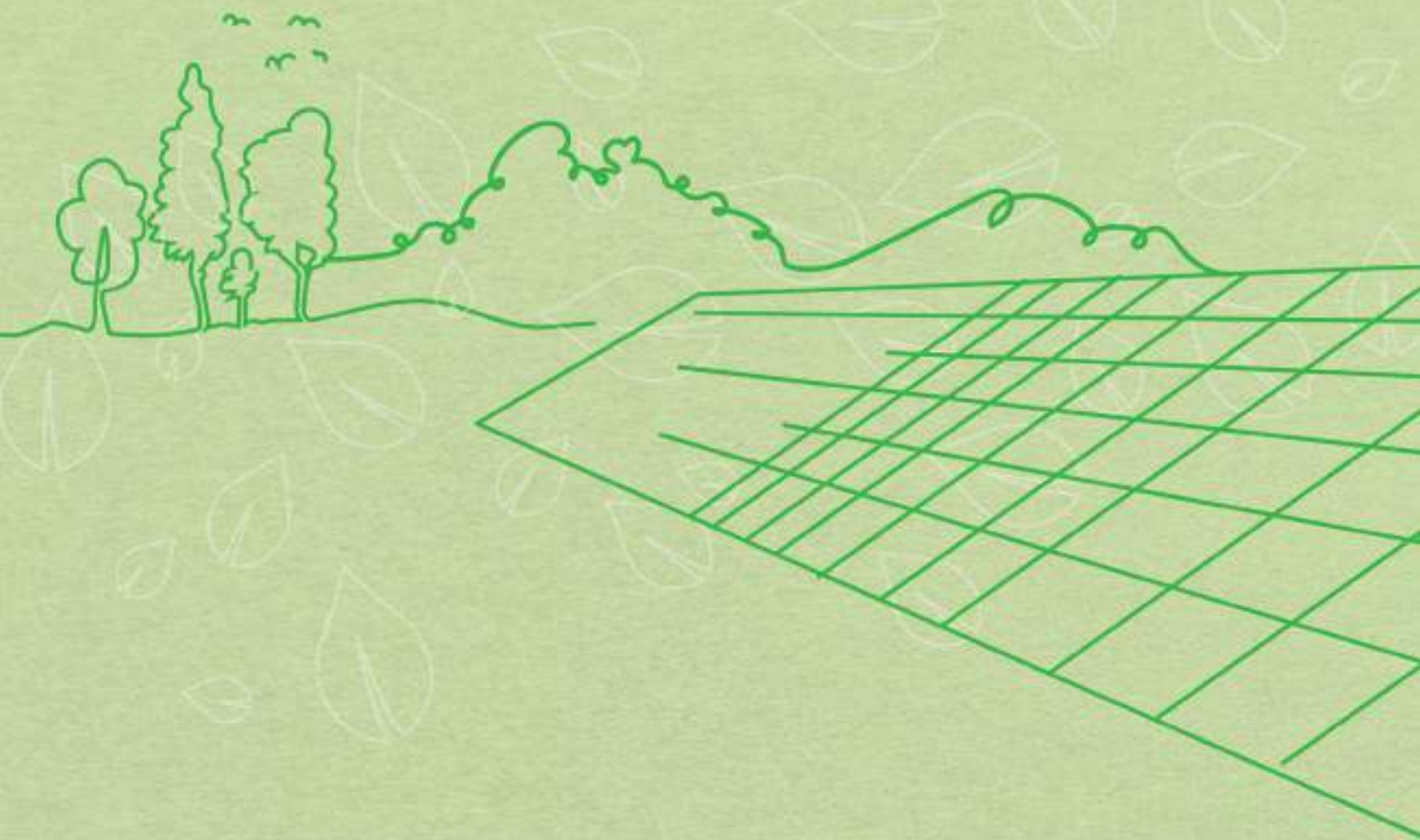
As part of our environmental sustainability efforts, we built a solar energy generation installation on an island off the coast of Pahang to power a tower station, an undertaking which earned us an award

Conserving tomorrow

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

Our Commitment to You

DEAR STAKEHOLDERS,

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

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

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

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

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

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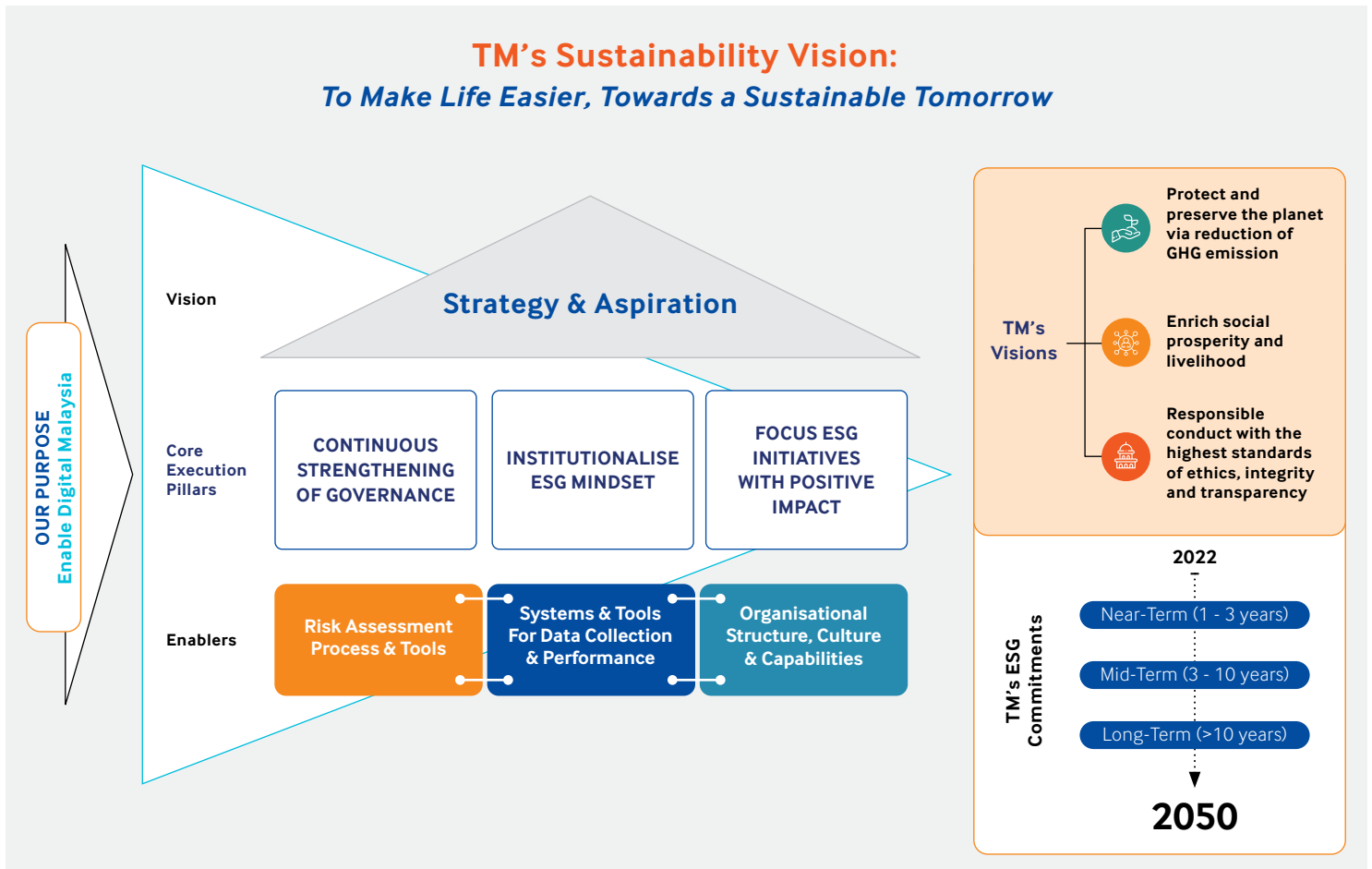
Tan Sri Mohammed Azlan Hashim
Chairman

Imri Mokhtar
Managing Director/GCEO
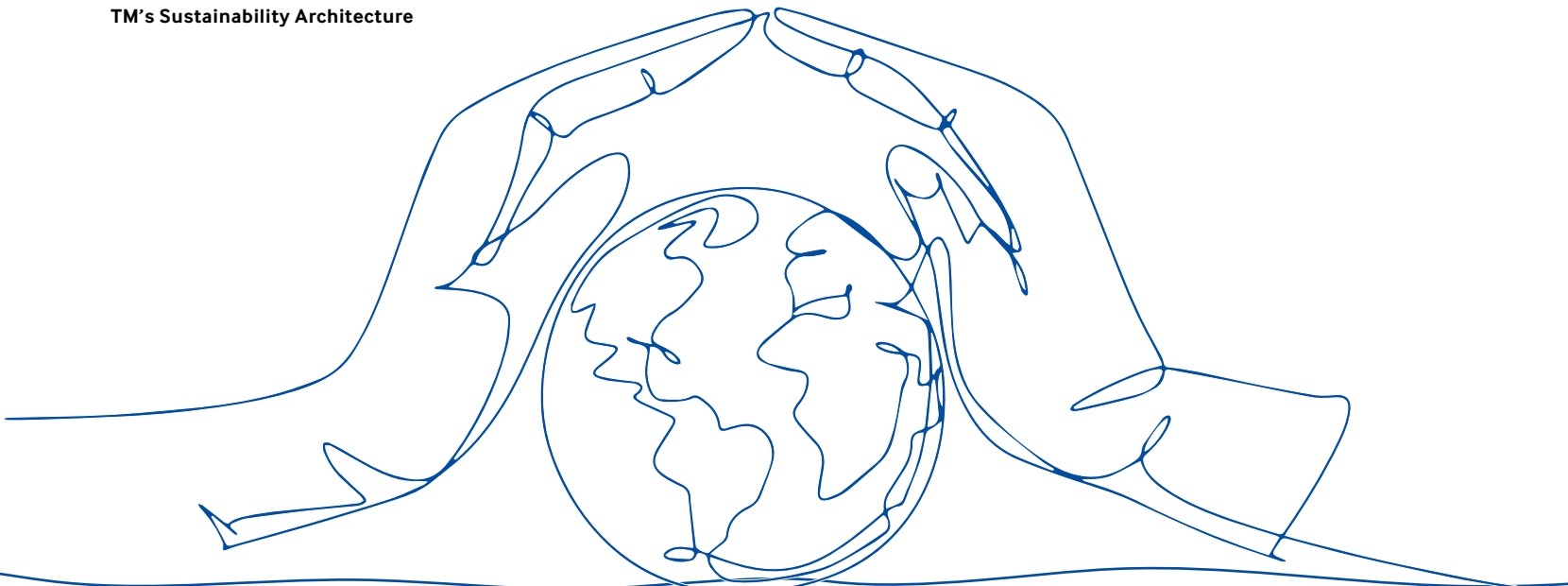
Sustainability at TM

SUSTAINABILITY STRATEGY

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

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

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

OUR PURPOSE Enable Digital Malaysia

Vision — **Strategy & Aspiration**

Core Execution Pillars
- CONTINUOUS STRENGTHENING OF GOVERNANCE
- INSTITUTIONALISE ESG MINDSET
- FOCUS ESG INITIATIVES WITH POSITIVE IMPACT

Enablers
- Risk Assessment Process & Tools
- Systems & Tools For Data Collection & Performance
- Organisational Structure, Culture & Capabilities

TM's Visions
- Protect and preserve the planet via reduction of GHG emission
- Enrich social prosperity and livelihood
- Responsible conduct with the highest standards of ethics, integrity and transparency

TM's ESG Commitments
2022
- Near-Term (1 - 3 years)
- Mid-Term (3 - 10 years)
- Long-Term (>10 years)

2050
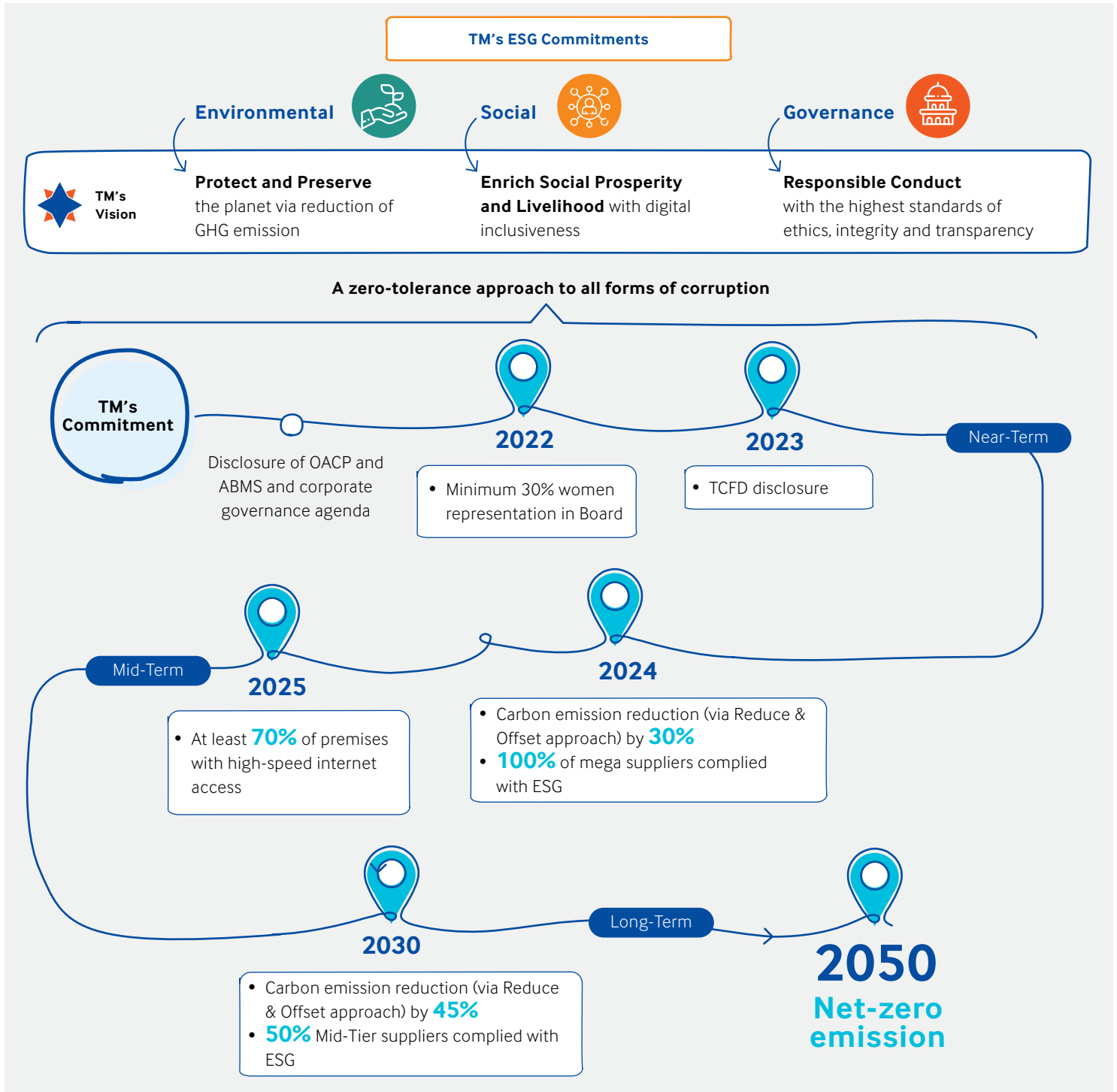
TM's Sustainability Architecture

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

Through Our Sustainability Pillars…	…we create sustainable value for our stakeholders…	…and our business performance…	…while contributing to the Government's nation-building ambitions…	…and the UN's Global Goals
Building a Digital Malaysia	**Customers:** Provide innovative and inclusive technological solutions that enable them to thrive in an increasingly digital world **Communities:** Deliver critical internet access to rural areas, thus connecting communities to essential services such as education, banking and healthcare	• Contributes to our long-term financial growth • Reinforces our position as an industry leader • Improves our competitive advantage	**JENDELA:** A five-year action plan to improve the quality and reach of Malaysia's communication network and close the digital divide. **MyDIGITAL:** A national initiative to transform Malaysia into a digitally-driven, high-income nation and a regional digital leader.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES

Material Matters: (M1) Product Innovation (M2) Customer Experience   **New TM Compass:** 🎯 Our Purpose 📊 Our Business ⭐ Our Customer

Protecting the Planet	**Suppliers:** Strengthen the supply chain through environmental standards/requirements **Communities:** Contribute to ecological resilience to protect society from climate change and other environmental challenges	• Saves costs through improved operational efficiency • Mitigates climate-related damage to our infrastructure • Stays ahead of rising environmental regulations and costs (i.e., carbon tax)	**Malaysia Climate Change Action Council:** Malaysia aims to reduce its greenhouse gas (GHG) emissions intensity by 45% across the economy in 2030, with an aspiration of achieving net-zero emissions by 2050. **Green Technology Master Plan Malaysia:** A national plan to develop green technology and create a low-carbon economy by 2050.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Material Matters: (M4) Climate Change   **New TM Compass:** 🎯 Our Purpose 📊 Our Business

Putting People First	**Employees:** Create an inclusive and nurturing work environment that builds their careers **Suppliers:** Empowerment of rights and development of everyone in the supply chain **Communities:** Contribute to socio-economic progress through educational and social programmes for underserved communities	• Increases productivity and performance of employees • Strengthens supply chain resilience for minimal disruptions • Improves public trust and brand reputation	**Malaysian Code on Corporate Governance (MCCG):** To encourage gender diversity, Boards must have at least 30% women directors. **Shared Prosperity Vision 2030:** Addresses disparities to protect and empower the *Rakyat* in ensuring that no one is left behind by 2030.	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Material Matters: (M3) Responsible Supply Chain (M5) Human Capital (M6) Community Development   **New TM Compass:** 👥 Our People

Strengthening Our Integrity	**Employees:** Create a culture of integrity and fairness for a better work environment **Government & Regulators:** Avoid fraud and corruption that may negatively affect economic growth	• Prevents regulatory penalties and related costs • Strengthens TM's image as a sustainable and responsible company	**The National Anti-Corruption Plan:** An anti-corruption policy that reflects the *Rakyat's* expectations for a greater corrupt-free nation with promised transparency, accountability and integrity.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Material Matters: (M7) Governance   **New TM Compass:** 📊 Our Business 👥 Our People

ESG ROADMAP & COMMITMENTS

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

TM's ESG Commitments

Environmental

Social

Governance

TM's Vision

Protect and Preserve the planet via reduction of GHG emission

Enrich Social Prosperity and Livelihood with digital inclusiveness

Responsible Conduct with the highest standards of ethics, integrity and transparency

A zero-tolerance approach to all forms of corruption

TM's Commitment

Disclosure of OACP and ABMS and corporate governance agenda

2022
- Minimum 30% women representation in Board

2023
- TCFD disclosure

Near-Term

Mid-Term

2025
- At least **70%** of premises with high-speed internet access

2024
- Carbon emission reduction (via Reduce & Offset approach) by **30%**
- **100%** of mega suppliers complied with ESG

2030
- Carbon emission reduction (via Reduce & Offset approach) by **45%**
- **50%** Mid-Tier suppliers complied with ESG

Long-Term

2050
Net-zero emission

CONTRIBUTIONS TO THE GLOBAL AGENDA

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

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

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

4 QUALITY EDUCATION

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

5 GENDER EQUALITY

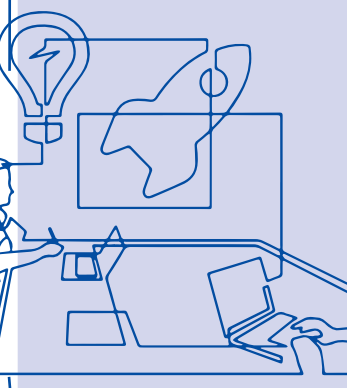| SDG Targets	TM's Contributions
Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• 31% of management positions held by women • 36% of Board members are women ↻ For more information,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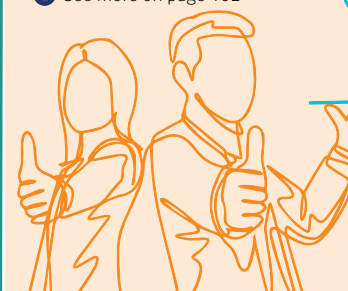
8 DECENT WORK AND ECONOMIC GROWTH

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

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

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

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

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

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

Our Sustainability Progress

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

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

Building a Digital Malaysia

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

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

735 cybersecurity incidents resolved/handled

23 NPS Score
Target
by 2021: 14

↻ See more on page 86

Protecting the Planet

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

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

61.9% reduction of scheduled waste

80.1% reduction of Air-Travel Emissions

↻ See more on page 96

Putting People First

67% of suppliers meet the ESG social requirements

31% of suppliers meet the ESG environment requirements

~RM3.0 billion total payment to local suppliers

RM1.1 billion total operating cost distributed to Bumiputera Vendors

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

31% of women in Management
2020: 28%

30 average total hours of training per employee

37% of employees with collective bargaining agreements

↻ See more on page 102

Strengthening Our Integrity

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

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

20 operations effectively assessed and managed for corruption risks

93% misconduct/malpractice reports resolved

Achieved
Remuneration linked to ESG related KPIs

↻ See more on page 121

Achievements
ESG Rating:

CDP DISCLOSER 2021 — **CDP Rating = C**

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

Rated by **FTSE Russell**

We Create Value By...

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

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

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

We Create Value By...

...Building a Digital Malaysia	M1	Product Innovation	Technology	Solutions	Standards
	M2	Customer Experience	Stability	Security	Service

...Protecting the Planet	M4	Climate Change	Emissions Management	Environmental Stewardship	Green Awareness

...Putting People First	M3	Responsible Supply Chain	Ethical Sourcing	Value Creation	Integrity
	M5	Human Capital	Welfare & Well-being	Safety & Health	Training & Development
	M6	Community Development	Education	Community & Nation-Building	Culture & Heritage

...Strengthening Our Integrity	M7	Governance

...Building A Digital Malaysia

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

In This Section:

M1 **PRODUCT INNOVATION**	**TECHNOLOGY**	
	SOLUTIONS	
	STANDARDS	
M2 **CUSTOMER EXPERIENCE**	**STABILITY**	
	SECURITY	
	SERVICE	

M1 PRODUCT INNOVATION

THE REASON WE CARE

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

Stakeholders' Expectations

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

OUR APPROACH

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

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

VALUE CREATION IN 2021

TECHNOLOGY

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

TM's SMART SOLUTIONS

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

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

ENABLING MALAYSIA'S

5G

ECOSYSTEM

5G Demonstration Project (5GDP)

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

Malaysia Agro Exposition Park (MAEPS)

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

5G Centre of Excellence

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

5G Stations

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

SOLUTIONS

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

TM SUPPORTS THE NATIONAL DIGITAL ECONOMY BLUEPRINT - MYDIGITAL

MyDIGITAL KKMM

Jendela Jalinan Digital Negara

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

5G

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

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

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

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

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

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

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

FAST INTERNET FOR RURAL AREAS (FIRA)

WHAT IS IT?

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

WHAT WE DID

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

Impact:

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

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

Impact:

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

STANDARDS

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

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

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

OVERALL IMPACT & ACHIEVEMENTS

Smart Solutions

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

Expansion of Coverage

- **>3.0 million** broadband ports
- **>650,000 km** of domestic fibre-optic cables
- **>320,000 km** of submarine cables (△ **3%**) with **30** submarine cable systems
- **>3,000 4G backhaul sites** (△ **4%**), with close to 3Tbps in bandwidth utilisation (△ **7%**)

- Commencement of **5G** infrastructure roll-out for Digital Nasional Berhad (DNB)
- **>80** CDN nodes (△ **29%**)
- **>13,000** Wi-Fi hotspot installed
- **>240,000 km** copper cables
- **28** international gateway PoPs worldwide
- **9** data centres (including 3 world-class Tier III/Rated 3 data centres)

Product Certifications

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

Product Safety & Quality

- **100%** compliance to related regulations

Awards & Recognitions

- International Innovation Awards
- Malaysia Technology Excellence Awards
- Global Business Outlook Awards
- Regional Innovation Showcase on Team Excellence (RISTEx) 2021 by Malaysia Productivity Corporation (MPC)
- Annual National Productivity and Innovation Showcase (ArtSe) 2021 by MPC

- International Convention on Quality Control Circle (ICQCC) 2021 in Hyderabad, India
- Asia Pacific Zero Outage Supplier Award 2020 by T-Systems International GmbH
- Excellent Carrier Partner Award 2021 under the Regional Strategic Partner category by China Telecom Global Limited
- Network and Resources Cooperation Award 2021 by China Unicorn Global Limited

M2 CUSTOMER EXPERIENCE

THE REASON WE CARE

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

Stakeholders' Expectations

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

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

OUR APPROACH

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

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

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

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

VALUE CREATION IN 2021

STABILITY

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

HOW WE ADDRESS NETWORK DISRUPTION

TOP THREE (3) ISSUES RELATED TO NETWORK DISRUPTION → **IMPROVEMENT MEASURES**

1 **Access related to Fibre Distribution Panel (FDP) issues**

Identify areas for focus improvements by adding new distribution panels (DP) or tie-DP for long span issues and replacing those quality compromised connectors/splitters.

2 **Power-related issues**

Strengthen collaboration with power utility companies; install trip breakers and work closely with customers' building management.

3 **Fibre-cut issues by third parties**

Conduct internal process risk assessment and mitigation improvements, and strengthen external engagements with third parties.

LASER

WHAT IS IT?

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

Impact:

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

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

SECURITY

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

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

HOW WE STRENGTHENED CYBERSECURITY & DATA PRIVACY

WHAT WE DID

Organised cybersecurity awareness programmes to improve preparedness and response against cyberattacks

- Implemented TM's Information Security Policy e-learning modules and cybersecurity webinars for employees
- Distributed security awareness pack for employees and business partners
- Organised a Cybersecurity Response Drill for selected response and business continuity teams
- Held continuous fortnightly security awareness and advisory for all employees, subsidiaries, business partners and network administrators

Proactively identified vulnerabilities before external threats can take advantage

- Expanded the Centralised Vulnerability Assessment System (CVAS) to continuously execute security scanning and identify security issues
- Continuously conduct security assessments and penetration testings by internal and external teams
- Assessed TM applications to identify weaknesses and vulnerabilities of our infrastructure

Enhanced Identity and Access Control Management and Endpoint Security Management to protect against security incidents

- Improved the security of our Identity Management (IDM) to increase resiliency against identity infrastructure attacks
- Deployed state-of-the-art endpoint security solutions on business-critical/mission-critical server assets
- Secured remote access by expanding the coverage of Multi-Factor Authentication (MFA) for accessing internal systems and applications

Adopted security by design to ensure security control standardisation across assets and effectiveness is measurable

- Secured 5G Horizon Infrastructure and Services with various security measures at controls, management and user planes
- Deployed enhanced security monitoring, orchestration and automation capabilities

Implemented TM's Security Strategy Roadmap, which included implementing cybersecurity technologies for better protection

- Invested in sustaining, enhancing and introducing security layers of control for:
  - Endpoint security
  - Identify and authentication
  - Perimeter control
  - Security assessment
  - Security operations
  - People development
- Implemented the following information security control projects:
  - Seven (7) key strategic security projects implementation.
  - Six (6) security projects to support security posture
  - Nine (9) renewal of security control maintenance and support
  - Two (2) ad-hoc projects to address mitigation of security incidents

SERVICE

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

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

ADDRESSING TOP CUSTOMER CONCERNS

TOP THREE (3) CUSTOMER SERVICE COMPLAINTS

1 **Technical complaints on long fault restoration time**

WHAT WE DID

Service Restoration Guarantee

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

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

Service Tracker/Real-Time Tracker

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

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

unifi Elite

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

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

2 **Technical complaints on repeated service faults**

WHAT WE DID

Proactive Service Alert

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

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

Easy Fix/Self-Diagnostics

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

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

3 **Billing complaints on invalid charges**

WHAT WE DID

i-Bill

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

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

OVERALL IMPACT & ACHIEVEMENTS

NPS Score

- **23** (▲ **2021 Target:14**)

Customer complaints

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

Digital solutions

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

Online security

- **20** online breaches recorded (▼ **97.3%**)
- **3** cases of data loss (▼ **99.5%**)
- **735** cybersecurity incidents resolved/handled
- **13** data related incidents recorded (▲ **18.2%**)

- **18,500** corporate devices installed with endpoint protections
- **15,905** employees completed data security e-learning modules
- **Zero (0)** fines and penalties related to cybersecurity breaches

Customer Experience

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

...Protecting The Planet

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

In This Section:

M4 CLIMATE CHANGE

EMISSIONS MANAGEMENT — See page 97

ENVIRONMENTAL STEWARDSHIP — See page 99

GREEN AWARENESS — See page 100

M4 **CLIMATE CHANGE**

THE REASON WE CARE

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

Stakeholders' Expectations

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

TM's ESG Commitments

30% carbon emissions reduction by **2024**

45% carbon emission reduction by **2030**

Net-zero emissions by **2050**

OUR APPROACH

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

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

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

WHAT IS IT?

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

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

VALUE CREATION IN 2021

EMISSIONS MANAGEMENT

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

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

Scope 1: Direct Emissions from Vehicle Fleet

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

FUEL-SAVING INITIATIVES

Vehicle Optimisation Programme	**Smart Fleet Monitoring System (TM CONVES BIZ)**	**TM EZFleet (Car Sharing)**
Reduced the number of vehicles used by our LOBs and subsidiaries, thus lowering overall carbon emissions.	Deployed TM CONVES BIZ, a holistic solution by TM R&D for vehicle management that monitors usage, efficiency and status of vehicles.	Expanded our TM EZFleet service to enable vehicle sharing among employees via a digital platform.

Impact:

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

Scope 2: Indirect Emissions from Electricity Consumption

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

ENERGY-SAVING INITIATIVES

Enterprise Energy Management System (EENT)	Energy Performance Contract (EPC)	Energy Efficiency Optimisation (EEO) for Facilities and Network	Network Equipment (NE) Shutdown
Implemented TM's unified electricity monitoring solution with multi-tenancy, advanced energy behaviour analytics, CO_2 emission, alert mechanism, and event tracking features and gamification.	Enhanced our facilities system by outsourcing an EPC. This enhancement involved retro-fitting air conditions and replacing conventional lights with LEDs at selected sites.	Focused on low-hanging solutions and low-cost measures, i.e. improve thermal operation such as temperature optimisation and control. We also performed network grooming on legacy equipment.	Reduced electricity consumption by shutting down the NE that have zero utilisation or are underutilised (low subscribers).
Impact:	**Impact:**	**Impact:**	**Impact:**
• **Accumulative: 1.142 ktCO$_2$e drop in emissions since 2018**	• **63 EPC sites installed with an energy-efficient cooling system** • **YoY: 11.4 million kWh reduction in energy consumption** • **Accumulative: 60.3 million kWh reduction since 2018**	• **121 sites implemented with EEO** • **YoY: 1.1 million kWh reduction in energy consumption**	• **4.8 million kWh reduction in energy consumption** • **RM2.4 million in cost savings**

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

Scope 3: Indirect Emissions from Waste Production

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

WASTE-REDUCTION INITIATIVES

SOLID WASTE	SCHEDULED WASTE
• Held awareness campaigns to reduce waste i.e., paperless initiatives via the 3R concept (Reduce, Reuse and Recycle) • Reduced plastic and polystyrene usage within TM's buildings and tenants	• Continued to manage waste according to Department of Environment (DOE) requirements • Implemented best practices for scheduled waste at the eight (8) TM sites certified with the EMS • Set a target to progressively expand EMS best practices across other TM locations. This includes investing in better waste management infrastructure and employee training
Impact:	**Impact:**
• **19,542.99 kg increase in solid waste (🔺 4.4% YoY)***	• **2,151.32 kg reduction in scheduled waste (🔻 62% YoY)***

* At the eight (8) EMS sites

Scope 3: Indirect Emissions from Air-Travel

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

AIR-TRAVEL REDUCTION

GOING DIGITAL

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

Impact:

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

ENVIRONMENTAL STEWARDSHIP

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

WATER-SAVING INITIATIVES

Awareness Campaigns

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

Water Recycling

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

Impact:

- **2,342.85 m³ of water recycled**
- **0.80 tCO₂e of emissions avoided from recycled water**

GREEN AWARENESS

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

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

ENVIRONMENTAL PROGRAMMES HELD IN 2021

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

OVERALL IMPACT & ACHIEVEMENTS

GHG Emissions
- **35,555316 tCO$_2$e*** (▾ **8%**)

Scope 1
- **10,997.03 tCO$_2$e** (▾ **4.6%**)
- **<0.2 million litres** in fuel consumption

Scope 2
- **24,549.12 tCO$_2$e*** (▾ **9.2%**)

Scope 3
- Waste-related Emissions: **1.918 tCO$_2$** (▲ **4.4%**)
- Air-Travel Emissions: (**7.09 tCO$_2$e** (▾ **80.1%**)

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

Water Management
- **75.34 tCO$_2$e** in water-related emissions (▾ **3%**)
- **221,590 m^3** of water consumed
- **2,342.85 m^3** of water recycled
- **0.80 tCO$_2$e** of emissions avoided from recycled water

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

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

...Putting People First

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

In This Section:

M3 **RESPONSIBLE SUPPLY CHAIN**

- **ETHICAL SOURCING** — See page 103
- **VALUE CREATION** — See page 104
- **INTEGRITY** — See page 105

M5 **HUMAN CAPITAL**

- **WELFARE & WELL-BEING** — See page 107
- **SAFETY & HEALTH** — See page 110
- **TRAINING & DEVELOPMENT** — See page 110

M6 **COMMUNITY DEVELOPMENT**

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

M3 ## RESPONSIBLE SUPPLY CHAIN

THE REASON WE CARE

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

Stakeholders' Expectations

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

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

OUR APPROACH

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

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

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

VALUE CREATION IN 2021

ETHICAL SOURCING

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

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

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

Regulatory Compliance

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

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

Beyond Compliance

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

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

VALUE CREATION

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

SUPPLIER ENGAGEMENT

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

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

DIGITAL SOLUTIONS TO SIMPLIFY PROCUREMENT

Registration of Supplier (ROS)

What Is It?

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

Supplier Self-Service (SUS) Screen

What Is It?

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

Lapasar

What Is It?

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

Impact:

- **Faster application approval (three (3) working days)**
- **Eliminates hardcopies submission of documents for improved efficiency and environmental footprint**
- **Easily addresses technical queries from suppliers**

- **Improves supplier experience through user-friendly platforms**
- **100% acceptance rate of Lapasar by suppliers and vendors**
- **Reduced cycle time via Lapasar**

INTEGRITY

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

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

SUPPLIER NON-COMPLIANCE & MISCONDUCT

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

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

HOW WE PROTECT SUPPLY CHAIN INTEGRITY

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

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

UNCOMPROMISING INTEGRITY WEBINAR

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

Purpose of Webinar:

a. Provide ongoing awareness to suppliers and business partners on ethics and integrity

b. Share with suppliers and business partners on ethics and procurement governance

c. Provide awareness on the provision of Corporate Liability and the steps that need to be taken to ensure that corrupt activities can be prevented

d. Share examples of misconduct related to corporate responsibility in a Malaysian & international context

Reach:

1,800 views

OVERALL IMPACT & ACHIEVEMENTS

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

Procurement Maturity Index (PMI) Score
- **8.1** (▲ **2020:1.25%**)

Supplier Satisfaction Index (SSI)
- **8.60** (▲ **2020:11.7%**)

Integrity Pledge (IP)
- **100%** of suppliers signed TM's IP
- **561 new suppliers** signed TM's IP

Types of Suppliers
- **1,827** local suppliers and **123** international suppliers

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

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

(M5) HUMAN CAPITAL

THE REASON WE CARE

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

Stakeholders' Expectations

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

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

OUR APPROACH

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

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

VALUE CREATION IN 2021

WELFARE & WELL-BEING

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

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

KEEPING EMPLOYEES HAPPY, ENGAGED & PRODUCTIVE

WELL-BEING 360 PROGRAMMES

What We Did:

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

Impact & Achievements:

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

KICKING-OFF THE NEW TM CULTURE

What We Did:

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

Impact & Achievements:

- **82** score on the OHI Index

COVID-19 EFFORTS & BENEFITS

What We Did:

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

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

Impact & Achievements:

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

COLLECTIVE BARGAINING AGREEMENTS

What We Did:

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

Impact & Achievements:

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

BOOST INDIVIDUAL PRODUCTIVITY (BIP) PROGRAMME

What We Did:

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

Impact & Achievements:

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

KEEPING EMPLOYEES HAPPY, ENGAGED & PRODUCTIVE

EMPLOYEE INCENTIVES & COMPENSATIONS

What We Did:

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

Impact & Achievements:

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

LEADERSHIP ENGAGEMENTS

What We Did:

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

DIVERSITY CELEBRATIONS

What We Did:

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

INCLUSIVE FACILITIES

What We Did:

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

DIGITAL SOLUTIONS TO IMPROVE THE WORK EXPERIENCE

Digital Application/Platform

Reach:

ERA
A single portal/mobile app for employees to easily access HR services, including internal job vacancies, job applications and other HR digital platforms.

- **13,735** downloads

NEO
An enhanced centralised online platform that enables employees to easily apply and manage overtime claims.

- **579,197** claims submitted
- **48,266** average overtime claims submitted monthly

GROW
A performance management system/mobile app that allows employees to manage their performance goals, action plans, achievements and appraisal's online.

- Reached **45%** of mobile users

TM Medic
A medical app that provides access to various health services and information such as medical utilisation and guarantee letter requests.

- **14,194** active users
- **22,053** guarantee letters issued via app

TM Learn
An online portal for digital learning and upskilling opportunities.

- **10,265** employees accessing the app monthly

SAFETY & HEALTH

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

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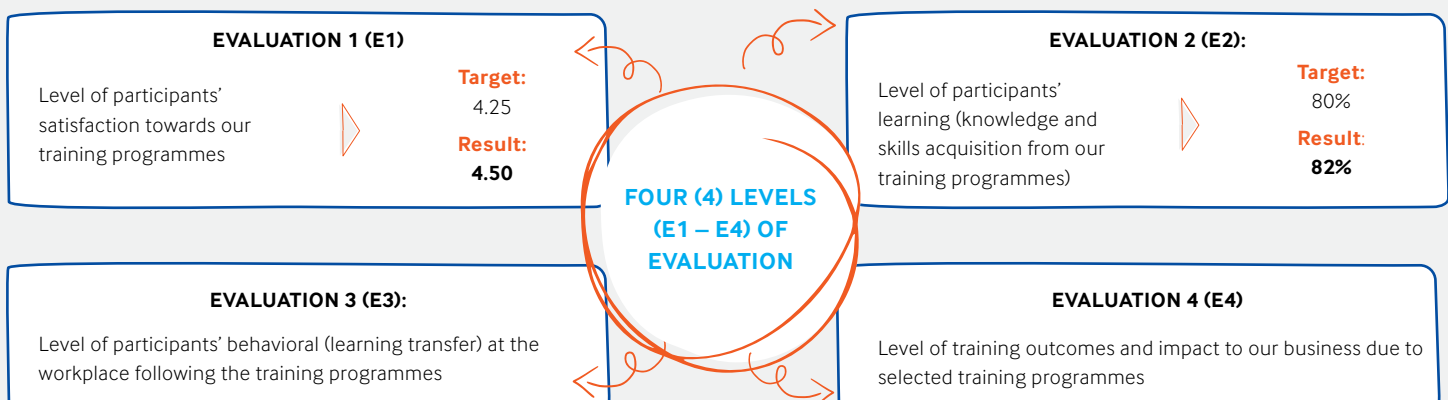
ENHANCING OUR SAFETY AND HEALTH CULTURE

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

TRAINING & DEVELOPMENT

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

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

EVALUATION 1 (E1)

Level of participants' satisfaction towards our training programmes

Target: 4.25
Result: **4.50**

EVALUATION 2 (E2):

Level of participants' learning (knowledge and skills acquisition from our training programmes)

Target: 80%
Result: **82%**

FOUR (4) LEVELS (E1 – E4) OF EVALUATION

EVALUATION 3 (E3):

Level of participants' behavioral (learning transfer) at the workplace following the training programmes

EVALUATION 4 (E4)

Level of training outcomes and impact to our business due to selected training programmes

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

TRAINING & DEVELOPMENT PROGRAMMES 2021

Future Skills

Aim:

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

Impact/Achievements:

- **13,118** employees trained

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

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

Enhancing Current Skills

Aim:

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

Impact/Achievements:

- **10,990** employees trained

High-Performance Culture

Aim:

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

Impact/Achievements:

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

Leadership Development

Aim:

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

Impact/Achievements:

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

Now Everyone Can Sell (NECS)

Aim:

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

Impact/Achievements:

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

EQWAY Programme for Frontliners

Aim:

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

Impact/Achievements:

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

* Comparison between Q4 of 2020 vs 2021

OVERALL IMPACT & ACHIEVEMENTS

Employee Engagement

- **82** scoring in OHI Survey
- **4.74/5.00** Overall Satisfaction Score
- **5,937** employees trained in future skills and other key functions (▲ **33.78%**)
- **597** certified employees in future skills area
- **36,202** employees trained in human rights policies and procedures

Training & Development

- **88%** of employees completed their Goal Setting (▲ **2020: 83%**)
- **98%** of employees completed their mid-year review (▲ **2020: 92%**)
- **41** average training hours per employee (▲ **2020: 20 hours**)
- **RM20.2 million** total investment in employee training and development
- **100%** of employees received their KPI assessments

Collective Bargaining

- **37%** employees covered by unions (➖ **2020: 37%**)

Agreements

- **100%** completion of strategic analysis of key items in collective agreements

Women in Management

- **39.8%** women in workforce (**Total: 8,105**)
- **31%** of women in management (▲ **2020: 28%**)
- **36%** of women in Board (▲ **2020: 32%**)

OSHE

- **71** total recordable injury cases recorded (▼ **2020: 76**)

Awards & Accolades

- M100 Leading Graduate Employers 2021
- Graduates' Choice Award 2021/2022
- GRADUAN Brand Awards 2021
- LinkedIn's 2021 Top Companies
- HR Asia Best Companies to Work for In Asia 2021
- Asia's Best Employer Brand Award 2021
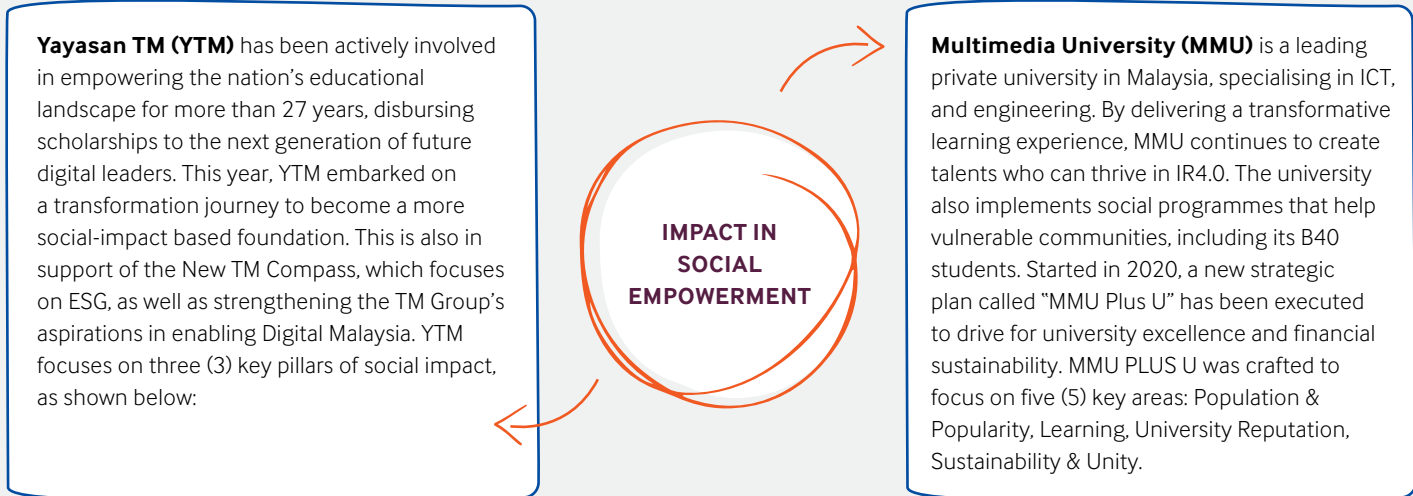
M6 COMMUNITY DEVELOPMENT

THE REASON WE CARE

As a nation-building organisation, we strive to create a better place for all segments of society. We are strong advocates of inclusive and shared prosperity; we cannot truly excel as a nation if there are those getting left behind. Furthermore, we are grateful for the communities that have allowed us to succeed over the years. We believe it is every company's moral obligation to give back to these communities. We take pride in being a responsible corporate citizen and a productive member of Malaysian society. We are committed to creating a positive, long-term impact for the communities we operate in, which extends to all corners of the country.

Stakeholders' Expectations

- Quality educational opportunities
- Digital empowerment for businesses
- Employee volunteer programmes

OUR APPROACH

Our philanthropy work goes beyond making charitable donations. We adopt a hands-on approach to community development, focusing on areas where we can create a real difference. Our focus is on economic recovery and building resiliency via community/sustainable livelihood and welfare for marginalised communities, including women, the special needs community, senior citizens and the B40 group. We leverage entrepreneurship programmes with digital business skills and knowledge, on top of our continuous support in humanitarian aid.

Our impact in social empowerment are driven through two (2) primary bodies:

Yayasan TM (YTM) has been actively involved in empowering the nation's educational landscape for more than 27 years, disbursing scholarships to the next generation of future digital leaders. This year, YTM embarked on a transformation journey to become a more social-impact based foundation. This is also in support of the New TM Compass, which focuses on ESG, as well as strengthening the TM Group's aspirations in enabling Digital Malaysia. YTM focuses on three (3) key pillars of social impact, as shown below:

IMPACT IN SOCIAL EMPOWERMENT

Multimedia University (MMU) is a leading private university in Malaysia, specialising in ICT, and engineering. By delivering a transformative learning experience, MMU continues to create talents who can thrive in IR4.0. The university also implements social programmes that help vulnerable communities, including its B40 students. Started in 2020, a new strategic plan called "MMU Plus U" has been executed to drive for university excellence and financial sustainability. MMU PLUS U was crafted to focus on five (5) key areas: Population & Popularity, Learning, University Reputation, Sustainability & Unity.

TM'S PURPOSE
Commercial Sustainability to allow us to fulfil business objectives and support nation-building

Nurturing Future-Ready Digital Leaders from Primary to Tertiary Level, and Beyond via:

- Holistic and structured development programme for YTM scholars
- Education programmes for primary, secondary, tertiary and vocational students
- Promote digital literacy
- Embed entrepreneurship skills

Strengthening Recovery and Building Resilience for Communities by Integrating Education, Connectivity & Well-being via:

- Nation-building initiatives
- Community socio-economic development
- Sustainable livelihoods
- Humanitarian aid

Preserve and Celebrate Arts, Culture and Heritage via Commercial and Digital Experience

- Muzium Telekom
- Telegraph Museum Taiping
- Menara KL
- Menara Alor Setar
- Build a stronger community through art & culture
- Preservation of national heritage for our future generations

Through YTM and MMU's flagship programmes, we are able to track and measure our impact on the community. We channel resources into educating future digital leaders, helping budding entrepreneurs realise their full potential, and empowering marginalised and underserved communities.

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

VALUE CREATION IN 2021

EDUCATION

We believe that every Malaysian should have access to good education. Quality education is a critical tool in creating a prosperous and inclusive society. It fosters better understanding between citizens and helps break the cycle of poverty. As an enabler of Digital Malaysia, we strive to close the education gap and develop future leaders capable of accelerating the country's progress.

EDUCATIONAL EMPOWERMENT

Future Leaders Scholarship

Aim:
To develop a holistic education journey in nurturing future-ready digital leaders from primary to tertiary level to drive a digital workforce.
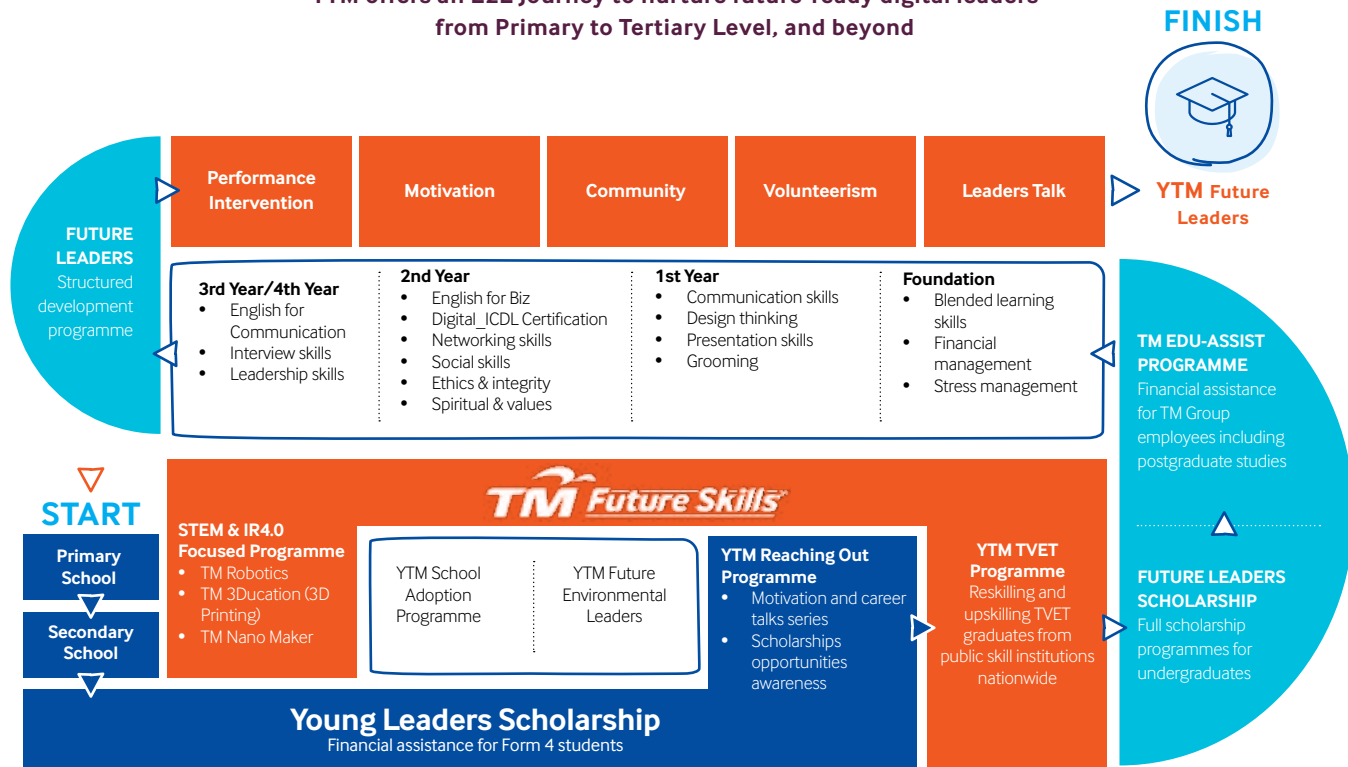
Collaborators:
YTM

What We Did:
We continue to support the academic ambitions of high-potential students, enabling them to study in well-established institutions in Malaysia and abroad

YTM offers an E2E Journey to nurture future-ready digital leaders from Primary to Tertiary Level, and beyond

FINISH

YTM Future Leaders

| Performance Intervention | Motivation | Community | Volunteerism | Leaders Talk |

FUTURE LEADERS
Structured development programme

3rd Year/4th Year
- English for Communication
- Interview skills
- Leadership skills

2nd Year
- English for Biz
- Digital_ICDL Certification
- Networking skills
- Social skills
- Ethics & integrity
- Spiritual & values

1st Year
- Communication skills
- Design thinking
- Presentation skills
- Grooming

Foundation
- Blended learning skills
- Financial management
- Stress management

TM EDU-ASSIST PROGRAMME
Financial assistance for TM Group employees including postgraduate studies

START

Primary School

Secondary School

STEM & IR4.0 Focused Programme
- TM Robotics
- TM 3Ducation (3D Printing)
- TM Nano Maker

TM Future Skills

YTM School Adoption Programme

YTM Future Environmental Leaders

YTM Reaching Out Programme
- Motivation and career talks series
- Scholarships opportunities awareness

YTM TVET Programme
Reskilling and upskilling TVET graduates from public skill institutions nationwide

FUTURE LEADERS SCHOLARSHIP
Full scholarship programmes for undergraduates

Young Leaders Scholarship
Financial assistance for Form 4 students

Impact:

Total Contribution
RM15.7 million

Total Reach

Future Leaders
449 students

Young Leaders
187 students

One-off Assistance
1,000 students

TM Edu-Assist (Staff)
76 staff

83
of scholars achieved First Class degree

92%
YTM scholars employed within six (6) months of graduating

Nurturing Future-Ready Leaders

Aim:

To nurture a generation of young digital leaders equipped with great employability skills.

What We Did:

We delivered the International Certification of Digital Literacy (ICDL) modules to YTM scholars to help them develop key digital skills as they pursue academic excellence in various fields.

Collaborators:

YTM, MMU, INTEC Education College

Total Contribution:

RM174,000

Impact:

- **212 scholars from seven (7) cohorts certified with ICDL**

TM Future Skills

Aim:

To equip students and teachers with IR4.0 knowledge and skills through Project-Based Learning (PBL) in developing digital talent for a future-proof ready workforce.

What We Did:

We started with 23 schools under Bangsar Pudu District Education Office (PPDBP) in 2020. This year, we expanded our reach to teachers and students from 339 schools across Malaysia with the IR 4.0 technology modules. We use a PBL approach to teach 3D modelling and printing, data logging & analytics and programming to enhance students' interest in Science, Technology, Engineering and Mathematics (STEM) subjects. We also created a STEM community-based portal via www.stem.org.my to encourage interactive learning through gamification. We offer certification to the participants to demonstrate the programme's value.

Collaborators:

YTM, Pusat STEM Negara, Jabatan Pendidikan Wilayah Persekutuan Kuala Lumpur (JPWPKL)

Total Contribution:

RM300,000

Impact:

- **6,500 teachers and students reached**
- **339 schools reached**

HELPING STUDENTS WITH ONLINE LEARNING

ENABLING ONLINE LEARNING

unifi Mobile Package for students

Aim:
To facilitate home-based teaching and learning for B40 students during the MCO.

Collaborators:
YTM, AEON Co. Bhd., Bank Rakyat, Yayasan Raja Muda Selangor, Yayasan Sukarelawan Siswa, Ministry of Education (MOE)

What We Did:
We provided free internet access to school students from B40 facilities nationwide. The students were given unifi Mobile #BEBAS 15GB LTE sim cards package with one (1) year of free internet access worth RM250.

Total Contribution:
RM1.5 million

Impact:
- **6,000 B40 school students reached**

CERDIK Initiative

Aim:
To provide unifi Mobile sim cards and laptops to enable remote learning during COVID-19.

Collaborators:
Yayasan Hasanah, Ministry of Education (MOE)

What We Did:
Under CERDIK Initiative, we distributed 20,320 free one-year subscription of unifi Mobile #BEBAS 15GB LTE sim cards package and 320 laptops to identified B40 students.

Total Contribution:
RM5.5 million

Impact:
- **20,320 students connected via unifi Mobile #BEBAS 15GB LTE sim cards package**
- **320 students equipped with laptops**

#MYBAIKHATI Campaign

Aim:
To collect and distribute used communication devices to B40 families to enable remote learning during COVID-19.

Collaborators:
YTM, Malaysia Communications & Multimedia Commission (MCMC), Ministry of Education (MOE)

What We Did:
#MYBAIKHATI campaign is a crowdsourcing initiative to collect and repair used communication devices such as laptops, tablets and smartphones from businesses and members of the public to be distributed to the lower income group, especially the B40.

We distributed refurbished laptops to B40 students under Bangsar Pudu District Education Office (PPDBP) for Home-Based Learning and Teaching (PdPR) sessions in the new norm. The laptops included unifi Mobile #BEBAS 15GB LTE sim cards package for a better learning experience.

Total Contribution:
RM209,017

Impact:
- **60 students from B40 families helped**
- **200 smart devices collected**
- **115 devices refurbished**

COMMUNITY & NATION-BUILDING

In line with the new Yayasan TM 2.0 aspiration to become a social impact-driven foundation, TM via Yayasan TM aims to build community resilience by empowering marginalised groups through entrepreneurship and upskilling programmes for sustainable livelihood. We play active roles in GDRN as a joint-secretariat with Yayasan Hasanah to coordinate and mobilise humanitarian assistance due to natural disasters, such as floods and COVID-19. We deploy our 'TM Reaching Out Volunteers' (TMROVers) to provide on-the-ground support to communities in need. The care and dedication of TMROVers have been particularly essential this year during COVID-19 lockdowns and flood relief missions.

COVID-19 HUMANITARIAN EFFORTS

TM Syawal Contribution

Aim:
To help those affected by COVID-19 during Ramadhan

What We Did:
We worked with various NGOs to conduct humanitarian and charity programmes to help those in need.

Collaborators:
YTM, Non-Governmental Organisations (NGO), TM State Offices

Total Contribution:
RM495,000

Impact:
65 NGOs supported

Tabung Bakul Prihatin Negara

Aim:
To provide food aid nationwide for a families affected by the pandemic.

What We Did:
We contributed RM2.0 million to Yayasan Kebajikan Negara for food aid (worth RM100) to feed struggling families during the pandemic.

Collaborators:
YTM, Yayasan Kebajikan Negara

Total Contribution:
RM2.0 million

Impact:
20,000 families reached

Tabung Solidarity COVID-19 TM (Employees Contribution)

Aim:
To enable employees to play their part in helping communities during COVID-19.

What We Did:
We established a platform for TM employees to contribute to the Government's Tabung Bantuan Bencana Negara (TBBN), which provides aid to affected communities. The total funds raised by employees were also matched by the Group.

Collaborators:
YTM, Agensi Pengurusan Bencana Negara (NADMA)

Total Contribution:
>RM1.6 million (a total of TM and TM employees' contribution)

Impact:
RM1.0 million donated to TBBBN via NADMA

MOF-GDRN PERMAI Relief Fund

Aim:
To provide support and critical aid during disaster relief, including COVID-19.

What We Did:
We received MOF-GDRN PERMAI Relief Fund Matching Grant based on our COVID-19 efforts in 2020, enabling us to provide financial and non-financial assistance (i.e., food packs, school supplies and vaccinations) to affected communities and businesses during disaster events. Through Inisiatif Tolong Menolong, we purchased food and basic items from SMEs affected by the pandemic.

Collaborators:

YTM, TM State Office, UMission for Peace Malaysia, Kelab Kebajikan Bekas Pelajar Sekolah Menengah Dato' Mohd Taha (SMDT) 1989, Malaysian Relief Agency, Pertubuhan Kebajikan Al-Firdausi Kuala Lumpur, Sabah Relief, Pertubuhan Gabungan Bantuan Bencana NGO Malaysia (BBNGO), Kelab Bantu Dia, Pertubuhan Sahabat Jariah, Yayasan Taat, Pertubuhan Ikatan Kasih Ummah, Pertubuhan Kelab Pemilik Desmo Malaysia, Kelab Kebajikan Nur Insaniah Selangor, Pertubuhan Amal & Kebajikan Nur Qasih, HIKMAH Sarawak, Kelab Skuad Lembah Pantai Di Hatiku, Pusat Khidmat Kebajikan AbgManjoi, Persatuan Sukarelawan Pendidikan Minda Kreatif Kuala Lumpur, Persatuan OKU Sentral, Persatuan Membantu Orang Kelainan Upaya Malaysia (PMOKUM), PINTAR Foundation, and Kelab Belia Anak Wilayah Lembah Pantai.

Total Contribution:
RM3.0 million

Impact:
- **28,743 families and 151 SMEs reached;**
- **23 NGOs**
- **2,420 students benefitted**
- **235 frontliners assisted**
- **7,071 person with disabilities (PWD) and their guardians benefitted for vaccination**

TOTAL IMPACT:
- **Total contributions: RM6.5 million, including PERMAI Funds**
- **People Reached:**
  - **> 87, 443 individual/families benefitted**
  - **151 SMEs supported**
  - **88 NGOs supported**

FLOOD RELIEF EFFORTS

GLIC/GLC Disaster Response Network (GDRN)

Aim:

To streamline GLC's and GLIC's humanitarian support in assisting the Government's response to natural disaster as well as COVID-19.

What We Did:

We played an active role in GDRN, acting as co-chair with Yayasan Hasanah to coordinate various relief of medical-related supplies and non-medical related supplies worth RM46.0 million. During the major floods that occurred late in the year, we pledged RM2.0 million to help the affected communities.

We also deployed 144 TMROVers for the National COVID-19 Immunisation Programme and mobilised over 350 TMROVers for post-floods assistance for house cleaning and essential items distribution for communities affected, especially in Selangor and Pahang. These items include food packs, household items and school supplies.
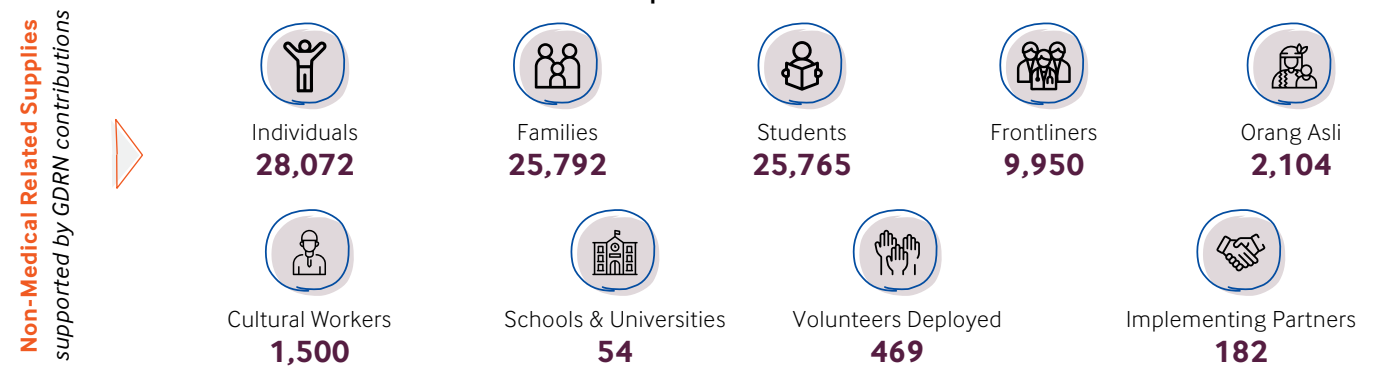
Collaborators:

YTM, Yayasan Hasanah, Rakan GDRN, Kelab Bantu Dia, Project Asal, Yayasan Amal Sejahtera Insan Islam Nusantara Malaysia, Pertubuhan Sahabat Jariah and Pertubuhan Gabungan Bantuan Bencana NGO Malaysia (BBNGO).
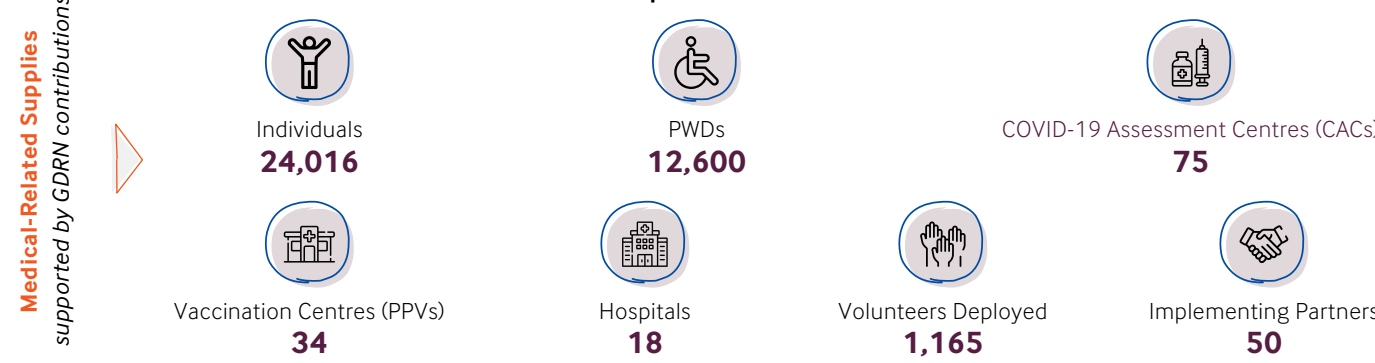
TOTAL IMPACT:

Total Contribution: RM46.0 million

Medical-Related Supplies **RM26.5 million**

Non-Medical Related Supplies **RM19.5 million**

Contributed by GDRN

Non-Medical Related Supplies *supported by GDRN contributions*

People Assisted & Beneficiaries

Individuals **28,072**	Families **25,792**	Students **25,765**	Frontliners **9,950**	Orang Asli **2,104**
Cultural Workers **1,500**	Schools & Universities **54**	Volunteers Deployed **469**	Implementing Partners **182**	

Medical-Related Supplies *supported by GDRN contributions*

People Assisted & Beneficiaries

Individuals **24,016**	PWDs **12,600**	COVID-19 Assessment Centres (CACs) **75**
Vaccination Centres (PPVs) **34**	Hospitals **18**	Volunteers Deployed **1,165** / Implementing Partners **50**

TMROVers:

RM2.0 million pledged for floods relief

>RM870,000 disbursed for humanitarian assistance

>5,000 families assisted

EMPOWERING ENTREPRENEURS

RAPIDE TVET Entrepreneurship Programme

Aim:

To reskill and upskill TVET graduates from B40 groups, SMEs and women entrepreneurs.

Collaborators:

YTM, GIATMARA

What We Did:

We upskilled TVET graduates and small entrepreneurs, including women entrepreneurs, with digital business knowledge and solutions via an online training platform to help boost their sales and income.

Total Contribution:

RM150,000 since 2020

Impact:

- **1,161 GIATMARA students and entrepreneurs completed the online course, since 2020**

Smart Farming with Senior Citizens

Aim:

To enhance the quality of life and well-being of the ageing community via home gardening.

Collaborators:

YTM, Pusat Aktiviti Warga Emas (PAWE) Putrajaya (PAWE Putrajaya), Malaysia Research Institute on Ageing (MyAgeing)

What We Did:

We organised a series of workshops for senior citizens to run an in-house garden and generate additional income for their family/neighbourhood.

Total Contribution:

RM17,000

Impact:

- **100 senior citizens trained**

TOTAL IMPACT:
- **Total contributions: RM167,000**
- **People Reached:**
  - **>1,260 individuals benefitted**

CULTURE & HERITAGE

As a nation-building organisation, we remain true to our technological roots, marrying technology and human creativity to create something new. In the past, it was connecting people, today it's converging communications, content and mobile together. In the future, it will all be about placing the human experience, right in the middle of technological development and advancements. It is a necessary part of the preservation and celebration of our nation's heritage but also a key foundation to building our future. This year, we invested around RM957,000 into building Malaysia's cultural heritage and arts — the pride of the nation.

Promoting Public Arts & Supporting the Arts Community

Aim:

To raise public awareness and instil pride in Malaysia's national heritage while helping artists, artisans and performers whose livelihoods were affected by COVID-19.

Collaborators:

YTM, MMU, TM R&D, TM One, Cultural Economy Development Agency (CENDANA)

What We Did:

We transformed the Muzium Telekom as an engaging public art space for artists and performers affected by the pandemic during Art in The City KLWKND. We carry the exhibition theme of Traverse – Motions Through Time to showcase art and technology traversing without borders across time, mediums and cultures in a vibrant interdependent ecosystem. We promote local artists, a new form of art-making, digital arts and showcase the extraordinary visual talents of gifted artists in Malaysia for a charity sale during the event. We also promoted new content produced by MMU students, faculty and alumni, as well as showcasing TM R&D and TM One innovations.

TOTAL IMPACT:

- **>3,000 visitors experienced arts tour**
- **221 musicians & crew**
- **93 arts performers**
- **21 visual artists**
- **10 People with Disability Visual Artists**
- **50 digital artists for NFT-JAM challenge**
- **135 MMU students for digital arts showcase**
- **17,000 online viewers for digital forums/webinars and metaverse**

Preserving Our National Heritage

Aim:

To raise public awareness and instill pride for Malaysia's national heritage.

Collaborators:

YTM, Akademi Jawi Malaysia

What We Did:

Organised a series of online awareness and competitions related to our national heritage, with contestants consisting of Primary, Secondary and University students in Malaysia.

TOTAL IMPACT:

- **> 800 submissions received for the short video competition**

OVERALL IMPACT & ACHIEVEMENTS

Yayasan TM

- **RM582.3 million** worth of scholarships disbursed since 1994
- **418** scholars at local universities
- **39** overseas scholars in the UK, USA, Canada, Korea, Japan, Germany and France

MMU

- **3,309** highly-skilled, digital savvy graduates produced
- **22%** increase in student intake (5,658 new students)
- SETARA: 5-Star Rating
- Malaysia Research Assessment Ratings (MyRA): 4-Star Rating
- QS World University Ranking Asia: 189
- THE Asia University Ranking: 401

- Ministry of Higher Education (MOHE) Entrepreneurial Awards 2021:
  - First Place for Outstanding Student Entrepreneurship Award
  - Finalist in the category of Institutional Award
  - Finalist for Outstanding Graduate Student Enterprise Award
  - Finalist for Outstanding Entrepreneurship Mentor Award
- Graduates' Choice Award 2021
- Malaysia's Most Attractive Employer to Work for (Education Category)

Community & Nation-building

- **RM14.9 million** total investment/contributions towards community
- **RM300,000** invested in TM Future Skills
- More than **6,500** teachers and students reached
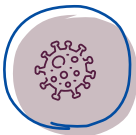
COVID-19 Efforts

- Over **RM20.0 million** contributed (2020-2021)
- **>87,443** individual/families benefitted
- **>85** NGOs supported

Flood Relief Efforts

- **>144** TMROVers involved in the National COVID-19 Immunisation Programme
- **>RM850,000** disbursed
- **>5,000** families assisted
- **>350** TMROVers deployed

Culture & Heritage

- **RM957,000** contributed to culture and heritage
- **529** artists, artisans and performers supported
- **20,000** people reached through various events/programmes

Good governance is an essential aspect of TM's sustainability efforts. We are able to create positive impact and stakeholder value through good integrity and business ethics. This sentiment is encapsulated in TM's Core Values (KRISTAL), which is cascaded throughout the Group and is an expected practice by *Warga TM*. As we continue to make great strides in our sustainability journey, we remain committed to applying the highest standards of conduct and ensuring that the best interest of all our stakeholders is always protected.

In This Section:

M7   GOVERNANCE

M7 GOVERNANCE

THE REASON WE CARE

Good governance is crucial to ESG and inclusive stakeholder value. It ensures that we manage our business in a way that protects the interests of all stakeholders. At the same time, strong corporate governance protects our business, partners and related stakeholders from fraud and corruption, which inevitably impacts economic growth. Maintaining good governance and integrity in everything we do is critical in achieving our nation-building and sustainability aspirations.

Stakeholders' Expectations

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

TM's ESG Commitments:

Zero-tolerance approach to all forms of corruption

Disclosure on anti-corruption (OACP and ABMS) and corporate governance agenda

OUR APPROACH

We ensure that the Group is managed in an ethical, transparent and accountable manner by having strong governance processes and structures in place. We protect the integrity of our business and value creation through a strong foundation of policies and guiding principles, as shown on page 151. Our corporate governance system is designed to promote ethical behaviour, accountability, transparency and stakeholder value. It is built on the TRUST Principles:

- **T**op-Level commitment
- **R**isk assessment
- **U**ndertake control measures
- **S**ystematic review, monitoring & enforcement
- **T**raining & communication

Through these principles, we continue to take steps to cultivate awareness and put anti-corruption monitoring and corrective measures in place, while creating a culture of integrity within TM through various initiatives. For allegations of corruption and misconduct, GIG will conduct a preliminary investigation to determine its validity, before commencing a full investigation. If misconduct is found, GIG will escalate the allegation to the Industrial Relations (IR) unit to determine the course of action.

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

VALUE CREATION IN 2021

TOP-LEVEL COMMITMENT

Integrity and ethics begin with our leadership team, with the Board and upper management team leading by example. Through this top-down approach, TM's values of good governance and accountability cascade across the organisation.

Integrity Message During *Jom Bersama* GCEO – Uncompromising Integrity

As the GCEO shared pertinent information on TM's performance, strategy and aspirations during an engagement session with employees nationwide, he reminded everyone on the importance of upholding TM's high standards of ethics and integrity.

The integrity message included:

- Corporate Liability Section 17A of the MACC Act 2009
- KRISTAL Values on Uncompromising Integrity
- Whistle-blowing channels
- Ethics and integrity initiatives

INTEGRITY IN LEADERSHIP

TM Integrity Day

To demonstrate our commitment to high integrity, governance and transparency. TM's leadership team were actively involved in the event to promote a culture of integrity within the Group.

The event saw the launch of our Organisational Anti-Corruption Plan (OACP) by TM's Chairman and GCEO, which was witnessed by Dato' Sri Ahmad Khusairi Yahaya, Deputy Chief Commissioner (Operation) of Malaysian Anti-Corruption Commission (MACC). Other special guests include:

- Datuk Norazlan Mohd Razali, Deputy Chief Commissioner (Prevention) of MACC
- Dr. Mohammad Mohan, President of Transparency International Malaysia (panelist)
- Puan Anis Rizana Mohd Zainudin @ Mohd Zainuddin, TM Director (moderator)

RISK ASSESSMENT

We conduct regular corruption risk assessments to identify high-risk areas and implement appropriate controls. This year, we assessed corruption risks across all 20 divisions within the Group, as required by ISO37001. The risk profile is reviewed by each division on a quarterly basis to get ahead of any unethical or corruption risks. Based on 2021's risk assessment, Abuse of power has been identified as a significant risk to our integrity and governance. As a response, we developed 91 Action Plans in TM OACP based on four (4) focus areas by 20 Divisions in TM. We target to complete 100% of these action plans between 2021 to 2025. To date, 99% of TM OACP has been completed.

UNDERTAKE CONTROL MEASURES

We have a strong foundation of policies and guidelines in place to protect the integrity of the Group as well as the best interests of our stakeholders.

PROTECTING OUR INTEGRITY

A Strong Foundation

Code of Conduct & Business Ethics (CBE) and Anti-Corruption Guide (ACG)

Acts as a primary reference for employees when dealing with internal and external stakeholders, ensuring all interactions are conducted in an open, honest and ethical manner.

Whistle-blowing Policy

Provides an avenue for employees and other stakeholders to safely report any improper conduct such as illegal, unethical or corrupt activities.

What's New This Year

Organisational Anti-Corruption Plan (OACP)

Developed OACP to further strengthen our existing ethics and integrity ecosystem. The OACP clearly defines the focus areas and strategic initiatives to mitigate corruption, integrity and governance risks.

ISO37001 ABMS certification

ISO37001 ABMS helps to prevent, detect & respond to the occurrence of corrupt practices/bribery in relation to TM business activities. ABMS includes all TRUST principles in relation to the Guidelines on Adequate Procedures issued by PM's Department pursuant to Section 17A Corporate Liability Provision.

Enhanced Process and Procedures to address the new corporate liability provision of MACC Act 2009

Updated the CBE, ACG and TM Sponsorship Management Guideline (TM SMG) to reflect the new corporate liability provision. This ensures TM has adequate controls to eradicate corrupt practices, thus protecting our business and stakeholders.

SYSTEMATIC REVIEW, MONITORING & ENFORCEMENT

During the year, we continue to make great strides in strengthening our governance and integrity. This is done by regularly assessing the effectiveness of our control measures through regular audits. Furthermore, we reinforce appropriate action on employees, partners and relevant stakeholders who are involved in bribery, corruption and other unethical business practices, with guilty parties undergoing a proper process of consequence management.

GETTING AHEAD OF INTEGRITY RISKS

TM OACP

What We Did:

Based on holistic assessments with 20 divisions, we outlined action plans to address potential corruption, integrity and governance issues in TM. We have four (4) mechanisms in place to execute the OACP initiatives:
- GIG – the secretariat that monitors and tracks the implementation of the action plans
- ERM MERCIS – a system that monitors corruption risk and action plans.
- OACP Monitoring Form – used to report to the Board Audit Committee (BAC) on a periodic basis
- ABMS – a tool that ensures the action plans are implemented in compliance with ABMS requirements

Highlights/Achievements:
- **91** action plans under four (4) focus areas, four (4) strategies and ten (10) strategic initiatives

ISO 37001 ABMS

What We Did:

As part of the review and monitoring of ABMS implementation, we conducted internal and external audits for our certified divisions as well as other support functions.

Highlights/Achievements:
- **Internal audits conducted for six (6) key divisions** under ABMS scope and other support divisions
- **Achieved our objectives** in identifying and implementing improvements in our internal processes

GETTING AHEAD OF INTEGRITY RISKS

ETHICS LINE & INFORMATION

What We Did:

The complaints and information received from whistle-blowers and stakeholders ensure the enforcement of policies, procedures and guidelines. All information received is transparently investigated to determine the validity and severity of potential misconduct.

Highlights/Achievements:

- **83** complaints received through whistle-blowing channel
- **92%** of complaints **resolved**, with pending 8% to be resolved in 2022

TRAINING & COMMUNICATION

Ongoing awareness, briefing sessions and communications are essential for TM employees to sufficiently understand our CBE and values. By having these sessions, employees are equipped with the knowledge of acceptable and unacceptable business conduct and zero-tolerance against all forms of corruption. We also organised mandatory virtual training programmes to ensure full compliance with relevant acts and regulations.

More than 8,000 employees, including Business Partners, have attended the awareness session and special events such as TM Integrity Day, webinars, workshops and onboarding sessions, both physically and virtually.

BUILDING A CULTURE OF INTEGRITY & COMPLIANCE

TM INTEGRITY DAY

Aim:

To demonstrate TM's commitment to upholding high integrity, governance and transparency in its business operations through an engaging whole-day event. The event saw a company-wide pledge to combat corruption, and the launch of TM's OACP

Highlight:

- TM pledged its commitment to company-wide combat against corruption
- Initiatives organised to inculcate a corruption-free culture
- Launched TM's OACP aligned with the National Anti-Corruption Plan (NACP)
- TM's senior management signed a corruption-free pledge as a testament to our anti-corruption aspirations

Reach:

- **TM employees nationwide**

UNCOMPROMISING INTEGRITY E-LEARNING PROGRAMME

Aim:

To raise awareness on the understanding of ethics and integrity, the new provision of corporate liability, good governance and anti-corruption.

Reach:

- **20,912 employees**

OVERALL IMPACT & ACHIEVEMENTS

OACP action plan completion

- **99%** action plan completed for 2021

ABMS certification

- **100%** completed against 2021 target

Operations assessed for corruption

- **20** divisions completed corruption risk assessment

Misconduct/ Malpractice

- **5** confirmed incident of corruption (▼ **2020: 8**)
- **29** reports received (▼ **2020: 37**)
- **93%** misconduct/malpractice reports resolved (▲ **2020: 81%**)

Employees' Declaration

- **100%** of employees completed the Declaration of Assets and Interests (DOA)
- **100%** of employees signed the IP

Telecommunication Fraud

- **0.01%** in Telco Fraud loss against TM's revenue (compared to 0.3% in 2005 and against global benchmark* of 1.7%)

* Communication Fraud Certified Association (CFCA)