



2018 SUSTAINABILITY REPORT | TELEKOM MALAYSIA BERHAD



Here for you...

All that we do, we do for you. Which is why we take our responsibilities to our stakeholders seriously. To our employees, customers, shareholders, investors and regulators, we are here to ensure that our company ethos creates a positive impact on the economic, environment and social sustainability of the nation. Not only is sustainability a holistic part of all our operations but we also play a unique role in meeting the nation's digital aspirations as a responsible corporate citizen.



TELEKOM MALAYSIA BERHAD

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Where to find more information
www.tm.com.my/annualreport

Group Brand and Communication
 Telekom Malaysia Berhad
 Level 9, North Wing
 Menara TM
 Jalan Pantai Baharu
 50672 Kuala Lumpur
 Malaysia

What We Do

ABOUT TM

(GRI: 102-1, 102-2, 102-4, 102-5)



Telekom Malaysia Berhad (TM) was first established as the Telecommunications Department of Malaya in 1946. Since its humble beginnings, the Group has grown into an institution on its journey of elevating the nation's telecommunication infrastructure, technology and services.

As the enabler of Malaysia's Digital Nation, TM is the trusted service provider, committed to connect its customers from all segments – consumers, SMEs, enterprises, and the public sector – fulfilling their communications needs. In other words, our vision is "To Make Life and Business Easier, for a Better Malaysia" and we fulfil this by providing converged communications services and solutions in fixed, mobility, WiFi, content, ICT, Cloud and Smart Services.

As the key enabler of Malaysia's communications infrastructure, we continue to enhance the lives of Malaysians by providing connectivity anywhere, anytime via convergence, empowering a digital lifestyle towards creating a digital nation. We are also committed to our role as an enabler and accelerator of business opportunities by providing solutions and value for businesses to realise their digital aspirations.

Recently, we have rebranded our customer clusters to better serve you:

- ✓ unifi is geared towards convergence lifestyle offerings for homes, individuals as well as SMEs
- ✓ TM ONE offers end-to-end converged solutions to industry verticals in the enterprise and public sector
- ✓ TM GLOBAL puts us in a unique position to serve the digital needs of domestic and international telecommunications

TM is in its strategic journey to transform into a customer-centric organisation to enable Malaysia's Digital Nation aspirations through Connectivity and Digital Infrastructure.

As a Group, we continue to be at the forefront of Malaysia's digital economy by increasing nationwide connectivity reach and narrowing the digital divide. The Group is also in a unique position to serve national interests, on the back of its robust infrastructure, capacity and capability to deliver connectivity solutions, and most importantly, its human capital.

In addition to that, we have long been a strategic partner of the Government to catalyse and implement nation-building initiatives beyond products and services. In the process, we open up more business opportunities by creating jobs and ecosystems. We remain committed to our strategic roles in fulfilling the communications needs of Malaysians nationwide and supporting the development of Malaysia's digital economy whilst being the industry backbone, connecting Malaysia to the world.

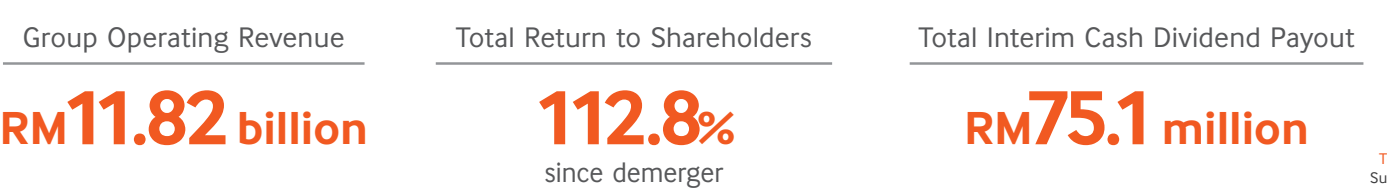
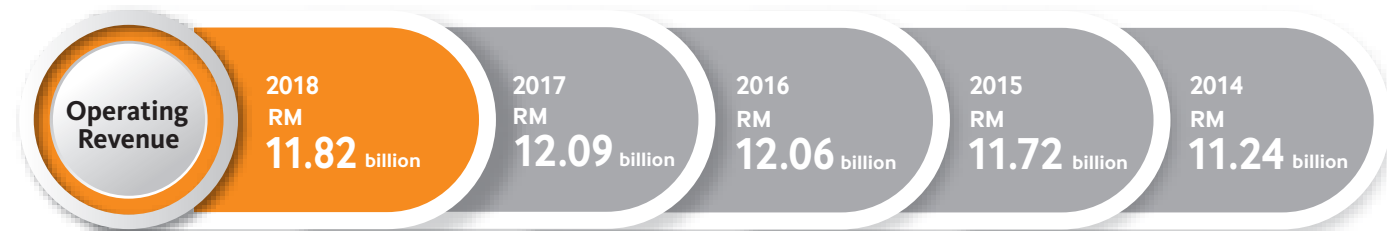
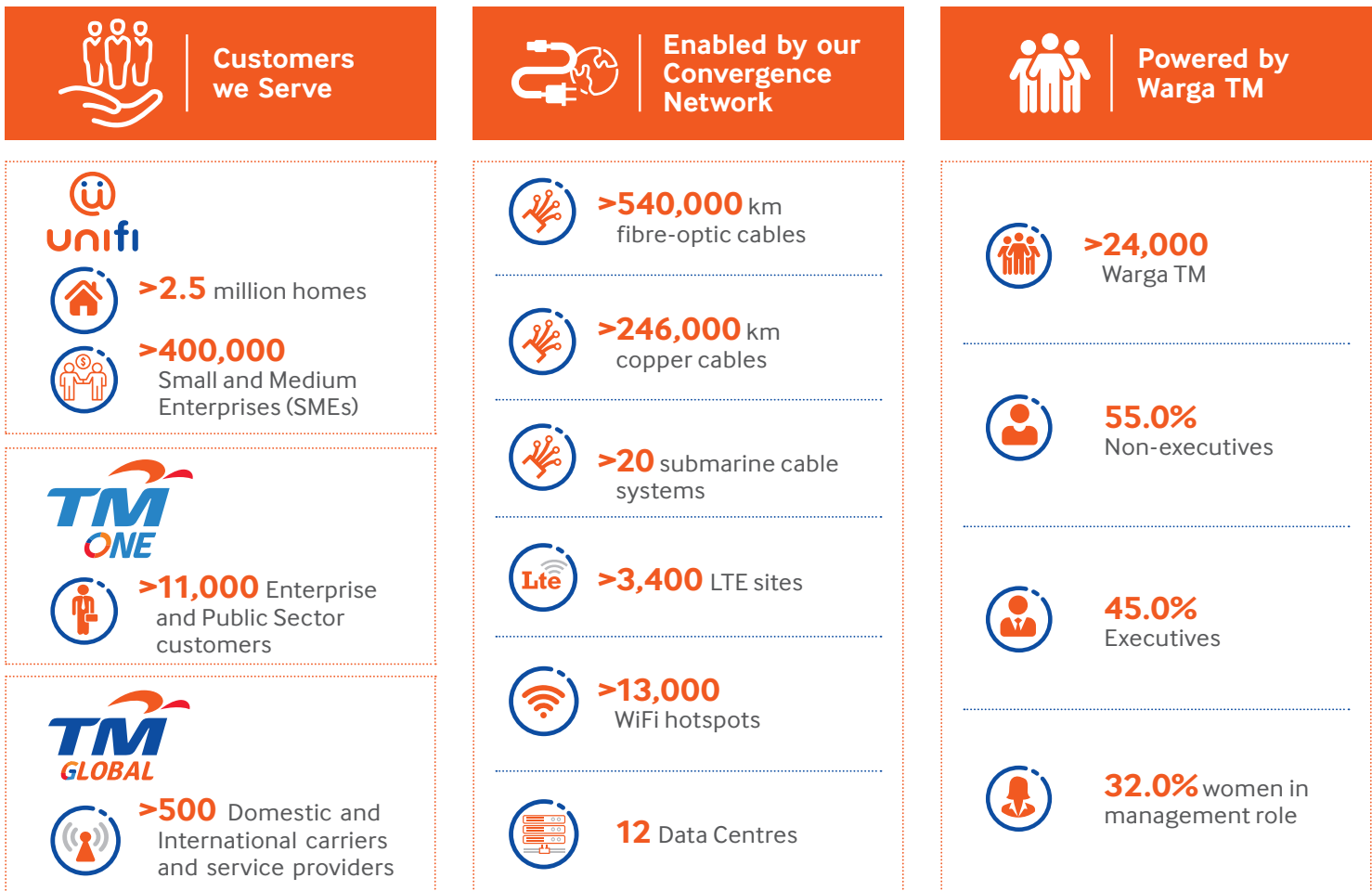
REVIEW OF THE YEAR

(GRI: 102-6, 102-7, 102-8)

At TM, we have the responsibility to fulfil multiple roles as a business, as a key enabler or driver of national initiatives, as an industry thought leader, and also as a responsible corporate citizen. In managing and delivering on these roles, we are mindful of our strategic purpose and our overall objective, which is to create value for all our stakeholders.

Our financial and non-financial performance, therefore, include tangible and non-tangible benefits and all the essential elements to achieve our long-term business goals.

MALAYSIA'S CONVERGENCE CHAMPION – Connecting and serving the nation since 1946



What We Do

STRATEGY AT A GLANCE

(GRI: 102-16)

We are constantly evolving and improving our overall strategic framework to consistently contribute as an enabler of a Digital Nation to our customers and Malaysia as a whole.

Our strategy goes beyond creating value. It has always been to contribute to the nation by playing our unique role to advance Malaysia as a Digital Nation. This is aligned with our vision and mission to Make Life Easier for a better Malaysia. To better serve our customers, we have also consolidated our business clusters into unifi, TM ONE and TM GLOBAL. These clusters are empowered for digital enablement through our Group Digital Centre (GDC), while also extending their support to social issues via our Education Group and Corporate Responsibility. The basis of this strategic framework is vested by our people who remain committed to our KRISTAL values of **Total Commitment to Customers; Uncompromising Integrity;** and **Respect & Care.**

We have defined our general strategy for the next couple of years according to TM's underlying principles of **Reprioritising Productivity** and **Embedding Innovation.** At the same time, we remain focused on our two (2) strategic thrusts to **Accelerate Convergence** and **Empower Digital.** Our Accelerate Convergence strategy represents our constant effort to deliver reliable, high-speed broadband and seamless digital experience. This is aligned with our Empower Digital strategy to eliminate obsolete or redundant processes while implementing digital innovation for better customer experience.

The successful execution of our strategies is supported by our six (6) Capitals:



Human Capital

The talent, capability and experience of our people, and their motivations to innovate and grow the organisation.



Intellectual Capital

Our organisational, knowledge-based intangibles such as intellectual properties, systems, and protocols.



Natural Capital

The environmental resources that support our business processes and services.



Social & Relationship Capital

The network of relationships and institutions within our stakeholder groups that enhances individual and collective well-being.



Financial Capital

The various funds pool used in the production of our goods and services.



Manufactured Capital

Our manufactured, physical infrastructure that is available for use such as our fibre and copper networks, submarine cables, telecommunication towers, office buildings, etc.

These six (6) capitals are deployed by our business clusters according to TM's strategies and principles, thus creating more value for the organisation. This process is reflected by **TM's Value Creation Model**, as depicted in the following page.

SUSTAINABILITY STATEMENT OF PURPOSE

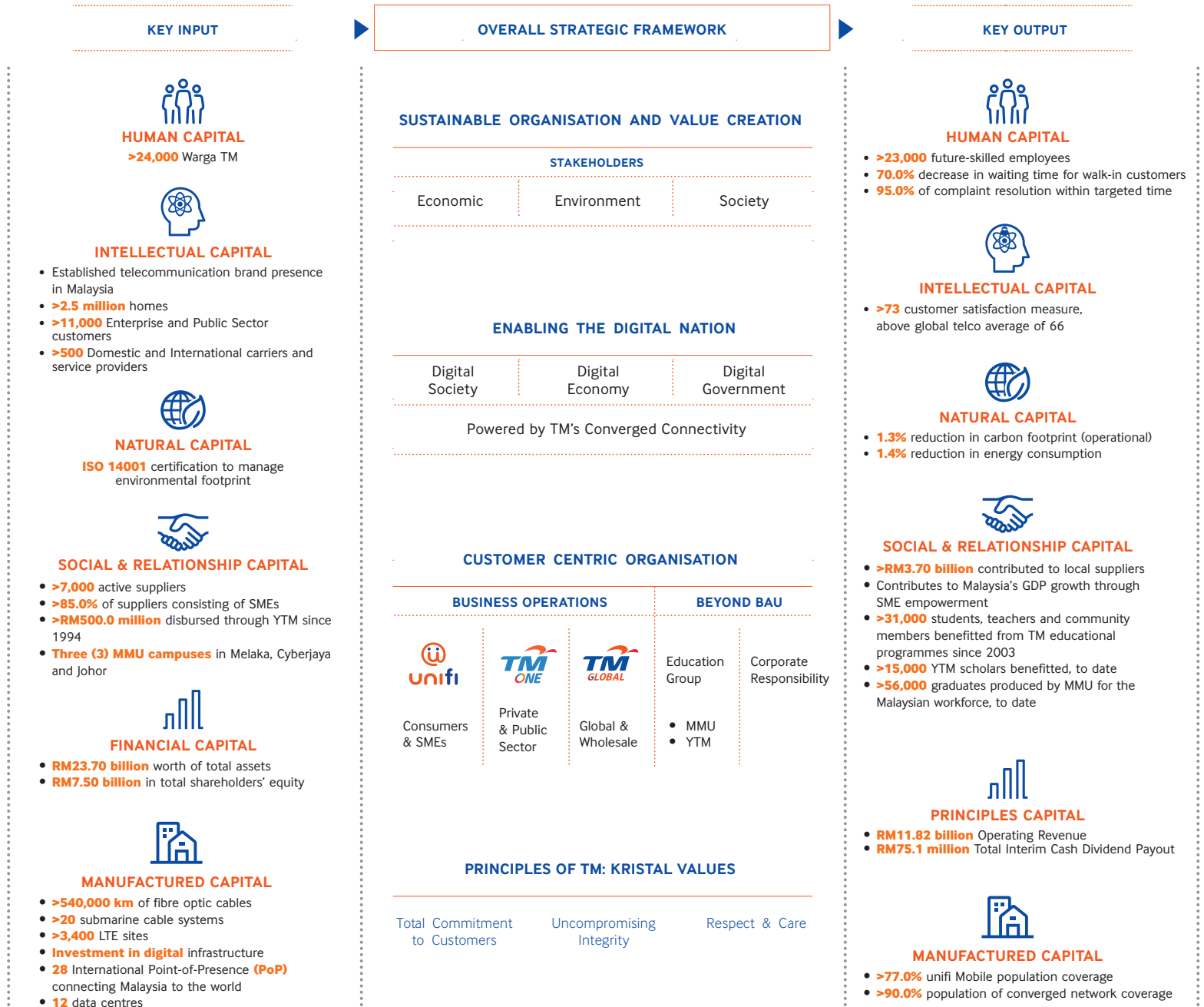
Our company's motto goes beyond making profits. We embrace the responsibility of catalysing economic growth by empowering businesses, and serving in the best interests of our people, customers, community and the environment.

TM VALUE CREATION MODEL

(GRI: 102-2, 102-16)

To Make Life Easier, for a Better Malaysia

TM's Value Creation Model is designed to create sustainable and long-term value for all stakeholders to deliver on our vision



About This Report

SCOPE OF REPORT

(GRI: 102-46, 102-50, 102-51, 102-52, 102-53, 102-54)

For over 10 years, we have been producing Sustainability Reports, which narrate the story of Telekom Malaysia's positive impact on the economy and society, while we continue to deliver business value for our multiple stakeholders. This year, as we progress on our integrated reporting journey, the management has taken a decision to digitise our sustainability report i.e. an e-book format, which will be more accessible, environmentally-friendly and easy-to-navigate on our website: www.tm.com.my.

Via this TM Sustainability Report 2018, we endeavour to document our dedicated efforts towards achieving Economic, Environmental and Social (EES) sustainability in the conduct of our business. This report includes our continuing role in identifying various EES risks and opportunities and our short-, medium- and long-term strategies to mitigate them.

REPORTING STANDARDS

This report was developed in keeping with various local and international standards and frameworks:



Bursa Malaysia's Main Market Listing Requirement on Sustainability Reporting



Global Reporting Initiative (GRI) Sustainability Reporting Standards



The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies



ISO 26000:2010 Guidance on Social Responsibility



The United Nations Sustainable Development Goals (UN SDGs)

BOUNDARY

This Sustainability Report covers TM's operations and initiatives in Malaysia, covering 15 states, where we have a strong presence and coverage. We have identified 22 materiality topics to be included in this report, which are all directly/indirectly linked to our business. Our response to these issues is addressed through our stakeholder engagement and materiality exercise.

REPORTING PERIOD

This is TM's 11th Sustainability Report. All data and information covered in this report is for the calendar year 1 January 2018 – 31 December 2018, unless stated otherwise. The last report was published in April 2018 for the year 1 January 2017 – 31 December 2017. We have included data from previous years, where possible, for comparability and to show our progress, especially on our flagship initiatives.

INDEPENDENT ASSURANCE

The authenticity of this report was verified with an independent assurance, which was conducted through an external audit by SIRIM QAS International Sdn. Bhd. It is a part of our commitment to go the extra mile to obtain independent assurance as recommended by Global Reporting Initiative (GRI) Sustainability Reporting Standards.

POINT OF CONTACT

To continuously improve the quality of our reporting, we welcome your feedback or suggestions on TM's Sustainability Report 2018. Please contact our sustainability team at:



gbc@tm.com.my

CORPORATE REPORTING AWARDS

National Center for Sustainability Reporting (NCSR):

Asia Sustainability Reporting Rating 2018 (Platinum Rank)

National Annual Corporate Report Awards (NACRA) 2018:

- **Best Annual Report in Bahasa Malaysia (Gold)**
- **Best Inclusiveness & Diversity Reporting (Gold)**
- **Overall Excellence Awards (Silver)**
- **Industry Excellence Awards Trading & Services (22 Consecutive Years)**



ENGAGING OUR STAKEHOLDERS

(GRI: 102-42)

At TM, we give utmost importance to the thousands of lives that our operations impact and are always looking for ways to further enrich them. Towards this, we constantly look for opportunities to interact with our stakeholders, to better understand their changing expectations and priorities as well as to devise solutions which will make their lives better.

We understand and appreciate the important role each stakeholder plays for TM's success as the leading telecommunications company in Malaysia. We value not just our customers, employees and shareholders, but also our suppliers, regulators and the greater community. Throughout the years, we have actively engaged with various stakeholder groups to provide updates on our organisation and, more importantly, to obtain feedback on their expectations and how to enhance our business, processes and operations.

We are constantly engaging with our numerous stakeholders through various platforms, which include surveys, call centres, online channels and face-to-face discussions. We also interact with local communities through initiatives that help empower marginalised and underdeveloped groups via our reaching out programmes nationwide.

This year, in addition to our regular methods of engaging with stakeholders, we have conducted a special stakeholder engagement exercise that personally interacts with representatives from various stakeholder groups via a formal platform. This was conducted through a third-party organisation to ensure that the engagement was held under neutral circumstances, to capture objective views on TM's performance and potential material issues without bias.

The most crucial stakeholders were identified and prioritised according to two (2) main factors:



Their influence on our business, operations and reputation.



The degree or level of their interest or dependence on TM for business, livelihood or simply, solutions.

STAKEHOLDER ASSESSMENT ENGAGEMENT

Stakeholder Groups	Mode of Engagement	Internal Data Analysed
Employees	Focus Group	Employee Engagement Survey
Customers	Focus Group	Customer Experience and Surveys
Suppliers	Focus Group	Supplier Satisfaction Index
Investors	In-depth Interviews	Investor Briefings and Discussions
Regulator	In-depth Interviews	Informal Feedback during Meetings and Discussions

About This Report

(GRI: 102-40, 102-43, 102-44)

Stakeholder Group	Engagement Approach	Frequency	Material Issues
Employees	Employee engagement: focus group (external)	Yearly	<ul style="list-style-type: none"> Talent Retention and Attraction Training and Development Employee Health and Safety Employee Volunteerism Diversity and Inclusion Work-Life Balance Compensation and Remuneration Corporate Culture Fair and Equitable Policies Grievance Mechanism
	Employee engagement programmes	Weekly	
	Employee satisfaction survey	Yearly	
	Dialogue and engagement i.e. Jom Bersama, Business Clusters' Townhalls	Quarterly	
	Wellness Programme	Monthly	
	Top management messages	Weekly	
	Intranet, internal social media, departmental meetings and newsletters	Daily	
	TM societies and clubs activities	Weekly	
Customers	Customer engagement: focus group (external)	Yearly	<ul style="list-style-type: none"> Product Innovation Service Quality Climate Change and Energy Management Resource Use and Waste Consumer Health and Safety Consumer Data and Privacy
	Customer feedback management	Daily	
	Customer support centre at 100	Daily	
	Social media tools – Twitter, Facebook, YouTube, LiveChat, mobile apps	Daily	
	Market research loyalty programmes	Weekly	
	Events, dialogue sessions, roadshows and engagement sessions	Weekly	
Shareholders & Investment Communities	Investor Relations engagements via one-to-one meetings, conference calls and investor conferences	Daily	<ul style="list-style-type: none"> Sustainable Supply Chain Climate Change and Energy Consumer Health and Safety Consumer Data and Privacy Regulatory Compliance Fair and Equitable Policies
	Investor engagement: in-depth interview (external)	Daily	
	Annual and sustainability reports	Yearly	
	Annual General Meetings	Yearly	
	Extraordinary General Meetings	Ad-Hoc	
	Shareholder updates	Daily	
	Quarterly reports	Quarterly	

Stakeholder Group	Engagement Approach	Frequency	Material Issues
Government & Regulator	Regulator engagement: in-depth interview (external)	Yearly	<ul style="list-style-type: none"> Industry Thought Leadership Regulatory Compliance Consumer Health and Safety Consumer Data and Privacy Regulatory Compliance Fair and Equitable Policies
	Performance reports	Weekly	
	Discussion on government initiatives	Daily	
	Formal meetings	Weekly	
Suppliers	Supplier engagement: focus group (external)	Yearly	<ul style="list-style-type: none"> Sustainable Supply Chain Climate Change and Energy Grievance Mechanism Fair and Equitable Policies Compensation and Remuneration
	Transparency survey	Yearly	
	Supplier training programmes	Monthly	
	Supplier relationship management	Daily	
Business Partners	Progress report	Monthly	<ul style="list-style-type: none"> Product Quality Innovation Regulatory Compliance Consumer Health and Safety Consumer Data and Privacy
	Annual and Sustainability Report	Yearly	
	Corporate presentations	Daily	
	Signing ceremonies	Ad-Hoc	
Media	Press releases	Daily	<ul style="list-style-type: none"> Innovation Customer Satisfaction Consumer Data and Privacy
	Press conferences, question and answer sessions	Daily	
	Media coverage	Daily	
	Media luncheons	Quarterly	
Communities	Website and service catalogues	Daily	<ul style="list-style-type: none"> Innovation Resource Use and Waste Customer Satisfaction Consumer Data and Privacy Supporting Communities
	Annual and sustainability reports	Yearly	
	Visits, seminars and joint activities	Daily	
	Community engagement activities	Daily	
Unions	Dialogue and engagement	Weekly	<ul style="list-style-type: none"> Regulatory Compliance Human Rights Employee Health and Safety
	Joint activities	Monthly	
	Consultations	Ad-Hoc	
	Negotiation	Every three (3) years	



About This Report

IDENTIFYING OUR MATERIAL ISSUES

(GRI: 102-47, 102-48)

Material topics are matters that are significant to both our stakeholders and to our organisation. If these matters are not systematically managed, they could be detrimental to our long-term business performance and success. Therefore, it is important to accurately identify and prioritise these material topics by effectively analysing their current and future impacts on our business and people.

Based on the feedback received from the special stakeholder engagement exercise, we have identified twenty-two (22) material topics, including ten (10) new topics over the last year:

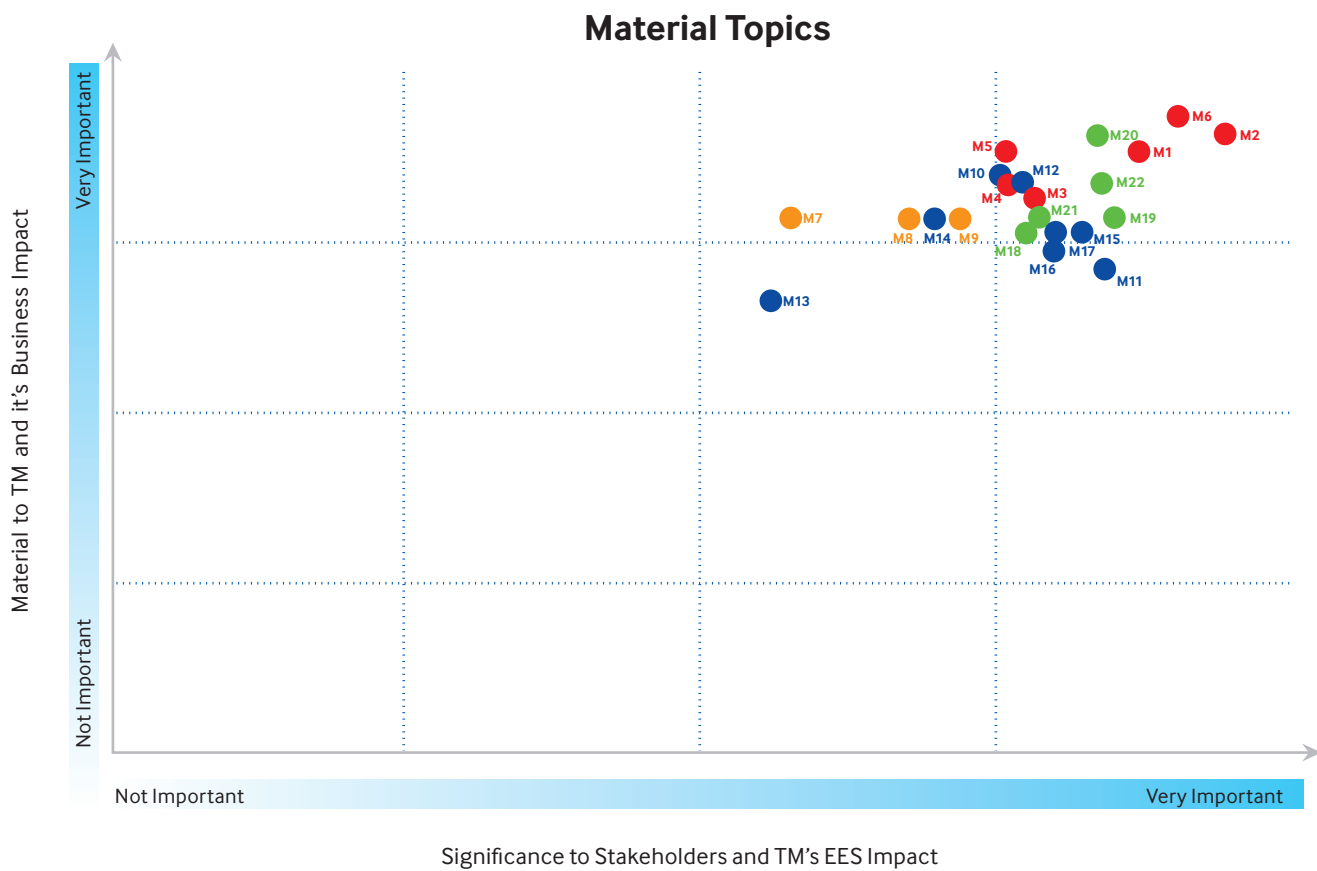


For clarity and better context/coverage of the material issues, the following topics from last year have been renamed, recategorised and/or regrouped:

Previous Material Topics	Revised Material Topics
<ul style="list-style-type: none"> Product Quality Innovation 	Product Innovation
<ul style="list-style-type: none"> Customer Satisfaction 	Service Quality
<ul style="list-style-type: none"> Supply Chain Management 	Responsible Supply Chain
<ul style="list-style-type: none"> Consumer Data and Privacy Online Safety 	Consumer Data and Privacy
<ul style="list-style-type: none"> Inclusivity 	Diversity and Inclusion
<ul style="list-style-type: none"> Supporting Communities 	Community Welfare and Well-Being
<ul style="list-style-type: none"> Human Rights 	Fair and Equitable Policies

Materiality Methodology: We collected in-depth inputs from participants (qualitative data) as well as the re-ranking of 2017 material topics (quantitative data) from the stakeholder engagement assessment. The findings were juxtaposed with internal sources of data (quantitative data) to clearly determine topics that are considered material to our stakeholders. The Management Committee (MC) then assigned scores to the top material topics identified from the assessment according to their importance to the business. The material topics were ranked according to a 5-Point Rating Scale (1 = Not Important; 2 = Somewhat Important; 3 = Not Sure; 4 = Important; 5 = Most Important). The MC also established weightages to various stakeholder groups to determine the magnitude of their impact on our operations. Finally, we compared and analysed the material topics that are important to both stakeholders and the MC to determine the final 22 material topics, which are then presented on a materiality matrix.

The identified material topics and the materiality matrix are shown below, which have been approved by the Board (via Chairman) and AGCEO.



● Economic ● Environmental ● Social ● Governance



Economic

- M1 Product Innovation
- M2 Service Quality
- M3 Responsible Supply Chain
- M4 Industry Thought and Leadership
- M5 Consumer Health and Safety
- M6 Consumer Data and Privacy



Social

- M10 Talent Retention and Attraction
- M11 Training and Development
- M12 Employee Health and Safety
- M13 Employee Volunteerism
- M14 Diversity and Inclusion
- M15 Work-Life Balance
- M16 Community Welfare and Well-Being
- M17 Compensation and Remuneration



Environmental

- M7 Climate Change and Energy Management
- M8 Resource Use and Waste
- M9 Green Awareness and Education



Governance

- M18 Corporate Culture
- M19 Fair and Equitable Policies
- M20 Regulatory Compliance
- M21 Grievance Mechanism
- M22 Engagement

Sustainability Commitment

MESSAGE FROM CHAIRMAN AND ACTING GROUP CHIEF EXECUTIVE OFFICER

(GRI: 102-14)



ROSLI MAN
Chairman

IMRI MOKHTAR
Acting Group Chief Executive Officer

Dear Stakeholders,

At TM, we understand our role as a driver of the national agenda and socio-economic development. As an enabler of Malaysia's Digital Nation, we are committed to providing accessible, affordable and credible connectivity solutions for both people and businesses. This is our contribution to help propel Malaysia towards a digital economy. In fulfilling our business purpose, we also fulfil our social and environmental responsibilities as a corporate citizen. In other words, our efforts extend beyond just driving financial performance. Our long-term approach to business is also to create positive Economic, Environmental and Social impact. We are also dedicated to championing sustainable growth and delivering value for our multiple stakeholders.

2018 was a defining year for TM, with the change in government, evolving industry dynamics, and of course, the ever-changing business landscape. We revisited our near-term as well as long-term strategies and communicated our new promise to deliver more affordable and faster broadband services. This is not just to serve our new government's agenda and expectations, but because, we are here for you i.e., to deliver better value for our stakeholders.

Our role as a Government-Linked Company (GLC) requires us to balance between our dual-prong role – maximising shareholder value and continuing our efforts in nation building. On one hand, we want to continue to catalyse national development projects, supporting local businesses and creating

income opportunities. On the other hand, we want to succeed as a competitive and innovative business committed to delivering growth and value for our shareholders and stakeholders. This requires us to continuously weigh our priorities and realign our strategies and approaches to growing our business. In short, it is not business-as-usual for TM. This also means, we have to continuously monitor and meet the ever-rising expectations of our stakeholders.

Therefore, for the first time in our sustainability journey, we conducted an in-depth engagement exercise this year with our priority stakeholders to include our customers, investors, employees and supply chain partners. With feedback and rich insights, we have been able to re-evaluate our priorities and address some of the most material aspects of our business and stakeholders. For instance, product innovation emerged as an extremely critical parameter, which will determine our ability to garner greater market share as well as to cater to the emerging digital customer.

Stakeholders also consider our efforts in community and environmental welfare as a material issue when assessing our long-term business performance and success. Corporate responsibility has long been ingrained within our work culture. Our people actively participate in social and environmental programmes as they understand the need to play their part.

Another material topic that surfaced was talent and development, which again is an important area for strategic interventions. The markets and customers are continuously evolving, and with the advent of new technologies, there is an increasing need for new skill sets to consistently drive innovation and performance. Our long-term objective is to future-skill our employees and shape them into competent and highly productive resources for both TM as well as the industry.

The digital preparedness and digital transformation, in particular, will go a long way into positioning TM as a forward-looking organisation, equipped to deliver solutions of the future. Our vast and deep experience has equipped us with the right tools, people and mindset to elevate Malaysia into a Digital Nation through connectivity and digital infrastructure.

Overall, in the midst of a challenging business and operating landscape, we realigned our strategies towards identifying and managing long-term risks and opportunities, with near-term as well as long-term approaches and strategies. Over the next 3-5 years, for example, we will continue to focus on building a sustainable and responsible business, which will create value for all our stakeholders. We endeavour to improve stakeholder' experience and our strategic response to their needs and expectations.

We will continue on our strategic journey to ensure our resilience and long-term sustainability towards shaping an organisation that reinforces customer centricity. Anchoring on our new strategic direction, we remain as the TM as you have always known it, yet enhanced in how we operate and value-create. Our key priorities will be to deliver customer excellence and drive high performance whilst we continue to explore new frontiers of growth through continuous innovation that is inspired by customer insights. With these priorities, we remain committed to delivering the best of our solutions and the best of experience – towards making "Life and Business Easier for a Better Malaysia".

Towards this, in 2018, we have introduced TM's Value Creation Model, which was designed to clearly illustrate how we optimise our key financial and non-financial resources to create sustainable short-term and long-term value for our stakeholders. The model is anchored on our corporate values, principles of good governance and robust business strategies. As a long-standing, credible organisation, we will continue to plan and deliver on our growth strategies with an emphasis on addressing various sustainability issues and in the process, take mitigation measures that will not only create positive impact, but also assure value creation for our stakeholders.

TM's Annual Sustainability Reports reinforce this deep commitment to our stakeholders by outlining our management approaches, and sharing some of the key areas of positive impact during the year under review. Further cementing our commitment to best practices in sustainability initiatives reporting and communications, we were honoured with Platinum Rank for the Asia Sustainability Reporting Rating at the 14th National Center for Sustainability Reporting (NCSR) Award 2018. As we humbly receive the award, we continue to strive for better sustainability reporting. We welcome all feedback and suggestions to help us improve this report in the coming years.

On behalf of the Board and management, we express our gratitude to all our stakeholders for their commitment and support through our sustainability journey. Your association and partnership is a critical factor in shaping our success and a better future for all of us.



ROSLI MAN
Chairman



IMRI MOKHTAR
Acting Group Chief Executive Officer



Sustainability at TM

SUSTAINABILITY GOVERNANCE

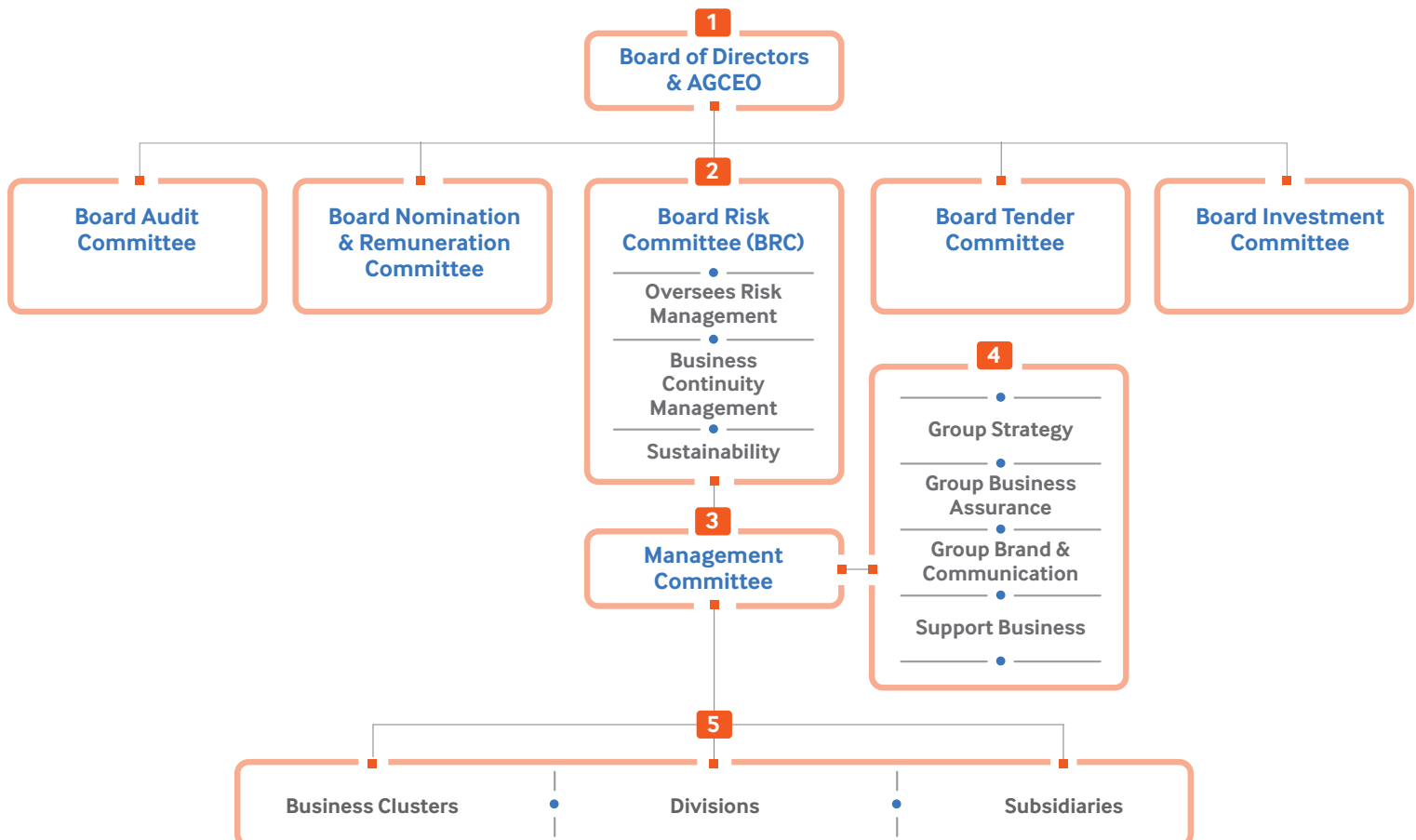
(GRI: 102-18, 102-48)

TM has established sustainability units that act as a representation across all business levels while actively and comprehensively influencing TM’s strategies and decisions.

Our sustainability governance framework allows us to holistically and efficiently assess our business risks along with EES considerations, thus designing and implementing appropriate management strategies.

The sustainability governance structure consists of the following roles and responsibilities.


1. Board of Directors and Acting Group Chief Executive Officer (AGCEO): All sustainability-related decisions go through a process of validation and approval from the Board of Directors and GCEO, who spearhead the Group sustainability function.
2. Board Risk Committee (BRC): The sustainability risks are embedded in our Enterprise Risk Management Framework. BRC, as the custodian, reviews the effectiveness of TM’s sustainability and related strategies, policies, principles and practices.
3. Management Committee (MC): Review and deliberate all the key sustainability-related decisions for approval by the MC.
4. The Management Committee is supported by the following four (4) business units:
 - Group Strategy (GS): Helps to formulate sustainability strategies and ensure their alignment to the overall Group Strategic Business Roadmap.
 - Group Business Assurance (GBA): Ensures the alignment of sustainability risks and our overall approach with the overall Group risk strategy and progress.
 - Group Brand and Communication (GBC): Acts as the custodian of TM’s Sustainability Plan by implementing, monitoring and tracking progress against the set game plan and targets.
 - Support Business: Responsible for sustainable management of TM properties and facilities as well as manage nationwide environmental data.
5. Business Clusters/Divisions/Subsidiaries: Adopt, implement and report activities to align with TM’s sustainability strategies, programmes and initiatives at an operational level.




KEY POLICIES SUPPORTING OUR MATERIAL TOPICS

(GRI: 102-35)

Our company policies, guidelines and framework demonstrate institutionalisation of good governance in reinforcing material matters.


	Material Topics	List of Policies
Economic 	Product Innovation	TM Code of Business Ethics <ul style="list-style-type: none"> Product and Service Quality and Safety: We may damage our good name and reputation if we deliver products and services that fail to live up to the Company's standard of quality.
	Service Quality	Business Continuity Management System (BCMS) <ul style="list-style-type: none"> Quality Policy: Customer Experience Management is committed to deliver excellent TM customer experience by providing differentiated customer services in a proactive manner. TM Code of Business Ethics: <ul style="list-style-type: none"> Product and Service Quality and Safety: Commitments made to Customers must be reasonably honoured.
	Responsible Supply Chain	General Procurement Policy TM Procurement Policies and Procedures (POP and SOP)
	Consumer Health and Safety Consumer Data and Privacy	TM Corporate Security Policy and Framework: <ul style="list-style-type: none"> Protection Against Malicious and Mobile Code Change Management Policy Physical and Environmental Security Access Control Policy Information Security Policy for IT&NT

	Material Topics	List of Policies
Environmental 	Climate Change and Energy Management	TM's Energy Reduction Plan
	Resource Use and Waste Green Awareness and Education	TM Corporate Security Policy and Framework <ul style="list-style-type: none"> Physical and Environmental Security: To ensure that physical and environmental mechanisms for TM's operations are identified and that those mechanisms are implemented. Administration and Property Management Policy



Sustainability at TM

	Material Topics	List of Policies
Social 	Talent Retention & Attraction Training & Development Work-Life Balance Compensation & Remuneration	TM Human Resource Policy TM Employee Handbook <ul style="list-style-type: none"> • Collective Agreements • Employee Claims Guideline • Training Policies • Corporate Attire Guidelines • TM Privacy Policy • Corporate Integrity Pledge Policy and Procedures – Employee Productivity Enhancement (EPE) – Band Three (3) and below as per document title <ul style="list-style-type: none"> • Remuneration and Performance Management (RPM) • Performance Review Guidelines Terms and Guideline Services for Managerial and Executive Management – Recruitment Guidelines
	Community Welfare & Well-Being	TM Office Ergonomics Guideline The Communications and Multimedia Act 1998 Guideline on Anti-Competition Conduct TM Privacy Policy for Employees TM Privacy Statement Whistle-Blowing Policy and Reporting
	Employee Volunteerism	TM Group Communication Policy: <ul style="list-style-type: none"> • CR Guidelines
	Employee Health & Safety	TM Group Communication Policy: <ul style="list-style-type: none"> • CR Guidelines TM Occupational Safety and Health Manual

	Material Topics	List of Policies
Governance 	Corporate Culture Fair & Equitable Policies Regulatory Compliance Grievance Mechanism Engagement	TM Social Media Policies and Guidelines 1.0 TM Corporate Compliance Charter and Framework TM Sponsorship Management Guidelines Data Governance Policy version 2.0 TM Anti-Corruption Guide TM Code of Business Ethics

BOARD OF DIRECTORS



From Left to Right:

- FAISAL @ PISAL ABDUL GHANI *[Non-Independent Non-Executive Alternate Director]*
- SAHERAN SUHENDRAN *[Independent Non-Executive Director]*
- BALASINGHAM A. NAMASIWAYAM *[Independent Non-Executive Director]*
- DATUK ZALEKHA HASSAN *[Senior Independent Director]*
- DR. FARID MOHAMED SANI *[Non-Independent Non-Executive Director]*
- DATO' ASRI HAMIDIN @ HAMIDON *[Non-Independent Non-Executive Director]*
- DATO' MOHD NAIM DARUWISH *[Non-Independent Non-Executive Director]*
- ROSLI MAN *[Non-Independent Non-Executive Chairman]*
- GEE SIEW YOONG *[Independent Non-Executive Director]*
- TUNKU AFWIDA TUNKU DATO' A.MALEK *[Independent Non-Executive Director]*
- HISHAM ZAINAL MOKHTAR *[Independent Non-Executive Director]*

Secretaries:

- HAMIZAH ABIDIN *[Group Company Secretary]*
- ZAITON AHMAD *[Joint Secretary]*

Sustainability at TM

BOARD OF DIRECTORS' PROFILE

(as at 29 March 2019)

(GRI: 102-10)

ROSLI MAN

Chairman / Non-Independent Non-Executive Director

Malaysian / 65 / Male

Date of Appointment:

- 3 December 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- Bachelor of Science (Electrical and Electronic Engineering), University of Glasgow, United Kingdom (UK)
- Diploma in Electrical and Electronic Engineering (Communications), Technical College, Kuala Lumpur

Working Experience:

Rosli Man has more than 32 years of experience in the telecommunications industry, before he resigned as an Independent Non-Executive Director of TM in 2008. Since then, he has immersed himself in consultation works before returning to TM as its Non-Independent Non-Executive Chairman on 3 December 2018.

He first joined the telecommunications industry in Jabatan Telekom Malaysia in 1976 as Assistant Controller where he gained wide exposure in telecommunication services including the task to implement the country's first mobile telecommunication service i.e. ATUR 450. He then moved to the private sector by joining the Fleet Group as its Group Manager, Technical Services in 1985. From 1988 to 1996, he was instrumental in setting up the first privately owned telecommunications company in Malaysia, the then Celcom (Malaysia) Sdn Bhd (Celcom), catering to the cellular telecommunication business. He left Celcom as its President in 1996 to join Prismanet Sdn Bhd as Managing Director and held the position until November 1998. In July 2000, he joined Natrindo Telpon Sellular (NTS), the GSM 1800 cellular operator in East Java, Indonesia as Chief Operating Officer. He left NTS in January 2002.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- None

Board Committee

None

Attendance at Board Meeting in 2018

Nil (No meeting held since his appointment during the year)

Other Information

Non-Executive Chairman nominated by Special Shareholder of TM, the Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc.).

DATO' ASRI HAMIDIN @ HAMIDON

Non-Independent Non-Executive Director

Malaysian / 53 / Male

Date of Appointment:

- 3 October 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- Master of Economics, Hiroshima University, Japan
- Bachelor of Economics (Hons), University of Malaya (UM)
- Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Completed Harvard Premier Business Management Programme

Working Experience:

Dato' Asri began his career as Assistant Director of the Economic Planning Unit (EPU) in the Prime Minister's Department in 1994. Later, he moved to the then Anti-Corruption Agency in April 1998, before serving as Administrative and Diplomatic Officer in the Public Service Department from March 2003. Dato' Asri continued his service as the Principal Assistant Secretary in the Ministry of Finance (MOF) and has held several other positions since, including Deputy Under-Secretary, Investment, MOF Inc. and Privatisation Division. He was appointed the Under-Secretary, Government Investment Companies (GIC) Division, MOF in July 2015 before being promoted as the Deputy Secretary General of Treasury (Investment) in March 2018.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad
- Bina Darulaman Berhad

Public Companies:

- Small Medium Enterprise Development Bank Malaysia Berhad
- DanaInfra Nasional Berhad
- Aset Tanah Nasional Berhad
- GovCo Holdings Berhad
- 1Malaysia Development Berhad
- Protecthealth Malaysia
- Malaysia Convention & Exhibition Bureau

Board Committee

- Member of Board Tender Committee (BTC)
- Member of Board Investment Committee (BIC)

Attendance at Board Meeting in 2018

Attended 3 out of 4 meetings since his appointment

Other Information

Non-Executive Director nominated by MOF Inc.

DR FARID MOHAMED SANI

Non-Independent Non-Executive Director

Malaysian / 43 / Male

Date of Appointment:

- 1 January 2019

Date of Last Re-election:

- Not Applicable

Qualifications

- PhD in Chemical Engineering from University of Cambridge, UK
- Masters in Engineering from University of Cambridge, UK
- Bachelor of Arts specialising in Chemical Engineering from University of Cambridge, UK

Working Experience:

Dr Farid is currently the Head of Telecommunications, Investments in Khazanah Nasional Berhad (Khazanah), a position he recently held after re-joining Khazanah in 2018. Prior to that Dr Farid served as the Chief Strategy Officer (CSO) of UEM Group Berhad between 2017 to 2018 and also as CSO in TM for more than four (4) years until 2017. Between 2004 and 2012, Dr Farid was in Khazanah as Director in Investments Division, focusing in the telecommunications sector, as a Senior Vice President in Transformation Management Office and Special Officer to the Managing Director's Office. Dr Farid was an Associate at McKinsey & Company for two (2) years before joining Khazanah in 2004.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- None

Board Committee

- Member of Nomination and Remuneration Committee (NRC)
- Member of BTC
- Member of BIC
- Chairman of the LTIP Committee, a sub-Committee of the NRC

Attendance at Board Meeting in 2018

Not Applicable

Other Information

Non-Executive Director nominated by Khazanah, a major shareholder of TM.

DATO' MOHD NAIM DARUWISH

Non-Independent Non-Executive Director

Malaysian / 58 / Male

Date of Appointment:

- 3 October 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- Bachelor of Law (LLB), UM

Working Experience:

Dato' Mohd Naim is currently the Deputy Chief Executive Officer (Operations) of the Employees Provident Fund (EPF), a position he has held since 1 October 2014. He started his career in the Judiciary and Legal Services as Magistrate from 1985 to 1992. He joined EPF in 1992 as a Manager in the Prosecution/Litigation Division and has held several positions, including as Head of the Enforcement Department, the Legal Department and the Contribution Department.

From December 2011 to September 2014, he was seconded to the Companies Commission of Malaysia as Chief Executive Officer and later resumed service with the EPF as Deputy Chief Executive Officer (Operations) beginning October 2014.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- None

Board Committee

None

Attendance at Board Meeting in 2018

Attended 3 out of 4 meetings since his appointment

Other Information

Non-Executive Director nominated by EPF, a major shareholder of TM.

Sustainability at TM

BOARD OF DIRECTORS' PROFILE

(as at 29 March 2019) (Continued)

DATUK ZALEKHA HASSAN

*Senior Independent Director***Malaysian / 65 / Female****Date of Appointment:**

- Appointed as NINED on 9 January 2008
- Redesignated as INED on 1 June 2011
- Appointed as SID on 1 February 2019

Date of Last**Re-election:**

- 26 April 2018

Qualifications

- Bachelor of Arts (Hons), UM
- Attended the Advanced Management Programme at Harvard Business School, Harvard University, USA

Working Experience:

Datuk Zalekha began her career in the civil service in 1977 as an Assistant Director in the Training and Career Development Division of the Public Service Department. She continued to serve the Government in numerous ministries including the Ministry of Health, Ministry of Social Welfare and Ministry of National Unity and Social Development.

She later joined the MOF in 1997 as Senior Assistant Director of the Budget Division and continued to serve in various capacities including with the Government Procurement Division. She was the MOF's Deputy Secretary-General (Management) until her retirement in May 2011. She was then appointed as MOF's Procurement Advisor from June 2011 until June 2013.

Datuk Zalekha is the Chairman of Menara Kuala Lumpur Sdn Bhd, a wholly-owned subsidiary of TM.

Directorship**Listed Issuers:**

- Telekom Malaysia Berhad
- Malaysia Airports Holdings Berhad

Public Companies:

- None

Board Committee

- Chairman of BTC
- Chairman of NRC
- Member of Board Risk Committee (BRC)

Attendance at Board Meeting in 2018

Attended 10 out of 11 meetings

GEE SIEW YOONG

*Independent Non-Executive Director***Malaysian / 69 / Female****Date of Appointment:**

- 13 March 2014

Date of Last Re-election:

- 26 April 2017

Qualifications

- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants
- Attended the International Banking Summer School (IBSS) Cambridge, Massachusetts, USA

Working Experience:

Gee began her career in 1969 with PriceWaterhouse, leaving in 1981 as Senior Audit Manager and Continuing Education Manager. She then joined the Selangor Pewter Group as Group Financial Controller and was seconded to the USA from 1983 to 1984 as CEO of Senaca Crystal Inc., a company in the Selangor Pewter Group, which was undergoing reorganisation under Chapter XI of the US Bankruptcy Code. She later became the Personal Assistant to the Executive Chairman of Lipkland Group from 1985 until 1987.

Gee was then appointed by Bank Negara Malaysia (BNM) as the Executive Director (ED) and Chief Executive of Supreme Finance (M) Berhad, a financial institution undergoing rescue and reorganisation under the supervision of BNM until the successful completion of the reorganisation in 1991. She later joined Land & General Berhad as its Group Divisional Chief, Management Development Services in 1993 before joining Multi-Purpose Capital Holdings Berhad as Executive Assistant to the Chief Executive in 1997 until 1999. During this period, she also served as a Director of Multi-Purpose Bank Berhad, Multi-Purpose Insurans Berhad and Executive Director of Multi-Purpose Trustee Berhad.

Gee has been appointed as an Independent Non-Executive Director to several public listed companies since 2001.

Directorship**Listed Issuers:**

- Telekom Malaysia Berhad
- Sapura Energy Berhad
- Tenaga Nasional Berhad

Public Companies:

- None

Board Committee

- Chairman of Board Audit Committee (BAC)
- Member of BIC

Attendance at Board Meeting in 2018

Attended all 11 meetings

TUNKU AFWIDA TUNKU DATO' A.MALEK

Independent Non-Executive Director

Malaysian / 53 / Female

Date of Appointment:

• 28 April 2016

Date of Last Re-election:

• 26 April 2017

Qualifications

- Bachelor of Science (Hons) in Economics and Accountancy from City University, UK
- Member of the Malaysian Institute of Accountants
- Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW)

Working Experience:

Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was Chief Executive Officer (CEO) and ED of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd.

She is currently a director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

Tunku Afwida is also a director of Webe Digital Sdn Bhd (webe).

Directorship

Listed Issuers:

- Telekom Malaysia Berhad
- Gamuda Berhad
- Lafarge Malaysia Berhad

Public Companies:

- Export-Import Bank of Malaysia Berhad

Board Committee

- Member of BAC
- Member of NRC
- Member of BRC
- Member of BIC
- Member of the LTIP Committee

Attendance at Board Meeting in 2018

Attended all 11 meetings

BALASINGHAM A. NAMASIWAYAM

Independent Non-Executive Director

Malaysian / 67 / Male

Date of Appointment:

• 28 April 2016

Date of Last Re-election:

• 26 April 2017

Qualifications

- Bachelor of Science (Hons) in Electrical Engineering, Portsmouth Polytechnic, UK
- Diploma in Electrical Engineering, Technical College, Kuala Lumpur
- Fellow of the Institution of Engineers, Malaysia
- Member of the Institution of Engineering and Technology, UK
- Professional Engineer of the Board of Engineers, Malaysia

Working Experience:

Balasingham has been involved in the telecommunications industry for more than 30 years. He began his career with the then Jabatan Telekom Malaysia in 1972 as Technical Assistant, and thereafter served in various capacities, covering planning, implementation, maintenance and control of key technical projects and operational aspects within TM Group. His last position in TM was General Manager of Specialised Network Services, responsible for the marketing, implementation, operation and maintenance of networks for various customers.

In 2003, he was appointed CEO of Fiberail Sdn Bhd (Fiberail), TM's joint venture company, which involved in the deployment of fibre cable and sale of fibre products. In 2008, he was appointed Business Advisor of Fiberail, assisting the Board and Management in all aspects of the company, until the expiry of his contract in June 2009. He was previously a director of TIMEdotCom Berhad from July 2009 until mid-April 2016.

He is also Chairman of webe and a director of Universiti Telekom Sdn Bhd.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- None

Board Committee

- Chairman of BRC
- Member of BAC
- Member of NRC
- Member of BTC
- Member of the LTIP Committee

Attendance at Board Meeting in 2018

Attended all 11 meetings

Sustainability at TM

BOARD OF DIRECTORS' PROFILE

(as at 29 March 2019) (Continued)

HISHAM ZAINAL MOKHTAR

*Independent Non-Executive Director***Malaysian / 57 / Male****Date of Appointment:**

- 3 October 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- Master of Business Administration from Massachusetts Institute of Technology, USA
- Master of Science in Mathematics from Illinois State University, USA
- Bachelor of Science in Mathematics from Illinois State University, USA
- Chartered Financial Analyst, CFA Institute

Working Experience:

Hisham was most recently a Director in the Group Managing Director's Office at Malaysian Industrial Development Finance Berhad until end of March 2019.

He was the Chief Operating Officer of Astro Overseas Limited from July 2014 until June 2018 and prior to that a Director in the Investments Division at Khazanah from April 2009 to June 2014. Hisham joined Khazanah in May 2005 from Tricubes Berhad where he was an ED and Vice President of Corporate and Financing Planning.

Hisham started his career in 1987 in the insurance industry at Universal Life and General Insurance and thereafter at William M. Mercer Sdn Bhd in 1988. From there, he became an investment analyst at Crosby Research (M) Sdn Bhd in 1991, at Barings Research (Malaysia) Sdn Bhd in 1994 and at UBS Research (Malaysia) Sdn Bhd in 1996. In 1998, he was a financial consultant at Sithe Pacific LLC, a regional independent power producer prior to setting up an investment advisory firm, KE Malaysia Capital Partners Sdn Bhd with a partner in 2000. He is also a Business Coach at Asia School of Business since August 2018.

Directorship**Listed Issuers:**

- Telekom Malaysia Berhad
- Media Prima Berhad

Public Companies:

- CIMB-Principal Asset Management Berhad
- Sistem Televisyen Malaysia Berhad

Board Committee

- Chairman of BIC
- Member of BAC

Attendance at Board Meeting in 2018

Attended all 4 meetings since his appointment

SAHERAN SUHENDRAN

*Independent Non-Executive Director***Malaysian / 58 / Male****Date of Appointment:**

- 3 October 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- LLM from the University of Cambridge, UK
- LLB (Honours) from the University of London, UK
- Barrister-at-law of Gray's Inn

Working Experience:

Saheran was admitted to the Bar of England and Wales in 1983, the Malaysian Bar in 1985 and the Singapore Bar in 2007.

He is currently a consultant with Messrs. Sanjay Mohan. He has been practicing law for over 34 years including as a consultant with Chua Associates and as a partner at Zul Rafique & Partners and Kadir Andri & Partners before joining Messrs. Sanjay Mohan in 2019.

Saheran has extensive experience in corporate and commercial disputes as well as corporate restructuring and insolvency work. He is highly regarded in the niche practice of corporate and commercial malpractices and corporate and shareholder disputes and has appeared in derivative actions and oppression petitions. He also has considerable experience advising on contentious acquisitions and take-overs and has successfully defended many notable financial institutions and government-linked institutions. Saheran also serve as member of the Insolvency Practitioners Association of Malaysia.

Directorship**Listed Issuers:**

- Telekom Malaysia Berhad

Public Companies:

- None

Board Committee

- Member of BRC

Attendance at Board Meeting in 2018

Attended all 4 meetings since his appointment

FAISAL @ PISAL ABDUL GHANI

Non-Independent Non-Executive Alternate Director

Malaysian / 40 / Male

Date of Appointment:

- 31 December 2018

Date of Last Re-election:

- Not Applicable

Qualifications

- Master of Public Administration from University of Alabama, Birmingham, USA
- Bachelor of Business Administration (Finance) from Universiti Tenaga Nasional (UNITEN)
- Diploma in Public Administration from INTAN

Working Experience:

Faisal began his civil service career in February 2004 in the MOF as an Assistant Secretary. He was later promoted as Senior Assistant Secretary in 2006, in the Investment, MOF Inc. and Privatisation Division. He then served as a Principal Assistant Secretary in the GIC Division, MOF, in 2015 and in June 2016 was appointed the Section Head for Energy, Utilities and Technologies, a position he currently held to date.

In June 2018, he was appointed member of an Executive Committee of Suria Strategic Energy Resources Sdn Bhd, a MOF subsidiary. Faisal also serves as director in private companies under the purview of MOF, among others PDX.com Sdn Bhd and Northern Gateway Sdn Bhd.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- Nil

Board Committee

- Alternate member to Dato' Asri Hamidin @ Hamidon in BTC and BIC

Attendance at Board Meeting in 2018

Nil (No meeting held since his appointment during the year)

Other Information

Alternate Director to Dato' Asri Hamidin @ Hamidon, Non-Executive Director nominated by MOF Inc.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationship

Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of TM.

Conflict of Interests

Save as disclosed, none of the Directors has any conflict of interests with TM.

Conviction for Offences

Save as disclosed, none of the Directors has any conviction for offences, other than traffic offences, for the past five (5) years.

Public Sanction or Penalty

Save as disclosed, none of the Directors has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2018.

Sustainability at TM

MEMBERSHIP ASSOCIATIONS

(GRI: 102-12, 102-13)

We actively participate in various associations and membership groups to exchange insights and ideas on the best way to contribute to positive EES impact.

Our contributions to the various membership groups extend beyond financial commitments. Our participation involves sharing the best practices and techniques available to elevate our EES efforts while tackling topics that are material to the organisation.

For instance, as part of our dedication in creating a productive work culture, we are formally recognised by the Associate of Certified Chartered Accountants (ACCA) as an employer that provides a supportive working environment for ACCA members. We have also been identified as an employer committed to providing employees with the highest standard in professional development and support by the Certified Practising Accountant (CPA) Australia.

Furthermore, in uplifting communities through the educational sphere, we are proud collaborators of the PINTAR Foundation. Through this association, we help develop a strong foundation of talent and capability within the nation's youth, as we believe it is our social responsibility to grow the country's human capital in preparation for future challenges.

The table below highlights our association with various membership bodies and industry associations and institutions.

Association	Membership
Associate of Certified Chartered Accountants (ACCA) – Approved Employer	TM
Associate Member of the Transparency International	TM
Category and Sourcing Managers Executives (CASME)	TM
Certified Practising Accountant (CPA) Australia – Recognised Employer Partners (REP)	TM
Institute of Chartered Accountants in England and Wales (ICAEW) – Authorised Training Employers	TM
Kelab Inovasi Kemaman (KOIL Project)	TM
Malaysian Access Forum Berhad	TM
Malaysian Institute of Corporate Governance	TM
Malaysian Investor Relations Association (MIRA)	TM
Malaysia South-South Association	TM
Malaysian Technical Standards Forum Bhd	TM
PINTAR Foundation	TM
The Malaysian Institute of Certified Public Accountants (MICPA) – Approved Training Organisation	TM
Business Continuity Institute, UK	Individual
Certified Compliance Professional by US Compliance Certification Board	Individual
Member of Chartered Institute of Marketing (MCIM) (UK)	Individual
Member of Chartered Institute of Procurement Supply (MCIPS)	Individual

SUSTAINABILITY APPROACH

(GRI: 102-15, 103-1, 103-2)

Every strategy, policy and decision made by the management team is shaped in the best interest of our stakeholders as we sustainably create value for our businesses across Malaysia, and beyond.

At TM, we are aware of the responsibility that we have in providing high-quality connectivity to Malaysians, thus increasing economic resilience and the standard of living. Our continued success throughout the years has been driven by our ability to respond sustainably to any economic, environmental or social issues that may be impacted by our operations through a systematic, long-term approach.






Material Topic	Why It Is Important	Risks/Opportunities	Our Responses
Product Innovation M1	Continuous efforts in innovating our products and services will elevate us above our competitors and stay relevant in the industry.	Losing competitiveness and market share. Falling reputation and brand value. Using new disruptive technologies to increase competitive edge.	Created the GDC to empower digital research. Developed an Open Innovation Platform (OIP) that enables internal and external developers to create virtual businesses. Partnered GDC and TM R&D with several organisations to encourage the growth of the digital economy.
Service Quality M2	High quality and innovative customer service experience allows us to meet the increasing needs and expectations of customers.	Losing competitiveness and market share. Falling reputation and brand value. Satisfying customers will lead to loyal consumers and increased brand value.	Used our big data platform to identify and resolve network coverage issues. Launched Project Turbo as a means to upgrade customers broadband speeds. Provided consolidation for older capacities while strengthening connectivity to local contents. Introduced an automated system at TM contact centres to detect broadband issues.
Sustainable Supply Chain M3	Ethical and transparent supply chain management allows us to sustainably support our suppliers for better performance and delivery.	Practising unethical work within the supply chain can lead to regulatory violations and damaged reputation. Working with local suppliers and SMEs increases GDP.	Developed our international policies based on the United Nations Global Compact's Ten Principles and Sustainable Development Goals. Tracked supplier compliance throughout the year for risk and analysis.
Industry Thought Leadership M4	By leading the industry on sustainable ideas and practices, we uphold our reputation as responsible trailblazer.	Enhancing our reputation and visibility by being industry leaders.	Led the GLC Disaster Response Network (GDRN) for coordinating GLC/Government – Linked Investment Companies (GLiC) resources and movement during national disasters. Conducted regular training and seminars on corporate integrity for our key stakeholders including employees and suppliers to promote honesty and integrity in our business conduct. Collaborated with various membership associations to exchange insight and ideas.
Consumer Health & Safety M5	Our products and services must always be safe for consumer use to uphold their trust and our image.	Harming our consumers with faulty products or services will significantly damage our reputation.	Developed products stringently through the Customer Premise Equipment, as certified by SIRIM and MCMC. Implemented strict SOPs for our products and services including unifi products.
Consumer Data & Privacy M6	Managing data privacy and strengthening cybersecurity assures a safe online environment and builds the trust of consumers.	Not maintaining our digital security can lead to cybersecurity threats and data leaks/loss which will jeopardise stakeholders' trust in TM.	Shared updates on cyber policies and security information through the Group Information Security (GIS). Participated in several cyber security workshops within the region to exchange knowledge and best practices. Conducted cyber security seminars for TM employees to create awareness about the threat, risk and how to mitigate that from happening.

Sustainability at TM



ENVIRONMENTAL

Material Topic	Why It Is Important	Risks/Opportunities	Our Responses
Climate Change & Energy Management  M7	Efficient energy use and carbon footprint management increases our visibility as a dedicated industry sustainability leader to minimise environmental impact caused by our operations while reducing our expenses.	<p>Adopting energy efficient solutions reduces overhead costs, improves productivity and good for the environment.</p> <p>Managing our carbon footprint to preserve the environment and help build our reputation of being a good corporate citizen.</p>	<p>Reduced our carbon footprint and energy consumption as per the Carbon Management Plan 2012.</p> <p>Introduced the Energy Management System (EnMS) to regulate and monitor environmental initiatives.</p>
Resource Use & Waste  M8	Conservation of resources and waste production reduces costs as well as our environmental impact.	<p>Enhancing digitalisation reduces resource use (i.e. paper) thus leading to lower operating costs and improved productivity.</p> <p>Implementing good water management decreases water usage and its costs.</p>	<p>Performed waste and water management exercises to help optimise our work.</p> <p>Monitored dust and noise levels in accordance with regulatory limits to avoid hazards and minimise disturbance for employees at the field.</p>
Green Awareness & Education  M9	Greater awareness among our employees and stakeholders on green behaviour and sustainable practices will help towards better participation and contribution from TM's stakeholders towards positive organisational impact.	<p>Lack of awareness within the workforce could lead to misuse of the environment and its resources.</p> <p>Create digital platforms to share environmental knowledge, solutions and best practices for sustainable impact.</p>	<p>Conducted environmental awareness programmes for high school students through MMU.</p> <p>Organised environmental awareness programmes nationwide for employees, schools and universities students as well as local communities.</p>


SOCIAL

Material Topic	Why It Is Important	Risks/Opportunities	Our Responses
 Talent Retention & Attraction M10	The capability of our people contributes directly to the productivity and overall performance of our company while retaining talent reduces the cost of acquisition.	Reduced productivity in demotivated and discouraged employees. Loss of potential talents to competitors. Increased employee turnover rate.	Offered the Yayasan TM scholarship programme for employees to recruit talents with specific skills and knowledge. Conducted customised talent development programmes to familiarise scholars with TM's businesses and its overall culture.
 Training & Development M11	Continuous development and upskilling of the workforce help increase organisational competency.	Not training employees decreases industry awareness of workforce. Not developing employees will lead to a demotivated and complacent workforce. Upskilling employees help maximise their potential and contribution.	Launched the newly improved Learning & Development (TM L&D) centre that helps provide development opportunities. Developed an app called EduBite which provides relevant information for continuous employee development.
 Employee Health & Safety M12	The promotion of healthy and safe practices directly affects productivity and performance.	Creating a safe and healthy work environment increases productivity. Injury or hurt to employees causes poor reputation of the company. Practising poor HSE procedures may lead to violations.	Reviewed and restructured the previous OSHE Policy according to the latest OSH MS Standards. Conducted a disaster simulation exercise nationwide to execute and validate the readiness of the team in handling TM's assets and infrastructures during a disaster. Carried out a wellness campaign throughout the year for our employees to have a better and healthier lifestyle.
 Employee Volunteerism M13	A workforce that participates in volunteer programmes are fulfilled with high morale and motivation.	TM will be seen as a responsible company that encourages volunteerism within its workforce to benefit local communities. Volunteering will upskill employees with impact and open up a broader network that supports personal and professional growth.	Conducted regular CR programmes throughout the year including via TM's Internal Clubs and Societies, nationwide.
 Diversity & Inclusion M14	An inclusive and diverse workforce creates a healthy and productive work culture while driving innovation and growth.	Having a homogenous management team restricts creativity and agility. Establishing a diverse workforce produces perspective, high-performing problem solvers.	Ensures equal pay amongst female and male employees. Provides training for qualified women from Senior Management to be developed into female Directors for the TM Board.
 Work-Life Balance M15	A fair and balanced work-life helps retain motivated and high-performing employees for better productivity.	Having poor work-life balance causes employees to underperform or leave. Allowing benefits for a flexible work environment increases productivity and employee satisfaction.	Initiated flexible work hours to help working mothers with dependents. Initiated the Work from Anywhere programme that enables employees to work remotely. Conducted various programmes to enhance employee productivity and autonomy during challenging periods.
 Community Welfare & Well-Being M16	Our ability to meaningfully engage and contribute to communities where we operate, and by ensuring their welfare and well-being, we can create positive perception and reputation for TM as a responsible business.	Working with communities enhances our reputation as a corporate citizen. Raising awareness of our presence and social responsibility.	Invested in high-performing students via scholarships and collaborations to develop future leaders for nation-building. Performed various educational programmes within the community to foster well-rounded life skills.

Sustainability at TM



GOVERNANCE

Material Topic	Why It Is Important	Risks/Opportunities	Our Responses
Compensation & Remuneration M17	The hard work of our people needs to be adequately rewarded to encourage long-term commitment to our organisation.	<p>Not compensating employees sufficiently may cause them to leave the company.</p> <p>Dissatisfied employees with poor remuneration may lead to demotivated and disgruntled employee.</p>	<p>Enforced Key Performance Indicators (KPI) for the protection of employees in terms of salary and wages.</p> <p>Developed apps such as GROW and Douit to allow employees to monitor their goals and enable them to generate side income beyond their job scopes.</p>
Corporate Culture M18	A warm, welcoming work culture creates a productive and motivated workforce.	<p>A poor corporate culture may cause employees to leave the company.</p> <p>Promoting a good work culture optimises the potential and creative skills of employees.</p>	Ensure a conducive work environment with equal development opportunities, good governance and fair compensation to treat our employees as part of Warga TM.
Fair & Equitable Policies M19	Fair, ethical and transparent policies ensure effective implementation of sustainability initiatives and strengthen our network of stakeholders.	<p>Establishing unfair policies will not balance the interests of all stakeholders.</p> <p>Implementing new policies that maximise EES impact.</p>	<p>Implemented the Code of Business Ethics (CBE) that provides detailed policy statements on the standards of behaviour and ethical conduct for each employee, director or board member.</p> <p>Established contracts with suppliers according to Malaysian Public Works Department (JKR) standards which are compliant to Malaysia's labour and employment laws.</p>
Regulatory Compliance M20	It is crucial that we meet and exceed all regulatory expectations to be able to conduct business as usual.	Regulatory violations and malpractices may result in the discontinuation of business operations.	<p>Conducted frequent monitoring and review of all regulatory standards to ensure constant compliance.</p> <p>Performed investigations via our Corporate Investigation Unit (CIU) to ensure our internal and external workers comply with regulations.</p>
Grievance Mechanism M21	Creating a safe, formal platform for complaints allows us to capture inputs from stakeholders who may be negatively affected by our activities/operations.	<p>Creating an uncomfortable environment where stakeholders do not feel safe to air out their grievances.</p> <p>Listening to grievances contributes to our improvement.</p>	Established multiple platforms and channels for stakeholders to safely report any issues they may have with our business operations.
Engagement M22	Regular engagements with stakeholders help us obtain feedback and manage expectations.	Irregular engagement may cause management to misunderstand stakeholder expectations and material topics.	<p>Held in-depth stakeholder engagement exercises to capture qualitative feedback.</p> <p>Engaged with numerous stakeholders through various platforms, which include surveys, call centres, online channels and face-to-face discussions.</p>

SUSTAINABILITY FRAMEWORK

Our approach to sustainability is founded by the Company's vision of making Life Easier for a Better Malaysia. This, in turn, translates to the creation of our Sustainability Framework, which has five (5) pillars. We have also aligned our activities to the United Nation's Sustainable Development Goals, or UN SDGs, so that we can play a role in providing action plans to address challenges that have been identified by the global community.

LIFE MADE EASIER FOR A BETTER MALAYSIA

BETTER FUTURE	ECONOMIC VALUE	GREEN CITIZENSHIP	SOCIAL EQUITY	GOOD PRINCIPLES
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ECONOMIC
Catalyse Malaysia's transformation into a 'Digital Economy' via an integrated network infrastructure, digital platforms, seamless connectivity and innovative solutions.



ENVIRONMENTAL
Manage our environmental impact through resource optimisation and reduction of our carbon footprint, mainly from our operations across the value chain.



SOCIAL
Nurture our people as well as the communities towards a digitally-empowered and enabled future by upskilling and education, reducing inequalities, and promoting health and well-being.



Sustainability at TM

SUSTAINABILITY SCORECARD

A sustainable business is able to perform well financially, socially and environmentally through strong governance.

We take great pride in balancing our financial performance with strong environmental and social values. Our sustainability scorecard for 2018 indicates the key sustainability highlights and achievements for the year under review.



CREATIVE MULTIMEDIA

BREAK BARRIERS,
LIKE WITH MY LIVE FILMS.
REALITY IS THE NEW CINEMA.



#GoForIT

Voice
Command

Ti Yuki
MMU Student

live editing



WE HAVE ALWAYS BEEN AT THE FOREFRONT OF DELIVERING CUTTING-EDGE TECHNOLOGY IN CONNECTING MALAYSIANS. WE ALSO REALISE THE ROLE THAT WE PLAY IN THE NATION'S ECONOMIC WELL-BEING. OUR PURPOSE IS CLEAR FOR EACH AND EVERY WARGA TM – TO ALWAYS PROVIDE THE BEST VALUE IN EVERY PRODUCT AND SERVICE THAT WE HAVE TO OFFER FOR THE COUNTRY, HELPING MALAYSIA ACHIEVE THE ASPIRATION OF LIVING IN A DIGITAL ECONOMY.



Connectivity

>90% population of converged network coverage	>20 submarine cable systems	>2.5 million homes and 400,000 SME customers
>540,000 km fibre-optic cables	>3,400 LTE sites	12 Data Centres



Supply Chain

>RM3.70 billion contributed to local suppliers	>7,000 total active suppliers in 2018 (compared to 6,901 in 2017)	>85.0% of suppliers made up of SMEs
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Customer Experience

95.0% of customer complaints resolved within target time	70.0% reduction in waiting time for walk-in customers due to increased digital adoption
10.0% increase in complaint resolution performance in 2018	>73 customer satisfaction measure, above global telco average of 66





Here for you... to create better value

We take pride in working towards building a better Malaysia. Through our innovative products and services, we are empowering small businesses, enterprises and the public sector to catalyse the growth of the nation's commercial and industrial sectors. By serving our customers at every point of their lives we are also helping to achieve the nation's aspirations of transitioning into a digital economy.



Ensuring Quality in Everything We Do



EMBEDDING INNOVATION FOR SEAMLESS CONNECTIVITY

M1 Product Innovation

With an extensive network of fibre, copper and submarine cables, we have inculcated an innovative culture that meets the needs of the new-age digital customers, while providing seamless connectivity for our customers across the country and worldwide. This reporting year itself, we have installed more than 90 km of submarine cables, under the Rural Broadband (RBB) initiative, bringing it to a total of 22 submarine cables spanning over 190,000 km.

There has also been a focus on expanding our Points-of-Presence (PoP), which consist of high-speed telecommunications equipment and technologies that allow consumers to connect to the internet through their Internet Service Providers (ISP). To date, we own 28 PoPs globally inclusive of nine (9) domestic PoPs.

Telecommunications Awards



Best Telecommunications Service Provider 2018 by Malaysian Business Awards, APAC Insider

The People's Choice in Silver Communications Network by Putra Brand Awards 2018

Our investment in innovation ensures that we keep abreast with the latest technologies to serve our customers' ever-changing needs to remain relevant in the industry. The focus of our innovation capacity is directed through two (2) methods:



Digitisation: Driving Productivity via Digital



Digitalisation: Monetisation of Digital Businesses

The combination of both digital methods allows us to reap the benefits of improved productivity, greater customer experience and increased financial opportunities. To set us apart from other telco companies, we focused on the best and most innovative emerging technologies available globally to strengthen our products and services.

Late in 2017, we created the GDC to lead the way in research and empowering digital. Since then, the unit has introduced a series of initiatives that enhanced internal processes through digitisation and digitalisation. GDC through its innovation arm TM Research and Development (TM R&D) has resolved various operational and business processes, as well as other cost challenges faced by our business clusters. This has led to identifying about RM37.0 million in cost improvements as of December 2018.

TM R&D focuses its innovation efforts along four (4) themes: Connectivity, E3 Infra, Process & Tools Efficiency and Digital Services. This has led to the resolution of various operational/business processes and other cost challenges that face many Lines of Business (LOBs) within our company.

Additionally, TM R&D has developed an Open Innovation Platform (OIP), which acts as an ecosystem to develop and launch digital products at lightning speeds. The OIP consists of four (4) main components:



An end-to-end IoT solution, including transport messaging protocols, data storing and retrieving, security and rapid application development made simple.



An ability to convert data to services that can be used across various digital products, therefore reducing the time for developers to get access to data.



A store for developers to browse data and services that can be reused within their applications. This reduces development time dramatically.



A hosting platform for microservices that allows users to launch a digital product overnight.

These components allow developers to leverage the services available as well as to build a future API economy. All applications developed by TM R&D must be successfully adopted by LOBs while being commercialised to external markets.

R&D Awards for 2018



**WITSA Global ICT 2018
Mobile Excellence Awards for LTE Plus**

**MSC Malaysia Apicta 2018 R&D Award
for Smart Helmet**

Realising that empowering innovation is not only confined within the Company, GDC together with webe digital has partnered with World Start-up Festival (WSF) to launch WSF Labs. The first of its kind in Asia, this collaboration offers free workspace for aspiring start-ups. Subsequently, webe will get the opportunity to cherry-pick some of the best innovations and disruptive solutions. While most people measure dollars and cents, we prioritise talent and exposure to new products and services.

Additionally, TM R&D collaborated with Multimedia University to organise the OIP Smart Campus Design Challenge. A total of 19 teams showcased their innovative projects using OIP. This was undertaken to promote the OIP initiative of accelerating digital innovation from idea to concept and then to market.



Ensuring Quality in Everything We Do



Other R&D Innovation Initiatives

- ▶ **FINEX2+**: To enhance and extend current TraceBite system that could support deployment and maintenance operation; Improve TraceBite system that could help operations team to identify & trace the affected customer link; add additional several specifications to current TraceBite system to cover on expanding FTTH link.
- ▶ **SPI-2**: To use passive fibre sensing for exploring access & underground fibre temperature data from existing optical fibre installed for telecommunication purposes; to study and investigate access & underground data correlation with environmental observation; and to digitise and characterise optical fibre properties on temperature for various smart city applications.
- ▶ **FiVoW 2.0**: To mobilise enterprise fixed line for voice services via FiVoW 2.0 app and introduce value-added features within FiVoW 2.0 app.
- ▶ **DyLIA**: To study and develop detection, localisation and prediction analytics for TM's DSL network as well as develop a smart network management system for DSL technology to enable operational efficiency.
- ▶ **Rita 2.0**: To create a new revenue stream for TM via the RITA IoT solution with advanced edge computing and analytics features.
- ▶ **Analytics of Customer Experience (ACE 2.0)**: To research and obtain business insights from the integration of multiple data sources; to research and analyse customer behaviour on targeted location; to develop analytics algorithm for building loyalty relationship with the targeted customers to design and develop an ergonomic mobile application.
- ▶ **IDEAS**: To develop an Expert System for Call Centre Agent for unifi HSI. This advisory system will recommend the best next action with higher accuracy to serve the customer during the call.

For 2018, we have identified a risk for TM R&D, which is the untimely adoption of high risk, high return projects. This may lead to loss of opportunity due to market competition as we buy off-the-shelf solutions from external suppliers. The root cause of this risk is the challenge in building software solutions swiftly to cater to the overwhelming requests and expectations from customers for the rapid delivery of solutions. To ensure a seamless adoption of high-risk with potentially high returns projects such as OIP, ACE, etc., we have introduced four (4) new additional controls:



Implemented Structured AGILE training programme to develop more skillsets for Scrum Masters, Scrum Development Teams and Product Owners.



Reprioritised internal and external projects with adoption and commercialisation goals in mind.



Established new support structures to support research projects both internally and externally.



Ensured product readiness for the market, e.g.:

- Adopted OIP during the MMU Design Challenge on 30 May 2018.
- Completed the ACE adoption by August 2018.
- Revised the Key Performance Indicators (KPI) for Trace-Bite Solution to achieve project delivery milestones and costs.

At the last quarter of 2018, TM R&D assessed the success of the controls and the risk outlook showed that they are under control, with the risk rating reducing from significant to low.

INNOVATING OUR NETWORK



Embarking on a digitisation journey, our IT & Network Technology (IT&NT) division has started to embrace Software-Defined Network (SDN) and Network Function Virtualisation (NFV) technologies. Applying IT-developed solutions into networking allows for de-coupling of control and data planes through virtualisation. We also established a dedicated focus group as part of the Centre of Excellence (CoE) to act as a catalyst for SDN and NFV. The objective of the programme is to orchestrate network and IT in a seamless manner. As part of the digital journey, we have started to virtualise some of our network functions. These include the virtual Evolved Packet Core (EPC); WiFi Backend and OSS/BSS.



We also introduced a number of initiatives that benefited our work in terms of service excellence. For instance, through Integrated Access Planning (IAP), we utilised our big data platform to analyse our network strength in fixed and mobile coverage. We were also able to assess our demand potential while providing an optimised network and architecture based on market segmentation strategy. Using geospatial and optimisation analysis, this initiative acts as a guiding principle for site prioritisation and technology selection for new infrastructure deployment.



IT&NT also launched the TM WiFi Optimiser, which is an app developed in-house. This innovative app allows consumers to self-diagnose their wifi connection and switch from a congested connection to other available wifi channels for an improved user experience.



Ensuring Quality in Everything We Do

TRANSFORMING OUR DATA CENTRES

We are continuously upgrading and maintaining our infrastructure to increase its reliability and prevent potential breakdowns. For instance, under the Enterprise Data Centre (DC) Transformation initiative, we have identified and qualified DCs that will undergo relevant upgrading process which guarantees higher levels of service availability, reliability and security.

Meanwhile, two (2) of our data centres i.e. Iskandar Puteri Core Data Centre (IPDC) and Klang Valley Core Data Centre (KVDC) were certified as Tier III data centres. They are fully equipped with high redundancies to place the processing servers and cloud data storage in a high-security and high-integrity environment to fulfil hosting, cloud and IOT needs. Additionally, they can be used as a disaster recovery hub to restore and recover technology infrastructure and operations, thus effectively reducing downtime and enable companies to recover their businesses faster during emergencies. The new features of our Tier III DCs comply with various industry and security certification standards including threat, vulnerability and risk assessment (TVRA), ISO27001 and PCI DSS.



Winner of Best Data Centre Services Provider for TM ONE at 21st Telecom Asia Awards

TM ONE was recognised as the Best Data Centre service provider by Telecom Asia at the 21st Telecom Asia Awards

Iskandar Puteri Core Data Centre (IPDC)



Production, Development & Disaster Recovery

30,000 sqft

Klang Valley Core Data Centre (KVDC)



Production & Disaster Recovery

45,000 sqft (ready by Q2 2019)

ENRICHING A DIGITAL LIFESTYLE WITH INNOVATIVE INITIATIVES

Integrating Command Centre

Under TM ONE, we introduced the Integrated Operations Centre (IOC) to serve as a centralised command centre for Network Operations of smart services. IOC allows TM ONE to provide a single, nationwide, round-the-clock monitoring dashboard to coordinate operations of smart services involving physical devices and sensors, vehicles, buildings as well as incidents and events. The key objective of IOC is to manage the operations of smart services nationwide such as smart ICT, safety and security, smart mobility city ride.

Innovating Safety

In keeping with the government's efforts to raise public awareness on road safety, TM ONE and the Malaysian Institute of Road Safety Research (MIROS) has signed a Memorandum of Collaboration for the implementation of eCall Malaysia. Under this collaboration, TM ONE will provide communication infrastructure, develop and manage the Emergency Call Centre for eCall Malaysia based on the MERS 999 Emergency Response Call Centre. To date, TM ONE has connected more than 1,300 police stations and more than 330 fire and rescue stations, for a faster alert response.

Exciting Entertainment

According to our studies, there is a trend amongst customers for over-the-top (OTT) entertainment services (i.e. Netflix, iflix). In 2018, in response to the increasing demand for OTT content, we have enhanced offerings and features with additional OTT contents for unifi TV and unifi PlayTV app. We are excited to see tractions of these OTT contents from our customers, and we are also in the midst of collaborating with other potential OTT partners.

Moreover, we are sweating existing assets to eliminate redundancies and replace obsolete technologies in our processes and operations, while also leveraging digital opportunities by collaborating with OTTs, both locally and globally, to enhance their experience and convenience, thus making their lives easier.

Upgrading Speed

We continue to optimise the potential of LTE technologies such as 4G and the upcoming 5G networks, which provide the speed and stability that makes mobile a viable substitute for fixed. We offered wireless LTE packages as substitutes to non-fibred areas, whereas for areas with access to our fixed connectivity, we upgraded their speed gradually over the past two (2) years. Similarly, we have made unifi more affordable and competitive with an entry plan of RM79; and for our existing customers, we continue our effort to upgrade their broadband speed up to 10x their current plan at no extra cost. As for our Streamyx customers residing within unifi coverage, we have offered a free upgrade to unifi. Meanwhile, for Streamyx customers in non-unifi coverage areas, we brought high-speed broadband to them through wireless.



Ensuring Quality in Everything We Do

ENHANCING CUSTOMER EXPERIENCE

M2 Service Quality

At TM, we believe that customer experience is an emotional connection. The journey that customers go through with our organisation is the ethos of our branding. We continue to go the extra mile by incorporating digital technology into consumer interactions, which results in a simpler yet engaging customer experience.

Our big data platform was also used in Project Turbo, to assess the impact of customer speed upgrades. This initiative was one (1) of our key drivers in developing detailed plans and identification of eligible customers for 2018. On top of that, the analysis assessed our copper network to determine the highest speed that can be supported by the legacy network. A network impact forecast was also conducted based on local traffic profiles to determine the capacity requirement post-upgrade. Furthermore, an analysis of Customer Premise Equipment (CPE) was used to determine warranty and replacement eligibility.



Best Customer Care Award by Asia Communication Awards (ACA) 2018

Dealership/Kiosk Experience
in Telecommunications
Industry by Frost & Sullivan
Malaysia Excellence Awards
2018 in Customer Experience



What are the digital tools that we encourage customers to use?

We highly encourage customers to use unifi.com.my and LiveChat.

unifi.com.my/livechat

Customers can also reach us via:

TM email
(help@tm.com.my)

Facebook

Twitter

unifi Mobile

care @unifi

playtv @unifi

unifi Community

unifi SelfHelp

WiFi Optimiser Tools

I-Foundit

(GRI: 417-1)

On the services aspect, our emphasis was to improve the frequency and quality of customer engagement. We strongly believe that the future of customer experience is through digitisation. This is embedded into our governance through our policies, such as 'Keeping Customers Informed (KCI)'. Through this policy, unifi customers are constantly being informed on the status of their billing, reports or any other enquiries they may have via the convenience of SMS. We are also exploring the use of additional channels by TM to reach our customers, to be introduced in the near future.

TM ONE'S EXPERIENCE CENTRE

Under TM ONE, we launched an Experience Centre (EC) to deliver unique customer experience in digital platforms across various touch points of the interactive ecosystem with our vertical solutions (Real Estate, Retail, Education, and Healthcare) applied in 'living' context (residential, hospitality, shopping mall, university campus, remote monitor and wellbeing). It is designed to deliver technological solutions by creating a holistic ecosystem of solutions for TM's clients.

TM ONE & FINTECH STRATEGY

In stimulating greater digital transformation in the banking, financial and insurance sector, we announced our commitment to collaborate TM ONE with FinTechs, helping them to deliver customised financial solutions by bundling their services with our products. FinTech's can leverage on TM ONE's ability to provide powerful access to the market with Customer Relationship Management (CRM), marketing distribution, FinTech Infrastructure enablers such as Mobile services, Data Centres, Cloud, Security and IoT services.





DRIVING DIGITAL ADOPTION (DDA) INITIATIVE

We aim to elevate our digitisation efforts in customer service with the launching of the Driving Digital Adoption (DDA) initiative. Through this initiative, we promote the embracing of our digital channels and apps by our customers. We are confident that the DDA will help improve customer experience by enhanced digitisation; reduce costs through traffic diversion from inbound calls towards digital channels; accelerate the adoption of a digital culture in TM; and improve the productivity of employees via our digital campaign programmes.

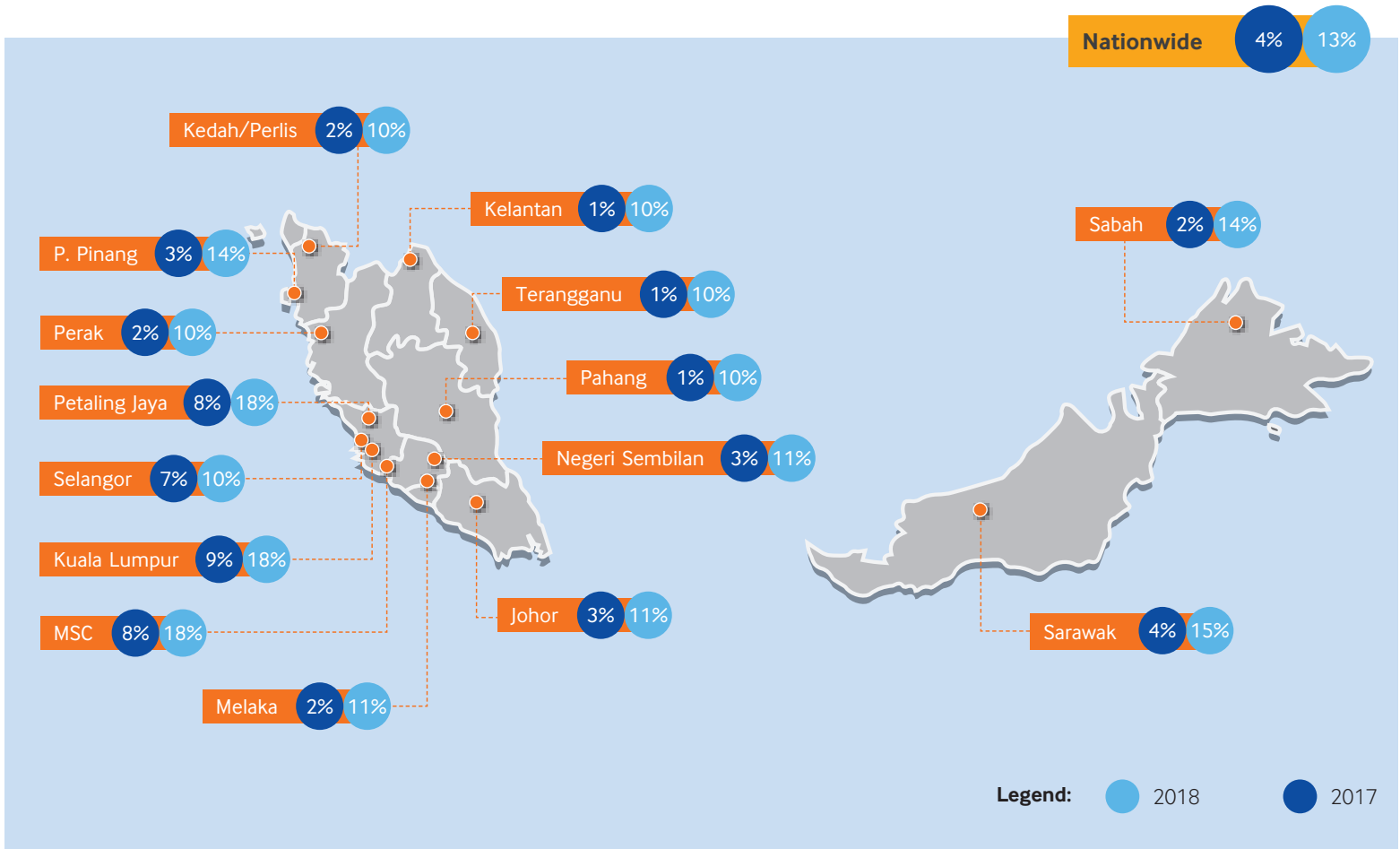
DDA has been promoted through a range of mediums, from face-to-face at TMpoint outlets to a series of campaigns aimed at educating customers on our various digital platforms. Since mobilising our workforce to promote digitisation at TMpoint outlets nationwide, the average waiting time for walk-in customers has reduced to almost 70.0%. Since the services aspect of TMpoint is now covered through digital means, our employees are able to focus on producing more value-creating activities.

Ensuring Quality in Everything We Do

Aim of the driving digital adoption (DDA) initiative

 <p>To enhance the customer experience at TM touch points, like waiting time during call-to-100, waiting time while walk-in to TMpoint and TM Authorised Dealers (TAD), hassle-free experience while using unifi.com.my and LiveChat, signifying the digital lifestyle of our customers.</p>	 <p>To improve the retention of TM services as a result of improved customer experience.</p>	 <p>To significantly save costs through Service Recovery migration from traditional to digital.</p>	 <p>To strengthen our workforce to embrace digital, become fast followers of digital disruptions while enhance their productivity as well.</p>
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Through the DDA initiative, we are able to interact more with our customers. The number of digital Service Requests (SR) increased from 4.0% in 2017 to 13.0% in 2018, nationwide.



To further enhance the digital empowerment of our customers, we have introduced many innovative and value-creating solutions during the year. For instance, for unifi fault reporting, our Customer Service Professionals (CSP) at TM's touch points are now being equipped with an Automatic Configuration System (ACS) that automatically reads the technical status of the broadband. Then, the CSP is provided with the next course of action to rectify the issue. This has led to reduced call time between customers and CSP, as the CSP no longer needs to waste time troubleshooting the technical problem.

Similarly, we also introduced an initiative to optimise our international capacity in order to effectively serve our customers thus improving their user experience. This initiative includes the consolidation of older capacities while maximising connectivity to local content. We have also identified cost savings of more than RM10.0 million this year through a joint task force and the introduction of analytical tools in the planning cycle.



Digitising Alerts:

TM GLOBAL introduced the SOFEA (System Operated for E-Alert) app through its affiliate company, ACASIA. SOFEA provides a real-time warning and alerts on threats to its subscribers. The information gathered by this application is processed using big data analytics and converged communication technologies.

UPGRADING CUSTOMER TOUCH POINTS WITH DIGITALISATION

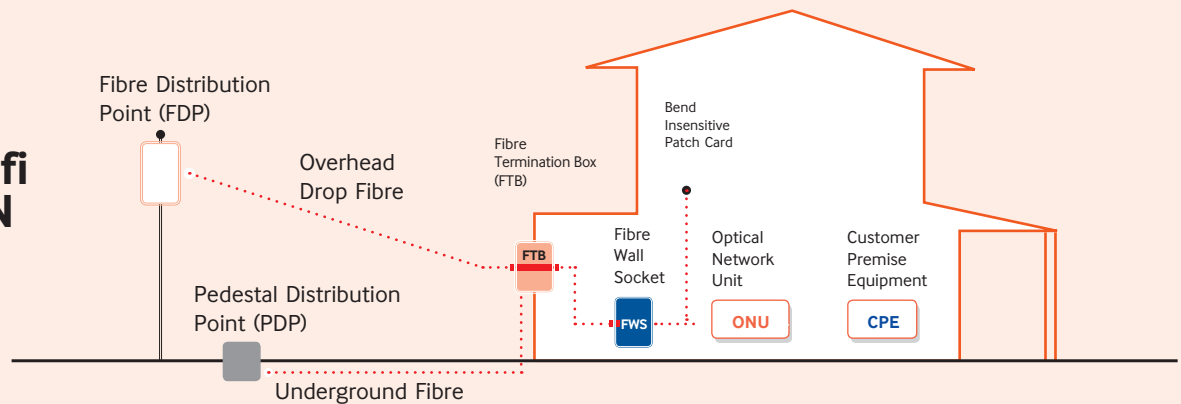
<p>HERO Application</p> <p>An app that aims to reduce third-party costs and improve customer experience. Leveraging on employees as TM ambassadors, HERO captures customers' complaints/feedback during sales for easier and real-time, engagement, thus shaping TM employees towards a more customer-centric organisation.</p>	<p>Customer Analytics</p> <p>An evolved Digital ID and Digital Wallet from a payment channel nature to a rewards programme. Likewise, we introduced digital solutions such as web builder and cashless payment options, in addition to digital platforms that allow SMEs to optimise their business operations and build new business networks in the digital marketplace.</p>	<p>Integrated Service Desk</p> <p>A connected experience through integrated engagement for the convergence of services with omni-channel capability. Additionally, a unified ticketing and communication system known as the Network Extended Ticketing System (NEXT) was included to increase efficiency in Commonly Known Cause (CKC) issues and Network Incident.</p>
<p>Digital Transformation of Yellow Pages Directory</p> <p>An outline of the shift of Yellow Pages' focus towards digital advertising as well as providing SMEs with digital marketing capabilities.</p>	<p>Digital Channels</p> <p>A new Interactive Voice Recording (IVR) system that provides self-help for customers trying to reach our Call Centres. We have also improved the process of dealing with unifi customers that would like their free 10x speed upgrade by guiding them to perform a speed test via a wired connection.</p>	<div data-bbox="1392 1591 1519 1772" data-label="Image"> </div> <p>Excellence in Data Driven Marketing for unifi by the Marketing Excellence Awards 2018</p> <hr/> <p>Best Data Centre service provider by Telecom Asia at the 21st Telecom Asia Awards</p>
<p>Digital Know Your Customers (eKYC)</p> <p>A promotion that pushed forth customer-centric digitisation to potential customers. The eKYC uses a digital solution to allow remote validation, providing convenience for users and cost savings for organisations.</p>	<p>SuperHero Initiative</p> <p>A consultative customer-experience programme that offers customised solutions to selected customers. The target market is higher-end customers and houses that may require more technical assistance than the normal equipment provided by TM.</p>	



Ensuring Quality in Everything We Do

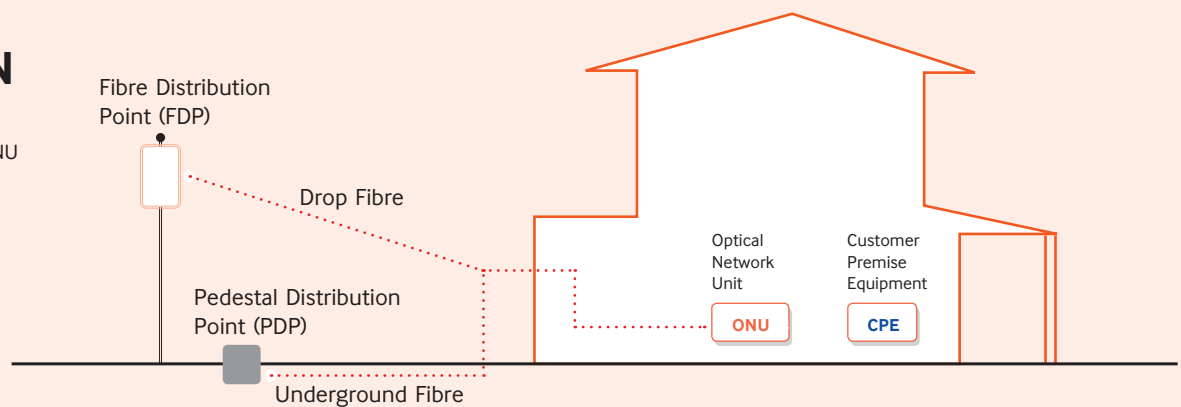
In 2018, we introduced an initiative to minimise the point of failure on fibre by removing the Fibre Termination Box and Fibre Wall Socket during unifi installation. This will improve the quality of the internet connection, speed up restoration as well as reduce customers' waiting time.

PREVIOUS unifi INSTALLATION



NEW INSTALLATION DESIGN

Direct Connection from FDP to ONU



The fruits of our efforts are reflected in the numbers:

- ▶ 95.0% of our complaint resolution performance nationwide is within our target time (technical complaint: < 24 hours, Non-Technical < five (5) days).
- ▶ 10.0% increase in resolution performance for 2018.
- ▶ 7.48% lower fault complaints compared to 2017.

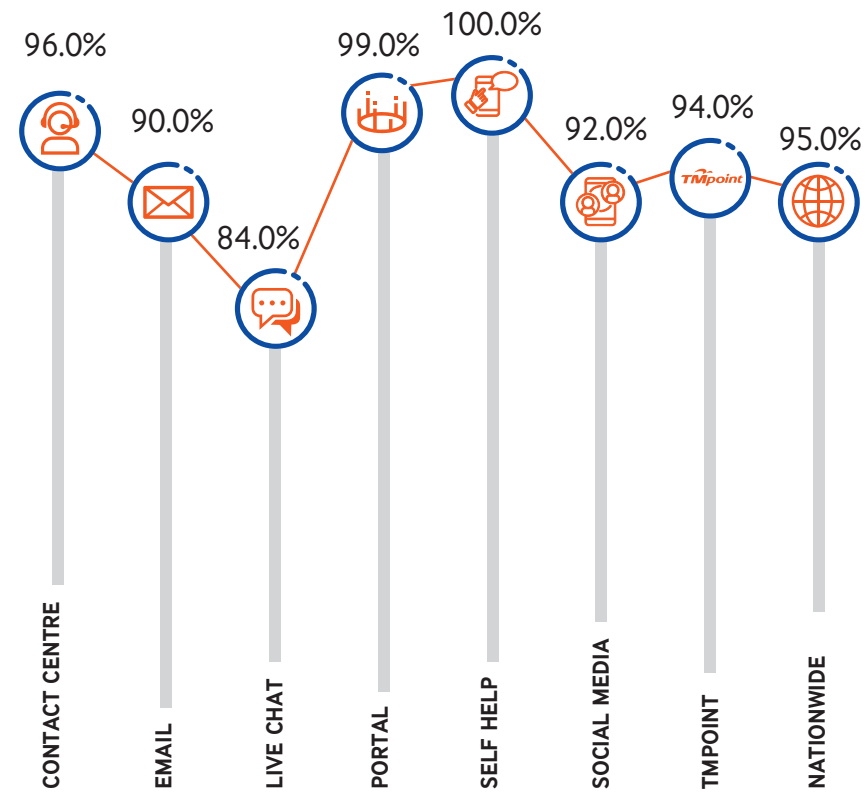


Award Winning Restoration System

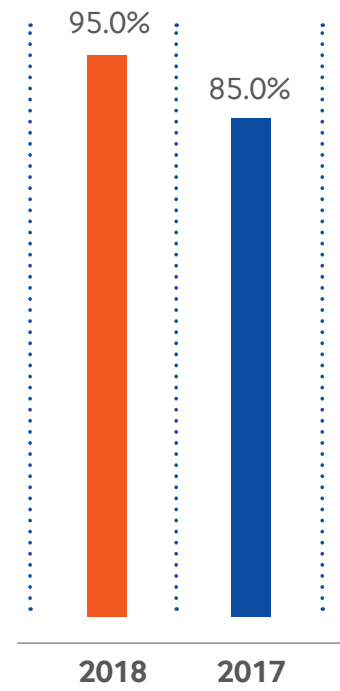
EXPRESS is a troubleshooting mechanism implemented by TM GLOBAL and Network Operations Centre (NOC) to improve overall fibre fault restoration nationwide. The implementation of EXPRESS enables TM to reduce unnecessary truck roll to customer premises, and eliminate more than 50.0% of TM's legacy processes. The new fibre troubleshooting method is capable of improving fault isolation time from an average of six (6) hours to less than two (2) hours.

The effectiveness of EXPRESS has been well proven, as TM bagged the **Gold Award at the Kaizen Olympic Awards during NTT-Arcstar Carrier Forum (ACF)**, held in Tokyo on 13-14 September 2018.

Complaints Resolution



% customer complaint resolved within target time



Employee Training Programmes for Enhancing Customer Service 2018

The Shaker Programme is a sort of wake-up call session for employees regarding their current performance and how it impacts the business. It also allows them to recognise their potential and shape their belief system. Ultimately, participants are exposed to the right formula on how to best serve our customers. As of December 2018, more than 3,000 participants across the Group have attended the programme, with the Kirkpatrick New Model for Level 1 & 2 (Learning Effectiveness) recording an average result of 90.0%. This grading indicates that the Service Culture team has successfully delivered training to the participants.

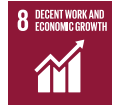
The Rehab Programme complements the Shaker Programme but with a particular focus on developing our employees' service skills. It is a training programme that elevates the skill standard among our frontliners to deliver a top-notch service experience. This programme has been comprehensively attended by TMpoint frontliners nationwide who are fronting our customers.

The Coaching Programme is a collaborative, interactive process that inspires individuals to maximise their personal and professional skills. This programme is designed based on skills coaching to develop a productive and efficient working team. It assists people to set better goals, take more action, make better decisions and fully utilise their natural strengths. While this programme definitely helps uphold the performance culture of our organisation, it also has a significant impact for participants as they leave with transferable skills that will help them excel anywhere. This programme also helps synergise collaboration between the working level employees with the management team.

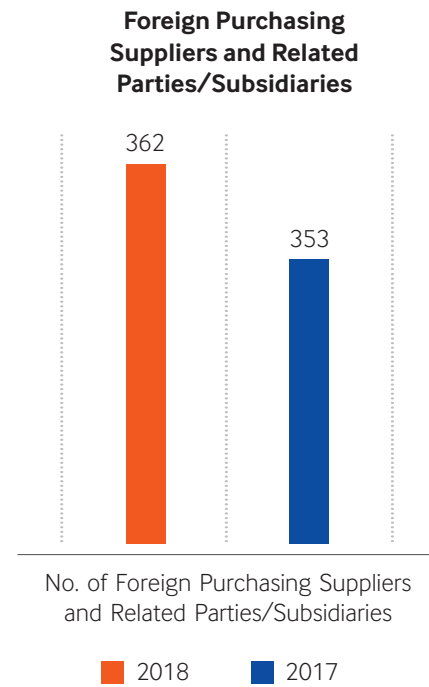
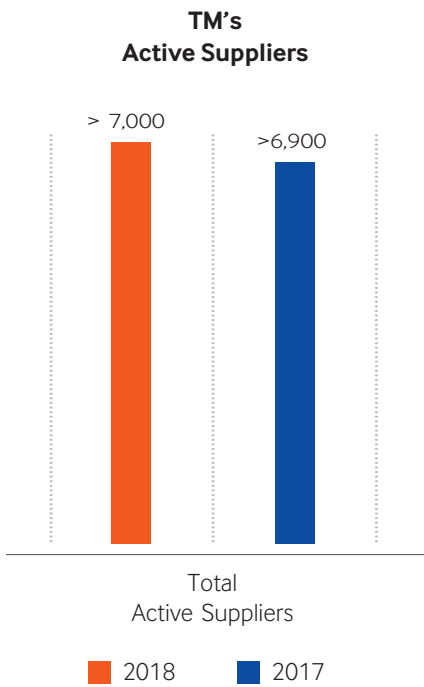
Managing Our Supply Chain

(GRI: 102-9, 204-1, 308-1)

M3 Responsible Supply Chain	M19 Fair & Equitable Policies
M20 Regulatory Compliance	M22 Engagement

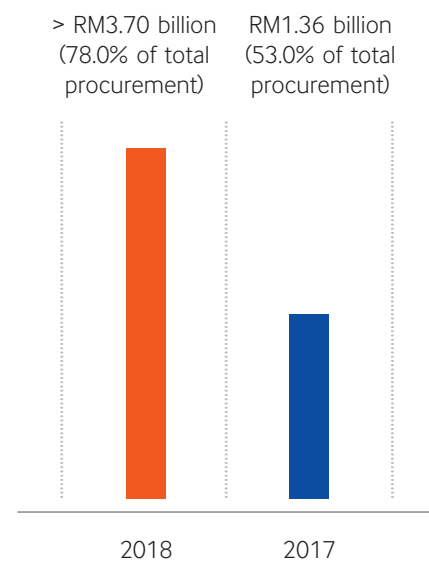


Our suppliers are expected to follow a set of clearly defined principles based on international and sectoral standards, which is a mandatory part of their agreement in working with our team. These principles are set with reference to the United Nations Global Compact's Ten Principles and Sustainable Development Goals. Our contractors are also advised to meet, or exceed, international standards on environment, safety, human rights and sustainability measures such as ISO 14001 and OHSAS 18001. Their regulatory compliance is actively tracked as part of our supplier evaluation process, thus minimising the supply chain risk.




> 850
Registered Suppliers with Active Contracts

Total Contribution to Local Suppliers




Our digitisation efforts extend beyond customers and employees to our suppliers with a vision of 'Procurement Made Easier', we have established various digital initiatives and platforms, with the Group Procurement Digital Committee (GPDC) overseeing the overall digital implementation.



- PINTAR (Procurement Institutionalisation of Technology Application and Resources)**
 - > To institutionalise improved processes in the procurement value chain from pre-sourcing up to post sourcing via online systems to increase productivity. Identified:

RM4.2 million of cost avoidance	>10,000 hours of productivity improvement via PINTAR including online quotation (RFX)	>60.0% improvement in procurement process cycle time
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- Lapasar**
 - > To empower user to purchase via online marketplace through collaboration with a local start-up company.

100.0% user and supplier acceptance from nationwide implementation	>RM220,000 of cost avoidance and cost saving	>40 hours productivity improvement per month
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- GPOS (Group Procurement Online System)**
 - > To automate the operation, tracking and reporting of tasks by digitisation e.g. procurement activities tracking.

11 successful live modules with zero investment required via in-house development



- DAPAT (Digital Application Procurement for Agile Transformation)**
 - > To accelerate flexible processes for customised digital solutions or applications, without compromising governance.

Appointment of 22 local app developers including start up with nine (9) projects awarded	Four (4) local app developers have been enrolled into TM Bumiputera Vendor Development Programme (BVDP)
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Managing Our Supply Chain

(GRI: 409-1, 414-1)

Our suppliers are an integral part of our business operations. All our employees are trained to treat our partners with the highest level of respect and integrity while protecting their rights as workers at all times. All of our contracts are in compliance with the following Malaysian Labour Employment laws:

- The Employment Act 1955
- Employment (Restriction) Act 1968
- Employee's Provident Fund Ordinance 1951
- Industrial Relations Act 1967

There are also mandatory requirements in all the contracts that require the contractors to comply with our own clearly defined principles. These include, but are not limited to, the OSHE Plan, Integrity Pledge, Contractors All Risks and Workmen's Compensation Insurance, as well as Government Work Procurement Certificate (SPKK) and other certificates from the Construction Industry Development Board (CIDB).

We also enforce additional Key Performance Indicators (KPIs) in a number of contracts. Any non-compliance may affect supplier performance, with payment deductions as a form of penalty. We also established the Supplier Integrity Pledge via the SUS Portal in December 2017. Since its inception, 100.0% of our suppliers have made a declaration of integrity and is a mandatory requirement for all new suppliers to accept.

Unfortunately, we do face problems with certain suppliers by the rampant development of transportation infrastructure nationwide. Fibre cuts by third-party contractors have proven to be a big challenge, causing up to 31.0% of service-related disruptions. To date, TM has spent RM23.0 million to repair these cables. So, this year, we have set up the TM Fibre Steering Committee to help intensify their efforts in third-party fibre cut prevention. A notification programme was also organised amongst suppliers, utility companies and other telco players via the Malaysian Access Forum Berhad (MAFB). The programme has raised awareness amongst contractors on the severity of cable cut incidents and how it affects the lives around them, which has made them more vigilant towards potential offenders. Additionally, we introduced the 'Eyes' app to facilitate our employees to report suspicious activities, which achieved a 99.0% success rate for incident avoidance since its launch.

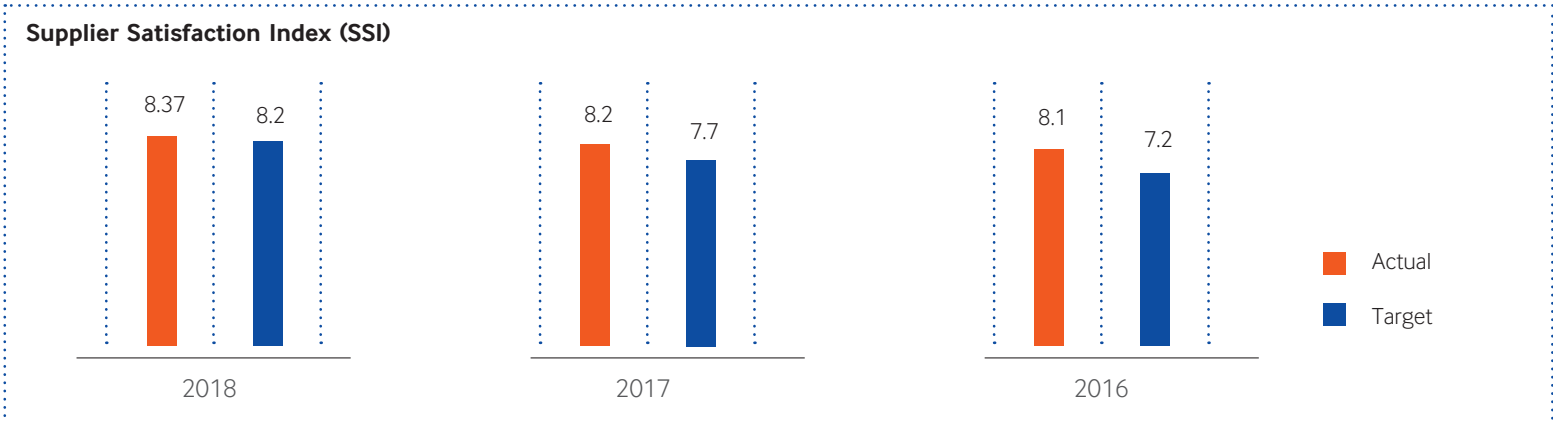
ENGAGING WITH SUPPLIERS

(GRI: 102-33)

Despite our best efforts in maintaining a mutually beneficial relationship with our suppliers, disagreements are bound to occur like any other partnership. To aptly capture and respond to the grievances from our partners, we have conducted a stakeholder engagement exercise this year with a third-party moderator to prevent any potential bias. Issues raised during the exercise were taken into consideration when deciding on the topics that are material to the sustainability of the company. We also capture feedback from our supplier through regular engagement and dialogue sessions between TM and its contractors. Any project-related complaints are channelled to the business user prior to the Supplier Performance Committee (SPC), with the user proposing on an appropriate action before tabling to SPC for a decision.

>850 contracts
worth **>RM4.70 billion**
awarded to suppliers

To monitor the well-being of our suppliers, we conduct a yearly Supplier Satisfaction index (SSI) via an online platform to gather feedback on our supplier's satisfaction level over our current procurement processes and practices. This enables our procurement team to further improve the quality of our services to all our business partners. Throughout the years, we have consistently been improving our SSI rating, as seen below.



Deliver with Integrity

(GRI: 205-1, 206-1,307-1, 419-1)



M4 Industry Thought Leadership M19 Fair & Equitable Policies M20 Regulator Compliance

Our license to operate is contingent on our ability to meet and exceed all relevant regulatory requirements, particularly those listed by the Malaysian Communications and Multimedia Commission (MCMC), Bursa Malaysia Berhad and the Securities Commission Malaysia. We also strongly adhere to the Ministry of Environment's guidelines when developing a new project to comply with local environmental impact standards.

We are truly committed to complying with all regulations applicable, which reflects our highest level of integrity. For this year, our commitment was demonstrated by there being no cases against our company for non-compliance with any relevant environmental, social and economic laws and regulations.

Our commitment to uphold the highest standard of integrity is mainly reflected in our Code of Business Ethics (CBE). It applies to all stakeholder parties acting for and on behalf of the company. The CBE provides detailed standards of behaviour and ethical conduct expected of each employee, director or board member.

The CBE is accompanied by the Anti-Corruption Guide (ACG) that provides examples of operational situations and its Do's and Don'ts for reference. Frequently Asked Questions are also provided for internal reference in the Ethics and Integrity Resource Portal via a shared platform. The consequences of breaching the CBE may lead to domestic disciplinary action which are subject to applicable laws and internal processes.

Furthermore, we support a level playing field in our business approach in order for competition to operate effectively and deliver optimal economic outcome. Our approach to preventing anti-competitive behaviour is further described in the CBE. The said Code provides guidance in recognising and resolving anti-competitive issues encountered by the team while conducting our business. To support compliance, our Legal Division has also developed and published the relevant guidelines on competition law under TM's Business Policy and Governance.

Our people are expected to participate in the Declaration of Assets and Interest every year, which are mandatory declarations that ensure all employees are in compliance with the CBE. These declarations are carried out via an online SAP platform with an aim to avoid conflict of interest and ensure transparency in daily business dealings. In 2018, 99.4% of TM Employees completed the Declaration of Assets and Interest, including the Integrity Pledge. Furthermore, the Declaration of Assets and Interest system was enhanced to require not only a declaration of TM employees' external businesses, but their spouses' business as well. The enhanced system will be executed in 2019.

This reporting year brought upon the new provision of corporate liability under the Malaysian Anti-Corruption Commission Act 2009. It became even more important for the team to proactively ensure that all employees are crystal clear about the zero-tolerance policy against all forms of corruption. The Malaysian Anti-Corruption Commission (Amendment) Bill 2018 was passed in April 2018, which amended the current Malaysian Anti-Corruption Commission Act (MACCA) 2009. One of the key amendments is the insertion of S.17A into the MACCA 2009, which generally imposes a new corporate liability on commercial organisations for their failure to prevent corruption. As a measure against corrupt practices, a series of briefings were conducted in small groups to ensure the employees are equipped with the knowledge of acceptable and unacceptable business conduct. This includes a strong understanding of Corporate Liability Provision which is expected to take effect by 2020.

99.4%
of TM Employees completed
the Declaration of Assets
and Interest, including the
Integrity Pledge

**Winner of 2nd ASEAN Corporate
Governance Awards 2018**



- Top three (3) PLCs (Malaysia)
- Top 50 ASEAN PLCs (Top 11 to 30)

Digitising Integrity

Our Group Human Capital Management (GHCM), developed the **AMANAH Video Series**, which educates Warga TM on our expected ethics, integrity policies, and best practices. To entice and encourage our employees to watch the AMANAH Series videos, we included simple quizzes relating to the videos for a chance to win prizes.

The videos and quizzes are also incorporated into **TM's EduBite App** for easy access. In addition to this, snippets, special messages, and publications are also issued to serve as a reminder on acceptable and unacceptable business conduct in our day-to-day business via our internal communication channels.

Deliver with Integrity

Our strict integrity policies ensure that all those involved with the organisation consistently practice the best business ethics. This year, there was one (1) case of misconduct committed by TM's employees and contractors, which swift disciplinary action was taken.

Key Integrity Events



Sembang Integriti bersama CIA (Chief Internal Auditor)

- **What:** A programme that educates TM leadership on the critical role they play in building a culture of compliance and integrity.
- **Why:** To ensure our leaders set the right tone on integrity, as good standards are cascaded down and emulated by other employees and collaborators.
- **Who:** **500 employees**, including the State Vice Presidents and General Managers.



Inculcation of Integrity through Religious Platforms

- **What:** An event that teaches employees the importance of integrity according to religious teachings.
- **Why:** To ensure that employees understand that their actions are both, directly and indirectly, responsible for upholding our company's integrity.
- **Who:** **350 Warga TM**, including the Senior Management team.



Knowledge Sharing Session with GLCs

- **What:** A knowledge sharing session that exchanges ideas, strategies, and practical solutions for integrity practices within GLCs.
- **Why:** To tackle common challenges on ethics and integrity.
- **Who:** Integrity Unit of Tenaga Nasional Berhad (TNB), Yayasan Universiti Teknologi PETRONAS, Yayasan Canselor UNITEN, Top Glove, UMW and Sime Darby.



Fibrecomm Vendor Day

- **Who:** A briefing session with Fibrecomm that educated on Ethics and Integrity Practice Strengthening.
- **Why:** To improve integrity and good governance across all levels of suppliers.
- **Who:** Fibrecomm suppliers.

Protecting the People



SAFEGUARDING THE PUBLIC

(GRI: 416-1, 461-2)

M5 Consumer Health & Safety

We consider consumer safety as the ultimate form of sustainability, making it a priority of our business decisions. An effective health and safety strategy for our products and services is crucial to our reputation, as well as maintain the trust of our customers. Therefore, our code of conduct is designed based on our dedication to provide safe and high-quality products. We have mandatory policies and standards in place to ensure that we meet this promise.

For instance, our Customer Premise Equipment (CPE) must comply with TM's CPE Technical Specification. This requirement has high technical standards that ensure the supplied products are safe to be operated in the premises of consumers. Before installation, CPE units must submit a test report to receive a Statement of Compliance (SoC) issued by an accredited laboratory. This prevents the installation of faulty and potentially harmful units at a customer's premises.

Additionally, we monitor consumer feedback to proactively address potential safety issues. If errors in the value chain were to possibly threaten the well-being of others, we will take the necessary steps to rectify the issue.

Over the past three (3) years, including 2018, all of our products and services were consistently reported as safe, with zero consumer injuries or casualties recorded.



Protecting the People

STRENGTHENING ONLINE SAFETY AND PRIVACY

(GRI: 102-33)

M4 Industry Thought Leadership

M6 Consumer Data & Privacy

M21 Grievance Mechanism

With the nation moving towards an increasingly digitalised lifestyle, concerns regarding online safety and data privacy have heightened. We recognise the critical role we play in protecting our users from these risks. As such, our Group Information Security (GIS) is always on the lookout for any potential breaches while implementing the best initiatives to increase online safety.

The GIS division prioritises protecting our customers' personal data and adhering to the Personal Data Protection Act 2010 (PDPA). We are a registered Data User in Communication, Direct Sales and Education category respectively, as part of the compliance to the requirement under section 17 of PDPA. Our official website also contains a Privacy Notice to educate customers on how we collect, use and manage their personal data, as well as a similar notice for employees on our infra network.

To ensure full and continuous adherence to the PDPA, we developed various initiatives and awareness programmes on PDPA aimed at our employees and agents across the group. In 2018, TM employees participated in mandatory PDPA e-learning modules to ensure continuous dissemination of in-depth knowledge of the Act. Additionally, e-mail snippets were shared across MMU as part of PDPA awareness for our education sector in our effort to continuously raise awareness on PDPA and its importance to the day-to-day operation of the company. Numerous awareness seminars regarding our internal PDPA compliance expectations were also conducted throughout the years targeting mainly TM personnel.

The GIS division is also in charge of the Information Security Policy, which is reviewed, endorsed and communicated to all TM employees via regular email communications as well as classed-based training to selected participants from various divisions in TM. The policy is developed in accordance with ISO/IEC27001:2013, an Information Security Management System standard that all users within TM are required to comply with in relation to information security stored in the TM network.

For widespread knowledge on potential cyber threats, the GIS division collaborated with TM Learning & Development (L&D) and Technical Centre of Excellence (TCOE) to conduct a Cyber Security Seminar for TM employees nationwide. In 2018, we held sessions in the northern region of the country, as previous years had already covered central region, southern region and Sabah. The objective of the seminar was to raise awareness on the importance of online safety and minimise cyber risk. Warga TM were exposed to the reality of cyber crimes and its effects. Our employees were also reminded of how simple mistakes made by one (1) person could negatively impact the company.

Specific to 2018, we faced the extra challenge of handling cyber threats during the critical general election (14th GE), which was managed by TM National Command & Control Centre (TM NC3). Throughout 14thGE, TM NC3 worked with TM State Operation Centre (TSOC) nationwide to successfully track over 3,000 orders and peacefully resolve 16 cyber security incidents during the election.

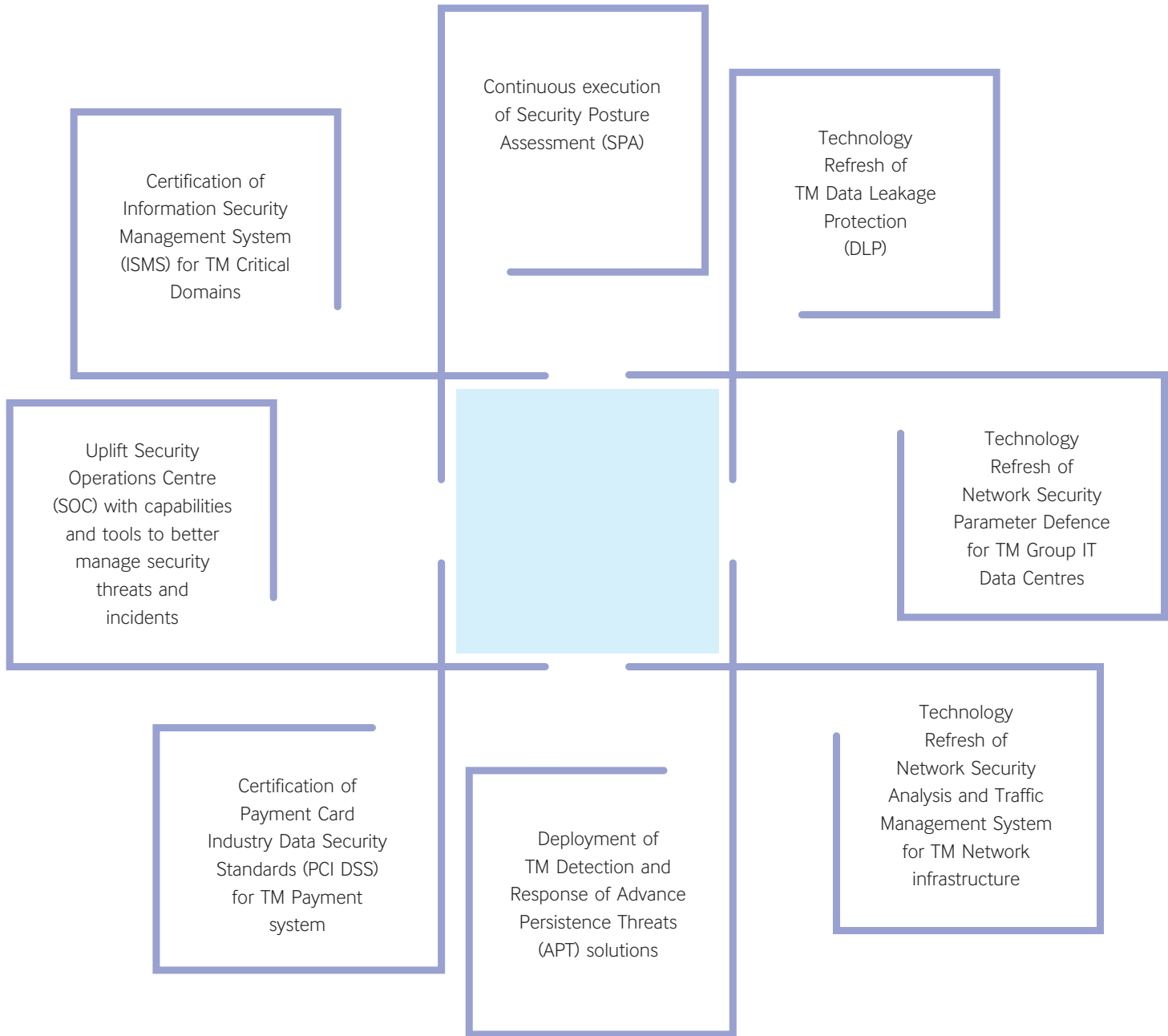
Upskilling Cyber Security

Cyber technology is ever evolving and with therefore, new threats and problems arise. To keep up with the rapid world of online safety, GIS personnel are sent to relevant seminars to gain insight and exposure into emerging security trends, thus uplifting their skill in security. In 2018, our team participated in four (4) events related to cyber security:

- ASEAN-Japan Information Security Workshop
- Industrial Talk organised by MCMC
- Review of National Cyber Security Policy and Establishment of National Cyber Security Plan
- Cyber Security Training in conjunction with CSM-ACE

REINFORCING OUR NETWORK SECURITY

In 2018, we strengthened our network security through numerous efforts and initiatives:



THE FUTURE OF TM, ITS PEOPLE, AND THE FOLLOWING GENERATIONS WILL DEPEND ON OUR CURRENT ENVIRONMENTAL CONSCIOUSNESS. AS WE CONTINUE TO MANAGE OUR CARBON FOOTPRINT, THE FOCUS REMAINS ON RAISING AWARENESS AND SENSITISING OUR STAKEHOLDERS, INCLUDING THE COMMUNITY ON THE NEED TO DEMONSTRATE ENVIRONMENTAL STEWARDSHIP. IT IS PART OF OUR COMMITMENT TO BE HERE FOR YOU, TO HELP PRESERVE AND CONSERVE THE NATURAL WORLD FOR FUTURE GENERATIONS.



Our Footprint

54,642 tCO₂ of greenhouse emissions (1.3% drop from 2017)	1.5% reduction in greenhouse gas emissions from energy consumption	1.4% drop in electricity consumption
86.0% decrease in greenhouse gas emissions from work-related travel	5.7 MkwH of energy conserved by switching to LED lighting system in TM facilities	Two (2) Data Centres built according to Tier III Standards for better energy efficiency



Awareness Programmes

>RM0.5 million invested in green awareness campaigns	>3,000 participants of environmental programmes
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Awards

Winner of e-Payment Excellence 2018 for converting 100.0% of unifi customers to electronic bills to reduce paper



Managing Energy Consumption and Climate Change

(GRI: 302-1, 302-4)

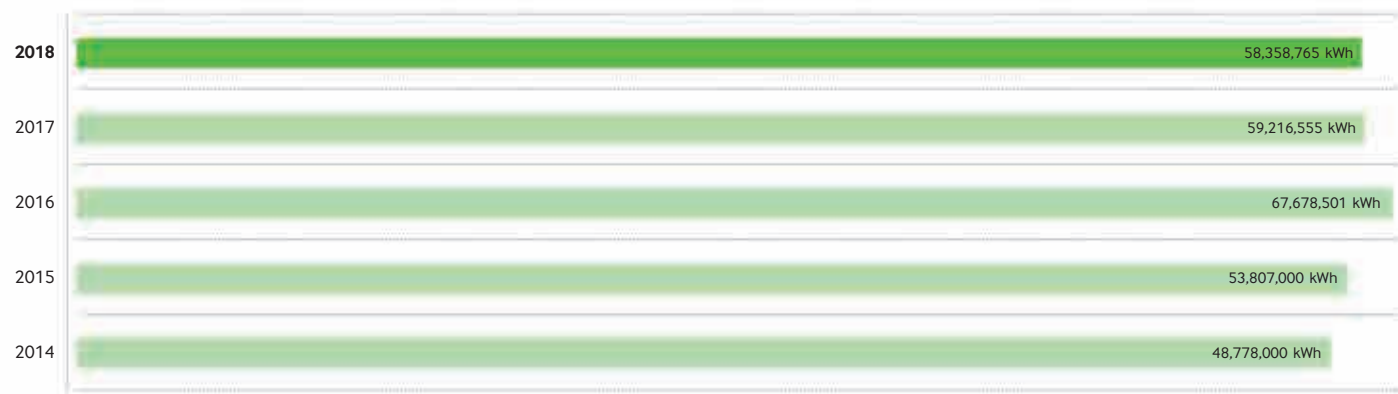


M7 Climate Change & Energy Management

There is an almost universal consensus on the effect of greenhouse gas (GHG) emissions manifested as global climate change. To play our part in mitigating the issue, we developed the Carbon Management Plan in 2012. Since then, we have progressed in the management of our carbon footprint and energy consumption, which includes introducing an Energy Management System (EnMS) in our buildings as well as other energy policies, objectives, targets and action plans. In 2018, we continued our engagement with Energy Service Company (ESCOs) through our Energy Performance Contracting (EPC) model to implement TM's Energy Reduction Plan.

ENERGY EFFICIENCY

Energy Consumption in Selected TM Buildings



This reporting year, our facilities adopted more energy efficient initiatives, which led to a 1.4% drop in electricity consumption in selected buildings compared to 2017. Our new data centres i.e. IPDC and KVDC were built towards a Tier III Standard in Energy Security and Green Criteria. This is crucial as the ICT sector contributes approximately 2.0% of global carbon emissions due to the energy used to run DCs. Our two (2) new data centres that were launched this year are already equipped with state-of-the-art facilities and infrastructure for greater energy efficiency, while qualified existing DCs are in the process of relevant upgrading process which guarantees higher levels of service availability, reliability and security, as well as energy efficient. The new DCs have redundant and dual-powered servers, storage and network links, with its IT components powered by multiple active and independent power and cooling resources.



ENERGY SAVING INITIATIVES 2018

(GRI: 302-5)

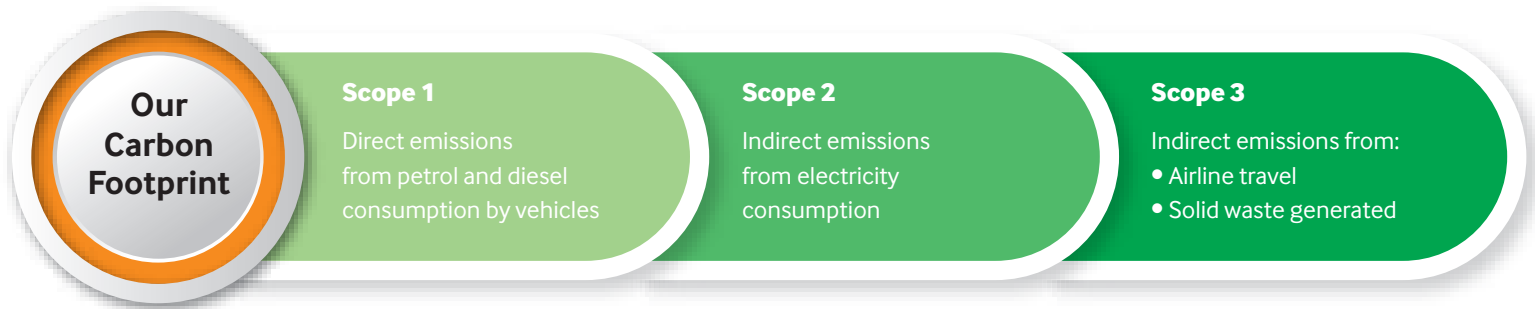
Energy Performance Contracting (EPC) Model	Energy Awareness Programme	Regional Buildings Energy Programme	LED Lighting in Commercial Buildings	Mandatory Compliance Exercise
<p>A programme with EPC partners investing in energy saving projects.</p>	<p>A programme by GBC to raise awareness on energy efficiency.</p>	<p>A baseline method to improve the Power Usage Effectiveness (PUE) at TM Nodes.</p>	<p>An efficient LED lighting system that improves operational hours.</p>	<p>A registered Energy Manager for buildings of 3 M kWh for six (6) months.</p>
<p>Objective: To equip TM Nodes with more energy efficient technology.</p>	<p>Objective: To cultivate an energy efficient culture within the workforce.</p>	<p>Objective: To act as an efficiency performance indicator.</p>	<p>Objective: To increase lighting efficiency thus lowering power consumption.</p>	<p>Objective: To comply with Suruhanjaya Tenaga's Efficient Management of Electrical Energy Regulation 2008.</p>
<p>Implementation: By providing the design, supply, installation and maintenance of energy saving equipment (i.e. inverter cooling units, LED lighting system).</p>	<p>Implementation: By releasing snippets of best energy conservation practices via email.</p>	<p>Implementation: By measuring the load profile, energy usage and other low-cost measures (i.e. temperature optimisation, cooling system management).</p>	<p>Implementation: By switching all fluorescent lights to the more efficient LED lighting system.</p>	<p>Implementation: By submitting the required report by the nominated Certified Energy Manager.</p>
<p>Site: 108 TM Nodes nationwide.</p>	<p>Site: Online Internal Communication Tools.</p>	<p>Site: 150 TM Nodes nationwide.</p>	<p>Site: Menara TM, TM Annexe 1 & 2, Menara TM Melaka and TM Pelangi Johor Bahru.</p>	<p>Site: 10 sites (three (3) commercial buildings and seven (7) Nodes).</p>
<p>Impact: 4.6 M kWh conserved for 16 completed sites.</p>	<p>Impact: Awareness programme completed.</p>	<p>Impact: 9.9 M kWh conserved.</p>	<p>Impact: 5.7 M kWh conserved.</p>	<p>Impact: Required report submitted.</p>

Managing Energy Consumption and Climate Change

OUR CARBON FOOTPRINT

(GRI: 305-1, 305-2, 305-3, 305-5)

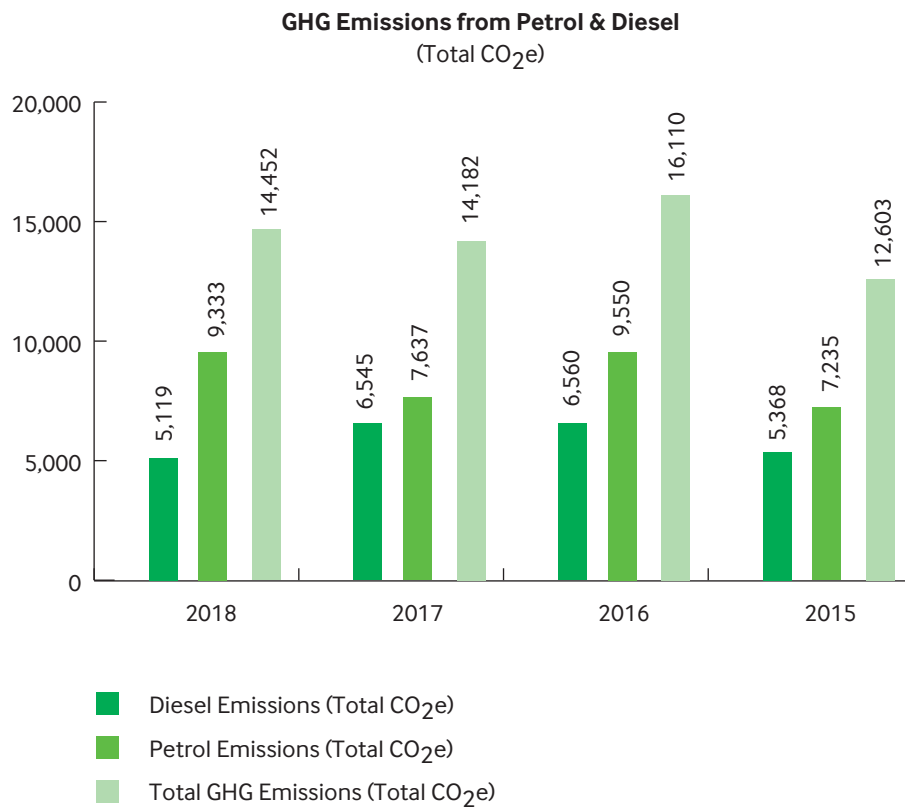
We adopted the GHG Protocol Corporate Accounting and Reporting Standard by the World Business Council for Sustainable Development and World Resources Institute. This methodology considers the most significant carbon emissions, namely carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). The scope of our GHG assessment split into three (3) categories:



Scope 1 GHG Emissions from Petrol & Diesel

Petrol and diesel consumption by TM-owned vehicles were collected to calculate the total carbon released by vehicles for work-related travels. The conversion of fuel consumption into carbon emissions was calculated using the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, 2006.

While emissions for diesel had reduced over the year, petrol emissions were higher compared to 2017. This led to a small increase in total GHG emissions by 1.9%.



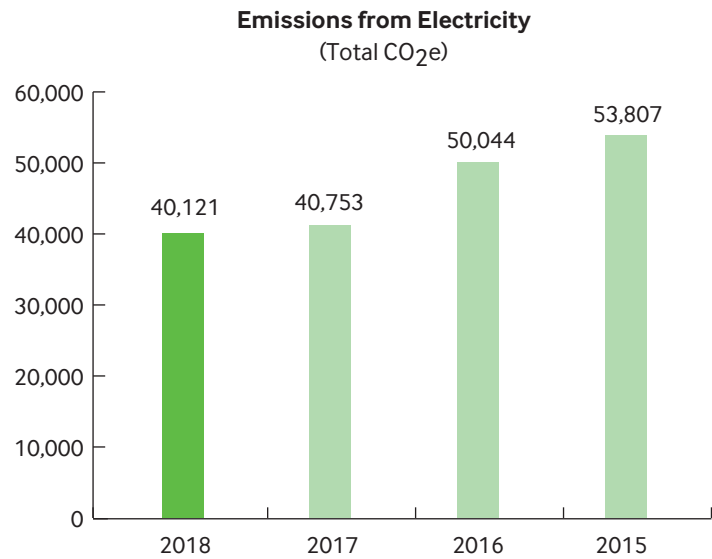
Scope 2



GHG Emissions from Electricity

Indirect carbon emissions from electricity consumption was calculated based on data collected from TM buildings that have implemented EnMS. The selected buildings consist of Menara TM, our administration complex, IDC & CHPWP in Cyberjaya, and exchanges in Bukit Timbalan (Johor), Alor Setar (Kedah), Miri (Sarawak), Penampang (Sabah), Wisma TM MITC (Melaka) and Hiliran (Terengganu). The carbon emissions were converted according to the Study on Grid Connected Electricity Baselines in Malaysia 2014.

Carbon emissions from electricity consumption dropped by 1.5% due to the various energy savings initiatives implemented in 2018.



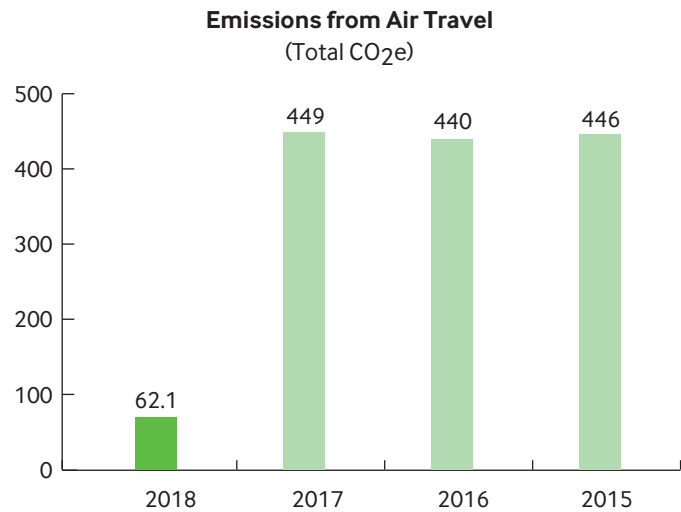
Scope 3



GHG Emissions from Air Travel

Air travel emissions were calculated based on the distance flown by employees, which were derived from their individual flight transactions. The Civil Aviation Organisation (ICAO) Carbon Emissions Calculator was used to convert the distance travelled into total CO₂ released during the flight.

According to our calculations, emissions from work-related air travel dropped by 86.0% due to cost savings initiatives from employees using different communications technology such as telepresence, audio conferencing and video conferencing instead of traveling for meetings.

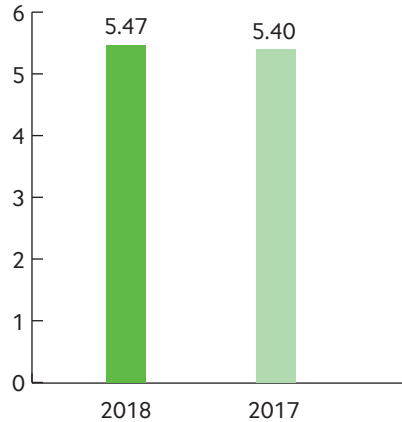


GHG emissions from Waste Generated

This is our first year to report the carbon emissions from solid waste generated at selected offices. The data for waste disposal was collected from Menara TM, our administration complex and IDC in Cyberjaya, and exchanges in Bukit Timbalan (Johor), Alor Setar (Kedah), Miri (Sarawak), Penampang (Sabah), Hiliran (Terengganu) as well as Wisma TM MITC (Melaka). Most of the waste generated at these offices consists of paper, plastic and food packages, which were then calculated into carbon emissions according to the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National GHG Inventories, 2006. The GHG emissions for 2017 were also calculated to compare with this year's results.

With a slight increase of 1.2%, there were no significant changes in carbon emissions from solid waste generated in 2018.

Emissions from Waste Generated (Total CO₂e)



Handling Our Resources and Waste

(GRI: 303-1, 303-3, 306-2)

M8 Resource Use & Waste



We are committed to finding ways to minimise our use of resources as well as our waste generation to help reduce pressure on natural resources. Our operations employ the 3R principles of Reduce, Reuse and Recycle, which is also further instilled in our operating ecosystem.

WATER MANAGEMENT

Water is critical to the survival of all living organisms, yet access to clean, potable water is inadequate. We recognise the importance of implementing responsible water use, particularly as a large organisation. As such, we are constantly looking for new ways to increase the efficiency of our systems in conserving water. This year, the overall water consumption of our selected buildings remained relatively similar to 2017, with a slight increase of 0.4%.

	2018	2017	2016	2015
Water Withdrawal from Municipal Water Supplies (m ³)	262,657	261,507	229,856	251,037

Our Water Footprint: For the first time in our sustainability reporting, we have calculated the carbon emissions released from the water used in selected TM buildings. Water data was collected from Menara TM, our administration complex and IDC in Cyberjaya, and exchanges in Bukit Timbalan (Johor), Alor Setar (Kedah), Miri (Sarawak), Penampang (Sabah), Hiliran (Terengganu) as well as Wisma TM MITC (Melaka). The water consumption was converted into carbon emissions using The UK Government GHG Conversion Factors (DEFRA). We have also calculated the emissions for 2017 for comparative reasons.

The total GHG released from water consumption at selected TM buildings remained relatively stable, with a small increase of 0.4%.

	2018	2017
GHG Emissions from Water Usage (total CO ₂ e)	89.30	88.91

Water Recycling: This year, we continue to recycle water from the surau in Menara TM to water the plants surrounding the building. This year's total water recycled has dropped, which may be explained by the overall decrease in water consumption at the surau due to water conservation practices by our employees to reduce their individual water footprint.

The water recycling initiative translates into 1.73 tCO₂ of emissions avoided from the additional water consumption saved.

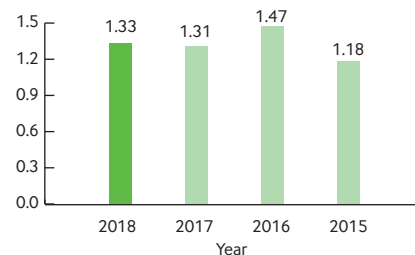
	2018	2017
Water Recycled at Menara TM (m ³)	5,097	8,113

WASTE MANAGEMENT

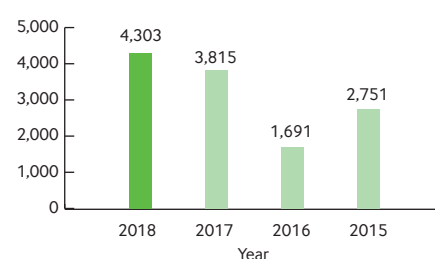
Our business operations inevitably produce a significant amount of waste on a daily basis as large organisations do, from simple waste such as paper and food, to scheduled waste that requires special disposal such as oil waste, batteries, lightbulbs and aerosol cans. Currently, external suppliers are used for disposals of electronic waste. This year, we introduced the e-Bill enhancement initiative, which converted 100.0% of unifi customers to electronic bills to reduce paper wastage as well as printing costs. This initiative was rewarded with the Outstanding JomPay Biller title at the Malaysian-Payment Excellence Awards 2018. Additionally, the environmental awareness among the employees has resulted when employees making efforts in reducing paper use, such as adopting digitalisation and diminishing unnecessary printing.

Our contractors are also required to conduct the best waste management practices when working on our projects. They shall be responsible for the disposal of hazardous and/or unwanted items and shall be in accordance with the requirement of Department of Environment, Ministry of Energy, Science, Technology, Environment and Climate Change or other authorities. The disposal and/or recycling premises, facilities and processes employed shall be in accordance with the requirement of the authorities having such jurisdiction and approved by our people. We have also participated in a Technical Forum – Scheduled Waste Management for Base Station (inclusive of e-waste) in July 2018 to develop a standard guideline in managing telecommunication waste in Malaysia.

Solid Waste Generation (Million Kg)



Scheduled Waste Generation (Kg)



DUST MONITORING

We conduct frequent monitoring of dust particle concentrations in our flue gas stacks to ensure that we consistently comply with the regulatory limits. This year, measurements were taken at four (4) locations: Menara TM, our administration complex and IDC in Cyberjaya, Bukit Timbalan Exchange (Johor), and Wisma TM MITC (Melaka). The concentration of dust at all monitoring locations were well below the limit of 0.4g/Nm³ as set by the Environmental Quality (Clean Air) Regulations, 1978.

The compliance of our dust monitoring results with regulatory standards show that our operations are managing inhalable and airborne pollutants to prevent exposure to occupational lung cancer, tuberculosis and other lung diseases.

NOISE MONITORING

There are certain activities within TM, such as operating a genset, that create a relatively high amount of noise. It is important to ensure that we minimise the noise levels surrounding our premises. Stress from time spent around high levels of noise may lead to hearing impairment, hypertension, increased accidents or general unhappiness in the workplace. Therefore, we conduct regular noise monitoring at certain TM locations to ensure that noise levels around TM buildings are within regulatory standards. The noise monitoring results from 2018 determined that noise emitted from the sites were within the acceptable limits of 68.8 dBa (day) and 65.0 dBa (night) as stipulated by Department of Environment.

	Day	Night
Commercial Building		
Menara TM	68.8 dBa	65.0 dBa
MITC Melaka		
Monitoring Station 1	65 dBa	55.0 dBa
Monitoring Station 2		57.4 dBa
Monitoring Station 3		55.0 dBa
Monitoring Station 4		55.0 dBa
IDC Cyberjaya		
Monitoring Station 1	56.1 dBa/58.7 dBa	50.6 dBa/56.0 dBa
Monitoring Station 2	61.0 dBa/61.5 dBa	55.5 dBa/58.4 dBa
Exchange		
Bukit Timbalan, Johor		
Monitoring Station 1	60.9 dBa	52.6 dBa
Monitoring Station 2	64.2 dBa	54.8 dBa
Monitoring Station 3	64.1 dBa	54.4 dBa
Hiliran, Terengganu	54.2 dBa	NA
Alor Setar, Kedah	62.9 dBa	54.4 dBa
Miri, Sarawak	63.1 dBa	NA
Penampang, Sabah	61.7 dBa	62.7 dBa

Promoting Environmental Awareness

(GRI: 304-2)

M9 Green Awareness/Education



In addition to watching our own environmental impact, we are dedicated to educating and raising awareness on how everyone can play their part. As strong supporters of the UN Sustainability Agenda, we understand the need to raise the awareness of Malaysians to help achieve the Sustainable Development Goals for the future of the planet.

TM EARTH CAMP 2018 PROGRAMME

We regularly conduct our environmental programmes called TM Earth Camp (TEC) to teach the younger generation about the importance of conserving life on land and underwater, as well as the role they play in protecting the natural environment.

JUNIOR ENVIRONMENTAL LEADERSHIP SERIES

We collaborated with the Malaysian Nature Society (MNS) to conduct TM Earth Camp 2018 – Junior Environmental Leadership Series (JELS). The one-day workshop was created to raise awareness on the importance of preserving the environment for primary and secondary school students. JELS was held at eight (8) selected *Kelab Pencinta Alam (KPA)* schools in Sabah and Sarawak from July to August 2018:

Sabah	Sarawak
SM St Michael, SMK Beaufort, SMK Elopura 2, SMK Taman Bukit Tawau	SMK Kuching Utara, SMK St. Columbia, MRSM Mukah, SMK Kai Chung

Using a hands-on approach, students were exposed to current environmental issues and how they could counter-act the problem. The aim of JELS is to bring young people together and equip them with the skills needed to take an active role in environmental advocacy.



306 students and 83 teachers
from 82 schools
participated in workshops



>2,500 students and teachers
benefitted from the programme



10 workshops and
15 knowledge-sharing sessions
conducted

Through the concept of 'Train the Trainers', the JELS workshop focused on giving exposure to students on environmental stewardship while training them to conduct public awareness campaigns. The participants who attended the workshop must then share their knowledge with other students at their schools to continuously spread awareness on environmental protection.

During the workshop, students learned new methods of producing paper, composting, making mudballs, and constructing a terrarium. We are confident that their time spent at the workshop will be useful in the long run.



Ecosystem Appreciation

The participants learned how to make a terrarium with a sealable glass container containing plants and soil. With the addition of colour pebbles, decorative items, the terrarium looked like a miniature garden. This terrarium can be used to illustrate how ecosystems work depend on various processes i.e. water cycle, photosynthesis.



Minimising Pollution Impact

The compost-making activity teaches how to reduce water pollution by using an organic material such as a fertilizer while also reducing the amount of landfill rubbish. Mudballs will help in treating polluted water bodies by being embedded in accumulated sludge before decomposition.



Promoting 3R

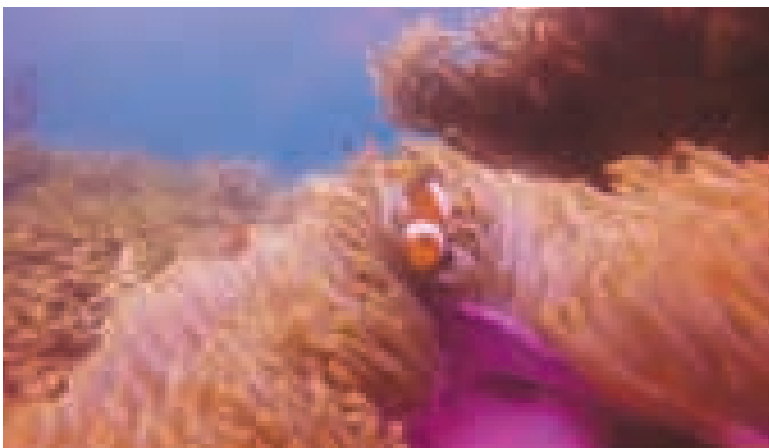
Participants learned how to recycle old newspapers to make new paper. This was to teach participants on how they may apply this activity to generate side income while creating awareness to others.

MYCORAL – MARINE EDUCATIONAL INITIATIVES

In our second year collaborating with *Yayasan Coral Malaysia (YCM)*, we brought back the MyCoral Marine Educational Initiative (MyCoral) programme. Running from March to October 2018, this initiative produced impressive results in creating awareness and educating the public on the importance of marine ecosystems. The programme also taught participants on the right coral reef propagation method. Overall, more than 1,200 coral reefs have been propagated by more than 300 volunteers from diverse backgrounds.

This year, three (3) fishermen were chosen to be the pioneers in the programme so they could generate side income and develop an interest in coral propagation on commercial and conservation levels. They were trained by YCM via several hands-on training sessions.

Activities	Objectives	Reach
 MyCoral: Marine Educational Initiative – Monitoring and Voluntarism Programme	 To raise awareness on the importance of Marine Conservation	 >1,200 coral reefs propagated
 Earth Day 2018	 To train volunteers on Coral Propagation	 >300 volunteers participated
 Merdeka Dive 2018	 To teach fishermen to generate extra income during Monsoon Season	 Three (3) local fishermen trained



Promoting Environmental Awareness

MY SUMMIT: TRAIL ECOLOGY AND SUSTAINABILITY

In collaboration with *Pertubuhan Sidang Warga Gunung (SWG)*, we introduced the My Summit: Trail Ecology and Sustainability programme in 2018. The programme was held at Hutan Lipur Chemerong, Dungun, Terengganu.

Set against beautiful natural settings of waterfalls, rivers and mountain peaks, the programme was held to educate participants on the importance of conserving natural resources with special emphasis on trail management.

Activities

Three (3) programmes conducted with the objectives to create awareness and share knowledge about trail management to 191 participants consist of:-

- 1 **Kursus Peningkatan Kemahiran Pemandu Pelancong Alam Semulajadi kepada Komuniti Setempat** – local mountain guides
- 2 **Expedition for Mountain Trail Assessment** which covered three (3) peaks i.e. Chemerong, Berembun and Lansir (CBL) – students from University of Malaysia Terengganu (UMT), Universiti Teknologi Malaysia (UTM), Universiti Putra Malaysia (UPM) and Multimedia University (MMU)
- 3 **International Mountain Day Celebration** – secondary school students (Form Four (4) students from four (4) schools) in Klang Valley



IMPACT

Preserving the Environment

- Raised awareness on the importance of trail damage by conducting an impact assessment of the entire trail path.

Enhanced Lifestyle and Generate Income

- Exposed participants to outdoor recreational entrepreneurship such as food distribution, rock climbing services and event organisation.

Increasing TM Brand Visibility

- Installed five (5) new signboards with TM's logo along the trail while removing older signboards.

TM EARTH HOUR 2018

On Saturday 24 March 2018, millions of people around the globe once again came together for Earth Hour. We also have our own campaign called “TM Earth Hour 2018”. We created awareness through an Electronic Direct Mail (EDM) to all our employee three (3) days before the event to encourage our employees to switch off the lights at their home for one (1) hour. During the period, selected TM buildings such as Menara TM, TM Annexe 1 and 2 also participated to show our support towards this global event.

Apart from that, we continued our energy savings initiative by switching off the air conditioner starting at six (6) pm and lights from nine (9) pm every day at Menara TM and TM Annexe 1. The objective of this initiative is to raise awareness of climate change while conserving energy.



Promoting Environmental Awareness

ENVIRONMENTAL EDUCATION CHARITY PROGRAMME BY unifi

We believe that the importance of environmental conservation should be propagated and instilled as a practice from early childhood. This was the motive behind our environmental awareness programme that was aimed at young, underprivileged children from the Compassionate Care Centre. The programme was held at the Green Guardian Centre, which is a science and environmental education centre owned by Yayasan Hijau Malaysia (YHM).

There were 62 children who participated in interactive learning sessions held in special rooms of the centre. These sessions consisted of touch sensors and virtual reality technology that allowed them to learn about forest conservation, space exploration, sea creatures and paper mills.



ENVIRONMENTAL OUTREACH CAMPAIGNS

We are championing both internal and external environmental initiatives through the #cleansyou and #KitaMalaysia campaigns, which supports saving the environment through actions such as reducing waste, single use of plastic and other recycling initiatives. In order to champion the project, we collaborate with partners who are dedicated to the movement.

The purpose of these campaigns is to create a sense of care for the environment amongst Warga TM as part of our drive to being a sustainable company. Through regular programmes held within various TM locations, we hope to encourage our people to think creatively when participating in green initiatives.



IMPACT



Collected over **1,000** kg worth of recycling in three (3) months





KIDZANIA GO! EDUCATION OUTREACH PROGRAMME

To broaden environmental awareness amongst children, we partnered with KidZania Go! And SWCORP to organise recycling events with selected schools. The first event was held on World Recycling Day, where we launched the TM Recycling Centre at KidZania Go!, in collaboration with several schools. The objective of the programme is to create awareness on the importance of recycling amongst the youth, in line with the national goal for a Better Malaysia under the #KitaMalaysia campaign. This programme will continue into 2019, with an aim to hold at least ten (10) events within Peninsular Malaysia.



IMPACT

 Brought in over **200** visitors to the recycling centre

 Reached at least **80** schools within Peninsular Malaysia

WE ARE A PEOPLE-CENTRIC ORGANISATION – THE SUCCESS OF OUR JOURNEY IS SUPPORTED BY OUR DEDICATED WORKFORCE, LOYAL CUSTOMERS AND LOCAL COMMUNITIES. OUR BUSINESS IS BUILT ON THIS NETWORK OF PEOPLE. WE BELIEVE THAT BY GIVING BACK TO SOCIETY, WE WILL BE ABLE TO BUILD A SUSTAINABLE ENVIRONMENT THAT BENEFITS EVERYONE. THEREFORE, IT IS OUR DUTY TO EMPOWER THE LIVES OF OUR PEOPLE AND COMMUNITIES, AND TO PREPARE THEM FOR EXCELLENCE IN THE DIGITAL FUTURE.



Employees

32.0% women in management roles

21.0% of positions in the Board held by women

>RM17.0 million invested in employee training and development programmes

>450,000 total training hours

>1,400 training sessions conducted via various mode including classroom and e-learning

>700 potential leaders were identified among Warga TM

>97.0% retention rate, since 2016

>16,000 downloads for FLOW app, an internal communication tool

18.0% drop in work-related injuries, with zero cases of fatalities

Winner of Malaysia Best Employer Brand Awards 2018

9,165 total union members



Education

>RM500.0 million in scholarships awarded by Yayasan TM to over **15,000** students since 1994

An average of **90.0%** of MMU students securing a job within first six (6) months of graduating

MMU ranked 175 in the QS Asia University Rankings among Asia's Top 250 Universities



Community

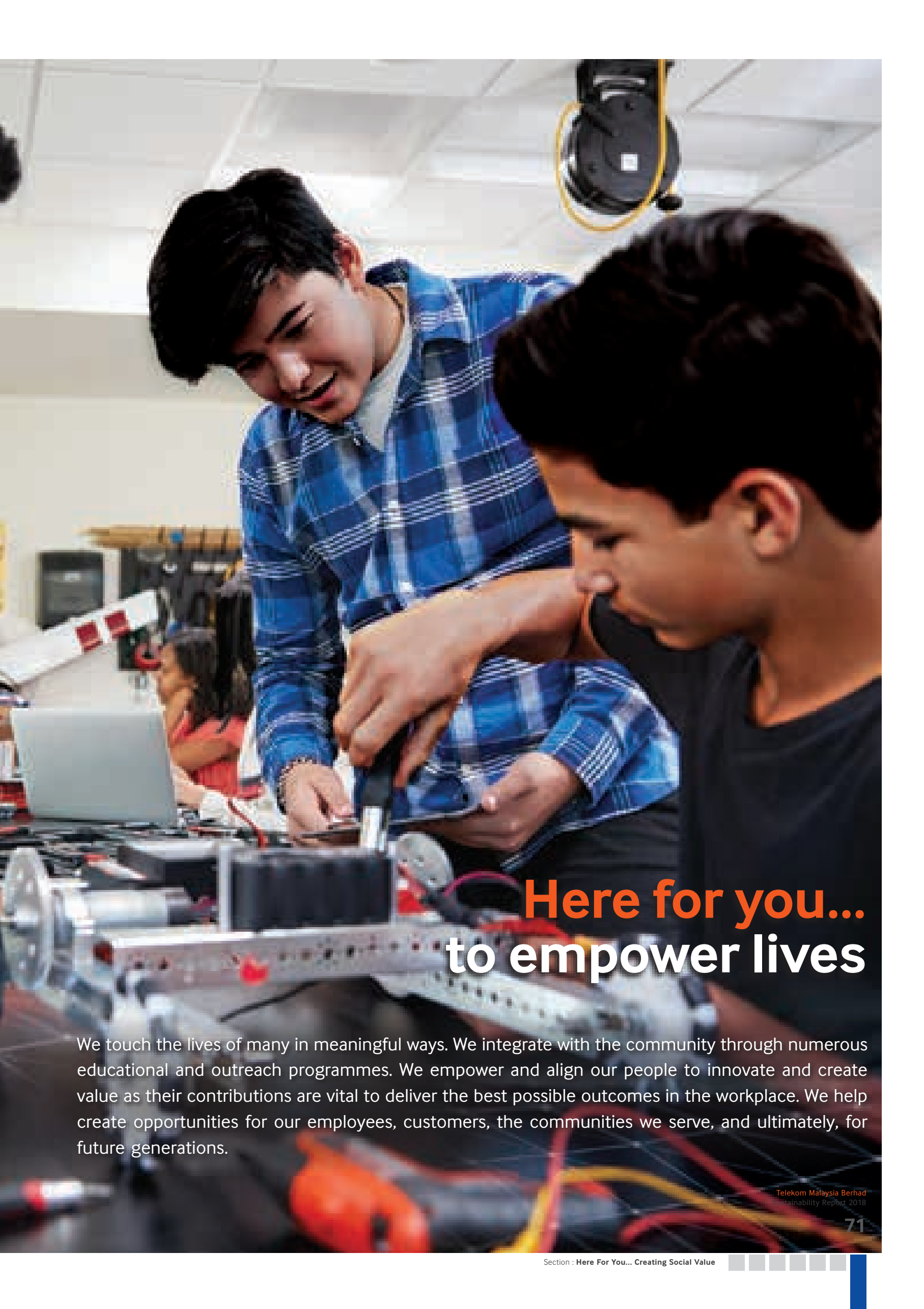
>RM300,000 contributed to local communities via CR programmes

>28,000 lives touched through **14** TM's adopted schools, since 2003

>200 women entrepreneurs participated in *Program Usahawan Wanita* since 2015

>RM7.0 million contributed to Arts, Culture and Heritage in 2018





Here for you... to empower lives

We touch the lives of many in meaningful ways. We integrate with the community through numerous educational and outreach programmes. We empower and align our people to innovate and create value as their contributions are vital to deliver the best possible outcomes in the workplace. We help create opportunities for our employees, customers, the communities we serve, and ultimately, for future generations.

Nurturing a High-Performance Culture

(GRI: 401-1)

M18 Corporate Culture

Our people are our most valuable asset. We would not be the powerhouse that we are today without our dedicated workforce. We continue to work on bringing in the best talent to the organisation. We believe that by creating a conducive work environment and empowering the workforce, we are able to draw upon their full potential. The overall well-being of our employees is vital to our organisation.

Our Group Human Capital Management (GHCM) plays a key role in creating a digital workforce within TM Group. As part of our digital journey, GHCM developed a digital talent framework; which emphasises on up-skilling current employees whilst hiring specialists. The framework also encompasses competitive compensation to attract and retain talent and specialised career paths for digital talent.



Winner of
Malaysia's Best
Employer Brand
Awards 2018

WORKPLACE STATISTICS (2016-2018)

Employees	2018	2017	2016
Total number	24,151	26,407	28,045
Executives	10,856	11,112	11,165
Non-Executives	13,295	15,295	16,880
Inside Malaysia	23,995	26,259	27,896
Outside Malaysia	156	148	149
Permanent Employee	22,630	23,385	24,205
Female	8,629	8,738	9,004
Male	14,001	14,647	15,201
Non-permanent Employee	1,521	3,022	3,840
Female	672	1,598	2,032
Male	849	1,424	1,808
Age group			
<30	2,094	3,649	5,489
30-40	11,252	11,725	11,190
40-50	5,759	5,623	5,445
>50	5,046	5,410	5,921
Disabled employee (%)	0.1%	0.19%	0.04%
Diversity			
Malay	20,586	22,384	23,696
Chinese	1,168	1,352	1,462
Indian	766	952	1,115
Others	1,631	1,719	1,772
Employee Turnover Rates			
Global	1,556	1,357	1,208
In Malaysia	1,524	1,318	1,172
Outside Malaysia	32	39	36
Female	463	466	493
Male	1,093	891	715
Age Group			
<30	237	106	214
30-40	343	247	304
40-50	114	110	105
>50	862	894	585



ATTRACTING TALENT

(GRI: 401-1)

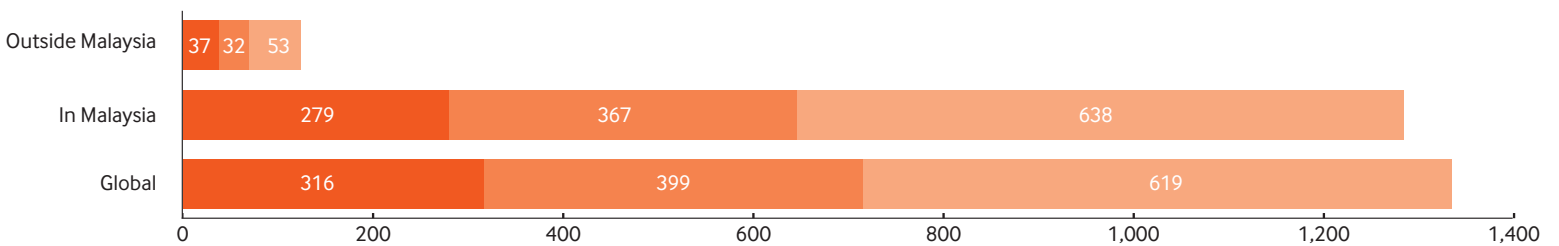
M10 Talent Retention & Attraction

The rapid growth of the telco industry makes it highly competitive to attract talented individuals. To mitigate this, we established the Yayasan TM (YTM) scholarship programme which enables us to scout for and recruit talent. We hire approximately 100 YTM scholars annually who graduate from top universities worldwide, eager to join our workforce. The programme trains our graduates in leadership and management courses throughout their studies to prepare them for career excellence.

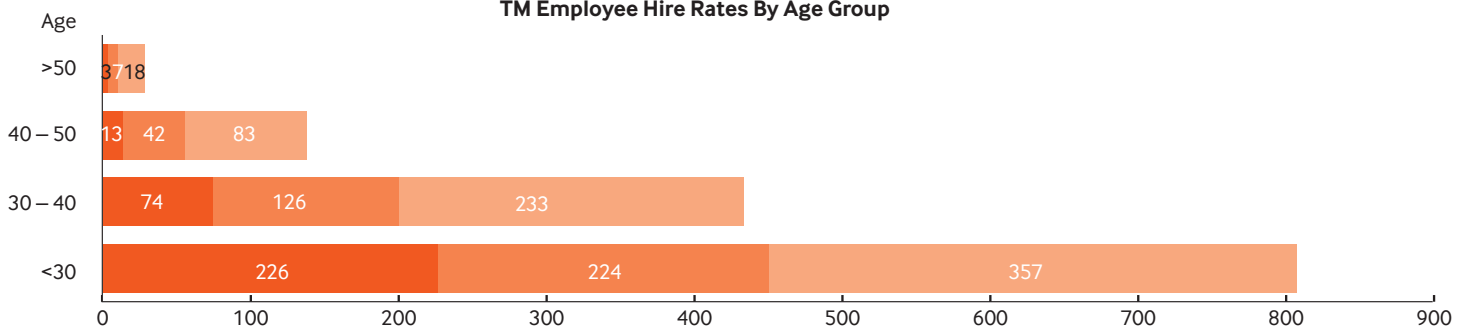
For instance, our YTM Leadership Development programmes develop and polish the scholars' leadership skills through sessions with TM Leaders (including Talent and FTP). Additionally, YTM also conducts a communication and language proficiency programme that helps students to enhance their knowledge of English and Mandarin, gaining the necessary confidence to communicate successfully in their personal, social and workplace interactions. In addition, the TM Experience Programme equips our scholars with knowledge about TM's businesses and operating landscape, field work, products and financial management plans. They are constantly motivated through frequent seminars and talks which helps them achieve what is expected of them as YTM graduates.

Finally, our team also frequently attends career fairs both locally and abroad to scout for the most promising young and talented Malaysians. Our efforts are evident in the strong base of entry-level talent that has chosen our organisation as their employer of choice.

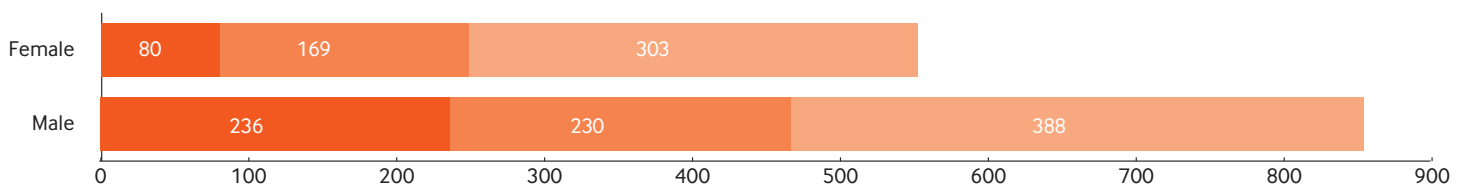
TM Employee Hire Rates



TM Employee Hire Rates By Age Group



TM Employee Hire Rates by Gender



■ 2018 ■ 2017 ■ 2016

Nurturing a High-Performance Culture

We also identified and trained a group of employees with adequate knowledge and skills relevant to TM's business, such as design thinking, leadership and engagement programmes.

In 2018, more than 700 potential employees selected to undergo programme conducted under the Talent Management Framework. There are three (3) scopes of talent management cover the following:

<p>Fast Track Programme (FTP)</p> <p>Participants are selected among early-in-career Yayasan TM graduates for a 3-year structured development programme to accelerate their managerial potential</p>	<p>TM Talent Pool</p> <p>Executives (Assistant Manager, Manager and Assistant General Manager) with high performance capability and leadership potential to be grown and groomed as future leaders of TM</p>	<p>Senior Management</p> <p>In sustaining the leadership pipeline, the capability of key leadership roles (General Manager, Vice President and C-Suite) is critical to be further honed and at par with the competitive environment of the business and the industry</p>
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UPSKILLING OUR EMPLOYEES

(GRI: 404-1, 404-2)



M10 Talent Retention & Attraction

M11 Training & Development

It is not enough to just attract the top talent available. We are also responsible for providing sufficient training and development opportunities to unleash their full potential. Our training programmes do not only cover career progression, as we also provide guidance on other areas such as financial concerns, health and family relationships.

Training	2018	2017	2016	2015
Employee Participation in training	26,476	32,282	44,390	39,708
Average attendance per training programme	16	12	14	13
Average training budget per employee (RM)	657	1,097	542	607
Average total hours of training per employee	18	20	12	15

This year, we introduced an innovative new app called EduBite, which is a fun and interactive internal digital learning app featuring bite-sized learning content developed by TM's CX Service Culture. This app was developed to promote continuous learning and development, which is essential in building a competent, productive and resilient workforce in TM.

To provide ample training and development opportunities, this year saw the launching of our Learning and Development (TM L&D) that evolved from the TM Learning Experience Centre. Currently, L&D comprises of three (3) main units:

- TM Learning Experience Centre (TMLEX)
- Talent Capability Management (TCM)
- Yayasan Telekom (YTM)

We pride ourselves on carrying out a lot of in-house training as our vast experience lends expertise to our developing talent; and furthermore reduces third party costs.

Through the GHCM, TM L&D's main role is to set the direction for the Group's learning and development strategies. It endorses all the learning and development initiatives towards enhancing organisational capabilities, ensures alignment of aspirations in delivering convergence whilst spearheading our digital transformation journey and promote a learning environment that sustains and drives business results.

In today's digital age, we have to ensure that our workforce is equipped with the right soft skills and functional skills to be future ready. Our Digital Framework remains intact as we continue to reskill and upskill our workforce by focusing on customer experience, process optimisation and new opportunities. L&D is a vital part of human capital development within our Group.

Currently, innovative learning solutions and training programmes have been designed toward developing a skilled and productive workforce and enhancing customer experience. These programmes will help to enhance employees' digital capabilities, change mindsets improve technical Information and Communication Technology (ICT) as well as generic soft skills. New digital development programmes that include Internalising Digital Programme (IDP), Design Thinking, Agile and future competencies will be continuously addressed.

In line with the digital transformation of the organisation, we have also carried out various initiatives to raise awareness among employees regarding the importance of Intellectual Property (IP) to the business, as well as the need to protect our IP from any infringement. We believe that our IP is a valuable intangible asset that gives us the competitive edge we need to differentiate our products and services from other industry players. These initiatives signify our commitment to encouraging creativity and innovation amongst our people.

The NMO Training Academy

In 2018, we established the Network Management Operation (NMO) Training Academy, which is a multiskilling programme that trains and equips our field operations people with several skill sets to deliver a high-level of network performance while improving customer experience. There are also classrooms and on-site training for trainers. The programme has managed to get more than 1,300 field force personnel to participate in the multiskilling programme for the pre-unifi and unifi skillsets. About 500 other participants were enrolled for the programme for 4G mobile and other core components.

Under the NMO Training Academy, we successfully launched a Workforce Eco-System Transformation System (WEST), an integrated partnership programme aimed at our suppliers and business partners. The partners are responsible to develop our network as well as provide support and maintain our access network. Around 1,500 participants were engaged to help provide quick network restoration during network failure which reduced service disruption to our customers. Our field operations teams are rewarded with monthly recognitions and awards to help encourage better services.

L&D Programmes in 2018



Internalising Digital Programme

is a specially designed programme which uses a gamification approach. It aims to create awareness on digital culture and its simple practical applications based on TM Digital culture enablers.



Design Thinking

has been identified as an important training programme to enhance TM employees' digital capabilities and prepare them for Industrial Revolution 4.0.



Agile Programme

provides a basic understanding of the importance of agile thinking within the work culture of TM. It aims to achieve greater levels of productivity, customer-centricity, and time to market across all levels by improving decision making.



Blended Experiential Learning for Trainers (BELT) Programme

is an internal certification programme for TM trainers. The programme is specifically designed and organised by L&D with the purpose of exposing TM trainers to blended learning concepts and approaches.



Training on Mobile App Development with React Native

is a programme that teaches participants to develop mobile apps using the React Native framework. This enables them to create any app needed at any given moment.



War of Waste Insourcing (WOWi)

is an initiative from the Network Operations Centre (NOC) in collaboration with the Network Management Operation (NMO) to reduce equipment maintenance cost. It aims to train participants to perform second-level and preventive maintenance internally, thus reducing dependencies on third parties.



Talent Management Framework

comprises of identifying, building and sustaining leaders at all levels. Programmes conducted in 2018 for TM Talent Pool were Design Thinking, Leadership sharing sessions, engagement sessions, LEAD programmes, OPS Gempur PIP 2018 and Talent Turun Padang.



Talent Mobility

provides on-the-job exposure to upskill and enhance an individual's value through an assortment of stretched assignments and job rotations. The stretched assignments allow employees to be involved with projects within the division and provides them a platform to participate in the company's various projects while also developing their own skillsets.



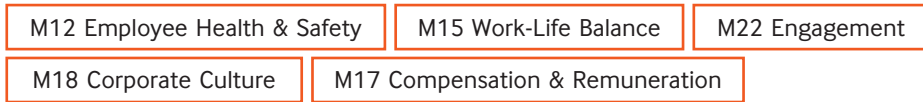
Succession Planning

is an annual senior management exercise that ensures leadership sustainability in the Company. Each Division's nominated successor is reviewed and deliberated in terms of readiness, potential, and development required before assuming a leadership role.

Nurturing a High-Performance Culture

HAPPY WORKERS, HEALTHY WORK SPACE

(GRI: 401-2)








We are proud to say that TM's Employee Engagement Index (EEI) has been consistently higher than the global average of 85.0% for telecommunication companies globally. In 2017, we conducted the TM Happiness Survey, also known as the Organisational Health Index (OHI) to gauge our employees' happiness and engagement. Based on the survey findings, TM scores 83.0%, which falls within the top 25.0% amongst organisations in South East Asia and reflects a more productive workforce.

In 2018, we held a Group-wide Healthy Lifestyle Campaign throughout the year, as well as departmental-level initiatives that promote health and well-being among Warga TM. This campaign includes weekly exercise programmes, a Health Day, periodic health checks, outdoor activities, healthy meal distributions and frequent email communications providing health tips. A 24-hour gym is available for our employees at Menara TM to further encourage a healthy lifestyle. For our more senior employees, TM offers complimentary health screening in addition to the annual health screen offered by the Social Security Organisation (SOCSO) whilst it is as important to take care of our employee's physical health, their mental health is also important. We offer a dedicated counselling programme called Life Coach to support and promote the mental well-being of our employees.

There is also a Pre-Retirement Programme available that provides existing employees with information to assist them in making smart decisions in preparation for retirement. The objective of the programme is to prepare our employees with the mindset to cope with post-retirement life; to raise awareness on retirement issues; to help those approaching retirement age to analyse their current retirement plan and financial position; and to formulate a plan of action to address any gaps in their upcoming retirement plans.

The *Sayang TM* Initiative was introduced in August 2018 in response to the challenging business environment which impacted our financial performance. The initiative comprises five (5) voluntary programmes aimed at managing manpower cost and productivity.

 <p>Voluntary Annual Leave Purchase</p> <ul style="list-style-type: none"> > Allows employees to purchase additional annual leave days from the company for a limited period of time <p>Take Up Rate >700 employees have applied for more than 1,900 days of leave</p>	 <p>Voluntary Self-Declared Recovery Leave</p> <ul style="list-style-type: none"> > Gives employees the flexibility to apply for leave when unwell, without the need for diagnosis or medical certificate from a doctor. This reduced the Company's medical costs, while providing convenience for employees <p>Take Up Rate >8,400 employees have utilised more than 1,300 days</p>	 <p>Voluntary Work from Anywhere</p> <ul style="list-style-type: none"> > Enables the flexibility for a group of co-located employees to work from anywhere other than their office location, for a maximum of one (1) day per week, for a limited period of time <p>Take Up Rate >4,000 employees have opted for this programme</p>
 <p>Flexi Working Arrangement – Flexiweek:</p> <ul style="list-style-type: none"> > Provides the option to take up four (4) day work weeks with temporary salary adjustments to cater to the employee's personal needs <p>Take Up Rate >80 employees have opted for this programme</p>	 <p>EPF Employer Contribution Adjustment</p> <ul style="list-style-type: none"> > Allows employees to voluntarily adjust the additional EPF employer contribution for a limited period of time <p>Take Up Rate >4,900 employees have opted for this programme</p>	

(GRI: 404-3)

In addition to "Sayangi TM" programme, other initiatives were undertaken including delayering parts of the organisation to improve agility and decision making; adjusting working hours of the technical team to take into account peak times of customer complaints and trouble tickets; redeploying employee to areas of higher business needs; as well as selective hiring and replacement of retiring employees.

An important achievement to note is that while these "Sayangi TM" and productivity programmes were implemented, we were able to maintain zero industrial disputes as a result of continuous engagement and harmonious relations with the four (4) unions that represent the employees.

At the end of the year, we assess the performance of every employee based on their scorecard and competencies to measure their continuous development, and monitor their welfare protection in terms of salary and wages. In March 2019, 100.0% of the workforce have completed their KPI assessments for 2018.



EMPLOYEE ENGAGEMENT PROGRAMMES CONDUCTED THROUGHOUT THE YEAR

Engagement with TM Leaders

 <p>Union Convention and Engagement</p> <p>To sustain industrial harmony across the organisation.</p> <p>Annually</p>	 <p>Talent Engagement</p> <p>To build leadership capabilities and capacity through diverse development programmes.</p> <p>Monthly</p>	 <p>Leaders Engagement</p> <p>To build business acumen and leadership skills through personal engagement with business leaders.</p> <p>Weekly</p>
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Recognition and Celebration at TM

 <p>Warisan Kasih</p> <p>To appreciate our retirees for their significant contribution and high-performance to the organisation.</p> <p>Annually</p>	 <p>Kristal Awards 2018</p> <p>To recognise employees who demonstrate TM values when carrying out their daily duties.</p> <p>Quarterly</p>	
 <p>TM Festive 2018</p> <p>To celebrate the diverse cultural practices and major festivals of the workforce. Major festivals celebrated (Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali)</p> <p>Annually</p>	 <p>Merdeka Engagement</p> <p>To celebrate national pride within the organisation at TM offices nationwide</p> <p>Annually</p>	

Nurturing a High-Performance Culture

TM's Club and Societies Activities

Badan Kebajikan Islam Telekom Malaysia (BAKIT)

Tilawah Al Quran Peringkat Kebangsaan

Once in every two (2) years

KELAB TM

Hari Keluarga Kelab TM Ibu Pejabat

Annually

Persatuan Isteri-isteri dan Anggota Wanita TM (TIARANITA)

TIARANITA Gala Dinner

Annually

BAKIT

Zakat Programme

Annually

Other Engagement Programmes

Ramadan and Tadarus Al-Quran Programme

To inspire religious obligations within the workforce.

Annually

TM Quarters Engagement

To address the welfare and well-being of employees to drive productivity at the workplace.

Quarterly

TM Wellness Programme & Life Coach

To encourage a healthy and productive lifestyle among employees.

Weekly

Integrity Programme

To provide continuous development and awareness of integrity.

Monthly

On-Boarding

To accelerate the assimilation of new employees into the organisation.

Biannually

Employee Internal Communication Engagement

Message from the Leaders

14 memos TM employees receive key information regarding top-level leadership movement and detailed insights on company initiatives to increase comprehension of strategic positioning.

Corporate Updates

>415 emails sent on corporate messaging, group policies, strategic implementations, department updates, group news, event highlights, business cluster news, and surveys.

Turun Padang AGCEO

One (1) session held in 2018. A platform for AGCEO to interact face-to-face with employees in a town hall session, at the state level, across the nation. Restarted in the second half of 2018.

Suara TM

Released **>80 News videos** together with **48 released** of Suara Newsletter. Weekly communications consolidated updates on TM news and perks to keep employee informed and aligned.

Flowcast

>200 messages blasted to FLOW, an internal communication platform to all Warga TM. A digital culture at TM via mobile and email with a frequency of four (4) times a week (prorated).

TM's Clubs Societies Updates

>80 emails sent regularly regarding societies, sports, welfare, fundraising, family centric activities and religious lectures throughout the year under review.

ENHANCING THE WORK EXPERIENCE

(GRI: 102-33)



M15 Work-Life Balance	M11 Training & Development	M22 Grievance Mechanism
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Over the past two (2) years, we have taken concerted steps towards the digitisation of our internal processes, and Human Capital (HC) is an area where this effort has seen tremendous progress. As part of our efforts to digitise our HC services, various apps have been developed internally to provide better access to tools and resources for employees, anytime and anywhere. This aims to create a mobile and digital savvy workforce in TM and has made it easier to connect with field employees who spend most of their time outside the office.

As part of our internal digitisation efforts, we have introduced a number of apps and other digital platforms that enhance the work experience of our employees, while creating a more mobile and digital savvy workforce. This year, we launched a mobile-friendly and situational-based survey through an app called SMILE. With this app, employees can continuously and regularly share their happiness level, anytime and anywhere, so that we are able to track employee engagement levels in real-time. Other apps launched this year include GROW, which allows employees to manage their performance goals and appraisals; TM Medic Mobile, which provides access to various medical services such as medical utilisation information and also to request Guarantee letters; and ERA, a career app to apply for job vacancies within the Group.

Additionally, to ensure that employees are able to stay productive and connect while they work on-the-go, we encourage the use of FLOW, an internal communication tool with multiple features including individual and group chats, video calls, file transfer and task assignment. As part of our Internal Gig Economy, we have also launched the Douit app for our employees. This app allows Warga TM to generate additional income and explore other areas of interest beyond their current job scope. Employees have given positive feedback on these apps and its take-up has been encouraging.

The digitisation of internal processes is also adopted by our various business clusters and departments. In 2018, TM GLOBAL completed the development of its internal digital platform, referred to as SIMI (Single Interface, Multiple Information), to efficiently manage operational workflows. The near real-time reporting platform is capable of improving operational efficiencies, including submarine cable inventory management, domestic backhaul inventory management and resource centre for marketing and communications.

Similarly, the IT&NT division continued to strengthen and support for digital empowerment by introducing initiatives, such as CEREBRO, DRAGON and SWIFT to improve internal processes and increase efficiencies and productivity. CEREBRO is a programme that strives for data inventory sustainability through automation of inventory updates and process digitisation. IT&NT continues to strengthen and support digital empowerment. Digital Revolution – AGILE on the Net (DRAGON) focuses on digitising end-to-end project management processes for infra delivery. SWIFT (Workforce Management System) was introduced as a platform to digitise our assurance and fulfilment processes.

Number of downloads by employees



FLOW
>16,000



TM Medic Mobile
>11,000



GROW
>6,000



ERA
>800

Nurturing a High-Performance Culture

ENGAGING WITH UNIONS

(GRI: 102-33, 102-41, 403-4)

M19 Fair & Equitable Policies

M21 Grievance Mechanism

M22 Engagement



At TM, we understand the need for Unions in protecting the rights of workers and partners. Therefore, we conduct regular engagements with Unions to create an open and positive relationship between both parties. We consistently engage in dialogue with union representatives to maintain industrial harmony, which has successfully led to zero identification of activities or operations that put TM at risk.

We also support the freedom of association through Unions, which is the right to join or leave groups of a person's choice, and for the group to take collective action in the best interest of its members. The non-executive TM employees are also allowed to enter and leave TM Unions as they wish.

There are three (3) Unions under our Union Management Group Human Capital Management (GHCM). These Unions are empowered within Malaysian Employment Law to join forces to take action for union members' best interests.

Common Articles of the Collective Agreement with the Four Unions



Provisions for Occupational Safety and Health



Employment terms such as remuneration, salary adjustment, benefits, bonuses, training, working hours, promotion, overtime and leave



Annual leave that includes medical, maternity, Haj, compassionate, study, unpaid, examination and quarantine leave



Claims and available allowance for food, driving, lodging, travel, rent, cost of living and hardship



Loans to assist with housing purchases, vehicles and computers



Other general conditions, which include legal and funeral aid, national service, pensions and transport

	2018	2017	2016
Non-Union members	15,179	16,682	17,743
Union members	9,165	9,725	10,302
Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia (NUTE)	7,497	7,922	7,877
Kesatuan Pekerja Telekom Malaysia Berhad Sarawak (UTES)	897	974	764
Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah (SUTE)	734	748	968
Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah (SUTEN)	81	81	N/A
% of Union Members out of total no. of Employees	38.0%	37.0%	37.0%
% of Union Members out of total no. of Non-Executives	69.0%	64.0%	61.0%

ENCOURAGING AN INCLUSIVE WORK CULTURE

(GRI: 401-3)



M14 Diversity & Inclusion

We understand the value of diversity when it comes to our workforce and seeks to aptly reflect the country's cultural diversity within our team. We are also strong advocates for gender equality, as seen in our talent recruitment, development, promotion and remuneration, with career progression that is based on merit and inclusivity. Furthermore, there is no difference in the salary structure of men and women.

For new families, our parental leave policies provide parents with paid time off work to care for or make arrangements for the welfare of their child. Mothers are provided with 90 days of paid maternity leave once, and 60 days of leave for other times. Additionally, fathers are given three (3) days of paid leave, to enable them to fulfil their parental duties. The implementation of parental leave, for both men and women, is a sign of our commitment to improving employee welfare through gender equality.

PARENTAL LEAVE

Employees	2018	2017	2016
Total Number of employees that were entitled to parental leave			
Female	6,947	6,606	6,817
Male	12,055	12,358	12,545
	19,002	18,964	19,362
Total Number of employees that took parental leave			
Female	2,168	2,086	2,925
Male	2,549	2,371	3,714
	4,717	4,457	6,639
Total Number of employees who returned to work after parental leave ended			
Female	2,168	2,086	2,925
Male	2,549	2,371	3,714
	4,717	4,457	6,639
Total Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work			
Female	2,143	2,018	2,912
Male	2,511	2,314	3,704
	4,654	4,332	6,616
The return to work and retention rates of employees who took parental leave			
Return to Work			
Female	100.0%	100.0%	100.0%
Male	100.0%	100.0%	100.0%
Retention Rates			
Female	98.0%	97.0%	99.0%
Male	98.0%	97.0%	99.0%



Nurturing a High-Performance Culture

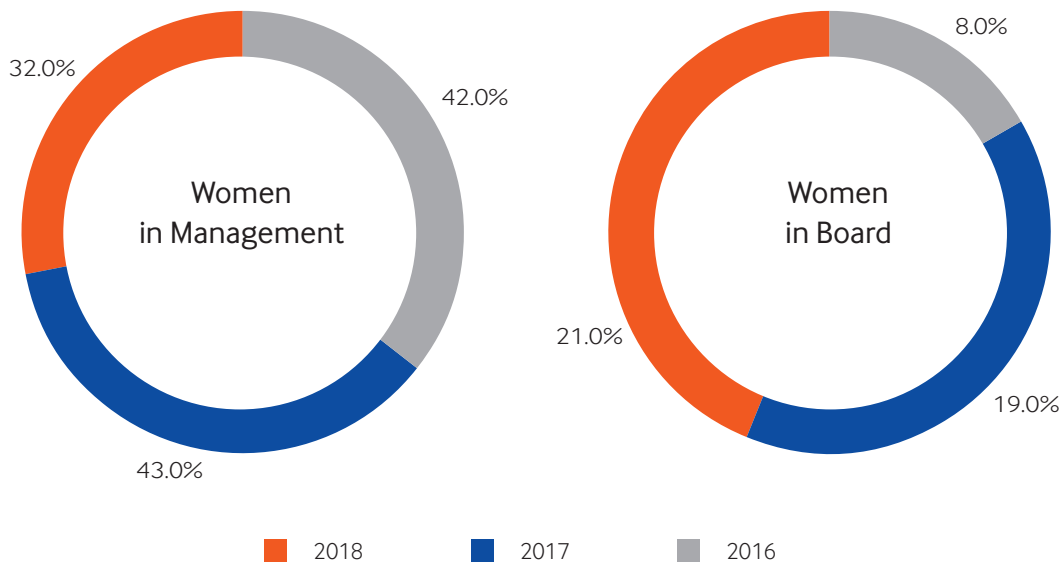
WOMEN IN MANAGEMENT

(GRI: 405-1)

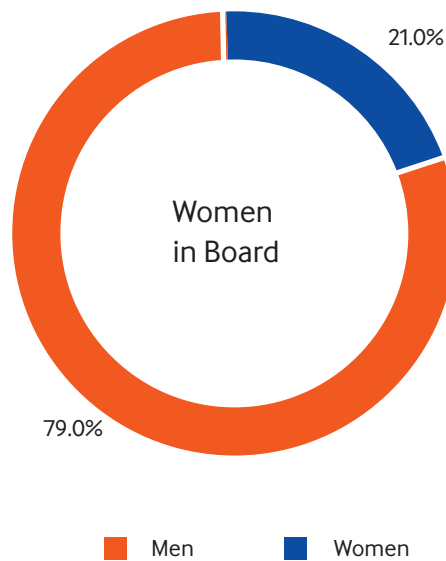
This year, we continue to provide training for qualified women from Senior Management level upwards to develop more female Directors on the Board of TM, thus aligning with the Corporate Governance Blueprint target of 30.0% female participation on boards. A structured development programme was established to meet the needs of our female leaders and empower and elevate their leadership skills and business capabilities.

At the end of the year, no less than 32.0% of TM's Top and Senior Management roles were filled by women, who bring their diverse strengths to our organisational sustainability.

Percentage of Women in Management and Board



Percentage of Women in Board



ENSURING THE HEALTH AND SAFETY OF WORKERS

(GRI: 403-1, 403-3)



M12 Employee Health & Safety

The health and safety of our employees, as well as in our ecosystem, is vital. We have in place a strong culture of safety that is supported by continuous training, supervision and monitoring to ensure that everyone has the required skills and knowledge to carry out their job function safely. We are guided by TM's Occupational Safety, Health and Environment (OSHE) Policy. Our network of OSHE committees are tasked with implementing our health and safety initiatives by raising safety awareness amongst the TM team and contractors through relevant training. In 2018, we were awarded the ISO 45001:2018 Certification due to the successful implementation of the new safety standard.

THE ROLES AND RESPONSIBILITIES OF THE SAFETY AND HEALTH COMMITTEES



In our line of work, it is important to note that there are some employees from TM as well as our contractors that are involved in high-risk activities. These high-risk workers are mainly part of the Network Management and Operations (NMO), Network Delivery (ND), and Facilities Management (FM), and their jobs involve working at dangerous heights, in confined spaces, near high voltage lines, near or on the road, work involving high temperatures such as welding and grinding, as well as material handling. For their safety, we require all relevant workers to receive a Permit-To-Work before embarking on these risky activities.

The OSHE team and division management also conduct frequent inspections and internal audits to ensure that all workers on site follow the best Safety and Health practices specified by OSHE requirements. Our suppliers hired for high-risk jobs are also required to attend the National Institute of Occupational Safety and Health (NIOSH) TM Safety Passport (NTMSP) training and pass its examination before proceeding with onsite work.

Since 2016, there have been zero (0) cases of occupational fatality. TM will also strive further to prevent any recurrence of incident.

OSHE KEY INITIATIVES FOR 2018

Key Initiatives 2018	Objective	Results
Supervising Officer Training Programme	To improve the effectiveness of supervisors in high-risk activities in TM.	Prevented OSHE incidents and non-compliances.
ISO 45001 Certification & Implementation	To improve certification of OSHE MS to ISO 45001:2018.	Improved the trust and public image of the management team.
OSHE Policy Review	To review the previous OSHE Policy based on the new OSH standards and change of management.	Raised the standards of work practices towards a safe and healthy workplace.
Embed OSHE Requirements in the Procurement Process & Procedure	To take into account OSHE requirements in the early stages of the procurement process. To review OSH Plan for the tendering process.	Prevented OSHE incidents and non-compliances.

Nurturing a High-Performance Culture

INCIDENTS IN 2018

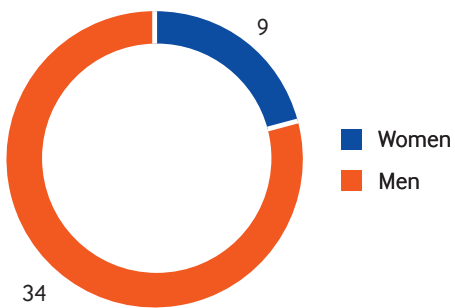
(GRI: 403-2)

Year	Performance Indicators				
Formula	Incident Rate (IR)	Loss Time Injury Frequency Rate (LTIFR)	Frequency Rate (FR)	Severity Rate (SR)	Fatality Rate (FTR)
	Total incident/Total employee x 1000	Number of accidents/ Total number of hours work x 1000000	Total incident/Total number of hours work x 1000000	Total Lost Time Injury (LTI)/Total number of hours x 1000000	Total fatality/Total employee x 1000
2016	2.55	0.36	0.89	4.31	0.00
2017	2.83	0.64	1.47	9.28	0.00
2018	2.89	0.58	1.51	6.39	0.00

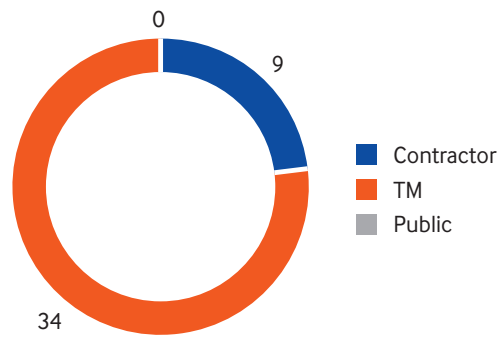
Occupational Safety and Health (OSH)	2018	2017	2016
Total recordable injury (No. of cases)	59	72	67
Absenteeism rate (headcount)	43	61	49
Absenteeism rate (days)	471	851	593
Lost Time Injury Cases (No. of cases)	43	59	49
Fatal accident rate (No. of cases)	0	0	0

Year	Injury Case with LTI	Lost Time Injury (LTI)	Total Incident
2017	59	851	135
2018	43	471	111

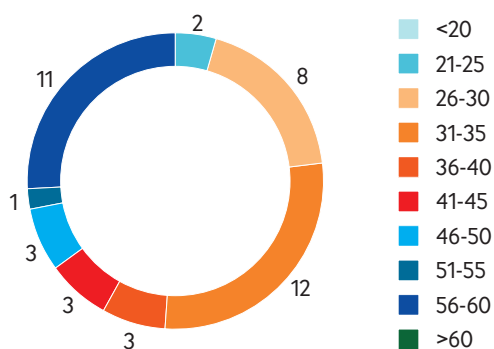
Accident by Gender



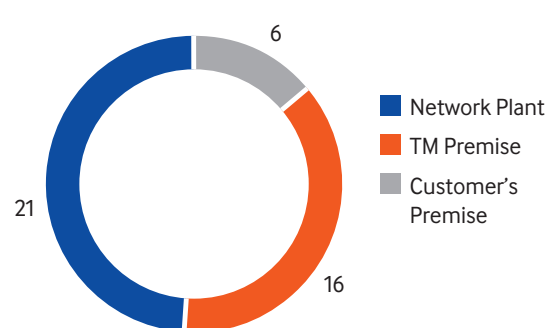
Accident by Group



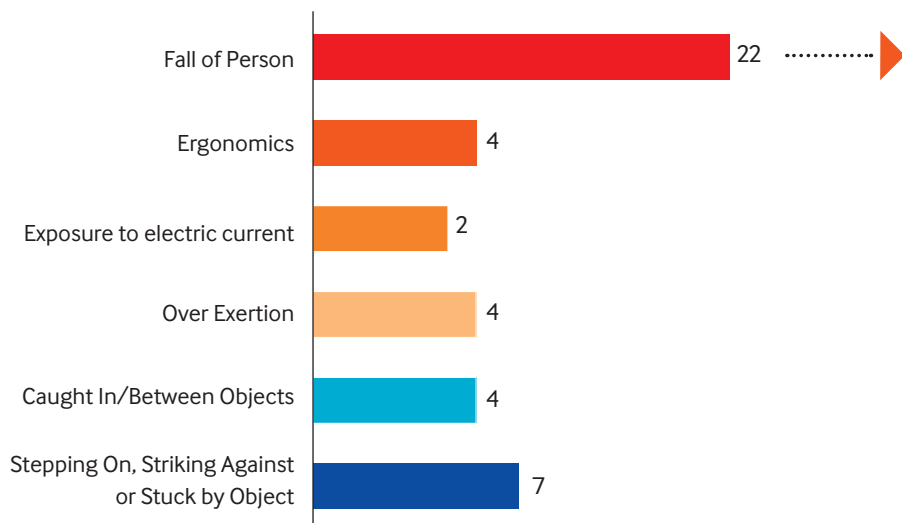
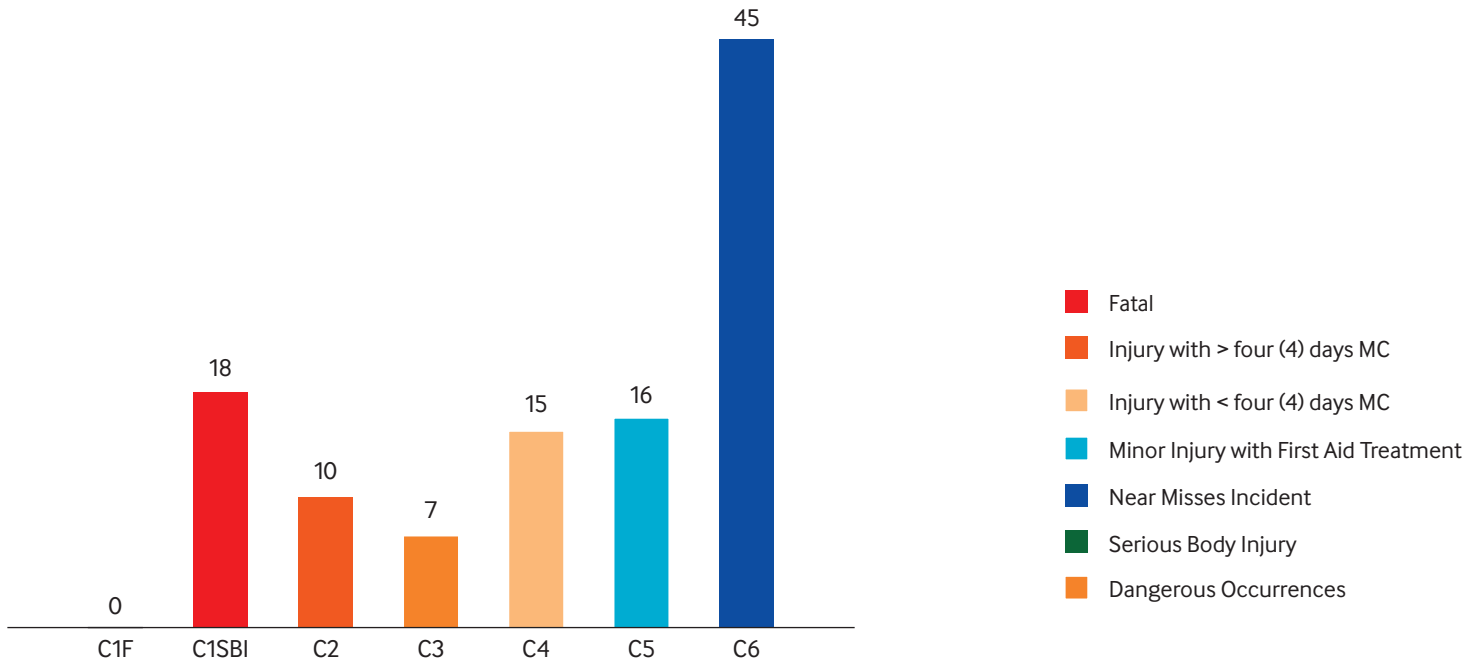
Accident by Age



Accident by Area



OSH Incident 2018



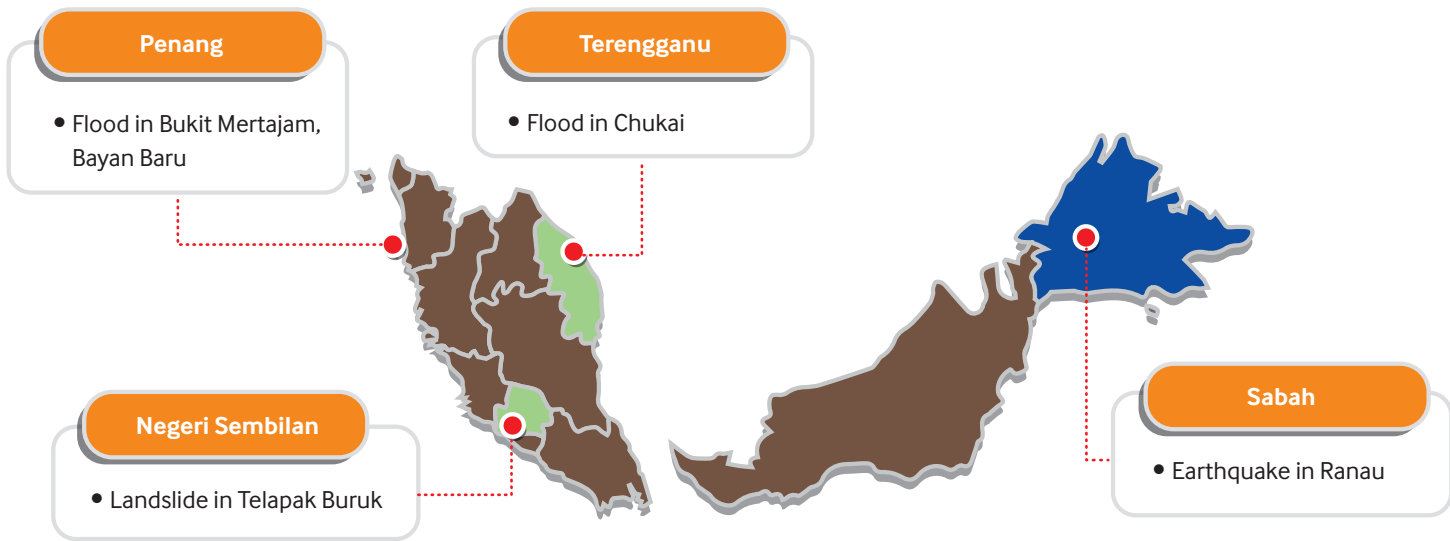
Fall of person	2018
Slippery	5
Portable Ladder	5
Pole	0
Staircase	5
Chair	1
Into Depth	2
Trip	0
Trench/Drain	4
Roof	0

Nurturing a High-Performance Culture










To strengthen the coordination of TM employees onsite for possible crises, we successfully conducted the TM Disaster Simulation Exercise 2018. The simulation was attended by 161 TM employees nationwide with the following objectives:

- To evaluate and validate TM's preparedness during natural disaster incidences;
- To execute and validate a crisis management process;
- To raise awareness and understanding of this crisis management process;
- To assess, evaluate *Rejimen Semboyan Diraja Pakar Telekom (Askar Wataniah)* or PAKAR response and mobilisation activity; and
- To execute and validate the readiness of alternative communication via radio amateurs.

Simulation Area



Activities during the TM Disaster Simulation

 <p>The TM National Crisis Command Centre (TMNC3) was activated to manage the crisis situation and was responsible for the overall strategy and recovery plan</p>	 <p>Diesel was delivered to identified TM Node sites for genset refilling</p>	 <p>Rescue boats were mobilised at the disaster sites to assist the network recovery team</p>
 <p>Disaster recovery equipment was mobilised to the disaster sites using Angkatan Tentera Malaysia assets</p>	 <p>Physical genset inspections were conducted to ensure uninterrupted power was supplied at TM Nodes</p>	 <p>Alternative communication platform via radio network was set up to ensure no communication breakdown at the disaster sites</p>
 <p>Disaster recovery equipment was set up to recover the broadcast services at the disaster site</p>	 <p>TM State Operation Centre (TSOC) was activated to execute the recovery activities and update its status to TMNC3</p>	 <p>Equipment and buildings at the disaster sites were inspected to ensure they are safe for use</p>

Educating Future Innovators

(GRI: 203-2)

M16 Community Welfare & Well-Being



As the key enabler for the national communications infrastructure, we are proud to play our role as the strategic partner in establishing the ecosystem for the Ministry of Education's (MOE) digital transformation programme. We look forward to accelerating the delivery of innovative digital services and solutions for the education sector towards building a knowledge-based workforce for the country.

In 2018, our business cluster TM ONE has collaborated with a private international school in Penang for the deployment and provisioning of TM's dedicated premium network connectivity service. Under the collaboration, we provide TM's smart school system solutions which include School Management System (SMS), Learning Management System (LMS) and School Attendance System (SAS). These innovative digital solutions will enable students, teachers and school administrators to embrace digital education and accelerating the school's digital transformation journey.

To date, we have 85.0% of Malaysian schools ready to be connected for e-learning implementation nationwide with fibre infrastructure. The 15.0% balance of schools is still able to receive connectivity via TM wireless technology such as Very Small Aperture Terminal (VSAT) and IP Radio for rural and remote schools. TM has the experience, commitment, solutions, nationwide fiberisation and open ecosystem that can create a Secure Hyperconnected Ecosystem for Education 4.0.

In addition, our contribution to education is also through two (2) of TM's associations:

- **Yayasan TM (YTM)** where we provide financial support to students; and
- **Multimedia University (MMU)**, the country's first private university that focuses on providing quality ICT education.

Through these educational channels, we will continue to nurture and grow the skills of the community thus creating a future of innovative leaders.

YAYASAN TM (YTM)

YTM was established as the scholarship unit in TM on 10 November 1994. Since then, YTM has supported the academic ambitions of over 15,000 students wishing to study at schools and universities in Malaysia and abroad, disbursing over RM500.0 million on their education. In 2018, more than RM23.0 million was spent on more than 1,500 students. Through YTM, we are able to fulfil our mission of nation-building by investing in the education and development of future leaders.

Another area of YTM's focus is heritage conservation. This year, YTM contributed more than RM7.0 million to Arts, Culture and Heritage. We collaborated with relevant divisions in TM to preserve the old Telegraph Museum in Taiping, built in 1885 to establish its second museum – Telegraph Museum.

Operationalise Telegraph Museum

YTM established the Telegraph Museum with the intention to restore and conserve the historic building. Built in 1883, it housed the first Post & Telegraph (P & T) Office in Malaya, which was also the first office of Telekom Malaysia. This 135-year-old telegraph office represents national identity and pride in the country's telecommunications history. The two-storey building has also been used as Jabatan Telekom Club Office and Telekom Malaysia Technical Operations Office. Conservation works of the heritage building has helped maintain its original 18th century design.

Among the interesting artefacts showcased at the Telegraph Museum is a submarine cable from the 1870s. This was the first cable in the world that used insulation materials from the Gutta Percha tree extract. Visitors can also take a tour around the museum to see the telegraph transmitter and reception tools as well as other peripherals related to telegraph communications systems used until the telegram service was terminated in 2012.

The Telegraph Museum was launched on 16 July 2018 by Sultan Nazrin Muizzuddin Shah ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah, Sultan of Perak, and is now open to the public.

YTM believes that the establishment of the Telekom Museum and the Telegraph Museum will benefit national and corporate development as it is in line with our unique role as a partner for nation-building.



Top three (3) key goals for YTM 2018

 <p>To reposition YTM as the premier foundation in the country to attract the right scholars for our Digital Workforce.</p>	 <p>To develop dynamic future leaders capable of driving our business sustainability through academic excellence and leadership development.</p>	 <p>To attract Malaysians, especially youngsters, to appreciate national culture and heritage through our museums as recognised by the National Heritage Department, Malaysia.</p>
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Educating Future Innovators

YTM 2018 KEY INITIATIVES

Sponsorship Intakes: Yayasan TM had awarded 406 scholarships to Form Four (4) students for the Young Leader Scholarship Programme and 98 scholarships to SPM leavers for the Future Leader Scholarship Programme.

STEAM Learning Adventures at Museum: The Young Explorer Passport Programme is designed to inspire students to build on their natural curiosity in Science, Technology, Engineering, Arts and Mathematics (STEAM) through exciting and interactive games. The programme is targeted for ages seven (7) to 16 years old.

Performance Intervention Programme: This programme monitors and keeps track of our scholars' academic performance and provides assistance if they are not on the right track. Therefore, we help minimise the risk of academic underperformance.

Digital Makers Programmes at Museum: In collaboration with Pertubuhan MyMakers, this series of programmes are intended to inspire students to cultivate their creativity and digital skills. The programmes are targeted towards ages seven (7) years old and above.

HOW YTM SUPPORTED COMMUNITIES IN 2018

Collaborated with TM Bikers, TM employees and TM NGOs to fundraise for Surau Baiturahmah in Kampung Orang Asli Woh Intake, Tapah, Perak on 31 March 2018.

Sponsored the Solar Decathlon Middle East Competition 2018 in Dubai with Malaysian representatives from Universiti Sains Islam Malaysia (USIM) and Universiti Teknologi Malaysia (UTM).

Held an awareness campaign to Bright Stars students about YTM held in Institute Genome Malaysia, Bangi in March 2018.

Sponsored YTM Scholars to visit an AI-Quran printing factory, Nashrul Quran at Putrajaya on 17 August 2018.

Exposed the younger generation to the importance of preserving our National Heritage through the Rakan Muzium programme.

MULTIMEDIA UNIVERSITY (MMU)

Our Multimedia University (MMU) continues to be a leading private university in the country. With a strong emphasis on innovative learning particularly in the areas of engineering, ICT and innovation, MMU nurtures its talent to meet the 21st-century digital economy needs.

To date, MMU has enriched the nation's workforce with more than 56,000 graduates and currently has more than 15,000 students across its three (3) campuses in Melaka, Cyberjaya and Johor. We bring in talent from across the globe with over 1,500 international students from more than 70 countries studying in MMU. Our university caters specifically for industry requirements so graduates experience a high employability rate, with more than 90.0% of its graduates securing a job within six (6) months of graduation.

In 2018, MMU became the first private university in Malaysia to collaborate with the Malaysian Communications and Multimedia Commission (MCMC) under the Malaysia ICT Volunteer (MIV) programme. A total of 50 volunteers from MMU signed up for the programme to help elevate digital literacy development among the local community, thus empowering Malaysians to become digital citizens.



MMU 2018 KEY INITIATIVES








MMU Digital Futures Research Hub: The hub is a community and industry-centric entity, bringing together universities, governmental and industrial research organisations, as well as state and federal governments. Digital Futures serves as the bridge that connects researchers from various disciplines to share their knowledge, experience and research on issues regarding the digitalisation of society.

MMU Seals MoUs for R&D and Training Collaborations: Through the signing of the MoU between MMU and Maruwa, both parties agree to collaborate in research and development (R&D) projects related to engineering, information technology, creative multimedia, accounting and management fields. The agreement also encompasses the establishment of a joint Research Centre of Excellence and a Maruwa Professorship Chair as well as internship and career opportunities for MMU students. Maruwa, a global leader in the electronics industry, also offered an opportunity for students to gain more hands-on experience particularly for industry-linked final year projects while providing sponsorships and financial assistance.

MMU Business School Conducts Design Thinking Training for MCMC: The MMU Business School, in collaboration with the Malaysian Communications and Multimedia Commission (MCMC), concluded a two-day ground-breaking design thinking workshop. The objective of this workshop was to come up with creative solutions to increase operational efficiency and brand awareness for MCMC in carrying out their daily tasks as a regulator.

HOW MMU SUPPORTED COMMUNITIES IN 2018

<p>Held the e-Bee Run 2018 at MMU Cyberjaya Campus to promote a healthy lifestyle for students, TM employees and teachers, which was participated by 2,500 runners on 14 April 2018.</p>	<p>Organised an awareness campaign on current social issues related to technological advancement such as cybercrime, cyberbullying, gaming addiction, screen dependency disorder, social media etiquette and selfie obsession.</p>	<p>Coordinated a donation drive between university students and the Salvation Army in Melaka Raya, a non-government organisation that provides assistance to people in need.</p>	<p>Visited the Hannukah Children's Home, an orphanage that houses 25 children from the ages of a few months to 16 years old, to provide financial aid and spread joy on 27 July 2018.</p>	<p>Held an event titled "Jom Seronoknya Belajar", where a total of 300 students from 292 schools in Melaka were exposed to blended learning tools such as Kahoot, Quizizz, Padlet and Flipgrid.</p>
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 <p>An average of 90.0% of students secure a job within the first six (6) months of graduating.</p>	 <p>>56,000 MMU graduates in the domestic workforce, since 1996</p>	 <p>Ranked between 251-300 in QS World University ranking by Subject Electrical and Electronic Engineering 2018</p>	
 <p>Ranked between 301-350 for Computer Science and Information System by QS World University 2018</p>	 <p>Improved ranking from 179 (2018) to 175 (2019) in the QS Asia University Rankings</p>	 <p>MMU for the first time ranked between 801 – 1000 in the QS World University Ranking (2019)</p>	

Empowering a Digital Community

(GRI: 413-1)

- M4 Industry Thought Leadership
- M13 Employee Volunteerism
- M16 Community Welfare & Well-Being



CORPORATE RESPONSIBILITY PROGRAMMES OF 2018

Corporate responsibility (CR) is the heart of the organisation. Our CR programmes go beyond charity work. Our programmes are specifically cultivated to help achieve the United Nations Sustainable Development Goals (UN SDGs) in Malaysia.

PROGRAM USAHAWAN WANITA (PUW 4.0)

In line with UN SDG5 (Gender Equality), we are strong advocates for gender equality and female empowerment. This was the inspiration behind our sustainable programme for women entrepreneurs: the Dynapreneur (Dynamic Entrepreneur) Project. Since its inception, the programme has groomed more than 200 women entrepreneurs with business acumen and other essential skills to run their businesses efficiently and on to become successful entrepreneurs.

This year, female participants were guided on a six (6) month coaching programme of ongoing business analysis and coaching from experts. The coaching programme presented participants with a customised analytics dashboard to identify their target market segmentation, business opportunities, customer share of wallet and potential collaborators. The platform also provides access to a wider market reach including internet marketing.

Dynapreneur Business Development Programme modules:

- a. Big Data and Road to Business Growth
- b. How Dynapreneur can leverage blockchain for their business
- c. Social Media Analytics for Dynapreneur

IMPACT

A total of **15** female entrepreneurs exposed to Big Data analytics in PUW 4.0

BACKGROUND

- Established in 2015, the programme has been changing women's lives for three (3) years.
- In collaboration with various parties, including Persatuan Profesional Melayu Malaysia (PPMM), 8Nite and Imosee Edge Consulting Sdn Bhd.
- Since its inception in 2015, PUW has provided more than 200 women with business acumen and other essential skills to run a successful business.



EDUCATIONAL PROGRAMMES

Continuing our support in the educational sphere, we collaborated in several programmes to promote Science, Technology, Engineering and Mathematics (STEM) to inspire and motivate innovation among the younger generation, whilst fostering well-rounded life skills including self-confidence, communication, and leadership through Higher-Order Thinking Skills (HOTS). To date, we have spent more than RM3.58 million to enhance students' performance in academic and non-academic programmes.

TM School Adoption Programme

The TM School Adoption Programme started in 2003 from a collaboration with the previous Ministry of Information, Communication and Culture (KPKK). Since 2007, we have worked with PINTAR Foundation to inject a unique approach for teaching in local schools to foster academic and non-academic excellence. This is just the small part we play in helping achieve SDG4 (Quality Education).

Over the last ten years, we have adopted a total of 14 schools in underserved communities, which has benefitted more than 28,000 students, teachers, parents and community members thus far. Under the programme, we have built ICT labs, held ICT-based skills and training workshops, motivational seminars for students, as well as pedagogy workshops for teachers. Since its inception, we have spent approximately RM2.8 million for our adopted schools.

Every year, we engage with the adopted schools to understand their issues. We discuss ideas with teachers and approve the best ones as part of their school programmes for that year. The schools submit periodic reports for us to assess the effectiveness of the programmes. We measure effectiveness based on the PT3 and SPM results as well as other relevant achievements.

TM 3Ducation Programme

Fully sponsored by TM, the 3Ducation Programme is designed to provide the necessary skills and knowledge for both students and teachers to excel in 3D technology. This will help propel Malaysia towards achieving SDG9 (Industry, Innovation and Infrastructure).

The programme teaches the inner workings of 3D technology, specifically the hardware and software needed to bring the technology to the students. Additionally, it also provides various teaching methods and approaches required to understand this technology. Since its inception two (2) years ago, we have invested over RM600,000 in the programme:

Show & Tell Final Competition (14 April 2018)

A nationwide 3D modelling competition by school students.

- 259 projects submitted
- 20 projects shortlisted as finalists
- 16 schools participated

TM 3Ducation Hackathon (25 & 26 July 2018)

An information sharing event between educators and industry players to gauge ideas based on three (3) main pillars – Social, Education and Environment.

- 50 teachers from more than 95 schools nationwide
- 20 delegates from Government Agencies, GLCs and local universities
- 22 representatives of technology-based companies and startups

Main Modules:



Core Module 1
Motivational & Team-Building



Core Module 2
Educational Support Programme



Core Module 3
Capability & Capacity Building



Core Module 4
Reducing Vulnerabilities & Social Issues

IMPACT

>28,000 lives touched through the 14 TM Adopted Schools since 2003

IMPACT

>3,000 students, educators and industry players involved in TM 3Ducation Programme and exposed to 3D printing technology since 2016



Empowering a Digital Community

TM Nano Maker Kit Programme

TM Nano Maker Kit programme acts as a platform for students to collect and analyse experimental data collected during STEM studies. The TM Nano Maker Kit also aims to boost students' ability through hands-on activities. It consists of live activities using a technology known as 'Data Logging' to collect real-time data that will be analysed by students while studying.

There are many parameters and types of data that can be tested through the TM Nano Maker Kit, including temperature, altitude, speed, weather, acceleration, pressure, light intensity and magnetic fields. The objective of the programme is to raise awareness on the importance of data analysis in STEM fields and the relevance of ICT. Overall, we contributed approximately RM50,000 in the programme.



TM Robotics Programme

This year, through the TM Robotics Programme, we continue to support our alumni schools in national robotics competitions including the First Lego League 2018 (FLL 2018) and National Robotics Competition 2018 (NRC 2018). To date, we have invested over RM103,000 in the programme.

Through the programme, these students were exposed to exciting experiences that increased their knowledge and confidence as well as developed their communication, problem-solving and presentation skills.

National Robotics Competition achievements by SMK Munshi Abdullah Sabak Bernam (Alumni School):

- Ranked 18 compared to 64 in 2014
- Awarded with the Excellence Award in Robot Performance (Top 20)

Bring the Opportunities Programme (BTOP)

This year, TM collaborated with ARBY Teguh Training and Consulting to tailor another programme in educational excellence through sports. The three (3) months programme aimed to develop high emotional quotient (EQ) and stress management skills among students. Parents were also directly involved with the programme by becoming volunteers.

The programme resulted in a promising achievement when one of the students involved was selected into the national development team for cricket.

IMPACT

300

students reached

Ten (10)

schools in Klang Valley

IMPACT

28

students reached

Three (3)

schools nationwide

TM Robotics Programme alumni awarded with the **Excellence Awards** in Robot Performance in the First Lego League 2018

IMPACT

28 students reached

Eight (8)

parents and teachers volunteered

TM Coachunity Programme

Over the past two (2) years, we have collaborated with Coachunity to promote academic excellence via sports development among rural school students. This programme not only enhances the students' skills in sports, but also contributes towards the character-building of these future leaders. Additionally, embedding physical activities into our culture is a big part of SDG3 (Good Health & Well-Being). The programme reported promising achievements in several district-level competitions held in their respective districts.

IMPACT

144 students reached in 2018

Six (6) schools nationwide

30.0% overall academic improvement in class position and grade average

93.0% average attendance

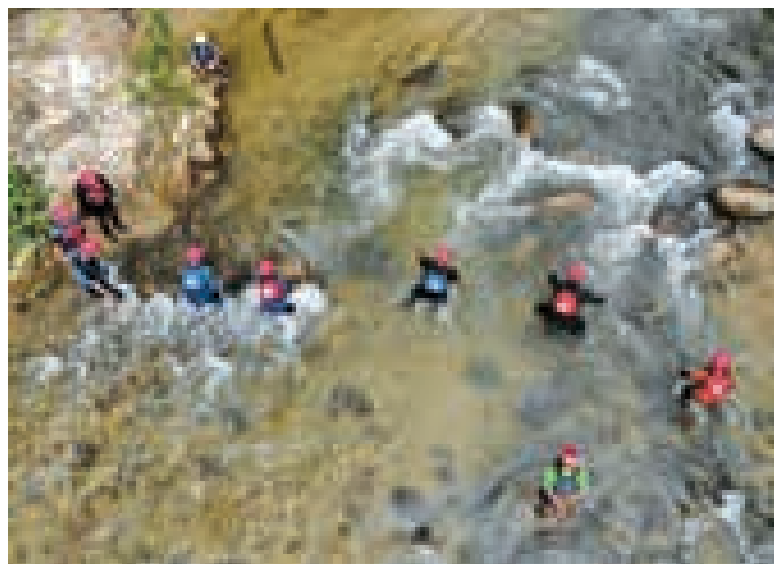
GDRN SWIFT WATER SAFETY & HUMANITARIAN RESPONSE TRAINING

As part of our initiatives towards ensuring disaster preparedness in Malaysia, we organised a four-day humanitarian response training session, titled "GDRN Swift Water Safety and Humanitarian Response" for the Company's volunteers as well as to members of the Government-Linked Companies (GLC) Disaster Response Network (GDRN). The training provided the participants with an in-depth understanding of emergency relief works and an emergency response simulation exercise which include the standard operating procedures, logistics, fleet, supply chain and warehouse management as well as personal health, safety and security risks during disasters.

The GDRN was a relief effort initiated by Khazanah Nasional Berhad in 2013 through the Putrajaya Committee for GLC High Performance (PCG). In 2014, TM was appointed to lead the GDRN secretariat, as the Successor Entity to the PCG. Since then, we had led various humanitarian relief missions and reconstruction work, especially in the big floods nationwide including Sabah and Sarawak, with the monetary and non-monetary support from the GDRN members.

IMPACT

31 participants from TM, Pharmaniaga, Yayasan Hasanah, Malaysian Airports Holdings Berhad (MAHB), Tenaga Nasional Berhad (TNB) and Axiata Group Berhad were trained to leverage their resources more effectively during disaster events



Empowering a Digital Community

SOCIETY DIGITAL APP

In 2018, we partnered with Yayasan Gemilang to launch the ENSANI application in promoting a caring digital society. This app was created as an outreach programme for communities, charities, special programmes and NGOs in Malaysia. ENSANI also facilitates people in channelling donations using online banking or e-wallets.

Since the application was launched, various parties have benefited from increased donation funds. A total of 23 NGOs was registered with ENSANI. Among the 23 NGOs are Islamic Relief Malaysia (IRM), Rumah Ozanam, Pertubuhan Gabungan Bantuan Bencana NGO Malaysia (BBNGO), Yayasan Kebajikan Negara Malaysia (YKN) and Kindness Malaysia. By creating an easy way for people to contribute to the needy communities, ENSANI aligns with SDG1 (No Poverty).

We organised a public sharing session on Capitalising Waqf for TM Growth by Dr Ridzwan Bakar in October 2018 to create awareness on crowdfunding as a social business opportunity.

IMPACT

23 NGOs from various background received donation funds

Would you like to make a difference to the society?

Download the **Ensani app** on the Google Play Store to make your first donation to your desired charity!

This app is powered by TM in collaboration with Yayasan Gemilang

CAPITALISING WAQF FOR TM GROWTH

An opportunity to understand more about what and why it is called the 'treasure chest' of Islamic finance. As a holder of the first tranche of waqf, we explore more about the potential of waqf financing and the new business of going...

DR RIDZWAN BAKAR

REGISTER NOW

TM'S CORPORATE RESPONSIBILITY EVENTS NATIONWIDE

As an organisation with operations all over the country, we are able to create positive social impact nationwide. Our people are frequently organising events that celebrate and uplift communities.

QUALITY EDUCATION

- Donated school supplies and clothing to underprivileged communities in Pahang (23 November 2018)
- Provided financial aid to SMK Medamit, Limbang (12 December 2018)



IMPACT



Lives Reached



>800 lives touched by the programme

INDUSTRY INNOVATION AND RESTRUCTURE

- The Jiwa Murni Programme:
 1. Painted, repaired and upgraded Rumah Kebajikan Anak Yatim dan Fakir Miskin Permata Al-Insyirah in Kuantan, Pahang (1 February 2018)
 2. Organised a clean-up at Haji Said mosque in Seberang Marang, Terengganu (15 April 2018)
- Go Digital Master Class 2018: Trained entrepreneurs on digital businesses (14 August 2018)
- Constructed a surau for Kampung Orang Asli Woh Intake in Tapah, Perak (30 March 2018)
- Managing Digital Footprint for a Better and Safer Tomorrow Campaign: Raised awareness on online proper etiquette for SMK Infant Jesus Convent (IJC) Students in Melaka



IMPACT



Lives Reached



>150 lives touched by the programme

Empowering a Digital Community

GOOD HEALTH AND WELL-BEING

- TM Selangor Cancer Awareness Month for TM employees: Raised awareness on cancer prevention among TM employees (19 March 2018)
- Cancer Awareness Briefing by TM MSC Cyberjaya: increased the understanding of TM employees of the disease (18 April 2018)
- The Healthy Lifestyle Campaign by unifi: Taught employees the importance of a healthy lifestyle (18 April 2018)



IMPACT 

 **Lives Reached**

>200 lives touched by the programme

NO POVERTY

- Zakat contributions:
 1. Bestari Cahaya Kasih Centre, Kg Melayu and Maahad Tahfiz Nahdatul Ulum, Sungei Way Petaling Jaya (12 October 2018)
 2. Terengganu Islamic Religious and Customs Council (MAIDAM) (18 April 2018)
 3. Zakat Melaka (25 November 2018)
 4. MUIP Pahang (22 November 2018)
 5. Madrasah Tarbiyah Al-Aulad, Kelantan (3 November 2018)
 6. Nur Barakah Care Centre, Shah Alam (16 October 2018)
- Donate Your Points Programme by unifi: Collected donations to Persatuan Orang Cacat Bumiputera Sarawak (4 October 2018)
- Throughout the year, we have contributed more than RM85,000 to numerous organisations in support of various causes, such as welfare, community, education and other social benefits

IMPACT 

 **Lives Reached**

>500 lives touched by the programme

 **Value**

>RM900,000



ZERO HUNGER

- The Tapao Ramadan Programme: Distributed extra food from Kg. Baru Ramadan Bazaar to Asnaf families (25 May & 1 June 2018)
- Share-Share Ramadan Campaign by unifi: Held an iftar session for members of Rumah Opah Hasnah Klang (28 May 2018)
- Ramadan Friendly Link 2018 Programme: Organised an iftar ceremony for orphans at Batu Pahat, Johor (27 May 2018)
- TM Ihya Ramadan 1439H Programme:
 1. Held an iftar ceremony for underprivileged families at Rasah Mosque, Seremban (1 June 2018)
 2. Provided food and cheer to members of Sri Tanjung Old Folks Home
- Infaq Ramadan Programme: Donated food and daily necessities to families-in-need in Satok, Sarawak (9 June 2018)
- GBC visit to Sri Tanjung Old Folks Homes in Kuang, Selangor (8 June 2018)
- CX SO KL Infaq Ramadan Programme: Distributed food and other goods to 5 asnaf families
- Sponsored Hari Raya Shopping for children from SK Permatang Badak, Kuantan



PARTNERSHIPS FOR THE GOALS

- Awarded Certificates of Appreciation to nine (9) police officers who promptly responded to cable theft in Negeri Sembilan



IMPACT



Lives Reached

>200 lives touched by the programme

IMPACT



Lives Reached

Increased awareness among the public on curbing cable theft incidents and raised the spirit of policemen

Third Party Assurance Statement

(GRI: 102-56)



SIRIM QAS INTERNATIONAL SDN. BHD. (410334-X)
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INDEPENDENT ASSURANCE STATEMENT

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Telekom Malaysia Berhad (hereafter referred to as Telekom Malaysia) to perform an independent verification and provide assurance of the Telekom Malaysia Berhad Sustainability Report 2018. The main objective of the verification process is to provide assurance to Telekom Malaysia and its stakeholders of the accuracy and reliability of the information presented in this report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the Telekom Malaysia Sustainability Report 2018.

The management of Telekom Malaysia was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Telekom Malaysia Berhad Sustainability Report 2018.

Verification team

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Mr. Shaiful Azmir A. Rahman : Team Member



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Methodology

The verification process was carried out by SIRIM QAS International in January to March 2019. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, press releases, media publications, internal newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of Telekom Malaysia and its overall presentation against the GRI Standards requirements.

During the verification process, issues were raised and clarifications were sought from the management of Telekom Malaysia relating to the accuracy of some of the data and statements contained in the report. The report was subsequently reviewed and revised by Telekom Malaysia in response to the findings of the verification team. It can be confirmed that the changes that have been incorporated into the final version of the report satisfactorily address the issues that had been raised.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in the Telekom Malaysia Annual Report 2018;
- The verification was designed to provide limited assurance of whether the Sustainability Report is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance





Third Party Assurance Statement

Materiality

In 2018, Telekom Malaysia has strengthened its materiality determination process to enable better disclosure of the level of impact of each material issue along with the value chain. Telekom Malaysia had commissioned a special stakeholder engagement exercise to gauge its stakeholders' perceptions of materiality issues within Telekom Malaysia and its business impacts and issues that are significance to stakeholders and Telekom Malaysia's Economic, Environment and Social (EES) sustainability impact. From this exercise, twenty-two (22) material topics were identified with ten (10) new topics over the last year. The results were then presented on a materiality matrix. Accordingly, the relevant materiality issues were mapped into the relevant Sustainability Development Goals (SDGs).

Carbon and Water footprint

As for the GHG emission reporting in year 2018, Telekom Malaysia has included Scope 1 – Direct Emission, Scope 2 – Indirect Emission and Scope 3 – Other Indirect Emission. The GHG emission identification and quantification has been carried out in accordance with the requirements of ISO 14064-1:2006 with the following boundaries:

- The Scope 1 covered 100% data from Telekom Malaysia fleet management system;
- The reporting of electricity consumption for Scope 2 involved verification of electricity bills of Menara TM, Cyberjaya Admin Complex and IDC, Wisma TM MITC Melaka, Kompleks TM Alor Setar, Bukit Timbalan Exchange, Miri Exchange, Penampang Exchange and Hiliran Exchange;
- The Scope 3 covered air travelling and solid waste management;
- The reporting of air travelling for Scope 3 has been based on the information provided by travel agents engaged by Telekom Malaysia. Hence, the information was limited to data provided by these travel agents only;
- As for the solid waste management, the boundary of the coverage was as same as that in the Scope 2 reporting;
- And last but not least, Telekom Malaysia has started reporting the water footprint for their water consumption in 2018 with boundaries as same as referred in the Scope 2 reporting;

The total computation of carbon and water footprint for Telekom Malaysia has been determined by third party appointed by Telekom Malaysia Berhad. The verification

was carried out in accordance with the requirements of ISO 14064-3:2006. Based on reviewed information, the following was verified:

Greenhouse gas emissions (tCO ₂ e)			
Carbon footprint			Water footprint
Scope 1	Scope 2	Scope 3	-
14,452	40,121	62.10	89.30

Conclusion

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in the Telekom Malaysia Berhad Sustainability Report 2018 is fair and acceptable;
- The Sustainability Report was prepared in accordance with the GRI Standards: Core Option;
- The overall report content and quality were well established. The level of sustainability performance information in the report was found to be acceptable;
- The information has been presented in an appropriate manner;
- Most of the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- Telekom Malaysia has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Telekom Malaysia.

Prepared by:



AERNIDA ABDUL KADIR

Verification Team Leader
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.

Date : 15 March 2019

Approved by:



HJ BASORI BIN HJ SELAMAT

Acting Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.

Date : 15 March 2019



GRI Content Index

(GRI: 102-55)

This report was prepared in accordance with the GRI Standards: Core Option. The following pages serve as the GRI Content Index and the information disclosed is referred to two key documents – TM Sustainability Report 2018 and TM Integrated Annual Report 2018.

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Organisational Profile			
GRI 102 – General Disclosures			
102-1	Name of organisation	Sustainability Report: Page 4 Telekom Malaysia Berhad™	Full
102-2	Activities, brands, products, and services	Sustainability Report: Page 4	Full
102-3	Location of headquarters	Sustainability Report: Page 3	Full
102-4	Location of operations	Sustainability Report: Page 4 TM's operations are based throughout Malaysia, while also establishing an international telecommunications presence via TM GLOBAL. For details of our operations kindly refer to our Integrated Annual Report 2018, Page 10.	Full
102-5	Ownership and legal team	Sustainability Report: Page 4 Telekom Malaysia Berhad (TM)	Full
102-6	Markets served	Sustainability Report: Page 5 Serving 2.5 million broadband homes with unifi, 400,000 SMEs, 11,000 enterprise and public sector customers and 500 domestic and international carriers and service providers.	Full
102-7	Scale of organisation	Sustainability Report: Page 5 RM11.82bil Group Operating revenue, 112.81% total Return to Shareholders since demerger, RM75.1 million total Interim Cash Dividend Payout. RM23,704.5 million total asset value RM17.4 million (Profit Before Taxation)	Full
102-8	Information on employees and other workers	Sustainability Report: Page 5 About 24,000 employees	Full
102-9	Supply chain	Sustainability Report: Page 48 More than RM3.7 billion contributed to local suppliers and over 7,000 active suppliers.	Full
102-10	Significant changes to the organisation and its supply chain	Sustainability Report: Page 20-25 In 2018, there were major changes in TM's leadership, particularly the Board of Directors.	Partial
102-11	Precautionary Principle or approach	Over the next 3-5 years, we will be focusing on building a sustainable and responsible business. We are currently looking at environmental policies and principles in continuing our sustainable journey.	Undisclosed
102-12	External initiatives	Sustainability Report: Page 26 We collaborated with PINTAR foundation to uplift communities through education and also we actively participating in the Minority Shareholder Workshop Group (MSWG) to encourage good governance among the minority shareholders.	Full

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Organisational Profile			
GRI 102 – General Disclosures			
102-13	Membership of associations	Sustainability Report: Page 26 Actively participate in various associations and membership groups to exchange insights and ideas on the best way to contribute to positive EES impact.	Full
Strategy			
GRI 102 – Strategy			
102-14	Statement from senior decision maker	Sustainability Report: Page 14-15 “As Malaysia’s Convergence Champion, we aim to propel Malaysia towards a digital economy beyond financial performance, as our long-term goals to integrate positive EES impact.” Chairman & GCEO & DGCEO	Full
102-15	Key impacts, risks, and opportunities	Sustainability Report: Page 27-30 The importance, risks and opportunities of each material topic is tabulated in the report.	Full
Ethics & Integrity			
GRI 102 – Ethics & Integrity			
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report: Page 6 & 7 Our KRISTAL Values of Total Commitment to Customers; Uncompromising Integrity; and Respect & Care.	Full
Reporting Practice			
GRI 102 – General Disclosures			
102-45	Entities included in the consolidated financial statements	We are in the process of compiling our entities included in our consolidated financial statements.	Undisclosed
102-46	Defining report content and topic boundaries	Sustainability Report: Page 8 The scope of this report covers TM’s operations and initiatives in Malaysia, covering 15 states, where we have a strong presence and coverage.	Full
102-47	List of material topics	Sustainability Report: Page 12 & 13 A list of 22 material topics was identified across various stakeholder group, with ten (10) new topics over last year.	Full
102-48	Restatements of information	Sustainability Report: Page 12 & 16 1. For clarity and better context/coverage of the material issues, certain topics from last year’s report have been renamed, recategorised and/or regrouped. 2. To better align business risks with EES impacts, the Sustainability Governance framework was restructured from the previous reporting year.	Full
102-49	Changes in reporting	No significant changes.	Full





GRI Content Index

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Reporting Practice			
GRI 102 – General Disclosures			
102-50	Reporting period	Sustainability Report: Page 8 The TM 11 th Sustainability Report covers for the calendar year of 1st of January to the 31 of December 2018.	Full
102-51	Date of most recent report	Sustainability Report: Page 8 The last edition of TM Sustainability Report 2017 was released in April 2018.	Full
102-52	Reporting cycle	Annual	Full
102-53	Contact point for questions regarding the report	Sustainability Report: Page 8 For feedback or enquiries on TM's Sustainability Report 2018, please contact our Sustainability Team: Email: gbc@tm.com.my	Full
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: Page 8 This report was developed according to the following standards and frameworks: <ul style="list-style-type: none"> • Bursa Malaysia's Main Market Listing Requirement on Sustainability Reporting • Global Reporting Initiative (GRI) Sustainability Reporting Standards • The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies • ISO 26000:2010 Guidance on Social Responsibility • The United Nations Sustainable Development Goals (UN SDGs) 	Full
102-55	GRI content index	Sustainability Report: Page 102-110 Included in this Report	Full
102-56	External assurance	Sustainability Report: Page 98-101 The authenticity of this report was verified with an independent assurance, which was conducted through an external audit by SIRIM QAS International Sdn. Bhd.	Full
Management Approach			
GRI 103 – Management Approach			
103-1	Explanation of the material topic and its boundary	Sustainability Report: Page 27-30 The 22 material issues have been drawn by prioritising issues that are important to both TM and its stakeholders.	Full
103-2	The management approach and its components	Sustainability Report: Page 27-30 We have articulated the sustainability context for each stakeholder group, their material topics, the importance, risk and opportunities as well as our response.	Full
103-3	Evaluation of the management approach	In 2018, we have not defined specific metrics/ future targets this year.	Undisclosed

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M1 – Product Innovation			
GRI 203 – Indirect Economic Impacts			
203-2	Significant indirect economic impacts	Sustainability Report: Page 34 TM has installed over 540,000 km of fibre-optic cables, 20 submarine cables systems, more than 3,400 LTE sites and 12 data centres, providing over 90% of the population with converged network coverage.	Full
Material Topic: M2 – Service Quality			
GRI 417 – Marketing and Labeling			
417-1	Requirements for product and service information and labelling	Sustainability Report: Page 43 Our emphasis was to improve the frequency and quality of our customer engagement, being embedded into our governance such as our policy, Keeping Customers Informed (KCI); to constantly informed our unifi customers on the status of billing, reporting etc.	Full
Material Topic: M3 – Responsible Supply Chain			
GRI 204 – Procurement Practices			
204-1	Proportion of spending on local suppliers	Sustainability Report: Page 48 Over RM3.70 billion contributed to local suppliers.	Full
GRI 308 – Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Sustainability Report: Page 48 Our contractors are expected to meet or exceed international standards environment, such as ISO 14001.	Full
GRI 409 – Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risks for incidents of forced or compulsory labour	Sustainability Report: Page 50 Supplier contracts mandate compliance with various Malaysian Labour and Employment Laws.	Full
GRI 414 – Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Sustainability Report: Page 50 It is mandatory for new suppliers to accept the Supplier Integrity Pledge via the SUS Portal.	Full
Material Topic: M5 – Consumer Health & Safety			
GRI 416 – Customer Health & Safety			
416-1	Assessment of the health and safety impacts of products and service categories	Sustainability Report: Page 53 Our Customer Premise Equipment (CPE) must comply with TM's CPE Technical Specification to ensure the supplied products are safe to be operated in the premises of consumers.	Full
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report: Page 53 Over the past five (5) years, including 2018, all of our products and services were consistently reported as safe, with zero (0) consumer injuries or casualties recorded.	Full



GRI

Content Index

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M7 – Climate Change & Energy Management			
GRI 302 – Energy			
302-1	Energy consumption within the organisation	Sustainability Report: Page 58 Energy consumption in selected TM buildings for this year is 58,358,765 kWh.	Full
302-4	Reduction of energy consumption	Sustainability Report: Page 56 & 58 Compared with 2017, this year TM drop 1.4% in electricity consumption and Greenhouse emissions drop 1.3% from 2017 with 54,642 tCO ₂ .	Full
302-5	Reductions in energy requirements of products & services	Sustainability Report: Page 59 Our facilities management introduced five (5) energy saving programmes 2018 which showcases the impact of conserved energy, an energy efficiency.	Full
GRI 303 – Water			
303-1	Water withdrawal by source	Sustainability Report: Page 62 This year, the overall water consumption of our selected buildings from municipal water supplies is 262,657m ³ , an increase of 0.4% from last year.	Full
303-3	Water recycled and reused	Sustainability Report: Page 62 In 2018, we continue to recycle water from the surau in Menara TM to water the plants surrounding the building. The water recycling initiative translates into 1.73 tCO ₂ of emissions avoided from the additional water consumption saved.	Full
GRI 305 – Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: Page 60 GHG emissions from petrol and diesel. While emissions for diesel had reduced over the year, petrol emissions were higher compared to 2017. This led to a small increase in total GHG emissions by 1.9%.	Full
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report: Page 61 Indirect carbon emissions from electricity consumption dropped by 1.5% due to the various energy savings initiatives implemented in 2018.	Full
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report: Page 61 Other indirect emissions are from airline travel and solid waste generated.	Full
305-5	Reduction of GHG emissions	Sustainability Report: Page 60 & 61 In 2018, 86% decrease in greenhouse gas emissions from work-related travel and a 1.5% reduction in GHG emissions from energy consumption and a 1.3% drop from 2017 of tCO ₂ of greenhouse emissions.	Full
Material Topic: M8 – Resource Use & Waste			
GRI 306 – Effluents & Waste			
306-2	Waste by type and disposal method	Sustainability Report: Page 62 Our business operations produce a significant amount of waste such as paper, food, to oil waste, batteries, lightbulbs and aerosol cans. External suppliers are used for disposal of any e-waste and our contractors are required to conduct the best waste management to be in accordance with DOE, MESTECC.	Full

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M9 – Green Awareness & Education			
GRI 304 – Biodiversity			
304-2	Significant impacts of activities, products, and services on biodiversity	<p>Sustainability Report: Page 64-66</p> <p>We are dedicated to educating and raising awareness to help achieve the SDGs for the future of the planet through our TM Earth Camp 2018 Programme.</p>	Partial
Material Topic: M10 – Talent Retention & Attraction			
GRI 401 – Employment			
401-1	New employee hires and employee turnover	<p>Sustainability Report: Page 72 & 73</p> <p>In Malaysia, the number of employee hire rate for 2018 is 279, whilst the number of employee turnover rate increased from 1,318 in 2017 to 1,524 in 2018.</p>	Full
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Sustainability Report: Page 76-77</p> <p>We provide various platforms to encourage our employees in embarking a healthy & motivated workforce at TM.</p>	Full
401-3	Parental leave	<p>Sustainability Report: Page 81</p> <p>At TM, our parental leave policies provide parents with paid time off work to care for the welfare of their child. Mothers are given 90 days of paid maternity leave once, 60 days for other times and three (3) days to fathers to fulfil their parental duties.</p>	Full
Material Topic: M11 – Training & Development			
GRI 404 – Training and Education			
404-1	Average hours of training per year per employee	<p>Sustainability Report: Page 74</p> <p>We managed to cover an average of 18 hours for employee training for 2018. With 26,476 employee participation in training which is followed by a total investment of RM17.0 million</p>	Full
404-2	Programmes for upgrading employee skills and transition assistance programmes	<p>Sustainability Report: Page 74-75</p> <p>To prepare our workforce for future challenges, we have organised several programmes which help to develop talent.</p>	Full
404-3	Percentage of employees receiving regular performance and career development reviews	<p>Sustainability Report: Page 77</p> <p>As of March 2019, 100% TM employees have completed their KPI assessments for the 2018 assessment period.</p>	Full
Material Topic: M12 – Employee Health & Safety			
GRI 403 – Occupational Health & Safety			
403-1	Workers representation in formal joint management-worker health and safety committees	<p>Sustainability Report: Page 83</p> <p>We have Occupational Safety, Health and Environment (OSHE) committees and division management in which their roles and responsibilities are listed on this page.</p>	Full



GRI Content Index

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M12 – Employee Health & Safety			
GRI 403 – Occupational Health & Safety			
403-2	Types of injuries and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Sustainability Report: Page 84-85 Since 2016, there has been zero cases of occupational fatality, with incident rates within acceptable limits.	Full
403-3	Workers with high incidence or high risk of diseases related to their occupation	Sustainability Report: Page 83 Some of our employees and contractors are involved in high-risk activities, mainly part of the NMO, ND and PO working at dangerous heights, in confined spaces, near high voltage lines, hot work and material handling. We require all relevant workers to receive a Permit-To-Work before embarking on these risky activities.	Full
403-4	Health and safety topics covered in formal agreements with trade unions	Sustainability Report: Page 80 Provisions for Occupational Safety and Health are included in the Collective Agreement with the unions.	Full
Material Topic: M13 – Employee Volunteerism			
GRI 413 – Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Sustainability Report: Page 90-97 We take our corporate responsibility (CR) work to heart and it goes beyond charity work, where we conducted regular CR programmes throughout the year. We strongly advocate for gender equality and female empowerment through Program Usahawan Wanita (PUW 4.0) and continuing our support in educational programmes to promote Science, Technology, Engineering and Mathematics (STEM) to inspire and motivate younger generations and also TM CR Events nationwide.	Full
Material Topic: M14 – Diversity & Inclusion			
GRI 405 – Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Sustainability Report: Page 72 & 82 In 2018, our total workforce comprised of 9,301 women with 32% of women representation in management level, 21% at senior management level. Also, 21% of the Board positions are held by women which is closer to our 30% target.	Full
Material Topic: M17 – Compensation & Remuneration			
GRI 102 – Governance			
102-35	Remuneration policies	Sustainability Report: Page 18 We have listed key policies to address compensation and remuneration under TM Employee Handbook, Policy & Procedure – Employee Productivity Enhancement (EPE) – Band three (3) and Below.	Full
Material Topic: M18 – Corporate Culture			
GRI 102 – Governance			
102-18	Governance Structure	Sustainability Report: Page 16 TM has established sustainability units that act as a representation across all business levels while actively & comprehensively influencing TM's strategies and decisions.	Full

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M18 – Corporate Culture			
GRI 102 – Governance			
102-2	Activities, brands, products, and services	Sustainability Report: Page 4 & 5 At TM, our core business functions or clusters include unifi, TM ONE, TM GLOBAL.	Full
Material Topic: M19 – Fair & Equitable Policy			
GRI 205 – Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Sustainability Report: Page 51 Our Code of Business Ethics (CBE) is accompanied by the Anti-Corruption Guide (ACG) that provides examples of operational situations for reference.	Full
GRI 206 – Anti-Competitive behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices.	Sustainability Report: Page 51 We always support a fair and level playing field to operate effectively and our approach to preventing anti-competitive behaviour is further described in our Code of Business Ethics (CBE).	Full
Material Topic: M20 – Regulatory Compliance			
GRI 307 – Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Sustainability Report: Page 51 TM consistently comply with all regulatory requirements and standards set by the Ministry of Environment. As such, in regards to environmental regulation, there were zero non-compliance cases in against TM for 2018.	Full
GRI 419 – Socioeconomic Compliance			
419-1	Non-compliance laws and regulations in the social and economic area	Sustainability Report: Page 51 TM consistently meet and exceed all relevant regulatory requirements, particularly those listed by MCMC. For this year, there were no cases against the Company for non-compliances with social and economic regulations.	Full
Material Topic: M21 – Grievance Mechanism			
GRI 102 – Governance			
102-33	Communicating Critical Concerns	Sustainability Report: Page 50, 54 & 55, 79 & 80 <ul style="list-style-type: none"> Any project-related complaints from suppliers are channelled to the business use prior to the Supplier Performance Committee (SPC). There is a grievance system in place for stakeholders to report any online or data security threats. This year, we launched the SMILE app, so employees can share their happiness levels or grievances in real-time. Regular engagements are held with our Unions to consistently listen to their grievances. 	Full





GRI Content Index

GRI Standards	Disclosure	Brief Information on Key Disclosures, References, Page Numbers	Full or Partial Disclosure
Material Topic: M22 – Engagement			
GRI 102 – Stakeholder engagement			
102-40	List of stakeholder group	<p>Sustainability Report: Page 10-11</p> <p>There are 9 stakeholder group comprises of employees, customers, shareholders & investment communities, government & regulator, suppliers, business partners, media, communities and unions.</p>	Full
102-41	Collective bargaining agreement	<p>Sustainability Report: Page 80</p> <p>We recognise three (3) Unions. This year, 38.0% (9,165) of TM employees in Malaysia are unionised.</p>	Full
102-42	Identifying and selecting stakeholders	<p>Sustainability Report: Page 9</p> <p>The most crucial stakeholders were identified and prioritised according to two (2) main factors;</p> <ul style="list-style-type: none"> • Their influence on our business, operations and reputation; • 2- The level of their interest or dependence on TM for business, livelihood. 	Full
102-43	Approach to stakeholder engagement	<p>Sustainability Report: Page 10-11</p> <p>At TM, we constantly engage with our numerous stakeholders through various formal and informal platforms includes surveys, call centres, online channels and face-to-face discussions.</p>	Full
102-44	Key topics and concerns raised	<p>Sustainability Report: Page 10-11</p> <p>The key material topics that concern each stakeholder group is tabulated.</p>	Full

