

**# COLLABORATING FOR SUSTAINABLE GROWTH: GCFO'S REVIEW**

**Our financial performance for the financial year 2019 has reflected our focus on operational efficiency, cost optimisation initiatives and managing the impact of competitive headwinds and industry dynamics.**

TM delivered a solid financial performance for the financial year 2019 in line with our 2019 market guidance. We recorded a revenue of RM11.43 billion, a decline of 3.3% from 2018 as guided in early 2019 amid a challenging operating landscape especially on the retail front.

Internet and multimedia revenue declined by 7.4% following the impact of price adjustment and promotional discount for our existing Streamyx and unifi customers, which is part of our commitment to rewarding our loyal customers as well as our strategy to attract new customers. This has been evidenced from the unifi customer base which remains strong at 1.44 million, registering a growth of 11.2% from a year ago. Voice revenue continued to decline due to lower utilisation and lower contribution from TM WHOLESALE (previously known as TM GLOBAL). Data revenue, on the other hand, grew exponentially by 16.9% in line with higher demand from TM WHOLESALE and TM ONE including one-off reversal of the provision for the impact of regulatory pricing.

We are heartened with the progress and effectiveness of our cost optimisation initiatives which is reflected in our strong profitability for 2019. The Group Reported EBIT surged to RM1.57 billion from RM64.6 million in 2018 on the back of improvements across our direct costs and

other operating costs despite recording an impairment charge for fixed network assets of RM124.6 million this year. The previous financial year had included RM982.5 million impairments of fixed and wireless network assets. Stripping off the above-mentioned impairments and other non-operational items, we are pleased by the encouraging outcome from our cost optimisation initiatives which saw an improvement in the ratio of operating cost against revenue from 91.8% to 86.4%. This is a testament to TM's commitment and our resolve to continuously work towards implementing a better cost optimisation solution for the Group.

We delivered a notable Group Reported Profit Before Tax (PBT) of RM925.1 million against RM17.4 million recorded in 2018. Group Reported Profit after Tax and Minority Interest (PATAMI) was at RM632.7 million, higher than the RM153.2 million registered in the previous financial year. Excluding the impact of one-off non-operational items, the Group's Normalised PATAMI was RM1.00 billion.

As we strive to deliver our strategy and current journey of transformation, we remain focus and steadfast on maintaining strong operating ratios and cash flow to ensure the sustainability of our business and deliver enhanced value to our stakeholders.

## # COLLABORATING FOR SUSTAINABLE GROWTH: GCFO'S REVIEW

For 2019, our total CAPEX was RM1.36 billion or 11.9% of revenue. The expenditure comprised 53% of total spending on access, 22% on the core network, and the remaining 25% on support systems. CAPEX was lower than the market guidance of 18% of revenue as well as against 2018 mainly due to the re-prioritisation of projects, sweating of existing assets and targeted investment to enhance the customer experience.

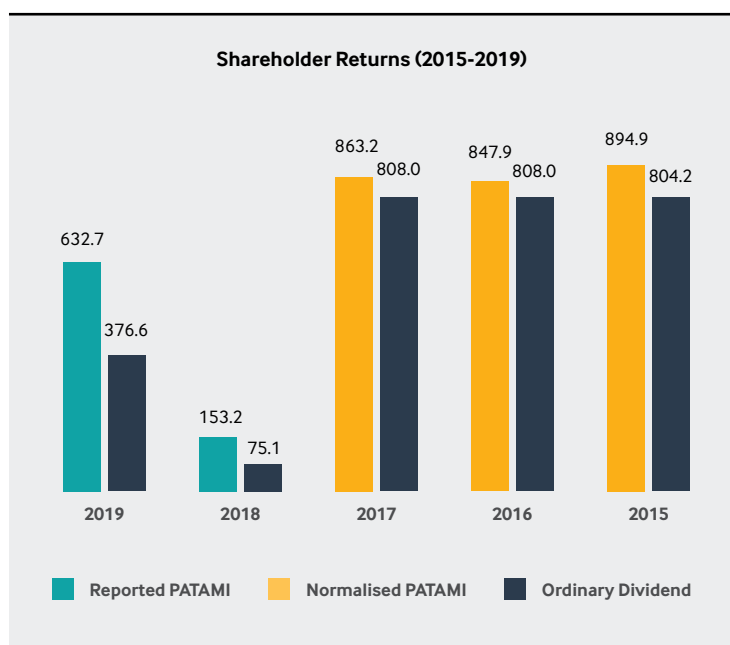
We closed the year with a healthy cash balance of RM4.79 billion, in line with lower CAPEX spend and continued attention on our working capital management. We continue to keep a close eye on collections and our Accounts Receivable (AR) days, with continuous review of credit and collection initiatives in place. We remained vigilant in maintaining our financial indication of Gross Debt/Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) ratio at 2.4x in 2019, within the headroom guidance of debt ratios of 2.5x Gross Debt/EBITDA. We will continue to be agile in supporting future business expansion through available means of funding to ensure sustainability whilst enhancing growth for TM. The details of the borrowings are further explained in Note 17 to the Financial Statements.

TM continues to exhibit strong fundamentals and a sound balance sheet. This is evidenced by the credit ratings accorded by both local and international rating agencies, as indicated below.

RAM Rating Services	AAA
Moody's Investors Service	A3 (baseline credit assessment "baa1")
Standard & Poors	A- (standalone credit profile "a")

### Maintaining Stakeholders' Relationship

The improved business performance correlates with the encouraging increase in our share price over the year, closing 43.6% higher at the end of 2019, against the closing of the previous year. In our quest to achieve sustainable growth and support Digital Malaysia, we remain committed to our responsibility and efforts in delivering value to our shareholders. For the financial year 2019, the Board has approved a maximum total net dividend payout of RM376.6 million to shareholders comprising a final interim dividend of 10.0 sen per share, to be paid on 3 April 2020.



We reiterate our dividend commitment via the stated dividend policy to distribute yearly dividends of 40.0% to 60.0% from the reported PATAMI. Dividends will be paid depending mainly on overall business and earnings performance, capital commitments, financial conditions, distributable reserves and other relevant assessment criteria.

Our relationship with the relevant stakeholders, including regulators and peers, continue to be proactive and transparent.

Ensuring compliance with best practices is always key and our internal policies and processes are kept in line with the corporate governance and disclosure requirements prescribed by the regulatory authorities, namely Bursa Securities and the Securities Commission.

### Embarking on a Digital Finance Journey

Finance continues to play a key role in the current journey to ensure TM remains fundamentally sound, with strong operating ratios and the ability to support business strategy for future growth. We uphold sound financial management and discipline to ensure that business cases for new projects, investments and continued use of existing assets will yield the required returns and sustainable value, whilst continuing to safeguard the interests of the company with robust internal controls.

Top on our priority list is keeping a close eye on cash flow and balance sheet management to ensure a sustainable organisation moving forward. Having in mind our CAPEX guidance in the low to mid 20's as a percentage of revenue and debt repayment obligation, we have established a new business and capital plan for 2020 which has set out recommendations relating to fundraising, risk management as well as a robust treasury plan.

In our drive for operational efficiency and better decision-making support by Group Finance, we have focused on digitisation initiatives as an enabler for higher-level automation. Our ongoing first robotic process automation project is making promising progress and takes us one step closer to our aspiration of Digital Finance, which will bring us to a new level of productivity and efficiency. Alongside our Finance Development Programme to increase both functional and leadership competencies and capabilities of the Finance team, we are poised to enhance the value we deliver and propel TM in becoming the National Telecommunications Infrastructure Provider (InfraCo) for 5G and the primary enabler to the NFCP.

# # BUSINESS REVIEW



“This year, we catalysed TM’s **#khabarbaik** movement, which is our brand promise to always deliver good news to all Malaysians. Through our products, services and technology, we are able to spread positivity and create meaningful moments for everyone. We have aligned this with our commitment to enable digital adoption by delivering a converged lifestyle across all backgrounds and income groups. **#khabarbaik** allows unifi to better serve Malaysia through enhanced offerings and customer experience.”

## ABOUT US

unifi continues to make life and business easier for all Malaysians through our range of services: basic telephony, broadband connectivity via unifi Home, unifi Biz, unifi Mobile or wifi@unifi; and value-added services such as entertainment via unifi TV and ICT solutions.

We are particularly focused on creating value for SMEs, as reflected by our tagline

“ Let’s Grow Together ”







As an enabler of Digital Malaysia, unifi plays an essential role in providing affordable broadband access nationwide. We deliver the best broadband in the market, making unifi the leading broadband service provider in Malaysia. As the country transitions towards a digital and innovative economy, unifi aspires to lead the unlocking of Malaysia’s unlimited growth potential.



## # BUSINESS REVIEW



### KEY PRIORITIES & OUTCOMES

Key Priorities	>>	Highlights
<b>unifi #khabarbaik Series</b>		
<b>Capitals Deployed</b>  		
<b>#khabarbaik 1.0</b> <ul style="list-style-type: none"> <li>Rewarded unifi customers with 10x broadband speed upgrade</li> <li>Delivered unifi Mobile Postpaid offerings for the whole family: Adik, Atuk/ Nenek, Kakak/Abang from as low as RM19, RM29, RM39, RM59.</li> </ul>	 <p>Scan QR Code for #khabarbaik 1.0 video series</p>	<ul style="list-style-type: none"> <li><b>Speed mix for unifi</b>, ten (10) times faster broadband for unifi customers.</li> <li><b>&gt;340,000</b> take-up of postpaid family packages.</li> </ul>
<b>#khabarbaik 2.0</b> <ul style="list-style-type: none"> <li>Deployed Malaysia's first TDD pre-5G wireless technology for residents and business owners at Setiawalk, Puchong.</li> </ul>	 <p>Scan QR Code for #khabarbaik 2.0 video series</p>	<ul style="list-style-type: none"> <li>Part of unifi's effort towards <b>powering the nation with 5G connectivity</b>, brings the country one step closer to its 5G milestone. A step forward in providing a better service and experience to our customers in the wireless segment.</li> </ul>
<b>#khabarbaik 3.0</b> <ul style="list-style-type: none"> <li>Provided the best entertainment pack in the market - available on all devices; comes with HD contents and 100 FREE Blockbusters movies; and powered by unifi 300Mbps.</li> </ul>	 <p>Scan QR Code for #khabarbaik 3.0 video series</p>	<ul style="list-style-type: none"> <li><b>Variety entertainment</b>, 100 FREE Blockbuster movies powered by unifi 300Mbps.</li> </ul>
<b>#khabarbaik 4.0</b> <ul style="list-style-type: none"> <li>Roll-out of unifi Air wireless broadband services – Latest wireless high-speed broadband service, as one of many solutions to elevate the internet experience of existing Streamyx customers who reside in its LTE coverage areas.</li> <li>Launched unifi Lite - RM69 for existing and RM89 new for all Streamyx customers (1, 2, 4 &amp; 8Mbps). These are interim measures whilst a new network is being rolled out until 2021 via various fit-for-purpose technologies.</li> <li>Introduced the nation's first convergence telco mobile app - myunifi app.</li> </ul>	 <p>Scan QR Code for #khabarbaik 4.0 video series</p>	<ul style="list-style-type: none"> <li><b>&gt;17,000</b> existing Streamyx customers in LTE coverage areas with elevated internet connectivity from unifi Air.</li> <li><b>&gt;500,000</b> existing Streamyx customers enjoying unifi Lite (RM69)</li> <li><b>1.3 million subscribers</b>, 400% improvement in delivery time from myunifi app.</li> </ul>
<b>#khabarbaik 5.0</b> <ul style="list-style-type: none"> <li>Offered the year-end unifi Pay Nothing campaign (FREE unifi for up to three (3) months for both new and existing customers).</li> <li>Launched unifi Business Club (uBC) for business customers – The largest SME community with more than 350,000 SME customers.</li> </ul>	 <p>Scan QR Code for #khabarbaik 5.0 video series</p>	<ul style="list-style-type: none"> <li><b>50% improvement</b> in customer churn from unifi Pay Nothing campaign</li> <li><b>&gt;350,000</b> SME customers in uBC</li> <li><b>2 out of 3</b> Malaysians are familiar with the #khabarbaik campaign (Kantar Report)</li> </ul>
<b>Empowering Digital</b> <ul style="list-style-type: none"> <li>Enhanced unifi's digital channel mix via myunifi app and digital onboarding campaigns.</li> <li>Conducted online exclusive campaigns and enhanced the transaction journey.</li> <li>Redesigned the digital customer journey and User Interface and User Experience (UIUX) enhancement.</li> </ul>		<ul style="list-style-type: none"> <li><b>1.2 million</b> digital subscribers</li> <li><b>78%</b> digital channel mix (compared to 56% in 2018)</li> <li><b>Three (3) times</b> increase in home online sales</li> <li><b>194 times</b> increase in mobile online sales</li> <li><b>Seven (7) times</b> improvement in digital Net Easy Score (NES) from customers</li> </ul>



## # BUSINESS REVIEW



### OUR PERFORMANCE

#### FINANCIAL PERFORMANCE

**RM4.74 billion**

Revenue

#### NON-FINANCIAL PERFORMANCE

**3 million**

Total Customers Served



- **2.18 million** broadband customers
- **0.4 million** SMEs (SOHO, small, micro)



**54% convergence** household penetration

#### ACHIEVEMENTS & RECOGNITIONS

- 1 **Malaysian CMO Awards 2019 for Best Malaysian CMO of the Year**
- 2 **Malaysian CMO Awards 2019 for Best Market Trailblazer for Telco**
- 3 **Malaysian CMO Awards 2019 for Best Marketer in Loyalty & Engagement Marketing**
- 4 **The Best Buy Awards for Outstanding Value for unifi Home**
- 5 **PC.com Award for Best Fixed Broadband of the Year**

#### RISKS & MITIGATION

Challenges	Mitigation Strategies	Outcomes
<b>Soft spending sentiment:</b> Consumers are more cautious with their spending, while business confidence fluctuates due to economic uncertainties	<ul style="list-style-type: none"> <li>• Extend focus beyond product features to include customer value and benefits</li> <li>• Launch more campaigns that provide value-for-money benefits to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in subscriptions to new unifi Mobile postpaid &amp; unifi Fixed</li> </ul>
<b>Competition:</b> More players are competing to provide high-speed broadband and fixed-to-mobile substitution	<ul style="list-style-type: none"> <li>• Deliver convergence with a complete suite of relevant offerings for customers</li> <li>• Ensure exceptional service and support customers</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in subscriptions to new unifi Mobile postpaid &amp; unifi Fixed</li> <li>• Improvement in unifi NPS Convergence QoQ performance</li> </ul>
<b>Regulatory &amp; Policy Changes:</b> The evolving Government expectations cause changes in pricing and other regulatory requirements	<ul style="list-style-type: none"> <li>• Proactively engage with the Government and regulators to shape expectations and take lead in strategies</li> </ul>	<ul style="list-style-type: none"> <li>• 100% compliance with regulatory and policy requirements</li> <li>• Strong governmental collaborations</li> </ul>

#### MOVING FORWARD/OUTLOOK & PROSPECTS

Looking ahead, unifi will take the lead in catalysing the vision of a 'Digital Malaysia Powered by TM'. We will continue to bridge the connectivity gap by serving customers with innovative and high-quality products at affordable prices. Despite the immense pressure and fierce competition, we will maintain our position as a leading broadband service provider by offering a seamless convergence experience enabled by digital. This includes the continuous improvement of the end-to-end customer experience through digital interaction and simplification, which leads to enhanced customer loyalty.



# National 5G Infrastructure Provider

#DigitalMalaysia #progressinghumanity  
[tm.com.my](http://tm.com.my)

Demonstration Project  
for 5G

In Collaboration with



## # BUSINESS REVIEW



“Our 2019 priorities were to Focus on Customer; Optimise Product Portfolio Mix; Heighten Operational Excellence; and Sustain Profitability. In doing so, verticalisation remained a primary business strategy for TM ONE for the year. The 12 original verticals have now been streamlined into seven (7) key verticals, enabling a more focused and intense digital transformation. This strategy has helped us to better understand customer needs based on the operating industry and business environment. We responded by developing several industry-based solutions using IoT, smart services, data analytics, security and cloud-based services, which were introduced at the Smart Industry Summit 2019. Despite the lower revenue this year, tractions from customers resulted in higher sales funnel and more deals closed. Therefore, by executing our 2019 priorities, we have built a strong foundation to leapfrog our growth in 2020.”

### ABOUT US

**TM ONE serves both the enterprise and government agencies. Powered by an extensive, reliable and secure network infrastructure, we have the capacity and expertise to deliver end-to-end solutions to all industries.**

We aspire to become the nation’s leading digital enabler for businesses and public sector. Towards achieving this, we support the digital journey of our business customers, and help them maximise their digital potential to face IR4.0. TM ONE offers a comprehensive suite of integrated digital services that facilitate customers’ transition, such as online connectivity, IoT, data centre, ICT, BPO and Smart Services. Additionally, as we carve a strong niche in the verticals, we take a hybrid approach in optimising assets while increasing its competitive edge.



## # BUSINESS REVIEW



### KEY PRIORITIES & OUTCOMES

Key Priorities	Outcomes
<p><b>Enhanced Customer Centricity</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>Streamlined 12 verticals into seven (7) key verticals (verticalisation) for focused digital transformation. The verticals are banking sector, oil and gas, health, real estate, public shared and services, Defense and Security and Education.</li> <li>Developed industry-based digital solutions.</li> </ul>	<ul style="list-style-type: none"> <li><b>30%</b> increase in sales funnel</li> <li><b>20%</b> increase in deals closed</li> </ul>
<p><b>Optimisation of Product Portfolio Mix</b></p> <p><b>Capitals Deployed</b> </p> <ul style="list-style-type: none"> <li>Completed the state-of-the-art 90,000 sqft KVDC in Cyberjaya.</li> <li>Received Tier III certification for twin core data centre.</li> <li>Enhanced data centre product portfolio with cloud capability (Azure services).</li> <li>Developed Smart Traffic Analytics Recognition System (STARS) via IoT.</li> </ul>	<ul style="list-style-type: none"> <li>Lower data centre downtime and faster recovery during emergencies</li> <li>Higher security and efficiency of data centre processing servers and cloud data storage</li> <li>Real-time analytics from Azure for swift business decisions</li> <li>Lower overhead and costs from Azure</li> <li>Reduction in traffic congestion and maintenance costs from STARS</li> </ul>
<p><b>Operational Excellence</b></p> <p><b>Capitals Deployed</b> </p> <ul style="list-style-type: none"> <li>Simplified end-to-end processes for faster deliverables.</li> </ul>	<ul style="list-style-type: none"> <li><b>10%</b> faster restoration during service failures</li> <li><b>1%</b> faster service delivery for digital projects</li> <li>Top <b>10%</b> of global telco companies scoring for Customer Satisfaction Index (TRIM)</li> </ul>

### OUR PERFORMANCE

#### FINANCIAL PERFORMANCE

**RM4.24 billion**  
Revenue

#### NON-FINANCIAL PERFORMANCE

**1 >11,000** Enterprise  
**2 Ten (10) data centres** (including 2 Tier III Data Centres)

**3 5G USE CASES UNDER TM ONE**

Scan QR code for 5G use cases video



Deployed three (3) use cases in SS15, Subang Jaya



**Smart Traffic Lights**



**Smart Parking**



**Smart Safety and Security Solutions**



Scan QR code for 5G use cases video

Deployed six (6) use cases in Langkawi



**Smart Traffic Lights**



**Smart Agriculture**



**Smart Parking**



**UNESCO 8K VR**



**Smart Safety and Security**



**Smart Tourism App**



## # BUSINESS REVIEW



### ACHIEVEMENTS & RECOGNITIONS

TM ONE has always been a leader in implementing the industry standards and compliances in its all offerings. This include in our data centre (DC) and cloud, Integrated Operations Centre (IOC), contact centre, BPO and ICT services.

TM ONE has also been recognised via various awards and certificate of achievements as follows:

1. **Certificate of Achievement (Four Star) for Grade Registered: G7 from CIDB Malaysia**
2. **Certification of ISO 18295 for Contact Centre**
3. **Software Partner of the Year from Cisco**
4. **Transformational Deal of the Year from Cisco**
5. **Public Sector Partner of the Year from Cisco**

It goes to show how serious TM ONE is in providing high-quality services that are guided by industry best practices to our customers.

As a leader in managed DC services in Malaysia, we have worked hard and placed a high priority in adhering to the main industry standards and certification. This is demonstrated by the company's KVDC and IPDC (twin core DC), which has been built in compliance with the following highest standards and certification:

1. **Uptime Institute Tier III Design and Constructed Facility**
2. **Uptime Institute Operational Sustainability**
3. **Green Building Index (GBI)**
4. **US Green Building Council LEED**
5. **TVRA Compliant**
6. **PCI-DSS**

International Organisation for Standardisation (ISO) is the largest standards organisation in the world. Being granted certification by ISO means that the registrar is certifying your quality management system to the area in which you operate. Among the various ISO standards that TM ONE is complying to are:

1. **ISO/IEC 27001: 2013**
2. **ISO/IEC 20000: 2011**
3. **ISO 9000: 2015 ISO 9001: 2015**
4. **ISO 18295-1: 2017**
5. **ISO 22301: 2012**
6. **ISO 45001**

### RISKS & MITIGATION

Challenges	Mitigation Strategies	Outcomes
<b>Competition:</b> Increasing competition from industry players and changes in Government policies	<ul style="list-style-type: none"> <li>Improve offerings with efficient, competitive and frictionless digital enablement</li> <li>Deliver tailor-made digital solutions targeted at specific verticals</li> <li>Emphasise on consultative selling</li> </ul>	<ul style="list-style-type: none"> <li>Increased number of industry-based solutions</li> <li>Positive tractions from private and public-sector customers</li> </ul>
<b>Connectivity:</b> Capturing a smaller proportion of the information value chain while content, service, and product deliverers capture more	<ul style="list-style-type: none"> <li>Provide beyond connectivity offerings such as cloud, managed Network, cybersecurity and smart/IoT services</li> <li>Introduce new offerings like SDWAN, Cloud Azure Stack, smart services and etc.</li> </ul>	<ul style="list-style-type: none"> <li>Gain competitive advantages through partnerships with technology and market leaders</li> </ul>
<b>Rapid technology:</b> Disruptive technologies require new network architecture and business models to meet evolving customers expectation.	<ul style="list-style-type: none"> <li>Invest in emerging technologies to unlock new value and opportunities</li> <li>Develop employees in-house with the skills required for new technologies</li> <li>Partner with technology leaders</li> </ul>	<ul style="list-style-type: none"> <li>Successful 5G demonstration project in collaboration with the MCMC</li> </ul>

### MOVING FORWARD/OUTLOOK & PROSPECTS

In 2020, we will elevate our verticalisation strategy to new heights. We will focus on the seven (7) verticals, with identified key accounts and high-value customers, to retain and expand our customer base. This enables TM ONE's revenue preservation and uplift. Furthermore, cost management will continue to be a top priority in sustaining profitability. We will leverage on internal expertise and capabilities, coupled with more prudent spending. In terms of talent capabilities, we will invest in the upskilling of our people, with emphasis on the digital skills required to support IR4.0. Steadfast in becoming the primary digital enabler of businesses and public organisations, we will persist to defend and grow connectivity offerings, while expanding our footprint in the cloud, managed security, smart services, and industry-based solutions.

## # BUSINESS REVIEW



“In 2019, TM WHOLESALE continued to deliver sustainable growth in both domestic and global markets. Improvements in our domestic performance is due to TM WHOLESALE’s relentless efforts in delivering efficient network infrastructure solutions and enhanced customer experience. We have also been working to improve TM WHOLESALE’s backhaul offerings in support of a future mobile ecosystem, in line with 5G infrastructure readiness by mobile operators. Similarly, our partnership ecosystem with domestic and regional players continue to provide great opportunities throughout the year. This creates an avenue to connect carriers, hyperscalers and content players across regions while also bridging Malaysia to the rest of the world.”

### ABOUT US

**TM WHOLESALE focuses on domestic and international wholesale business, offering a comprehensive suite of cutting-edge communication solutions in connectivity and beyond.**

With technology evolution innovating the market landscape, TM WHOLESALE has been actively exploring new business opportunities through domestic and regional partnerships. This enables a seamless integration of the latest technologies towards digital innovation. With an extensive worldwide network infrastructure supported by well-versed experts, TM WHOLESALE is positioned to be Malaysia’s preferred network enabler for dynamic telecommunication requirements. Likewise, TM WHOLESALE is working towards becoming a regional digital hub by inducing inbound and outbound voice, data and content traffic for Malaysia.

With aspirations to be the **#Accelerator of Business Growth**, we work to make life easier for customers by connecting carriers, service providers and content players across regions into the digital world.



## # BUSINESS REVIEW



### KEY PRIORITIES & OUTCOMES

Key Priorities	Outcomes
<p><b>Global Partnership Ecosystem</b></p> <p><i>Capital Deployed</i> </p> <ul style="list-style-type: none"> <li>Collaborated with Content Delivery Network (CDN), OTT and digital players to explore business opportunities.</li> <li>Engaged closely with regional cable providers and carriers.</li> <li>Established an MoU with Angola Cables in providing a shorter connection path between Asia and South America.</li> </ul>	<ul style="list-style-type: none"> <li><b>New revenue</b> streams creation</li> <li><b>Enhancements</b> in submarine cable portfolio</li> <li><b>Improvements</b> in network latency and customer experience</li> </ul>
<p><b>Enhanced Backhaul Services</b></p> <p><i>Capital Deployed</i> </p> <ul style="list-style-type: none"> <li>Established long-term collaborations with MNOs in Malaysia.</li> <li>Collaborated with tower service providers.</li> </ul>	<ul style="list-style-type: none"> <li><b>Better position</b> to support 4G requirements</li> <li>Improved small cell and in-building coverage</li> </ul>
<p><b>Continuous Profitability</b></p> <p><i>Capitals Deployed</i> </p> <ul style="list-style-type: none"> <li>Prioritised higher-margin services and solutions to sustain business continuity.</li> </ul>	<ul style="list-style-type: none"> <li><b>2%</b> reduction in operational costs</li> <li>Improvements in product composition</li> </ul>

### OUR PERFORMANCE

#### FINANCIAL PERFORMANCE

**RM2.67 billion**  
Revenue

#### NON-FINANCIAL PERFORMANCE

**>190,000km**  
of submarine cable providing connectivity to

**>500**  
customers worldwide

#### Operational Efficiency

Digital adoption in day to day activities to better serve end customer



Simplified Ordering Process  
**10 Steps to 4 Steps**



Reduce Customer Waiting Time  
**7 Days to 1 Day**



Reduce Order Cycle Time  
**3 Days to 1 Day**



Man Hours Savings on Processing & Report  
**Saved 82 Hours/Month**

## # BUSINESS REVIEW



### ACHIEVEMENTS & RECOGNITIONS

- 1 Amar Huzaimi Md Deris, Executive Vice President of TM WHOLESALE, was named amongst the top 100 Most Influential People in wholesale telecommunication industry
- 2 Best Asian Telecom Carrier (Finalist) from Telecom Asia Awards 2019

### RISKS & MITIGATION

Challenges	Mitigation Strategies	Outcomes
<b>Competition:</b> Market competition due to price erosion and dynamic customer requirements	<ul style="list-style-type: none"> <li>Strengthen market position via collaborations with other global players</li> <li>Leverage on affiliate companies to capture regional opportunities with minimal investments</li> </ul>	<ul style="list-style-type: none"> <li>Strong collaboration model based on Malaysia's strategic location as a regional hub</li> </ul>
<b>International Politics:</b> Fluctuations in international politics and regulatory guidelines may disrupt business continuity	<ul style="list-style-type: none"> <li>Monitor geopolitical changes in countries with TM investments</li> <li>Establish a resiliency planning mechanism that protects investments and improve business continuity</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive report on geopolitical, regulatory, Government and policy changes</li> <li>Effective risk assessments prior to engagement with international partners</li> </ul>
<b>Pricing Pressures:</b> The domestic pricing structure is changing alongside customer expectations and regulatory requirements	<ul style="list-style-type: none"> <li>Leverage on TM's internal strengths, affiliate and subsidiary companies to improve product offerings</li> <li>Efficiently manage costs to enable attractive and competitive products</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive offerings customised to customers' business requirements</li> </ul>
<b>Technology:</b> Consumer demands are rapidly evolving in line with the national and global digital evolution	<ul style="list-style-type: none"> <li>Actively monitor and research new technologies in the market</li> <li>Establish collaboration models with technology partners to expedite development of new digital solutions</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced product portfolio in capturing Connectivity Plus and adjacent business potentials</li> </ul>

### MOVING FORWARD/OUTLOOK & PROSPECTS

In 2020, TM WHOLESALE's growth strategies will centre around four (4) key themes: growing Core Business; fortifying Partnership Ecosystem; enhancing Connectivity Plus business; and exploring Adjacent Business opportunities. By focusing on these themes, we expect TM WHOLESALE to make great strides towards its vision to be the #Accelerator of Business Growth.

On the domestic front, TM WHOLESALE will work on strengthening its position as the industry's preferred fixed and wireless network enabler. As the largest fixed and mobile backhaul provider in Malaysia, TM WHOLESALE will continue extending its market reach towards becoming the country's key 5G network enabler. At the same time, TM WHOLESALE subsidiaries will focus on innovating both existing offerings and new digital services to further drive business growth.

In the international market, the division is geared towards establishing Malaysia as the region's preferred digital hub by inducing inbound and outbound voice, data and content traffic to and from Malaysia. This will be improved through the enrichment of data centre solutions and strengthening of partnership ecosystem with carriers, content players, and digital service providers. In its commitment to becoming a digital business enabler, TM WHOLESALE will also venture into media delivery solutions, IoT offerings and blockchain technology.



## # CHAMPIONING THE BUSINESS

NETWORK TECHNOLOGY: PROVIDING THE COMMUNICATIONS BACKBONE TO CATAPULT MALAYSIA INTO A DIGITAL NATION



“The Group Network Technology (GNT) addresses business challenges that require emphasis on network and operations improvements. Some of the key focus for the year include cost saving and optimisation initiatives. In addition, we are innovating our network architecture and continuously exploring new technologies for network modernisation programme. A testament of this efficient work environment was that they delivered the Ministry of Education’s (MOE) School Broadband Project, a project to provide high-speed broadband (100Mbps) to schools, completed in just one (1) month.”



## ABOUT US

As the ‘backbone’ of the Group, GNT is responsible for the planning, building, delivering and operating, as well as maintaining TM’s network infrastructure to ensure that it is aligned with the Group’s digital aspiration.

GNT is committed to enhancing efficiency by accelerating service and infrastructure delivery. It also helps to futureproof the Group against disruptive trends and technologies by focusing on harnessing of data analytics and intelligence; and adoption of SDN and NFV.

Some of the key focus for 2019 include cost saving and optimisation initiatives, and sweating our assets.

### Among the steps taken under these initiatives were:

- Optimising network resources by reviewing the network architecture
- Optimisation of International Private Leased Circuit (IPLC) utilisation through analytics
- Material management i.e. strengthening inventory and utilising zero-value cables

Improvement of productivity was realised via digitisation and automation. Some of the steps taken include digitisation of Network Delivery (ND) resources through end-to-end Project Management and stitching passive and active network elements in an auto-cleanse inventory system.







As part of the simplification and re-organisation for GNT, its Network Operations Centre (NOC) Blueprint 2019 was realigned as well as establishing a unified NOC centre to manage network and services.

GNT continued to enable the business by increasing efficiency in products and services Go-to-Market, while improving overall network and service quality to ensure customer satisfaction.

## # CHAMPIONING THE BUSINESS

### NETWORK TECHNOLOGY: PROVIDING THE COMMUNICATIONS BACKBONE TO CATAPULT MALAYSIA INTO A DIGITAL NATION

#### KEY INITIATIVES & OUTCOMES

Key Initiatives	Outcomes
<p><b>Digitisation &amp; Automation</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>End-to-end project management digitisation of ND resources.</li> <li>Stitched passive and active network elements in an auto-cleanse inventory system.</li> </ul>	<ul style="list-style-type: none"> <li><b>25% improvement</b> in ND cycle time</li> <li><b>100%</b> of network elements cleansed and digitised</li> </ul>
<p><b>Simplification &amp; Re-organisation</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>Realigned NOC functions through NOC Blueprint 2019.</li> <li>Established a unified NOC centre to manage network and services.</li> </ul>	<ul style="list-style-type: none"> <li><b>Stronger</b> governance, execution and compliance leveraging on a single resource pool</li> <li>Streamlined workforce with optimised touchpoints</li> </ul>
<p><b>5G Project</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Delivered 5G infrastructure connectivity with the mandatory speed and latency.</li> <li>Managed the delivery and deployment of 5G network equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Complied with MCMC's 5G service requirements</li> <li>TM's 5GDP achievements for itself and the country in the region:                             <ul style="list-style-type: none"> <li>The first Telco in the world to deploy 700 MHz and C-Band (3.5 GHz) on Standalone (SA) dedicated 5G network simultaneously</li> <li>The first in the country to deploy 5G Core Network, 700 MHz and 3.5 GHz SA-dedicated 5G network and a 5G Centralised Radio Access Network (RAN)</li> <li>Successfully achieved 1.5Gbps for 5G speed tests conducted within its 5G use cases sites</li> <li>Deployed 11 use cases as part of the 5GDP in Langkawi, making TM the Telco with the highest number for the trial</li> </ul> </li> </ul>
<p><b>MOE's School Broadband Project</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Collaborated with the MOE via a Letter of Agreement (LOA) to provide high-speed broadband (100Mbps) to schools.</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of <b>2,456 sites</b> completed within <b>one (1) month</b></li> </ul>

#### MOVING FORWARD/OUTLOOK & PROSPECTS

For the upcoming year, GNT will focus on enabling the business by accelerating installation and restoration cycle time while continuously improving on quality. In addition, we are innovating our network architecture and adopting new technologies for network modernisation programme. To achieve this, we will be reviewing our existing processes to enable faster network rollout and product time-to-market.

The new technologies for network modernisation programme is aimed at notably improving network quality and customer experience as well as preparing the network to meet the current and future customer needs. Taking into account the growing demand for bandwidth-heavy services, the modernisation programme will bring significant improvements to network capacity leading to improved reliability, ease of access and extensive coverage to support the Group's digital aspiration by investing in different types of intelligent infrastructure.

2020 will also see GNT executing TM's Broadband Fiberisation Project (BBF) rollout. The project will focus on the deployment of fibre networks throughout Malaysia which is expected to take three (3) years to complete.

## # CHAMPIONING THE BUSINESS

### THE DRIVING FORCE OF DIGITAL EMPOWERMENT



“Group IT & Digital (GITD) was established in September 2019 with the aim to catalyse TM’s role as the technology enabler and data-driven service provider. Formed from the consolidation of various business functions, GITD aspires to better organise people, processes and technology. Through enhanced efficiency, the internal transformation of GITD was successfully completed within 90 days. This involved the taking over of major IT platforms, including Big Data Hadoop data lake and Contact Centre Platform with 20 resources. GITD envisions to make IT & Digital “Lean, Mean and Clean” via “Simple, Standard and Stable” principles for better leverage.”

## ABOUT US

The GITD was developed for the realignment and enablement of TM’s digital journey. The division was formed from the consolidation of key business functions - Group IT (GIT), Group Digital Centre (GDC), IT Strategy & Architecture (ITSA), Business Process Management (BPM) and TM R&D.

Through this consolidation, GITD is able to realign systems to support our new business focus and improve organisational productivity. Additionally, GITD also provide internal and external IT services, thus enabling the ICT sector.







The division is empowered by four (4) pillars of excellence, namely **Analytics, Process, Digital and Innovation**. Through these pillars, GITD is optimistic that value creation for TM can be realised by identifying new revenue streams, formulating cost-effective solutions, and strengthening internal delivery capabilities. Towards becoming a fully IT and digital organisation, GITD is focused on the Principles of 3S: **Simple, Standard and Stable**. This includes the **simplification** of processes; **standardisation** of technology, and **stabilisation** of Operations and People.



# # CHAMPIONING THE BUSINESS

## THE DRIVING FORCE OF DIGITAL EMPOWERMENT

### KEY INITIATIVES & OUTCOMES

Key Initiatives	>>	Outcomes
<p><b>New Potential Revenue</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Established T-Grid, an external public cloud maintained by GITD.</li> <li>Provided internal resources from TM ONE for external projects.</li> <li>Commercialisation of Smart Water Meter by TM R&amp;D team.</li> </ul>		<ul style="list-style-type: none"> <li>GITD and T-Grid ready to serve internal and external customers via TM ONE and TM WHOLESALE</li> <li><b>RM1.5 million reduction</b> in TM ONE's cash outflow</li> <li><b>RM2.7 million earned</b> from Smart Water Meter</li> </ul>
<p><b>Cost-Effective Solutions</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Optimised internal costs via manpower cost capitalisation.</li> </ul>		<ul style="list-style-type: none"> <li><b>10% reduction</b> in OPEX (from RM219.0 million to RM208.0 million)</li> </ul>
<p><b>Strong Internal Delivery Capabilities</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Optimised 39% of GITD's development and operating resources with the establishment of Development-Operations (DevOps) aimed at uplifting the team's skillset and flexibility in reallocating the resources towards prioritising delivery.</li> </ul>		<ul style="list-style-type: none"> <li><b>18% manpower</b> (120 resources) transformed into projects for external revenue, saving of RM6.0 million per year</li> </ul>

### MOVING FORWARD/OUTLOOK & PROSPECTS

Although GITD is relatively a 'young' division, it has important initiatives in its pipeline to drive TM's digital development. The team will focus on strategic partnerships to provide Malaysia's first cloud and AI data centre, resulting in RM7.0 million in cost savings and RM30.0 million in cost avoidance. We are also working on creating a single data lake for better analytics. By consolidating 5.0 data lakes into one (1) single platform, we are targeting to achieve RM4.3 million in OPEX savings and RM5.0 million in additional revenue.

GITD will continue to provide in-house delivery and one of the key projects is delivering the new BSS, thus reducing RM40.0 million of the current OPEX while avoiding RM210.0 million in project delivery costs. In terms of digitalisation initiatives, GITD aims to generate RM3.5 million in internal revenue and RM6.0 million in costs savings by implementing digital automation across all business and support functions. Similarly, through the commercialisation of its data brokerage platform Open Innovation Platform (OIP), we estimate an additional RM3.0 million in external revenue and RM4.7 million in cost savings due to operational efficiency.

### GITD ROADMAP

2020	2021	2022 & BEYOND
<b>CLOUD &amp; AI – BSS INFRA READINESS</b>	<b>MICRO-SERVICES &amp; INTELLIGENT NETWORK</b>	<b>EDGE COMPUTING &amp; ULTRA LOW LATENCY NETWORK</b>
<p><b>Modernisation of Data-Driven Platform</b></p> <ol style="list-style-type: none"> <li>New BSS</li> <li>Data Analysis &amp; Monetisation</li> <li>Open Source Software (OSS) Transformation</li> <li>Robotics Process Automation (RPA)</li> <li>Cloud+AI DC (common infra for IT &amp; Network)</li> </ol>	<p><b>Innovative &amp; Adaptive</b></p> <ol style="list-style-type: none"> <li>Micro-services &amp; cloud-native apps on API</li> <li>Digital Workplace</li> <li>Hybrid/Multi-cloud</li> <li>AI</li> </ol>	<p><b>Sustain &amp; Grow</b></p> <ol style="list-style-type: none"> <li>Edge Computing</li> <li>Intelligent Enterprise Resource Planning (ERP)</li> </ol>



## # CHAMPIONING THE BUSINESS

### THE NURTURING OF DIGITAL TALENT



“During the year under review, the Group Human Capital Management (GHCM) established a structured framework that is designed to create an agile and lean organisation, drive a high-performance culture, and future skill the workforce, while also providing increased flexibility that improves employees’ life-work balance. Through the framework, we created a high-performance, digital work culture focused on customer-centricity and service excellence. Our continuous effort to establish a nurturing and productive work environment is the reason why TM remains the employer of choice for the best talent in the market.”

## ABOUT US

**GHCM plays an instrumental role in shaping our workforce with the skills, expertise and mindset to power Digital Malaysia. We are focused on building an agile and lean organisation that operates as empowered networks and coordinated through culture.**






This includes the digitisation of employee processes for increased efficiency and mobility. An agile work culture results in customer-driven decisions; empowered and accountable cross-functional teams; accelerated progress and momentum, flexibility and resilience; and improved productivity. GHCM also plays a key role in the futureproofing the workforce. TM talent development framework provides existing staff and new talents with the skills required to thrive in a digital economy. Our main objective is to position TM as a strong recruitment brand for talents in digital.



## # CHAMPIONING THE BUSINESS

### THE NURTURING OF DIGITAL TALENT

#### KEY INITIATIVES & OUTCOMES

Key Initiatives	>>	Outcomes
<p><b>Driving High Performance Culture</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>Timely completion of performance management cycle                             <ul style="list-style-type: none"> <li>Mid-Year</li> <li>Year-End</li> </ul> </li> <li>Implemented effective performance conversation at all levels.</li> </ul>		<ul style="list-style-type: none"> <li><b>79%</b> of employees practised high-performance culture</li> <li><b>&gt;5,000</b> employees participated in the Performance Clarity Survey in December 2019 with a score of <b>3.56/5.0</b></li> </ul>
<p><b>Upskilling the Workforce</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>Provided training and development programmes to equip employees with future-proof skills.</li> <li>Promoted a sales and service culture through NECS training programme.</li> </ul>		<ul style="list-style-type: none"> <li><b>&gt;17,800 employees</b> participated in training programmes</li> <li><b>2,400 employees</b> equipped with 'Future Skills'</li> <li><b>1,200 employees</b> trained in sales and customer service</li> <li><b>66 employees</b> recognised as Subject Matter Experts through Certificate in Training Practices (CITP)</li> </ul>
<p><b>Digitisation &amp; Digitalisation</b></p> <p><b>Capitals Deployed</b>  </p> <ul style="list-style-type: none"> <li>Digitised HR services through apps:                             <ol style="list-style-type: none"> <li>ERA: Enables employees to apply for job vacancies and provide feedback in real-time.</li> <li>GROW: Allows employees to easily manage their performance and appraisals.</li> <li>TM Medic: Provides employees with access to medical services.</li> </ol> </li> <li>Enabled digital learning via TM Learn, an online education platform for employees.</li> </ul>		<ul style="list-style-type: none"> <li>Uptake of apps and digital platforms by employees:                             <ol style="list-style-type: none"> <li>40 % for ERA app</li> <li>66 % for GROW app</li> <li>52 % for TM Medic</li> </ol> </li> <li><b>12,000 employees</b> reached through TM Learn</li> </ul>
<p><b>Agile Workforce</b></p> <p><b>Capital Deployed</b> </p> <ul style="list-style-type: none"> <li>Launched Agile@TM consisting of 43 squads – a team of self-organising, cross-functional workstreams who are accountable to business outcomes.</li> </ul>		<ul style="list-style-type: none"> <li><b>257 squad members</b> across 28 squads</li> <li><b>299 employees</b> trained</li> <li><b>223%</b> increase in customer activation from Mobile Squad</li> </ul>

#### MOVING FORWARD/OUTLOOK & PROSPECTS

In 2020, GHCM will continue to drive profitability through improved productivity, and is guided by the **#PEOPLE2020** Strategy. Firstly, the workforce will be remobilised to ensure that our people are equipped with critical skills for excellence, with more focus on customer sales and service experience. The boundaries between management and employees will blur, allowing them to learn from one another and inspire future leaders. Additionally, we will continue to invest in futureproofing TM employees and accelerate the acquisition of new skills. Through a Talent Strategy Framework, employee development will match the pace of the quickly evolving business landscape. We will also continue to improve the agile operating model, as well as to fully inculcate the KRISTAL values for enhanced customer-centricity and integrity.

GHCM will also make strides in TM's digital journey for the upcoming year. For example, all employee apps and digital platforms will be consolidated into a single app, which will simplify employees' experience. Furthermore, we are exploring a potential collaboration with Digital Intelligence (DQ) Institute to integrate global standards of digital literacy, skills and readiness within TM. This is in line with GHCM's aspiration of making TM the champion of national digital standards. Finally, we will greatly improve work processes through RPA. The RPA utilises AI to complete repetitive and low-skill tasks, thus enabling employees to focus on more cognitive and high-value work.

## # CHAMPIONING THE BUSINESS

### THE CENTRE OF INNOVATION & EXCELLENCE

&gt;&gt;

“In support of TM’s Digital Malaysia aspirations, TM R&D launched an Open Innovation Platform (OIP), a digital platform that serves as the main building block in TM’s Digital Core. This is a multi-layer digital infrastructure that creates an ecosystem of new revenue opportunities. Through OIP, we successfully built five (5) new platforms and commercialised our top five (5) smart solutions, while six (6) of our smarter solutions were selected for TM’s 5GDP in Subang Jaya and Langkawi. By delivering smarter solutions, we have saved the Group over RM300.0 million in operational cost savings. The team’s 5G progress demonstrates TM’s ability to deliver smarter solutions through 5G, towards progressing humanity and improving the *Rakyat’s* lives.”

## ABOUT US

As a Centre of Innovation for TM, as well as the Centre of Excellence for Connectivity and Digital platform, TM R&D’s vision is to make life and business easier with smarter ecosystems enriching humanity and progressing nations.

The team plays a more strategic role in nation-building by harnessing new technology and innovative-thinking towards a digital-based economy. Our current focus is to develop market-driven products and solutions that are equipped to support a digital society. We embed security, analytics, machine learning and AI for smarter connectivity and smarter platforms, thus utilising Smart Solutions in everything we do.

















# # CHAMPIONING THE BUSINESS

## THE CENTRE OF INNOVATION & EXCELLENCE

### KEY INITIATIVES & OUTCOMES

Key Initiatives	Outcomes
<p><b>Strengthening the Digital Core</b></p> <p>Capital Deployed </p> <ul style="list-style-type: none"> <li>Established an OIP, Malaysia's 1<sup>st</sup> Open Software Development Platform to generate API onboard and traffic via API calls.</li> </ul>	<ul style="list-style-type: none"> <li><b>397</b> APIs onboard</li> <li><b>27 million</b> API calls captured (volume)</li> </ul>
<p><b>Cost Optimisation</b></p> <p>Capital Deployed </p> <ul style="list-style-type: none"> <li>FLASH PROJECT: Fibre inventory optimisation, releasing 12% ports for sale.</li> </ul>	<ul style="list-style-type: none"> <li><b>RM109.0 million</b> in cost avoidance</li> <li><b>RM121.0 million</b> worth of revenue of opportunities</li> </ul>
<p><b>Operational Efficiency</b></p> <p>Capitals Deployed  </p> <ul style="list-style-type: none"> <li>Intelligent Network Diagnostic &amp; Expert Advisory System for Service Desk (IDEAS+): released unifi &amp; pre-unifi expert advisory and machine learning for TM touchpoints.</li> </ul>	<ul style="list-style-type: none"> <li><b>97% accuracy</b> in machine learning for call centres &amp; Livechat</li> <li><b>68% reduction</b> in call centre waiting time (120 sec to 38 sec)</li> <li><b>RM3.3 million</b> in estimated value creation</li> </ul>

### 5G USE CASES UNDER TM R&D

Deployed three (3) use cases in SS15, Subang Jaya	Deployed five (5) use cases in Langkawi
 <b>Smart Retail Analytics</b>	 <b>Smart Safety Helmet</b>
 <b>Smart Water Management System</b>	 <b>Smart Water Management System</b>
 <b>Smart Vehicle Management System</b>	 <b>Smart Retail Analytics</b>
	 <b>Geolocation People Safety</b>
	 <b>Smart Vehicle Management System</b>

### MOVING FORWARD/OUTLOOK & PROSPECTS

TM R&D will continue to make life and business easier through smarter ecosystems that accelerate national progress. Our 2020 focus is to raise our organisation's profile domestically and globally as well as pursue commercialisation. We will design solutions that improve productivity for businesses in the private and public sector, as well as provide valuable insights for better planning and workforce growth. We will leverage the innovation momentum to develop ourselves into a leader of experimentation and spin-offs.

The team will also continue to drive app development via OIP, tapping into social engagement opportunities such as community uptake from universities and developers. This will further increase the onboarding of APIs, from both internal and external parties. Additionally, with financial technology (Fintech) rapidly growing in the global market, we will also focus on utilising the potential of OIP to attract the interest of industry leaders for Fintech partnership opportunities.





## Digital Malaysia powered by TM Towards a Prosperous Economy, Empowered Society, and Impactful Government.

In 2019, we introduced the concept of 'Digital Malaysia Powered by TM' to reinforce our position as the Enabler of Digital Malaysia. As Malaysia's National Telecommunications Provider, TM has been connecting and serving the nation, with our solid network infrastructure, since our establishment in 1946; and we are continuously evolving in line with customer needs and technology advancements. We have been at the forefront of each telecommunication technology evolution of the nation, and will continue to do so with the emergence of 5G.

This revolutionary technology is capable of creating unprecedented use cases that improve the quality of lives and businesses. As the national telecommunications infrastructure provider of Malaysia's Digital Nation aspirations, we will enable, support and foster the country's 5G ecosystem. We are already harnessing our digital infrastructure, connectivity and expertise to catalyse Malaysia's transformation into a global digital leader. We continue to lay the foundations of 5G to serve a more digitally-empowered society; prosperous digital businesses and industry verticals; and a forward-looking and impactful Digital Government.



**i** In Digital Malaysia, TM seeks to serve these key pillars of the nation:



### #DIGITAL SOCIETY

As a digital enabler, TM strives to transform all aspects of Malaysian society through digital empowerment. Our innovative and comprehensive products and solutions enable increased access to life-enhancing digital services such as healthcare, education and banking to both urban and rural population in Malaysia. Through 5G, we will make Malaysia a better place to live, work, and play for communities, thus achieving our promise of 'Life Made Easier'.



### #DIGITAL ECONOMY

Digitalisation is reshaping the country's economy, and TM is enabling the acceleration of the digitisation of core processes across all priority sectors such as agriculture, manufacturing, oil and gas etc, and promoting the ICT sector growth as an independent economic engine. We are 5G-ready to catalyse the country's transition to a Digital Economy. Through digital innovations, we will improve and transform industries at an unprecedented scale. We have the infrastructure, technology and talent to deliver smart industry solutions and facilitate the IR4.0 of Malaysia. By positioning ourselves as a 5G leader, we will achieve our nation-building aspirations for a strong and prosperous digital economy.



### #DIGITAL GOVERNMENT

A Digital Malaysia is only possible with a digitally-skilled Government. As such, TM is committed to working with the Government to develop digital innovations that make public institutions more efficient, effective and impactful. By leveraging on TM's strong network infrastructure, we will be powering towards the digitisation of the public sector's operation and services facing citizens and businesses in order to improve efficiency, productivity towards enhancing the citizen's and businesses' experience. We will also be delivering 5G solutions that enhance core Government functions, thus catalysing the country's digital transformation.

**i** TM's 5G-enabled smart solutions



#### Smart Traffic Lights

- Reduces congestion and traffic for improved city planning
- Less fuel consumption and carbon emissions
- Less time wastage on the road
- Reduces traffic operational costs

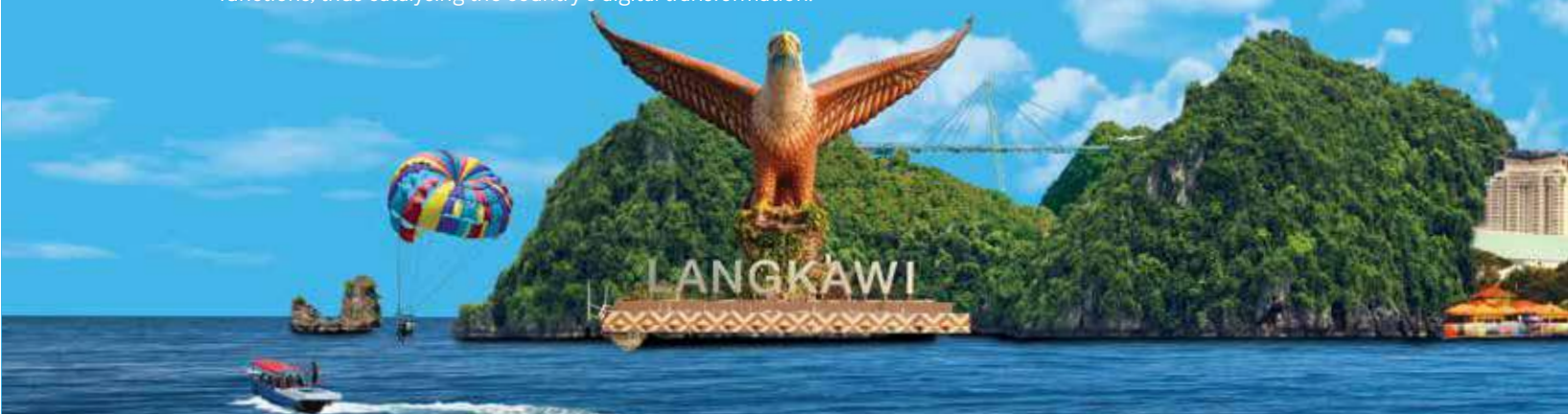


#### Smart Parking

- Reduces congestion and traffic in carparks
- Less fuel consumption and carbon emissions
- Less time wastage in carparks
- Reduces traffic operational costs
- Better tracking of parked cars
- Easier payment system for visitors



Scan QR codes for the respective use cases video



## TM 5G DEMONSTRATION PROJECTS

### Aim:

To expand the 5G ecosystem in Malaysia through the facilitation, creation and nurturing of 5G use cases in a live yet controlled environment.

### Locations:

Langkawi & Subang Jaya

### Achievements:

- ✓ **First in the World** to deploy 700 MHz and C-Band (3.5 GHz) on SA-dedicated 5G network simultaneously. This increases 5G coverage nationwide to better deliver digital and life-enhancing services.
- ✓ **First in the country** to deploy 5G Core Network (5GC), 700 MHz and 3.5 GHz SA-dedicated 5G network and a 5G Centralised RAN.
- ✓ **Successfully achieved 1.5Gbps** for 5G speed tests conducted within its 5G use cases sites.
- ✓ **Most Developed 5G use cases in the country**, with 11 already deployed as part of the 5GDP in Langkawi.



### Smart Tourism

- Increases tourist safety
- Immediate response to tourist emergencies
- Improves management of high-tourist areas
- Promotes tourism in Malaysia



### Smart Agriculture

- Operational warning system
- Improves response through remote and real-time monitoring
- Data analysis for improved activities
- Reduces operational costs
- Increases efficiency



### Smart Vehicle Management System

- A fleet management solution to manage and capture real-time data for commercial motor vehicles
- Provides vehicle telematics information and offer advisory to fleet operators
- Establishes a driver's driving pattern and internally developed GPS algorithm



### Smart Safety and Security

- Data analysis for crime prevention
- Immediate response during emergencies
- Provides criminal evidence for effective prosecutions
- Safer neighbourhood and environment



### Smart Retail Analytics

- Better understanding of customer behaviour for targeted advertising
- Improvements in addressing customer needs
- Enhances stock management
- Optimises shop and counter space
- Increases brand loyalty



### UNESCO 8K VR

- Access hardly accessible geoparks
- Provides an immersive experience to the 1<sup>st</sup> UNESCO Geopark 8K VR content



### Geolocation People Safety

- Better protection of children, elderly and tourists
- Provides early detection and better preventions of dangerous situations
- Immediate response and resolution to emergencies



### Smart Safety Helmet

- Immediate emergency response for accidents
- Real-time problem-solving during emergencies
- Increases safety and protection
- Remote support and operation



### Smart Water Management System

- Seamless end-to-end smart water management integration
- Instant accessibility to real-time water quality data
- Improves non-revenue water management
- Optimises repair and replacement of ageing infra
- Improves response to weather events such as flooding and pollution
- Enables rapid and informed decision making in case of water pollution or emergencies.





# #DIGITALSOCIETY

## SCHOOL LEADERBOARD

Welcome Back Encik Haikal! Get started with:



### STUDENT

Attendance/  
Absence



### TUTOR

Timetable/  
Calendar



### SUBJECT

Assignment/  
Test

## STUDENT'S ATTENDANCE RECORD

Muhamed Azri Danish

**100%** Full Attendance

Lee Chee Keong

**85%** 84/90

Nur Azrina Binti Noor

**100%** Full Attendance

Aaradhya a/p Rajandran

**98%** 88/90

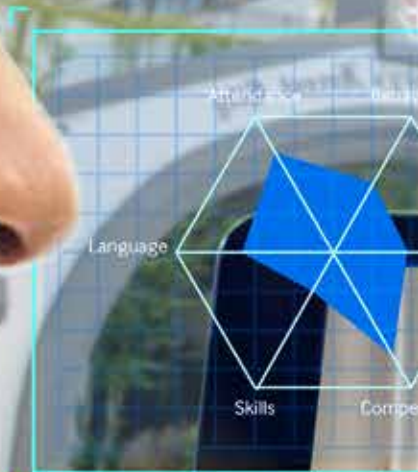
Chong Yow Huey

**100%** Full Attendance

Tashini Prisha a/p Kumar

**99%** 89/90

Smart Safety & Security



### EDUCATION

Junior, Environmental, Leaders series by Club Percinta aim to participate in conversation, Education and Public Awareness.







Geolocation People Safety



**Head of Tutor**

Tracks and monitor people safety reasons



Activities




**RAYYAN**  
ARRIVED  
ARRIVAL TIME - 7.45AM



# #Enhancing

# the Lives of All Malaysians via Smart Solutions – Towards an Empowered Society

Our digital aspirations are driven by a commitment to improve the lives of all Malaysians. We harness digital innovations to deliver life-enhancing solutions that meet the expectations and challenges faced today. By expanding into digitalisation, we are improving the quality of life for everyone, towards a digitally-empowered society.



## # SUSTAINABILITY STATEMENT

**“TM’s Digital Malaysia aspirations are not only driven by a commitment to economic growth, but also to catalyse human and sustainable development. The telco industry has the potential to drive responsible progress and contribute to the UN SDGs.**

**We aim to fully unlock this potential to position Malaysia as a global digital leader. Additionally, we are also committed to improving our own sustainability journey. We acknowledge the dual nature of sustainability - it is both our moral obligation and it is good for business. Our approach is to create positive economic, environmental and social impact. In doing so, we deliver value to our multiple stakeholders while contributing to TM’s long-term growth and success.”**

Throughout TM’s long history, we have contributed to nation-building and socio-economic growth. In recent years, access to advanced technologies has accelerated our contributions, moving the nation towards a digital society. As Malaysia’s digital transformation journey increases innovation and economic prosperity, we need to ensure that the benefits are evenly distributed, and that the social and environmental pressures that may impact the future well-being of the country are successfully overcome.

As a digital enabler, we have an important role to play in fostering sustainable development. According to the Huawei ICT SDGs Benchmark 2017, there is an 89% correlation between a country’s ICT performance and its SDG contributions. This strong relationship is mainly due to ICT’s ability to increase productivity and innovation across sectors and communities, as well as provide real-time connectivity for the rapid scaling of critical services such as banking, education and healthcare. Additionally, there are also strong correlations between ICT performance and Environmental Performance Index (EPI), primarily due to the increase in efficiency associated with digitalisation. Therefore, by expanding our network and bridging the connectivity divide, we are catalysing Malaysia’s economic, social and environmental progress.

In 2019, we introduced affordable connectivity packages to promote the uptake of online access and digital solutions. For example, households can subscribe to mobile postpaid family packages for as low as RM19, thus enabling broadband access to larger groups. Similarly, under the unifi Pay Nothing campaign, we provided customers, both existing and new, with three (3) months of free broadband. The introduction of myunifi app saw 1.2 million downloads, further expanding our digital subscribers and community - providing them with access to more constructive digital contents.

In addition to driving Malaysia’s sustainable growth, we are also focused on improving our own sustainability efforts. Sustainability is good for the people and the planet, as well as for our profits. By integrating sustainability into everything we do, we can protect the Group against social, environmental and governance risks that impact our financial performance. This is why in 2019, we have started to enhance TM’s ERM framework to integrate sustainability risks. We leveraged the existing ERM framework to institutionalise sustainability, thus strengthening the Group’s ecosystem for long-term value creation and growth. TM’s ERM framework is further described on page 157.

There is also increasing awareness of responsible consumerism, causing a shift in customer demands. This is more prevalent among the younger

generation, with 85% of millennials (aged 21-34) and 80% of Gen Z (aged 15-20) seeking brands that care about sustainability issues<sup>1</sup>. Together, millennials and Gen Z make up over half of the population, and thus, a large proportion of consumers. Therefore, it is important to monitor these evolving customer segments and expectations.

By engaging with customers, we are able to deliver innovative products and services that enhance livelihoods and serve as agents for positive change. For instance, there are more than 833 million mobile money accounts globally<sup>1</sup>, and large telco players have an opportunity to further empower these people with tools, applications, and solutions that give them access to finance, quality education and healthcare. The advent and fast-evolving mobile technology open up new avenues and opportunities to explore new business models such as sharing economies, innovative mobile solutions to combat climate change, and e-Commerce that enables the critical mass of SMEs to tap into the wealth of digital economy. In this respect, TM acknowledges 5G will play a critical role in catalysing national development. Fast broadband and wider coverage via 5G will drive more advanced applications for individuals and businesses alike. As a leading connectivity provider with strong nation-building obligations, we have the capacity and drive to fully unlock the socio-economic potential of 5G.

In other words, we have the ability and resources to empower businesses as well as people, ensuring their welfare and well-being. In doing so, we cannot neglect the risks of technology – from data thefts to cyberbullying, from information leaks to crisis of trust. It is also our responsibility to ensure people who access our technology and services are more aware and informed about potential threats and opportunities. Beyond education on cyber rights and cybersecurity, there is also an opportunity to introduce solutions that would create a safe and trusting environment for our customers to optimise the potential of our products and solutions. For example, in 2019, we conducted a series of cybersecurity awareness programmes for both TM employees and management team, as well as for the general public. These programmes teach our stakeholders on how to better protect themselves against security risks.

In terms of energy consumption, we adopt new technologies that increase efficiency as well as reduce operational costs. This year, we implemented TM’s EZFleet solution to our fleet of vehicles, which helped optimise fuel, resulting in a 7.5% drop in its consumption. Additionally, through our EES initiatives, we reduced energy consumption at network and non-network buildings by 37 million kWh. As a result of our carbon-reducing initiatives, the Group’s overall Greenhouse gas (GHG) emissions

## # SUSTAINABILITY STATEMENT

dropped by over 7.5% in 2019. In short, our commitment to sustainability has helped to improve business performance and strengthen customer trust and loyalty.

Corporate responsibility is also essential in talent acquisition and retention, with 73% of millennials preferring to work with socially responsible companies<sup>2</sup>. This is important to TM as millennials and Gen Zs are increasingly dominating the workforce. In fact, 37.6% of TM's workforce consists of this age group, which is over 8,600 employees. Additionally, the accelerating transition towards digital is changing the requisite skills needed for success. To ensure we keep up, our workforce is continuously learning and adapting. Our training and development programmes are designed to increase knowledge, build capacity and promote capabilities for cross-cutting expertise, thus future-proofing our workers against the rapidly changing landscape.

In the following pages, we have included our management approaches against each of our material topics as well as sustainability initiatives – especially the ones that impact our long-term performance. Through this, our intent is to share our optimism about the future of both TM and Malaysia. We believe that our sustainability strategies will accelerate national digital growth, while our digital impact will catalyse sustainable development.

As we earn our strides in sustainability, we would like to thank our stakeholders for their continuous support and loyalty. We work to serve you all, towards 'Life and Business Made Easier for a Better Malaysia'.

Source:

<sup>1</sup> GSMA, 2019

<sup>2</sup> Nielsen Survey, 2018



# # SUSTAINABILITY DISCLOSURES

## TM's SUSTAINABILITY STATEMENT OF PURPOSE

At TM, all our efforts are channelled towards making Life and Business Easier for a Better Malaysia. Our purpose is to empower and connect people through universal access to reliable and affordable telecommunications. It is our responsibility to leverage on our networks, our infrastructure as well as our experience of over 70 years to bring economically viable, environmentally safe, and socially responsible solutions to the nation as well as its people.

## SUSTAINABILITY PRINCIPLES

We endeavour to improve the quality of our reporting and extent of sustainability disclosures on a year to year basis. It is important for us to maintain transparency in sharing relevant data of our progress, as well as various challenges in managing different sustainability risks. Our report continues to apply the following GRI Standards and Reporting Principles:



<p><b>Stakeholders' Inclusiveness</b></p> <p>▼</p> <p>Demonstrates our willingness to continuously engage with our priority stakeholders to better understand their ever-changing expectations and needs. Our ultimate objective is to create value for stakeholders by addressing their key concerns and offering bespoke solutions.</p>	<p><b>Sustainability Context</b></p> <p>▼</p> <p>Describes the Group's business activities, initiatives and performance in the context of sustainability risks, opportunities and strategies.</p>	<p><b>Materiality</b></p> <p>▼</p> <p>Reflects our focus on EES impact that substantively influence stakeholders' decisions.</p>	<p><b>Completeness</b></p> <p>▼</p> <p>Includes information that is material to the Group within our operating boundaries that also sufficiently reflect our EES impact, allowing readers to properly assess our sustainability performance during the reporting period.</p>
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## SCOPE OF REPORT

For an interconnected reporting approach as prescribed by the IIRC, TM's sustainability statement is now a part and parcel of our Integrated Annual Report. This provides readers with a 'one view' and 'one reference point' on how our sustainability performance accelerates business aspirations while strengthening stakeholder relationships to meet present needs without compromising the future. In keeping with our digitisation efforts, relevant QR codes are provided throughout the sustainability statement, offering readers an opportunity to delve deeper into the subject matter on specific initiatives and disclosures.

## REPORTING PERIOD & BOUNDARY

All information disclosed in this statement covers the calendar year from 1 January 2019 to 31 December 2019, unless otherwise stated. It covers all implementations of TM's activities and initiatives across Malaysia. This report also addresses our response to the top seven (7) material topics that influence stakeholders' decisions, as well as those directly/indirectly impact our business. The last report was published in April 2019 for the year 1 January 2018 to 31 December 2018.

## REPORTING STANDARDS

This Sustainability Statement 2019 has been documented "In accordance with GRI Standards – Core". Additionally, we have adhered to the following local and international standards and guidelines:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- ISO 26000:2010 Guidance on Social Responsibility
- The United Nations Sustainable Development Goals (UN SDGs)

## INDEPENDENT ASSURANCE

As recommended by the GRI Sustainability Reporting Standards, we obtained an independent assurance from SIRIM QAS International Sdn Bhd to verify the authenticity, accuracy and transparency of this report.

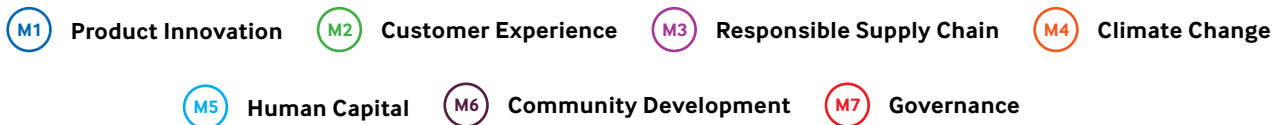
## POINT OF CONTACT

We welcome all feedback and comments on ways we can improve the quality of our sustainability statements. Please contact us at: [gbc@tm.com.my](mailto:gbc@tm.com.my)

## # SUSTAINABILITY FRAMEWORK

TM's sustainability framework is designed to allow us to optimise our EES contributions. The framework aligns our business priorities with national and global sustainability targets.

Last reporting year, we introduced TM's sustainability framework, which included five (5) strategic pillars of growth: Better Future, Economic Value, Green Citizenship, Society Equity, and Good Principles. These were aligned with 12 UN SDGs that address challenges identified by the global community. In 2019, we have revised and strengthened our sustainability framework. We looked at key areas of our activities to identify where we can maximise positive impact by way of resolving TM's material topics:



These were then cross-referenced with the UN SDG sub-indicators, as well as national priorities outlined in the Eleventh Malaysia Plan. In doing so, we were able to narrow down to eight (8) SDGs and to focus on achievable impact indicators. Moving forward, the framework will be reviewed according to the Twelfth Malaysia Plan, which will be released in 2020.

**>> TO MAKE LIFE AND BUSINESS EASIER, FOR A BETTER MALAYSIA**

<p><b>ECONOMIC</b></p> <p>Catalyse Malaysia's transformation into a 'Digital Economy' via integrated network infrastructure, digital platforms, seamless connectivity and innovative solutions.</p>		<p><b>Impact Indicators</b></p> <ul style="list-style-type: none"> <li>E-commerce and digital businesses</li> <li>Small and medium-sized entrepreneurs</li> <li>Coverage and connectivity</li> <li>Internet and mobile penetration</li> <li>Network of ICT infrastructure</li> </ul>
<p><b>ENVIRONMENTAL</b></p> <p>Manage our environmental impact through resource optimisation and reduction of our carbon footprint, mainly from our operations across the value chain.</p>		<p><b>Impact Indicators</b></p> <ul style="list-style-type: none"> <li>Energy and material consumption</li> <li>Waste production</li> <li>Carbon footprint</li> <li>Sustainable infrastructure</li> <li>Supply chain footprint</li> <li>Air and water quality</li> </ul>
<p><b>SOCIAL</b></p> <p>Nurture our people as well as communities towards a digitally-empowered and enabled future through upskilling and education, reducing inequalities, and providing access to resources that lifts people out of poverty.</p>		<p><b>Impact Indicators</b></p> <ul style="list-style-type: none"> <li>Access to basic services</li> <li>Basic infrastructure</li> <li>Skilled B40 entrepreneurs</li> <li>ICT scholarships</li> <li>Diversity of workforce</li> <li>Fair and equal wages</li> </ul>



## # SUSTAINABILITY GOVERNANCE

### M7 GOVERNANCE

Good governance is considered a material matter to TM's long-term success. Our corporate governance system is built on the principles of Ethics, Transparency, Accountability, and Responsibility.



This is why the relationship between governance and sustainability is critical to TM. The mismanagement of corporate governance can lead to corruption and malpractices; financial loss; poor employee morale; and loss of stakeholder trust. Supported by a strong foundation of policies and systems, we are able to cascade TM's values across the organisation to foster sustainability at all levels of our operations. It allows us to operate efficiently and mitigate risks effectively, resulting in increased stakeholder value and loyalty.

In 2019, we implemented initiatives that aim to strengthen governance and inculcate good ethics across the Group. For example, TM employees received reminders to self-declare their assets and interests as part of their Integrity Pledge 2019, which received a 100% take-up rate. Additionally, the GIG division held

multiple engagement sessions designed to raise awareness on corporate business ethics and integrity. These awareness programmes were held for stakeholders across the Group, including Board of Directors, management, employees, suppliers and scholars, reaching out to a total of 3,113 participants.

Stakeholders were also encouraged to report any illegal, unethical, or misconducts affecting them through TM safe and protective whistleblowing platforms such as TM Ethics Line, an anonymous platform that allows stakeholders to report misconduct without fear of retribution. This grievance mechanism helps strengthen ethics and integrity across the Group. As a result of TM initiatives in 2019, we continued to record zero non-compliance relating to corruption and misconduct, with zero penalty or fine. Additionally, we received a Participants Evaluation Feedback rating of

8.6 out of 10 for our business ethics awareness programmes, which demonstrate the quality and effectiveness of these sessions.

With a robust governance system in place, we reduce the Group's exposure to sustainability risks and their associated costs such as non-compliances, revenue leakage and reputational damage. In the following pages, we describe the institutionalisation of sustainability into our operations, as well as the governance of resolving material issues and risks.

**TM continues to record zero non-compliance**  
relating to corruption and misconduct, with zero penalty or fine.

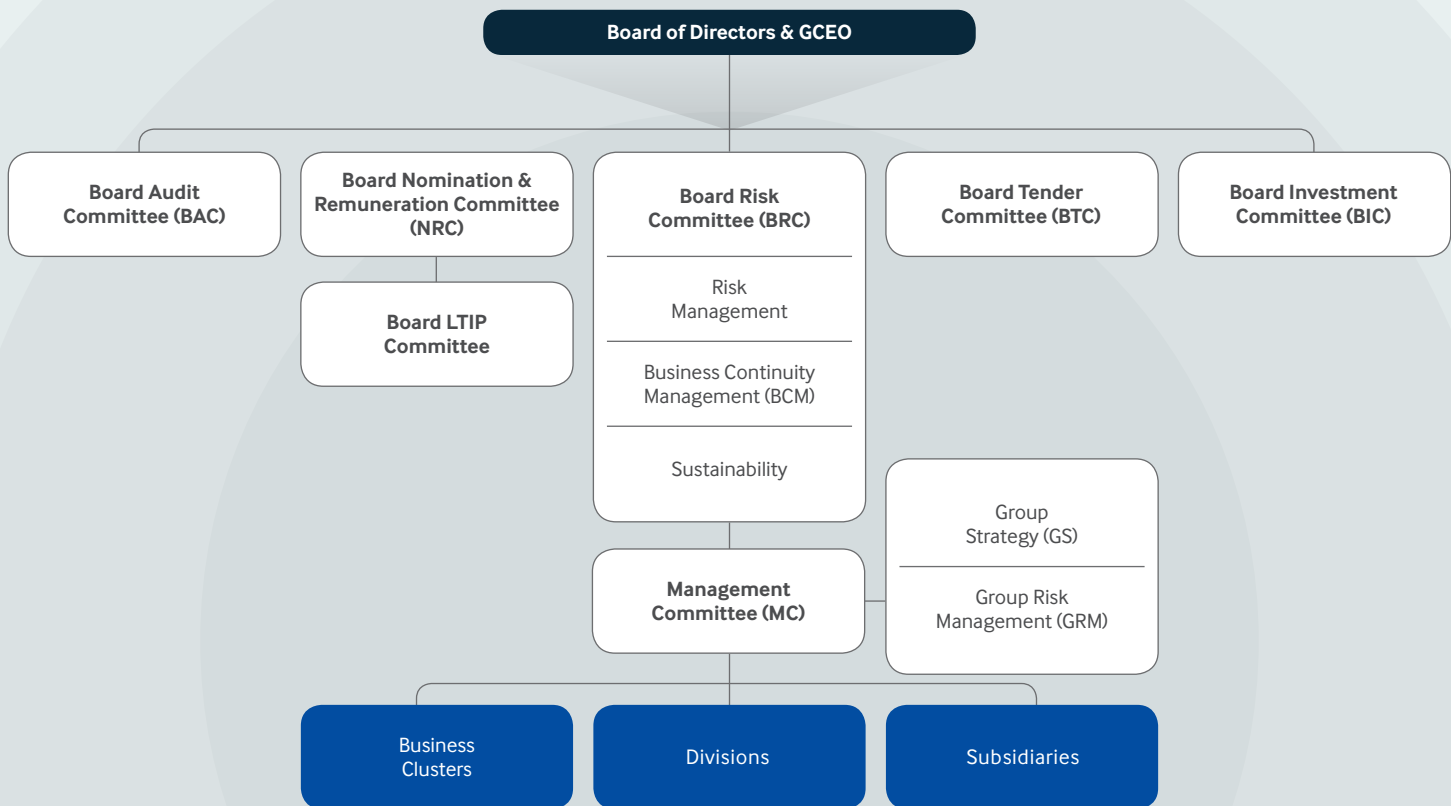
## # SUSTAINABILITY GOVERNANCE



### SUSTAINABILITY OPERATING MODEL

TM's sustainability governance structure is established to effectively implement economic, environmental and social strategies in an integrated way. This year, we have strengthened the role of sustainability function by improving its governance. As sustainability involves the effective management of EES risks, the new position of CRO was formalised to further enhance and institutionalise TM's sustainability culture.

There is a clear delineation of roles between sustainability process owners and management, allowing for a better decision-making process with improved accountability and ethics. The key roles and responsibilities are described below:



1. **GCEO:** Oversees deployment of effective strategies to meet sustainability aspirations of TM as well as acts as a key mediator between the Board and the Sustainability Head.
2. **CRO:** Spearheads the Group's risk management and sustainability function, as well as champions the integration of TM's sustainability principles and values into the risk management framework.
3. **Board of Directors:** Approves and validate all sustainability-related decisions.
4. **BRC:** Reviews the sustainability risk profile and the associated strategies, policies, principles and practices.
5. **MC:** Deliberates and approves key sustainability-related decisions.
  - **GS:** Helps to formulate sustainability strategies and ensure their alignment with the overall Group's Strategic Business Roadmap.
  - **GRM:** Acts as the custodian of TM's Sustainability Plan by implementing, monitoring and tracking progress against the set game plan and targets. Together with Group Brand & Communication (GBC), will ensure the alignment of sustainability risks and overall approach with the Group's risk strategy and progress.
6. **Business Clusters/Divisions/Subsidiaries:** Adopt, implement and report all sustainability strategies, programmes and initiatives.

## # SUSTAINABILITY GOVERNANCE

### Enterprise Risk Management Framework

There are strong links to EES issues with business risks. The world is facing an increasingly sustainability-driven market. More than ever, it is crucial to effectively address EES risks to maintain organisational resilience and stakeholder trust, as well as to maximise our contributions to creating positive impact.

As such, we are working to strengthen our existing ERM Framework to include environmental and social risks, thus institutionalising

sustainability within the Group. In 2019, we included PEOPLE as an additional risk cluster on the ERM to cover all social-related risks. Next year, we will further improve the ERM by including a risk cluster that covers environmental risks.

The integration of sustainability-related risks into the framework allows for a more comprehensive and holistic view on the alignment of business and stakeholder interests. This supports TM's sustainability risk management as it allows us to design and implement appropriate mitigation strategies to continuously improve our EES performance.

RISK CLUSTER				
STRATEGIC	FINANCIAL	TECHNOLOGY/SYSTEM	OPERATIONAL	PEOPLE
Unexpected changes in key elements of strategy formulation or execution including inability to implement appropriate business plans and strategies, decision making, resource allocation or inability to adapt to changes in the business environment.	Unexpected changes in external markets, prices, rates, and liquidity supply and demand or potential adverse financial condition that may negatively impact the company's cash flow.	Technology/system related failures that lead to business disruption such as information security incidents or service outages, or incompleteness in computer operations, or illegal or unauthorised use of computer systems.	Unexpected changes in elements related to operations, such as human resources, processes and disasters. It includes legal and regulatory risks arise as a result of non-conformance with laws, rules, regulations, prescribed practices, contract agreement or ethical standards.	Actual or potential threat of adverse effects on society and community, internally and externally. For example, human rights violations within the workforce, workforce competency, talent management (e.g. talent development, talent attraction and retention), corruption by employees/management.

 For full details of TM's ERM, kindly see page 163

### Membership Associations

Through professional associations and memberships, we increase our competitive advantage as we become more active and informed industry players. We exchange knowledge on best practices available in approaching material topics, as well as gain better understanding of industry trends, new regulations and technological advances. This strengthens our foundation and enables us to contribute to SDGs as well as to the vision of a Digital Malaysia.

The table below highlights our participation with various memberships and industry institutions:

Association	Membership
Associate of Certified Chartered Accountants (ACCA) – Approved Employer	TM
Malaysian Access Forum Berhad	TM
Malaysia South-South Association	TM
Malaysian Technical Standards Forum Bhd	TM
PINTAR Foundation	TM
Certified International Commercial Contract Manager (CICCM)	Individual
Certificate of the Business Continuity Institute (CBCI)	Individual
Institute of Internal Auditors Malaysia	Individual
Member of Chartered Institute of Procurement Supply (MCIPS)	Individual

## # SUSTAINABILITY GOVERNANCE

### Sustainability-Related Guidelines

Good governance is institutionalised in TM through well-established policies, guidelines and frameworks. These documents are designed according to relevant regulations, standards and best practice expectations. This helps create a sustainability-driven corporate culture with efficient decision-making and operational procedures.

The policies and guidelines that address our material topics are described below:

Material Topics	List of Policies & Guidelines
<b>M1 Product Innovation</b>	<ul style="list-style-type: none"> <li>Product Creation Framework</li> </ul>
<b>M2 Customer Experience</b>	<ul style="list-style-type: none"> <li>BCM Policy and Guidelines</li> <li>TM Corporate Security Policy and Framework</li> <li>Information Security Policy</li> <li>Customer Data Protection Circular</li> </ul>
<b>M3 Responsible Supply Chain</b>	<ul style="list-style-type: none"> <li>General Procurement Policy</li> <li>Technical Specifications – Green Technology Initiative</li> <li>Procurement Ethics – Rules and Practices</li> <li>Policy for Bumiputra vendor Development Programme (BVDP)</li> </ul>
<b>M4 Climate Change</b>	<ul style="list-style-type: none"> <li>Energy Saving Initiatives (ESI) Plan</li> <li>Facilities Management Environmental Policy</li> </ul>
<b>M5 Human Capital</b>	<ul style="list-style-type: none"> <li>TM Employee Handbook</li> <li>Terms and Conditions of Executive Officers for Management Level and Below (Band 1-3)</li> <li>Policy and Procedure – Employee Productivity Enhancement (EPE)</li> <li>OSHE Policy Statement</li> </ul>
<b>M6 Community Development</b>	<ul style="list-style-type: none"> <li>TM Group Communication Policy – Corporate Responsibility (CR) and Donations Administration</li> </ul>
<b>M7 Governance</b>	<ul style="list-style-type: none"> <li>Code of Business Ethics (CBE)</li> <li>TM Anti-Corruption Guide</li> <li>Grievance Procedure Process</li> <li>No Gift Policy</li> <li>Corporate Compliance Charter</li> </ul>

M1 **PRODUCT INNOVATION**

**Product Creation Framework**

Delivering quality and innovative products may involve new products, product enhancement, or bundling packages and promotions. TM’s Product Creation Framework describes the end-to-end journey of various product development. There are eight (8) key steps in a product’s roadmap: generate and collate ideas; prioritise based on value; develop initial proposition; market analysis and assessment; design the concept and validate; engage stakeholders; obtain concept and approval; and technical and solution design.



## # SUSTAINABILITY GOVERNANCE

### M2 CUSTOMER EXPERIENCE

#### BCM Policy and Guidelines

TM's national network infrastructure capability is supported by a robust BCM programme, which ensures a fast recovery of network and services outages caused by factors beyond our control. Extended periods of connection failures may lead to significant costs, particularly for our business customers. The BCM protects our customers against this risk, thus maintaining their trust in TM. It outlines TM's BCM principles and specific requirements in regards to the formulation of business continuity plans (BCP) and disaster recovery plans (DRP), as well as the implementation, testing and maintenance of the plans.

#### TM Corporate Security Policy and Framework

It is critical to effectively protect the mass amounts of information stored within our systems, particularly sensitive and critical information belonging to our stakeholders. This Corporate Security Policy acts as a model for improving TM's security management, and includes all means of handling, storing and processing information. It was developed according to various international standards and industry best practice.

#### Information Security Policy

To protect the information of our many stakeholders, the Information Security Policy covers the full range of risks associated with creating, amending or storing information. This policy provides employees and management with direction and support for information security in accordance with business requirements, as well as relevant laws and regulations.

#### Customer Data Protection Circular

Customer information may also be circulated to external parties, such as suppliers and business partners. Therefore, this guideline is circulated to the relevant parties, highlighting the importance of protecting TM' customer data against breaches and leakages. The guide describes the best practice in handling customer data, as well as how to respond to potential leaks.

### M3 RESPONSIBLE SUPPLY CHAIN

#### General Procurement Policy

The objective of this policy is to control and manage the overall procurement activities of TM. It has a clear delineation of responsibilities for better supply chain accountability and efficiency. The policy also upholds the integrity of the Group by clearly describing the processes and criteria that prevent conflict of interests between TM employees and suppliers.

#### Technical Specifications – Green Technology Initiative

For the supply of commodities and equipment, vendors are required to adhere to the Green Initiative on standards reference, energy efficiency, best practice, environmental protection, Restriction of Hazardous Substances (RoHS), recycle material management, and packaging. Suppliers are expected to share the green initiatives implemented in manufacturing, supply chain, procurement, building and energy consumption upon tender submission. They are expected to consider environmentally-preferable criteria developed by the United Nations Environment Programme (UNEP), US Environmental Protection Agency (US EPA) and other environmental organisations.

#### Procurement Ethics – Rules and Practices

Procurement is an important focus area for transparency and accountability, which helps build public trust. To maintain strong corporate governance in procurement, this handbook addresses the fundamentals of business ethics in all procurement activities, and extends to TM's subsidiaries and associate companies. Suppliers, as well as TM's employees involved in the procurement process, are guided by eight (8) key principles of procurement ethics, which include to Act Honestly and Fairly; Maintain Accountability and Transparency; Avoid Conflicts of Interest; Abide by the Rule of Law; Avoid Anti-Competitive Practices; Avoid Seeking Unfair Advantage, Commit to Proceed, and Encourage Co-operation.

## # SUSTAINABILITY GOVERNANCE

### M3 RESPONSIBLE SUPPLY CHAIN (CONTINUED)

#### Policy for BVDP

In support of the Government's objectives of promoting high-performing Bumiputera vendors, the BVDP was designed to develop proactive, resilient and competitive Bumiputera vendors across our supply chain. The policy describes the main focus areas and criteria to improve the capabilities of vendors, as well as to prioritise and optimise the use of local products and services.

### M4 CLIMATE CHANGE

#### ESI Plan

A key way to reducing TM's carbon emissions is by lowering our overall energy consumption. As such, our facilities are supported by ESI, which describes how we can improve energy-efficiency at network and non-network buildings. The ESI has target-setting for utilities and electricity performance, allowing facilities management to track their progress on a year-to-year basis.

#### Facilities Management Environmental Policy

TM facilities are required to conduct operations in a way that is protective of the environment. Guided by this policy, the Group must maintain an environmental management system that complies with regulations, prevents pollutions and accidents, and minimises the consumption of natural resources. Additionally, the policy also expects every employee to contribute towards achieving TM's overall environmental objectives.

### M5 HUMAN CAPITAL

#### TM Employee Handbook

Employees may refer to the employee handbook to understand the Group's operating procedures in terms of human capital. This handbook is used to establish important policies expected in the workplace, while also protecting the rights of employers and employees. It contains information on critical employee-related issues, such as Flexible Work Arrangement, collective agreements, training policies, business ethics, medical eligibility and more.

#### Terms and Conditions of Executive Officers for Management Level and Below (Band 1-3)

The benefits and working conditions of employees at band level 1-3 are protected by this document. The terms and conditions cover important employee details, including salary, remuneration, parental and personal leave, allowances, working hours and benefits. This ensures that employees know their rights, thus protecting them against financial and non-financial exploitation.

#### Policy and Procedure – Employee Productivity and Enhancement (EPE):

We understand that poor employee productivity and performance may be linked to personal issues and difficulties that they are facing. Therefore, the EPE provides a platform for managers to address issues of poor employee performance to optimise work productivity. It provides a fair opportunity for poor performers to improve their work under the full support of their managers, who will provide continuous coaching, guidance and training to the employee.

## # SUSTAINABILITY GOVERNANCE

### M5 HUMAN CAPITAL (CONTINUED)

#### Occupational Safety, Health & Environmental (OSHE) Policy Statement

The revised OSHE policy released this year reinforces our commitment to achieving the highest attainable level in providing a safe and healthy workplace for stakeholders in all areas of activities. This document complies with current applicable OSHE legislation, as well as other standards and requirements to which TM subscribes. It also ensures that the Group takes proactive steps to eliminate injury risks and health hazards to employees and suppliers, and strives for the continual improvement of TM's OSHE management system.

### M6 COMMUNITY DEVELOPMENT

#### TM Group Communication Policy – CR & Donations Administration

As a GLC, TM takes a leading role in contributing to the growth and well-being of society. This policy guides the Group to proactively define and adopt value-enhancing contributions as part of our core business strategy. It was designed according to the key areas of focus described in Bursa Malaysia CSR Framework for Malaysian public listed companies, namely The Environment, The Community, The Marketplace, and The Workplace. This ensures clarity, control and consistency in TM's response to social development.

### M7 GOVERNANCE

#### CBE

Across the Group, employees are expected to conduct themselves according to TM Core Values of Total Commitment to Customers, Uncompromising Integrity, and Respect & Care. These values are inculcated through CBE, which is applied to the Board of Directors, Management, Employees and all Business Partners of the Group. The code provides general guidance for resolving a variety of legal and ethical issues, including dealings with different stakeholders, anti-competitive behaviour, conflict of interests, corporate gifts, bribery and corruption, whistleblowing and compliance.

#### TM Anti-Corruption Guide

TM adopts a zero-tolerance approach to all forms of corruption, which is reflected in the Anti-Corruption Guide. This guide sets out the policy statements and guidelines in relation to improper solicitation, bribery and other corrupt activities that may arise within the organisation. It provides situational examples that help stakeholders understand and act against any issues related to bribery and corruption.

#### Grievance Procedure Process

Our stakeholders are protected by a grievance mechanism that air out any grievances safely and efficiently, thus creating a conducive and comfortable environment. The Grievance Procedure Process describes the five (5) main levels responsible for resolving a problem: Discuss the complaint with immediate supervisor; Submit grievance to Manager/Head; Record a formal dispute with related Human Capital level; Refer a written dispute to the Standing Committee; and Submit an official dispute to GHCM.

#### No Gift Policy

TM employees are strictly forbidden to receive contributions, such as gifts, hampers, money and vouchers, from suppliers and business partners. This policy is reinforced during festive seasons, when gift-giving is more rampant. All contributions received within TM premises will be returned to senders. This policy helps to inculcate the highest level of integrity, transparency and good governance.

#### Corporate Compliance Charter

Effective corporate compliance management means meeting compliance obligations at all times, thus protecting TM against potential financial loss or reputational damages. More importantly, corporate compliance culture improves the way we create value for stakeholders, which is vital for a sustainable business. As such, this charter was established as a strategic guideline on corporate compliance management within TM. The charter describes TM's corporate compliance expectations, governance and reporting structure, roles and responsibilities, mandate and scope of review.

# # SUSTAINABILITY SCORECARD

## SCORECARD

### ECONOMIC



**3.0 million**  
Total customers served



**54%** **Convergence**  
household penetration



**RM59.8 million**  
invested in R&D



**>560,000km**  
of fibre-optic cables  
across Malaysia



**99.5%**  
of customer complaints  
resolved within 15 days



**RM1.22 billion**  
contributed to local suppliers



**RM938.0 million**  
distributed to Bumiputera vendors

### ENVIRONMENTAL



**7.5%**  
decrease in overall greenhouse gas  
emissions



Over **6,500** corals propagated  
since 2017



**7.4%**  
reduction in energy consumption



**25% and 10%** drop in solid and scheduled  
wastes, respectively

### SOCIAL



**38.6%**  
female workforce



**38%**  
of employees protected by  
collective bargaining agreements  
under employee unions



**22 hours**  
of training received  
on average for each  
employee



**>RM12.0 million**  
invested in employee training and  
development programmes



**17%**  
of board members  
are women



**32%** of management  
positions are held by women



**RM761,000**  
invested in community initiatives



**RM549.5 million**  
worth of education scholarships  
awarded since 1994

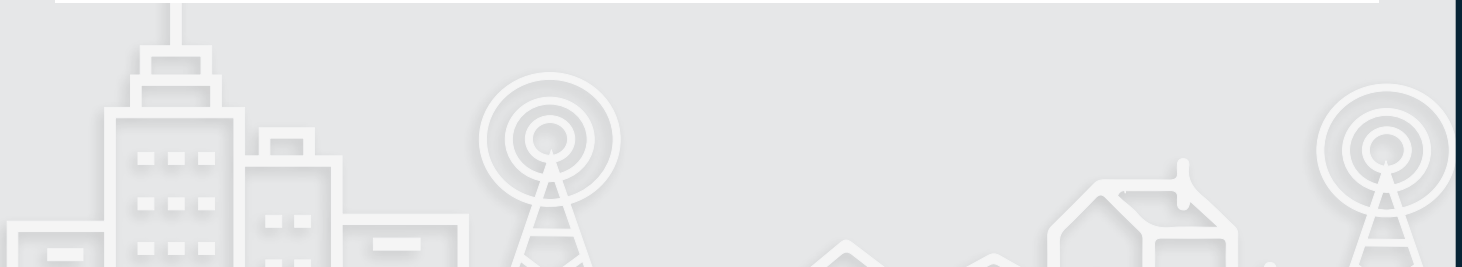
### AWARDS



**Employer Excellence Award 2019** from  
Malaysia Employer Federation (MEF)



**The Best Company to Work for in Asia**  
from HR Asia Award 2019





# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

## ECONOMIC, ENVIRONMENTAL & SOCIAL IMPACT

Our sustainability objective is to create stakeholder value by optimising economic and social development, while minimising our environmental footprint. We focus on strategies that address our material topics, then measure the associated EES impact. This year, our material topics were further broken down to key strategic drivers, which allows us to better track and manage our impact. The following pages elaborate on the main initiatives and value created for each material topic.



### M7 Governance

Discussed in the section  
# SUSTAINABILITY GOVERNANCE on pages 72-78

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

### M1 # PRODUCT INNOVATION

TM's innovative and comprehensive products drive the digital transformation of Malaysia. We invest in emerging technologies and infrastructure expansion that help deliver faster and more affordable connectivity. Currently, we continue to expand our PoPs consisting of high-speed telecommunications equipment and technologies, which enable consumers to gain Internet connectivity through their Internet Service Providers (ISP). We also have more than 20 submarine cables systems spanning over 190,000km with global reachability.

The focus of our innovation capacity is channelled through two (2) areas: Digitisation, which is driving productivity via Digital; and Digitalisation, which is the monetisation of Digital businesses. Through our innovative products, we deliver digital solutions that build businesses, communities, and economic growth. Additionally, **our innovative products and extensive infrastructure network provide Malaysia with affordable connectivity and are enabling greater access to critical development platforms such as healthcare, financial services and education.**

#### Critical Development Platforms:



Healthcare



Financial Services



Education

An innovative working culture is also crucial to our long-term success. **Customers' needs are rapidly growing, as they expect better voice and text options; interesting OTT services; flexible plans for fast download speeds; efficient payment mechanisms; and many more. We are focused on establishing a platform-mix of technologies and processes that meet customer demands, predict market trends and deliver consistent quality.**

TM's ability to deliver innovative products elevates us above our competitors, and allow us to remain a key player in the telco industry. Our product development strategy is to continually learn and adapt, create products that anticipate coming needs and provide customers with new quality solutions.

It is also important for TM to maintain product quality, which reduces the risk of replacing faulty goods, hence avoid unnecessary wastages. This is why our products are heavily shaped by standards and processes. We are guided by institutional and policy frameworks that reflect best practice in product development, thus allowing us to deliver high-value products to our customers.

#### KEY DRIVERS



TECHNOLOGY



SOLUTIONS



STANDARDS



#### TECHNOLOGY

Globally, the telco industry is making profound shifts in technology, which coincides with rising demand for intelligent connectivity and digitalisation. While the accelerating pace of technological innovation does present a set of challenges such as increased competitive and regulatory pressures, there are also great opportunities. **By harnessing new technologies and disruptive scenarios, we are able to deliver digital solutions for our customers, while also improving our environmental and social impact.** We adopt a holistic approach towards the rapid development of technology, by combining the potential of disruptive technologies with more mature and well-established systems. Our ability to unlock the potential of emerging technologies accelerates digital progress, thus improving the livelihood of customers, as well as all Malaysians.

**By 2025, approximately 1.4 billion people will be connected through 5G.**

Source: GSMA: The Mobile Economy 2019



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## TECHNOLOGY (Continued)

### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Lack of understanding and awareness of emerging technologies and the associated risks/threats.
- Poor integration and development of new technologies to address issues material to our diverse customers.
- Lack of regulatory support for full implementation of new technologies.



#### How Do These Impact Value Creation?

- Missed opportunities to create new digital and innovative solutions for customers.
- Developed products and services do not sufficiently meet customer expectations.
- Slow uptake of new technologies by all relevant stakeholders.

#### 2019 Initiatives

- **Research & Development:** Over RM59.8 million invested in R&D which includes products that utilises machine learning and AI to deliver life-enhancing smart solutions to stakeholders.
- **5G Development:** Participated in 5GDP in collaboration with the Government to deliver Smart City solutions.
- **IDEAS+:** Released unifi and pre-unifi expert advisory and machine learning for call the centres with an accuracy of 97%.

#### Values Created



#### TECHNOLOGY AND INNOVATION AWARDS

• **2 AWARDS**  
from Malaysia Technology Excellence Awards

• **4 AWARDS**  
from MSC Malaysia APICTA



#### ECONOMIC IMPACT

- Developed 5G products and solutions that will improve productivity and income generation opportunities
  - Smart Retail Analytics – Analyses customer movement and behaviour for targeted advertising and strategies, thus improving retail performance
- **IDEAS+:** 68% reduction in call centre waiting-time for TM customers



#### ENVIRONMENTAL IMPACT

- Developed 5G products and solutions that will minimise environmental footprint:
  - Smart Water Management System – Uses analytics for centralised control, monitoring and billing
  - Smart Vehicle Management System – Conducts vehicle tracking and performance management
  - Smart Agriculture – Automates farming to monitor and manage crops



#### SOCIAL IMPACT

- Developed 5G products and solutions that will ease the activities of people and local Government:
  - Smart Safety Helmet – Protects high-risk workers with a connected helmet that provides real-time tracking and voice communication features
  - Geolocation People Safety – Tracks and monitor people who require extra protection, such as children, tourists and the elderly
  - Smart Traffic Lights – Eases vehicle & pedestrian traffic through sensors and AI
  - Smart Safety and Security – Provides real-time monitoring to local authorities for increased safety and crime prevention
  - Smart Parking – Delivers real-time parking bay monitoring for improved management and performance
  - Smart Tourism – Provides travel essentials such as planners, parking, qiblat direction, city services and emergency alerts
  - UNESCO 8K VR – Promotes Langkawi's point-of-interests through virtual reality, showcasing its beauty anytime and anywhere

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### SOLUTIONS

Internet and online connectivity provide people access to a range of services, such as education, health-care, job opportunities and banking services. These digital solutions help generate economic growth and uplift communities out of poverty. However, more than 3.9 million Malaysians remain offline as they lack access to affordable coverage or are digitally illiterate<sup>1</sup> and hence are unable to optimise the potential of digital solutions. Though a high percentage of Malaysians are internet users, with the NFCP, the target is to at least have 98% of key populated areas covered with minimum 30Mbps broadband by 2023. Similarly, by 2022, the NFCP aims to connect 70% of schools, Government offices, hospitals, clinics, police stations and fire stations across Malaysia through fibre network. Driven by this nation-building agenda, TM is committed to closing the 'connectivity gap' or the 'digital divide' by accelerating internet connectivity and scaling affordable online-enabled solutions.

**87.4%**  
of Malaysians  
are internet users.

*Source: Malaysian Communications and Multimedia Commission (MCMC) 2018*

### Key Capitals Affected/Inputs:

#### Key Sustainability Concerns

- Underdeveloped ICT infrastructure and broadband network across Malaysia.
- High costs and unaffordable broadband packages.
- Low digital literacy and skills within older age groups communities.

#### >> How Do These Impact Value Creation?

- Limited access to internet connectivity, particularly to rural and underdeveloped communities.
- Inequality and exclusion of the lower-income population to online services.
- Poor uptake of online services by large portions of the population, which delays socio-economic progress.

#### 2019 Initiatives

- **Infrastructure Expansion:**
  - o Expanded the fibre cables to over 560,000km domestically and internationally.
  - o Installed an additional 4,197km of submarine cable, which were built under comprehensive requirements and approval from Marine Environment Protection Unit.
- **Broadband Enhanced:** Rewarded unifi customer with 10x broadband speed upgrade.
- **Affordable Access:**
  - o Introduced affordable mobile postpaid family packages for as low as RM19.
  - o Ran the unifi Pay Nothing campaign, providing existing and new customers with three (3) months of free broadband.
- **Digital Solutions:** Enhanced unifi's digital channel mix via myunifi app and digital onboarding campaigns.

#### Values Created



#### ECONOMIC IMPACT

- **Closing the Digital Divide:**
  - o >190,000km of submarine cable providing connectivity to >500 customers worldwide
  - o 21% increase in customers accessing the internet due to affordable unifi mobile postpaid & unifi fixed
  - o 3.0 million customers served with broadband connectivity, thus delivering greater access to online solutions
  - o 360,000 customers enjoyed free broadband via unifi Pay Nothing campaign
  - o 1.2 million digital subscribers to unifi's enhanced digital mix

Source:

<sup>1</sup> MCMC, 2018



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### STANDARDS

As we innovate and develop new products and services our aim is to maintain and improve the quality of our offer. **By doing so we will protect customers from the potential health risks of defects and sustain/increase customer satisfaction and loyalty. We will also reduce the wastes and environmental impact associated with replacing faulty products.** As stipulated in TM's Product Creation Framework, we conduct an Impact Analysis and Risk Assessment of new products to increase the success rate of each product. Through our quality-control system, we have built a reputation for delivering products that exceed industry standards.

**36% of millennials believe businesses should prioritise the production of high-quality goods and services.**

*Source: Deloitte Global Millennial Survey 2019*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Launch of products that do not meet the necessary market standards.
- Poor implementation of health and safety standards for product development.
- Releasing low-quality products that do not meet customer needs.

#### >> How Do These Impact Value Creation?

- Produce inapt and low-quality products that do not meet customer expectations.
- Potentially harmful products that threaten the safety and well-being of customers.
- Feelings of frustrations and dissatisfaction from customers who have to return/replace their products.

#### 2019 Initiatives

- Monitor consumer feedback to proactively address potential product quality issues.
- Strictly adhere to product creation framework to ensure high-quality production.

#### Values Created



#### ECONOMIC IMPACT

- In reference to regulatory requirements, there were no major product recall or replacements



#### SOCIAL IMPACT

- No cases of harm and injury
- No cases of injuries for TM employees

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

### M2 # CUSTOMER EXPERIENCE

The telco industry worldwide is experiencing an influx of competition, resulting in an increase in customer churn. Consumers are expecting more – they want their questions answered fast and their problems solved swiftly. If these demands are not met, then they will seek it from the competition. They may also share their frustrations through social media, possibly influencing others within our customer base and affecting our reputation. Therefore, it is important that we provide a personalised and seamless customer experience to strengthen their loyalty and our reputation.

This is why at TM, we adopt a ‘customer first’ management approach. We manage customer experience at every touchpoint of the customer’s journey. To start with, customers expect minimal outages and disruptions. This comes with a growing complexity, as the rise in the telco industry has caused a rapid rise in the technology involved. Therefore, there are more components now that could malfunction and disrupt the customer experience. To mitigate this, we invest in technological solutions that increase the stability of our customer’s connection, and quickly resolves any technical problems that may occur.

We are also growing TM touchpoints, which allows customers to conveniently connect to our team through various platforms of

their choice. This includes incorporating digital technology into customer interactions for a simpler and more engaging customer journey. Our frontliners are also equipped with high-quality customer service skills, which are regularly enhanced through training programmes by the Service Culture team.

It is also vital to create a safe online environment for our customers. Our extensive customer base exposes the Group to the risk of malicious actors trying to gain access to their data. We are continuously strengthening TM’s cybersecurity by adopting the latest technologies and certifications, thus protecting our customers from credit card and ID theft, damages to websites and loss of reputation.

#### KEY DRIVERS



STABILITY



SECURITY



SERVICE



STABILITY

**25% of businesses surveyed worldwide reported an average cost of US\$300,000 to US\$400,000 per hour during ICT outages.**

Source: Statista 2019

As consumers increasingly rely on connected devices, they require seamless and uninterrupted connectivity. Network failures are worse for entrepreneurs, in which many business models and operations depend on online access. Long-periods of connection failures may directly impact their bottom lines. **To consistently create value for customers, TM works towards minimising disruptions, as well as increasing our resilience and ability in resolving technical issues faced by our customers.** For example, our BCM framework ensures a fast recovery of network and services outages caused by factors beyond our control. The top five (5) reasons for TM network interruptions are fibre cable cuts due to third-party contractors’ issues; third-party power failures; hardware failures; software failures; and internal power trips. Therefore, TM strives to implement systems and infrastructure that better protect our network against these identified issues.



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## STABILITY (Continued)

### Key Capitals Affected/Inputs:



Key Sustainability Concerns	>> How Do These Impact Value Creation?
<ul style="list-style-type: none"> <li>• Service disruptions from improper installation of equipment and systems.</li> <li>• Poor emergency response facilities to protect infrastructure network.</li> <li>• Weak security systems surrounding cable network leads to increased cable thefts.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial and productivity loss for SMEs and other business customers.</li> <li>• Poor connectivity affects customers' access to critical services, such as healthcare, education, banking etc.</li> <li>• Network and connectivity disruptions impact the quality of customer experience.</li> </ul>

### 2019 Initiatives

- **BCM:**
  - o Implemented Cellular on Wheel (CoW) solutions to improve the availability and recovery of mobile products and convergence services.
  - o Established a business continuity plan at TM touchpoints for uninterrupted customer experience.
- **KVDC:**
  - o Launched a new data centre which received the Uptime Institute Tier III certification for design and constructed facility.
- **Cable Security:**
  - o Strengthened the security level of TM's cable network through collaborations with PDRM and community members.
- **Cable Restoration:**
  - o Trained the *Rakan Rangkaian* (RR) copper contractors with fibre network services skills for restoration works.

### Values Created



#### ECONOMIC IMPACT

- **BCM:**
  - o Provided continuous connectivity with minimal network disruption
- **KVDC:**
  - o No shutdown required for equipment replacement and maintenance
- **Cable Security:**
  - o **39.6%** drop in cable thefts and cable thefts thus reducing network disruption
- **Cable Restoration:**
  - o **99.7%** attendance rate by technical team for customer installation compared to 98.5% in 2018

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### SECURITY

The emerging digital world brings upon a new type of risk – cybersecurity threats. Given TM’s extensive customer base, we possess critical information within our system that makes TM an attractive target for data breaches and cybercrime. **We need to protect our retail and business customers against these cyber threats, which include credit card and identity thefts, leaking of sensitive information, and reputational damage.** To mitigate against online security attacks, the Group Information Security (GIS) adopts a holistic approach to cybersecurity that involves early threat detection, robust prevention measures, and effective incident-response methods.

**79% of millennials fear falling victim to online fraud and identity theft.**

*Source: Deloitte Global Millennial Survey 2019*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Weak cybersecurity infrastructure and control systems.
- Lack of awareness on online safety among stakeholders.
- Activities and practices that breach the Personal Data Protection Act (PDPA) 2010.

#### How Do These Impact Value Creation?

- Major cyber-attack events that damage public perception and customer loyalty.
- Frequent online security incidents could compromise the data of all TM stakeholders and beneficiaries.
- Financial loss from penalties and sanctions due to regulatory non-compliances.

#### 2019 Initiatives

- **Cybersecurity Awareness Programme:** Conducted a series of cybersecurity sessions for employees, management team and the general public. This is a continuous programme that aims to create safe and responsible online practices among TM stakeholders.
- **Cybersecurity Certifications:** Manage information with ISO/IEC 27001:2013 Information Security Management System (ISMS) certification and Payment Card Industry Data Security Standards (PCI DSS) so that data remains secure and resilient against cyber-attacks.
- **Anti-Distributed Denial of Service (DDoS):** Expanded TM’s Anti-DDoS platform to strengthen the security of TM’s online infrastructure against volumetric attacks.
- **Technology Refresh:** Ensured timely technology refresh to manage technology obsolescence risks so that security controls are not disrupted.
- **Innovative Solutions (Codename: Project Centurion):** Allow code developers to perform self-service security assessments to minimise the vulnerability of codes in TM applications.

#### Values Created



#### ECONOMIC IMPACT

- RM2.42 million in cost avoidance from the protection of customer information through PCI DSS certification
- 100% of data-related incidents resolved



#### SOCIAL IMPACT

- Increased public awareness on the latest cyber threats and trends to help them stay safe online
- Better protection of customer information increases the reliability and availability of TM’s services for an enhanced digital lifestyle



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## SERVICE

In the increasingly fast-paced world, customers are accustomed to quick and easy access to information. **They expect the same simple and seamless interactions from their service providers. Our touchpoints balances the efficiency that comes with digital technology, with the emotional connection delivered by our frontliners.** The top customer service complaints captured are related to technical issues, infrastructure availability and readiness, billing disputes, and product problems. By identifying the common pain points in the customer journey, our customer service team is able to resolve these issues and improve our service standards, thus enhancing customer loyalty. Our customer satisfaction efforts also include improving the experience of visitors at TM's cultural landmarks, including KL Tower, Menara Alor Setar, Muzium Telekom and Muzium Telegraf.

**There was a 47.5% increase in consumer complaints received by MCMC in 2018.**

Source: Malaysian Communications and Multimedia Commission (MCMC) 2018

**Key Capitals Affected/Inputs:**

Key Sustainability Concerns	>> How Do These Impact Value Creation?
<ul style="list-style-type: none"> <li>Inefficient and complicated processes at customer complaint channels.</li> <li>Incompetent and untrained customer service professionals at TM's touchpoints.</li> <li>Customers complaining about poor service on social media platforms.</li> </ul>	<ul style="list-style-type: none"> <li>Delays and slow complaint resolutions impact customer experience.</li> <li>Poor service by TM frontliners decrease customer satisfaction and loyalty.</li> <li>Catalytic effect of customer frustration and dissatisfaction resulting in their change of provider preference.</li> </ul>

### 2019 Initiatives

- Digital Empowerment:**
  - Increased digitisation of customer service via ChatBot, Driving Digital Adoption (DDA) initiative, and myunifi app (Malaysia's first convergence telco mobile app).
  - Implemented a real-time SMS payment system.
- Customer Service Training:** Conducted various customer service and customer-centric training programmes.
- Cultural Landmark:** Introduced the E-ticketing Kiosk and Skybox Queueing System at KL Tower.

### Values Created



#### ECONOMIC IMPACT

- Overall Customer Satisfaction:**
  - TRI\*M Index** (Expresses the level of customer satisfaction and retention)
 

2019	[Bar]	70
2018	[Bar]	77
2017	[Bar]	78
  - 99.5% of customer complaints resolved within 15 days

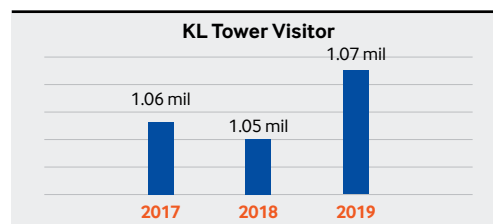
Net Easy Score	Target	Achieved
Installer	80%	84%
Assurance	64%	72%
TMpoint Outlets	72%	75%
Contact Centre	64%	71%

- Digital Empowerment:**
  - 78% of customers interactions are digitised, against the 70% target
  - 20% reduction in billing interactions for a more seamless customer experience



#### SOCIAL IMPACT

- Customer Service Training:** 1,200 employees trained in NECS, a programme that instils a culture of customer-centricity for non-sales and non-service employees
- Cultural Landmark:**
  - Digital Award Winner from World Federation of Great Tower
  - 2.3% increase in KL Tower visitors, resulting in an enrichment of local culture



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

### M3 # RESPONSIBLE SUPPLY CHAIN

With over 6,900 active suppliers, the impact of TM business is multiplied throughout our supply chain. We work with different companies from different sectors and backgrounds, so it is very important that we responsibly manage all parts of our supply chain. Our suppliers are expected to follow a set of principles in reference to ethical social and environmental procurement standards, which are mandatory for their working agreement. This includes contracts for the supply, delivery, installation, testing, commissioning, post-acceptance maintenance and support services of telecommunication infrastructure.

We also monitor the environmental and social policies of our first-tier suppliers, to determine the integration of responsible practices into their operations. We evaluate the potential level of risk of providers as well as the risk associated with each sector. In doing so, we ensure that their services comply with our own policies and expectations. This helps us guarantee that the materials used for our infrastructure are ethically and responsibly sourced. Suppliers are also expected to adhere to guidelines around forced labour, health and safety, freedom of association, discrimination, working hours and business ethics, including integrity and anti-corruption.

While we monitor the activities of our suppliers, we also focus on creating value for these stakeholders. We prioritise local suppliers, with a special emphasis on Bumiputera suppliers. This ensures that our procurement contracts contribute to the development of local SMEs and entrepreneurs, which consequently contribute to the national economy. We also extend our digital efforts to our

procurement process, in line with our vision of "Procurement Made Easier". Group Procurement (GP) department establishes digital platforms that increase the efficiency and flexibility of procurement activities, thus providing our suppliers with a seamless experience.

All TM employees are trained to treat this important stakeholder group with the highest level of respect, while protecting their rights as workers at all times. Their contracts are designed in accordance with Malaysia Labour and Employment Laws, as well as TM's own mandatory requirements. Additionally, our suppliers are protected by supplier associations, namely *Persatuan Kontraktor Telekomunikasi Malaysia* (PKTM) and *Pertubuhan Keusahawanan Telekomunikasi Berhad Malaysia* (PKTBM). These help in the welfare protection of our suppliers in terms of salary, working conditions and benefits. The ethical and transparent supply chain management allows us to sustainably support our contractors for better performance and delivery.

#### KEY DRIVERS



ETHICAL SOURCING



VALUE CREATION



INTEGRITY



ETHICAL SOURCING

The principles applied to TM operations are also required across the supply chain. Our procurement management policies ensure ethical sourcing of products and services, which helps maintain product quality and consistency for customers while minimising the environmental and social risks across the supply chain. Under TM's technical specifications for commodities and telecommunications equipment, suppliers must comply with green standards and initiatives. Similarly, suppliers for TM's data centres are required to comply with the Green Building Index (GBI), which will undergo a compliance assessment by Construction Industry Development Board (CIDB) upon completion. There are also strict clauses on submarine cable contractors to protect the marine environment. As for waste management, the scrap disposal supplier must dispose of hazardous and unwanted items in accordance to local authorities and the Department of Environment (DoE) requirements, and must be approved by TM. We also monitor the treatment of workers across the supply chain, penalising suppliers who breach labour laws and social rights.

**36% of millennials have stopped a business relationship because of the company's unethical behaviour.**

Source: Deloitte Global Millennial Survey 2019

# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## ETHICAL SOURCING (Continued)

### Key Capitals Affected/Inputs:

#### Key Sustainability Concerns

- Poor labour conditions and human rights breaches by TM suppliers.
- Environmental pollution and degradation within TM's supply chain.
- Non-compliance to social and environmental regulations from suppliers.



#### How Do These Impact Value Creation?

- Physical and mental harm to workers across the supply chain.
- Polluted environment impacts the well-being of surrounding communities.
- Damages the trust and relationship between TM and regulators.

#### 2019 Initiatives

- **Re-issuance of Short-Length Optic Fibre Cables:** Reduces the write-off and disposal of short-length cables that have no residual value. This involves the continuous engagement with the network team to utilise slow-moving stock with minor design modification to suit network requirements.
- **Worker Rights:** Enforced additional KPIs in supplier contracts to monitor the welfare protection of workers in terms of salary, wage, EPF, SOCSO and income increment. Non-compliances may impact supplier performance or payment deductions as penalty.
- **Supplier Engagement:** Conducted frequent engagement sessions with suppliers that aims to identify sustainable solutions related to contractual agreements.

#### Values Created



#### ENVIRONMENTAL IMPACT

- 100% compliance with environmental regulations and requirements by working contractors and enforced within the contract
- 25% and 10% drop in solid and scheduled waste production respectively, which is partly due to green standards and initiatives in working contracts



#### SOCIAL IMPACT

- 100% compliance to labour regulations and requirements by working contractors
- No cases of slavery and other human rights breaches to supply chain labour workers
- 8.7 rating in Procurement Maturity Index (PMI) against an 8.2 target, which reflects the general happiness and satisfaction level of suppliers on the efficiency of TM procurement processes

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### VALUE CREATION

TM suppliers are an important element for the sustainable growth of the organisation. As a key stakeholder group, we are focused on ways to continually create financial and non-financial value for our suppliers. This allows us to maintain their trust and upkeep a mutually beneficial relationship. We also ensure our contractors receive adequate training to learn about the best practices and regulatory requirements in the industry. **Our work with suppliers also provides the opportunity to further contribute to national development, as we provide high-income projects to local businesses and SMEs. We also work with larger, more established contractors based on their ability to transfer knowledge and catalyse the development of other suppliers.** Additionally, our vision of 'Life Made Easier' extends to our suppliers, in which we integrate digital technology into our procurement system.

**SMEs contribute to 38.3% of national GDP (US\$126.00 billion).**

*Source: Department of Statistics (DOSM) 2019*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Inefficiency in procurement management processes.
- Low number of local SMEs in the supply chain.
- Poor understanding of the expectations and concerns of suppliers.

#### >> How Do These Impact Value Creation?

- Delay in payments and slow procurement processes result in frustrations from TM suppliers.
- Fewer contributions to the economic and social development of the country.
- Failure to grow the vendors for greater economic development.

#### 2019 Initiatives

- **TM Supplier Recognition Programme:** Recognises the top-performing suppliers in various areas, including service, quality, responsiveness, compliance and innovation. The programme aims to inspire and motivate suppliers for better performance. In 2019, 37 suppliers were nominated for 19 awards in five (5) main categories: Mega Partner, Mid-Tier, Material Operations, Transactional, and Bumiputera Vendor Development.
- **TM BVDP:** Develops competitive, sustainable and high-performing Bumiputera vendors through structured capacity and capability-building programmes. This is in support of the Government's Bumiputera Empowerment Agenda (BEA) to produce National and Regional Champions. The 2019 focus is to develop emerging and innovation-driven suppliers from digital services to ensure their readiness and competitiveness in the open market.
- **Supplier Relationship & Material Management (SRMM):** Manages all interactions with suppliers that supply goods and services to optimise value from a contractual arrangement of governance and relationship-building. This forms stronger relationships with suppliers to reduce risks of failure.

#### Values Created



#### ECONOMIC IMPACT

- RM1.95 billion contributed to suppliers, with more than 60% (RM1.22 billion) distributed to local suppliers
- RM938.0 million distributed to Bumiputera vendors, making up to 75% of working contracts



#### SOCIAL IMPACT

- 56 Bumiputera vendors participated in TM BVDP, which accelerated their progress to become National and Regional Champions for the adoption of IR4.0 while creating more job opportunities



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### INTEGRITY


Our strong relationship with suppliers is built on mutual feelings of trust and respect. **All employees are trained to treat TM suppliers with the highest level of integrity, and protect their rights as workers at all times.** This includes fair and transparent contracts, collective bargaining agreements and welfare protection. We also rely on our network of suppliers to conduct themselves with integrity and transparency. They must strictly adhere to TM’s CBE, Procurement Ethics, and Integrity Pact. TM’s procurement ethics are built on three (3) key tenets of ethical conduct, which include: 1) zero-tolerance on corruption; 2) no or transparent conflicts of interests; and 3) honest representation of capabilities. Additionally, suppliers are encouraged to report any illegal, unethical, or improper conduct affecting them through any whistleblowing channel, such as TM Ethics Line. This grievance mechanism helps strengthen ethics and integrity across the supply chain.

**Around one (1) in three (3) firms in Malaysia experienced at least one (1) bribe payment request in 2018.**  
*Source: Asian Development Bank 2018*

#### Key Capitals Affected/Inputs:

Key Sustainability Concerns	>> How Do These Impact Value Creation?
<ul style="list-style-type: none"> <li>Poor understanding of governance policies and standards among suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Corruption and ethical practices weaken TM’s supply chain.</li> </ul>
<ul style="list-style-type: none"> <li>Inapt supplier contracts and welfare systems.</li> </ul>	<ul style="list-style-type: none"> <li>Labour breaches that impede the development of suppliers.</li> </ul>
<ul style="list-style-type: none"> <li>Weak governance and grievance system for suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Threats and harm against suppliers who report misconducts within the supply chain.</li> </ul>

2019 Initiatives
<ul style="list-style-type: none"> <li><b>Hari Mesra Vendor:</b> Held a consequence management briefing event that focuses on the integrity of sourcing and procurement processes for TM suppliers in the Northern region.</li> </ul>
<ul style="list-style-type: none"> <li><b>Self-Declaration Integrity Pledge:</b> Require all new suppliers to understand and agree to TM’s Integrity Pledge.</li> </ul>

Values Created
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>ECONOMIC IMPACT</b></p> <ul style="list-style-type: none"> <li>100% of new suppliers self-declared to TM’s Integrity Pledge</li> <li>No fines or penalties received by the Group due to corruption and misconduct within the supply chain</li> </ul> </div> </div>

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

### M4 # CLIMATE CHANGE

In addition to economic development, TM's role in empowering a Digital Malaysia is also driven by our potential to combat climate change. Although the ICT sector contributes 2% of global carbon emissions, increasing connectivity offsets the emissions. By providing digital solutions, we enable other sectors of the economy to grow while reducing energy use, travel and greenhouse gas (GHG) emissions. Therefore, the transition towards a digital economy helps achieve global carbon-reduction targets.

As we work to increase connectivity and digital, the necessary network and infrastructure expansion brings upon risks of environmental harm. With any major construction projects, the development of telco infrastructure requires large volumes of natural capital. To minimise environmental impact, our operations and infrastructure expansion are guided by stringent policies and management plans. We have been continuously improving on our emissions and consumption policies, objectives, targets and strategies. TM's extensive infrastructure is equipped with state-of-the-art facilities and technology which meet international standards. Additionally, we monitor and measure activities that contribute to our carbon footprint, including energy use and waste production, resulting in a 7.5% reduction in overall emissions for 2019.

We also adopt sustainable practices that adhere to regulatory standards. We conduct regular monitoring of the air, noise and water of areas surrounding our operations. We strive to consistently comply with the environmental monitoring limits stipulated by the DoE thus ensuring that our business does not harm nearby environment and communities.

In addition to managing the footprint of our operations, we are dedicated to raising environmental awareness among Warga TM as well as the general public. We invest in awareness programmes that educate people on how they can play their part in reducing their consumption of natural capital, and motivate others to work together for the betterment of future generations.

#### KEY DRIVERS



**SUSTAINABLE PRACTICES: EMISSIONS MANAGEMENT**



**ENVIRONMENTAL MONITORING**



**GREEN AWARENESS & INITIATIVES**



#### SUSTAINABLE PRACTICES: EMISSIONS MANAGEMENT

Irresponsible consumption and production results in high carbon release that contributes to the climate emergency. **As a responsible business, TM is implementing strict policies and innovative solutions that reduce the carbon emissions of operations and infrastructure development.** We are regularly measuring our environmental footprint and gradually transitioning from copper network (Streamyx) to Fibre-to-the-Home (FTTH) network (unifi) cables because fibre optics consume less energy than copper by transmitting data using light. As of 2019, over **1.4 million** of our customers subscribe to unifi, compared to 745,362 Streamyx customers. For 2020, with an aim to reduce overall carbon emissions, we have set a target of reducing our energy consumption by 17 million kWh. This will be achieved by expanding on our energy-saving initiatives. Good carbon management not only benefits the environment, but is also good for business. By implementing carbon-reduction strategies, we are able to cut costs, improve our brand image and create operational efficiencies.

**An estimated RM46.9 billion in potential energy-efficiency savings for Malaysia by 2030.**

*Source: Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC)*

# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## SUSTAINABLE PRACTICES: EMISSIONS MANAGEMENT (Continued)

### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Outdated technology and inefficient systems increase energy consumption.
- Uncontrolled waste production and management.



#### How Do These Impact Value Creation?

- High energy usage contributes to carbon emissions and global climate change.
- Large volumes of landfills and waste pollution affects surrounding environment and communities.

### 2019 Initiatives

- **Scope 1: Fuel Consumption from Vehicle Fleet**
  - **EZFleet:** A platform that enables vehicle short rental via a mobile application for TM staff's official use. Introduced by TMFA as a result of the TM Vehicles Optimisation Initiatives whereby vehicles identified to be of low mileage and utilisation are surrendered. With EZFleet, the vehicles are shared across users, hence the usage is optimised, idling is minimised and/or eliminated, lesser vehicles means lesser fuel consumption and reduction of carbon emission. Pioneered at Menara TM, of a total of 29 vehicles, only 13 are retained as EZFleet. From December 2019 onwards, the service is extended to selected locations nationwide.
- **Scope 2: Electricity Consumption from TM assets**
  - **Green Data Centres:** Launched TM ONE KVDC in compliance with the GBI and US Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) for higher energy-efficiency.
  - **Energy Performance Contract (EPC):** Installed 1,452 energy-efficient air conditioners at TM buildings nationwide.
  - **EEO:** Improved energy-saving practices from regional energy managers at network and non- network buildings, including shutting down unused network equipment, cooling of units and adjusting temperature settings.
- **Scope 3: Other emissions**
  - **Air Travel:** Promoted the utilisation of communications technology such as telepresence, audio conferencing and video conferencing to minimise travelling for meetings.

### Values Created



#### AWARDS

#### FOR MENARA TM MITC

- **1<sup>ST</sup> PLACE**  
National Energy Award
- **2<sup>ND</sup> RUNNER UP**  
ASEAN Energy Award
- **SILVER AWARD**  
Melaka Green Award

#### FOR KVDC

- **GREEN DATA CENTRE PROVIDER**



#### ENVIRONMENTAL IMPACT

#### OVERALL CARBON FOOTPRINT

**7.5%** decrease in carbon emissions\*

	2017	2018	2019
Total Emissions* (tCO <sub>2</sub> e)	48,531	47,955	44,363

\*2017 and 2018 figures were updated according to the most recent emission factor for electricity use for a more accurate comparison against 2019

# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## SUSTAINABLE PRACTICES: EMISSIONS MANAGEMENT (Continued)

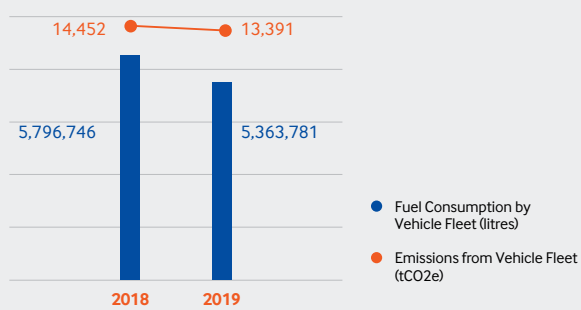
### Values Created



#### ENVIRONMENTAL IMPACT

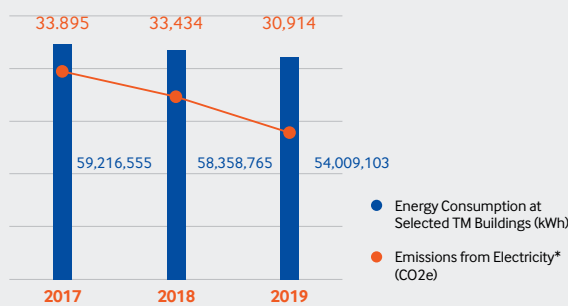
- **Scope 1:**
  - o 20% drop in divisional vehicle assignment within two (2) years
  - o 7.5% drop in fuel consumption from vehicle fleet
  - o 7.3% decrease in Scope 1 emissions

GHG Emissions from Petrol & Diesel

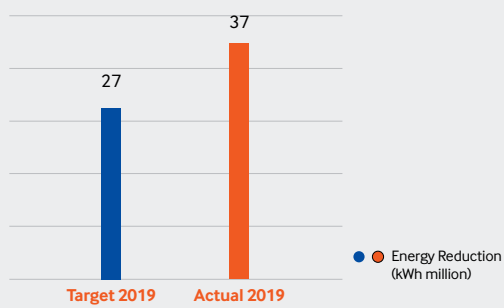


- **Scope 2:**
  - o 7.4% drop in energy consumption
  - o 7.5% decrease in Scope 2 emissions

GHG Emissions from Electricity

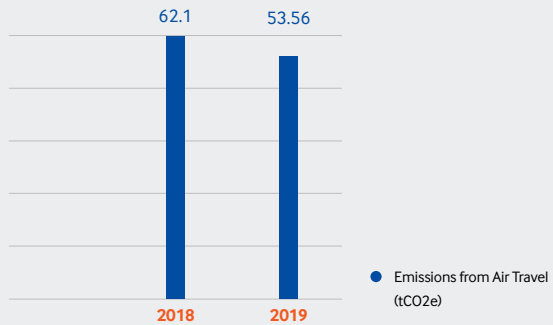


TM Energy Reduction Target vs Achievement



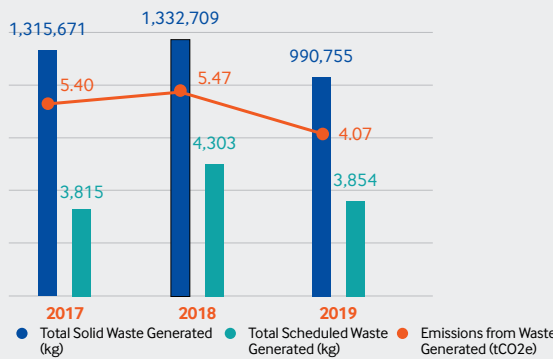
- **Scope 3:**
  - o **Air Travel:**

GHG Emissions from Air Travel



- o **Waste Generated:**
  - o 25% and 10% drop in solid and scheduled waste production, respectively
  - o 25.6% decrease in waste-generated emissions

GHG Emissions from Waste Generated



\*2017 and 2018 figures were updated according to the most recent emission factor for electricity use for a more accurate comparison against 2019



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## ENVIRONMENTAL MONITORING

In addition to carbon management, it is important to manage the immediate environmental impact of our business. This means maintaining the air, noise and water quality of operations and infrastructure development projects, ensuring that they are within safe limits.

There is also a social element involved, as our work may directly impact the livelihoods and well-being of nearby communities. This is why we embrace the increasing expectations towards sustainable practices. We are committed to creating a strong culture of environmental best practice, thus protecting nearby communities from pollution and environmental harm.

**90%**  
of millennials consider sustainable practices crucial in potential employers.  
*Source: Lightspeed Research 2018*

Key Capitals Affected/Inputs:

Key Sustainability Concerns	>> How Do These Impact Value Creation?
<ul style="list-style-type: none"> <li>Lack of training and awareness of environmental policy and standards.</li> <li>Poor management of the surrounding environment during infrastructure and network construction.</li> </ul>	<ul style="list-style-type: none"> <li>Pollution and unsafe living conditions for communities surrounding TM operations.</li> <li>Environmental degradation affects the income of communities dependent on natural resources.</li> </ul>

### 2019 Initiatives

- Environmental Monitoring:** Implemented ISO 9001:2015 (Quality Management Systems) and ISO 14001:2015 (Environmental Management Systems) at TM facilities. This year, we did not conduct environmental monitoring at all previously reported locations. Therefore, our dust monitoring locations decreased from eight (8) to three (3), namely Menara TM, Hiliran Terengganu and Wisma TM MITC. Similarly, the noise monitoring locations decreased from eight (8) to five (5), which include Menara TM, Alor Setar (Admin & Exchange), Penampang Sabah, Hiliran Terengganu and Wisma TM MITC. The monitoring results reflect this change.
- Water Management:** Continued to recycle water from the surau in Menara TM to water the plants surrounding the building.
- Digital Solutions:** revise - Enhanced unifi's digital channel mix via myunifi app and digital onboarding campaigns to help reduce the environmental impact.

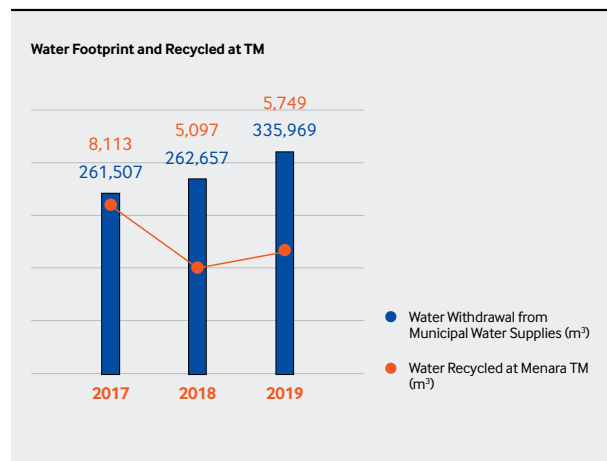
### Values Created



#### ENVIRONMENTAL IMPACT

- Dust Monitoring:**
  - 33% of dust concentration monitoring were below the limits of the Environmental Quality (Clean Air) Regulations 2014
- Noise Monitoring:**
  - 100% of noise emitted from the sites were within the acceptable limits of 68.8 dBa (day) and 65.0 dBa (night) as stipulated by DoE

#### Water Management:



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### GREEN AWARENESS & INITIATIVES

**SDG13 Climate Action is the only Sustainable Development Goal in which Malaysia is decreasing in rank.**

Source: Sustainable Development Report 2019

Real progress in environmental conservation and mitigation requires a collective effort from all stakeholders. There needs to be real change in human behaviour towards the environment.

To do so, people must first be aware of the impact of their actions, and understand ways to be more environmentally-responsible. This is why TM held several green campaigns and initiatives for the general public. We conducted external programmes aimed to raise awareness on environmental issues, thus contributing to national and global sustainability targets.



### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Poor understanding of responsible environmental behaviour.
- Lack of awareness on climate change and other environmental issues from the general public.



#### How Do These Impact Value Creation?

- Slow progress on TM's environmental and sustainability journey.
- Failure to achieve national carbon-reduction targets.

#### 2019 Initiatives

- **Corals Malaysia Incubator Programme:**
  - o RM105,000 invested in the conservation of corals.
  - o Increased public awareness on the importance of the marine ecosystem through marine education initiatives including coral propagation.
  - o Invested in 65 coral tables for incubators and coral adoption.
- **Junior Environmental Leaders Series 2019:**
  - o Invested RM100,000 in equipping school students with the skills and knowledge needed to take an active role in environmental advocacy.
  - o Encouraged Kelab Pencinta Alam (KPA) members to participate in Conservation, Education & Public Awareness (CEPA) efforts.
  - o Raised awareness on sustainable environmental best practices for communities.

#### Values Created



#### ENVIRONMENTAL IMPACT

- **Corals Malaysia Incubator Programme:**
  - o Over 6,500 corals propagated since the programme's establishment
- **Junior Environmental Leaders Series 2019:**
  - o Over 9,000 kg of recyclable waste collected by the participating schools



#### SOCIAL IMPACT

- **Corals Malaysia Incubator Programme:**
  - o Nine (9) incubators and local fishermen trained with sustainable coral farming techniques for additional income opportunities
  - o Over 300 divers volunteered in the marine education and conservation activities, to date
- **Junior Environmental Leaders Series 2019:**
  - o More than 200 students from 78 schools participated in seven (7) workshops across eight (8) states

# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

## M5 # HUMAN CAPITAL

We nurture a high-performance work culture through TM’s GHCM. Through GHCM, we established systems that provide employees with fair and lucrative compensation, as well as with policies and unions that allow our employees to work in a comfortable and safe environment.

Our reputation as an inclusive, nurturing organisation helps to attract high-quality talent from the telco industry. This is supported by our YTM scholarship programmes, through which we provide Malaysian students with opportunities to learn from world-class universities and join our team after graduation. During their studies, scholars receive leadership and management training that prepares them for excellence within the organisation.

However, our focus extends beyond attracting the top talents. **Through TM’s L&D centre, we also provide sufficient training and development opportunities that equip our employees with the necessary skills to thrive in a rapidly-evolving industry.** For instance, our Digital Talent Framework focuses on providing employees with customer experience, processes optimisation and creative thinking skills synonymous with a digital work culture.

Employees are also trained with future skills, such as 5G capabilities in order to prepare them for IR4.0.

**A strong culture of safety is deeply incorporated into TM’s business operations. This is guided by TM’s OSHE Policy, and implemented by a network of OSHE committees.** The OSHE team conducts frequent audits and inspections to ensure that all onsite workers adhere to the requirements outlined in the OSHE policy. Employees also receive regular training on how to carry out their job function safely. Our safety and health strategies mitigate risks of injuries, stop-work orders and financial burdens associated with workplace accidents. Additionally, we provide various lifestyle training, such as guiding them on how to assess and address financial concerns, improve personal health and strengthen family relationships.

### KEY DRIVERS



WELFARE & WELL-BEING



SAFETY & HEALTH



TRAINING & DEVELOPMENT



WELFARE & WELL-BEING

**The costs of lost productivity are 2.3 times higher than medical and pharmacy costs.**

*Source: Deloitte Human Capital Trends Report 2019*

We are committed to create a conducive and nurturing workplace with growth opportunities for all employees. At TM, we focus on building the resilience and wellbeing of our people, which we view as both a corporate responsibility and a strategic priority. Our employees are provided with flexible workplace policies and practices, competitive employee benefits, digital and digitisation for higher productivity, employee engagement programmes and strong employer branding positioning. **By creating an inclusive and safe environment that protects the health, social and emotional well-being of Warga TM, we build their pride, trust and commitment to achieving their own as well as TM’s national ambitions.**



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## WELFARE & WELL-BEING (Continued)

### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Limited protection of employee welfare rights and compensation.
- High stress levels and overworked employees.
- Lack of healthcare and well-being benefits.

#### How Do These Impact Value Creation?

- Labour breaches that affect the well-being of TM employees.
- Physical and mental harming of workforce.
- Unhappy and dissatisfied employees leaving to join TM's competitors.

### 2019 Initiatives

- **High Performance Culture:** Timely completion of performance management cycle: Mid Year and year end by implementing effective performance conversation at all levels.
- **Digital Workforce:** Developed three (3) digital platforms that improve HR processes and provide employees access to life-enhancing services - ERA, GROW and TM Medic applications.
- **Life-Work Benefits:** Provided benefits that maintain a work-life balance of our employees such as paid annual leave, study leave, childcare subsidy, parental leave, compassionate leave and employee assistance programmes.
- **Wellness and Medical Benefits:** Developed programmes that encourage a healthy lifestyle among employees. This includes Flexiplan Benefits, Yes2Health Campaign, and access to fitness facilities i.e. gym, badminton and squash courts.
- **Flexible Working Arrangement:** Introduced a programme that increases work flexibility to improve employee motivation and performance. Benefits include Self-Declared Recovery Leave, Annual Leave Purchase, Flexiweek, Flexihours, and Flexispace.
- **Warisan Kasih Programme:** Provide retiring employees with financial and health management training in preparation for retirement.
- **Collective Bargaining Agreements:** Finalised the terms of agreement to ensure industrial harmony with Union members.

### Values Created



#### TECHNOLOGY AND INNOVATION AWARDS

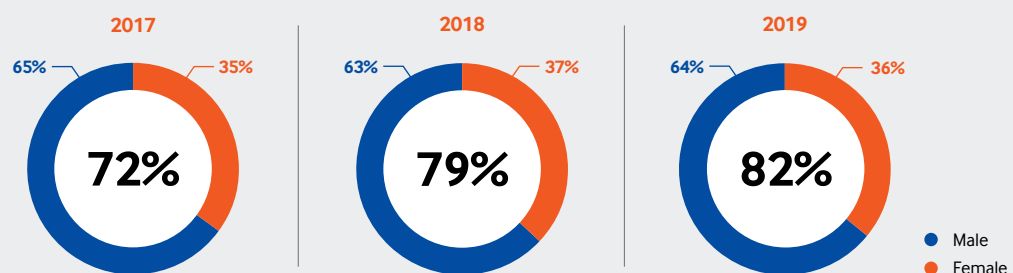
- Employer Excellence Award 2019 from Malaysia Employer Federation (MEF)
- The Best Company to Work for in Asia from HR Asia Award 2019
- Most Attractive Employer in GLC Category (First Runner Up) from Graduate's Choice Awards 2019
- Most Attractive Employer in Telecommunications (Top 5) from Graduate's Choice Awards 2019
- Top 100 Asia's Best Employer Brand from Tenth (10<sup>th</sup>) Employer Branding Awards 2019



#### SOCIAL IMPACT

- **High Performance Culture:**
  - o 79% of employees practised high-performance culture
  - o More than 5,000 employees participated in Performance Clarity Survey in December 2019 with score of 3.65/5.00
- **Digital Workforce:**
  - o Over 6,000 employees downloaded the app to ease performance tracking and appraisal process – GROW app
  - o Over 8,000 employees downloaded the app to know about internal employment opportunities – ERA app
- **Life-Work Benefits:**

Employees entitled to parental leave (%)





# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## WELFARE & WELL-BEING (Continued)

Key Capitals Affected/Inputs:

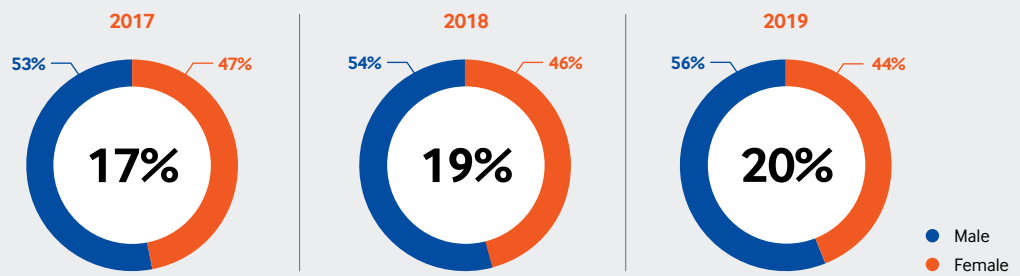


### Values Created

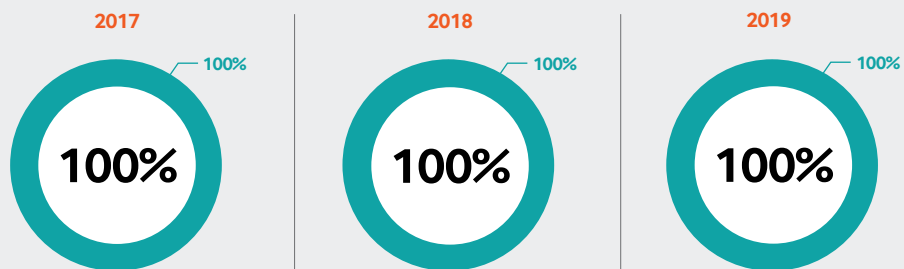


#### Life-Work Benefits (Continued):

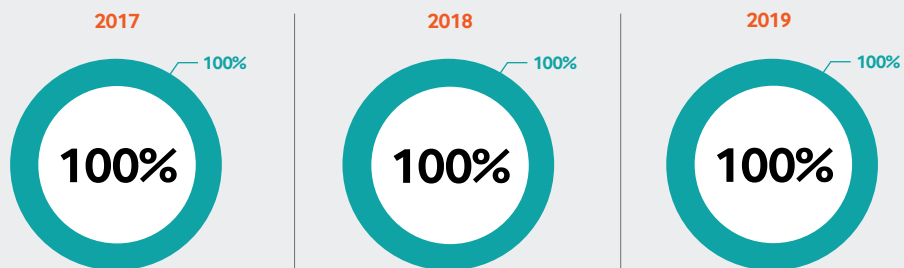
Employees that took parental leave (%)



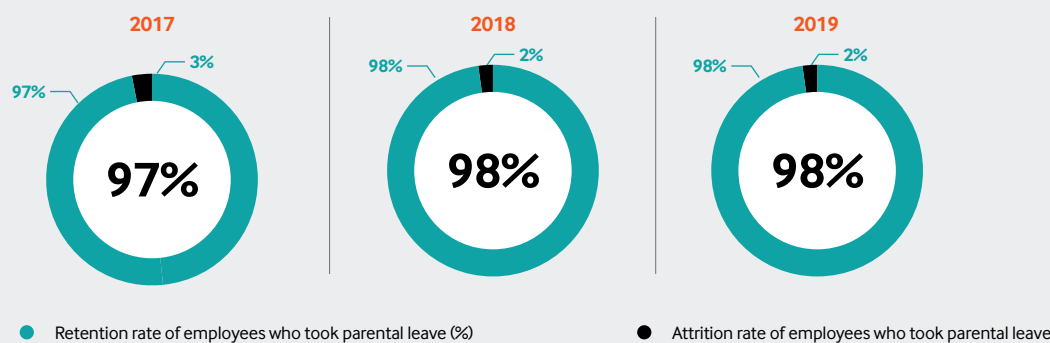
Employees who returned to work after parental leave ended (%)



Employees who returned to work after parental leave ended who are still employed after 12 months (%)



Retention rates of employees (male and female) who look parental leave (%)



● Retention rate of employees who took parental leave (%)

● Attrition rate of employees who took parental leave

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### WELFARE & WELL-BEING (Continued)

Key Capitals Affected/Inputs:



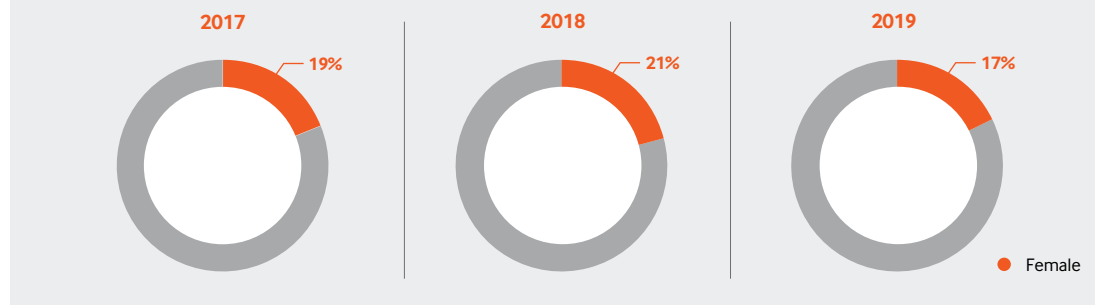
#### Values Created



**SOCIAL  
IMPACT**

- **Life-Work Benefits (Continued):**

#### Women on Board/Management (%)



- **Flexible Working Arrangement:** 587 employees applied for this opportunity
- **Warisan Kasih Programme:** 12% of senior employees (510 employees) equipped with skills for retirement, which includes analysing their current retirement plan and financial position
- **Collective Bargaining Agreements:**

	2017	2018	2019
Non-Union members	16,682	15,179	14,305
Union members	9,725	9,165	8,603
% of Union members out of total no. of employees	37	38	38
% of Union members out of total no. of Non-Executives	64	69	69

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### SAFETY & HEALTH

Protecting the health and safety of TM workers is imperative to our business. **Beyond being a regulatory requirement, a safe work environment creates a high-performance work culture and ensures the well-being of our people. This is why, through TM’s OSHE Steering Committee, we strive to strengthen a strong health and safety culture, especially for those involved in more high-risk activities.** For example, TM technicians and contractors often work on or by the road to install or maintain the telco infrastructure, which exposes employees to traffic risks. Continuous efforts are being taken to increase the training and knowledge of employees involved in the activities, such as increased supervision and compliance towards traffic management instructions.

**6,562 total occupational safety and health cases in Malaysia for 2019**

*Source: Department of Occupational Safety and Health 2019*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- High contractor turnover resulting in new and inexperienced workers on site.
- Insufficient and improper supervision during high-risk activities.

#### How Do These Impact Value Creation?

- Accidents and injuries directly impact the well-being of employees.
- Non-compliances to OSHE regulations and requirements.

#### 2019 Initiatives

- **OSHE Capacity-Building:**
  - o Implementation of ISO 45001:2018 – Occupational Health and Safety Management Systems, nationwide.
  - o Adhered to OSHE requirements through the Compliance Audit Programme.
  - o Trained OSHE personnel with working knowledge on Behaviour Based Safety (BBS).

#### Values Created



#### SOCIAL IMPACT

#### OSHE Incidents in 2019

In line with our work as a network provider, it is important to note that some employees and contractors are involved in high-risk activities. As we aim to expand our network infrastructure to meet the digital needs of Malaysia, this risk increases. Therefore, the rise in incidents below is due to the expansion of fibre-cable installations which requires workers to work in high-risk conditions, such as on the road, in confined spaces and during night time. Nevertheless, we remain committed to protecting our people at all costs, as we strive to continuously improve our OSHE practices.

Total recordable injury (no. of cases)	Absenteeism rate (head count)	Lost-Time Injury (LTI) rate	Lost-Time Injury (LTI) rate (no. of cases)	Fatal accident rate (no. of cases)
<b>2019</b> 83	<b>2019</b> 62	<b>2019</b> 861	<b>2019</b> 62	<b>2019</b> 1
2018 59	2018 43	2018 471	2018 43	2018 0
2017 72	2017 61	2017 851	2017 59	2017 0

# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



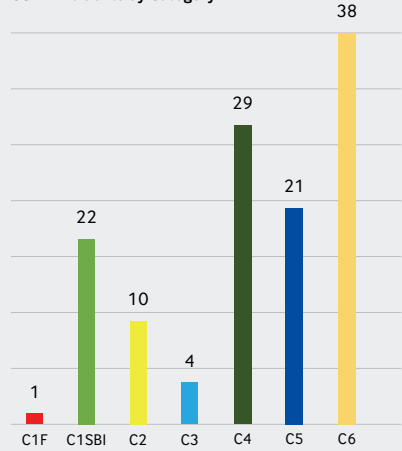
## SAFETY & HEALTH (Continued)

### Values Created



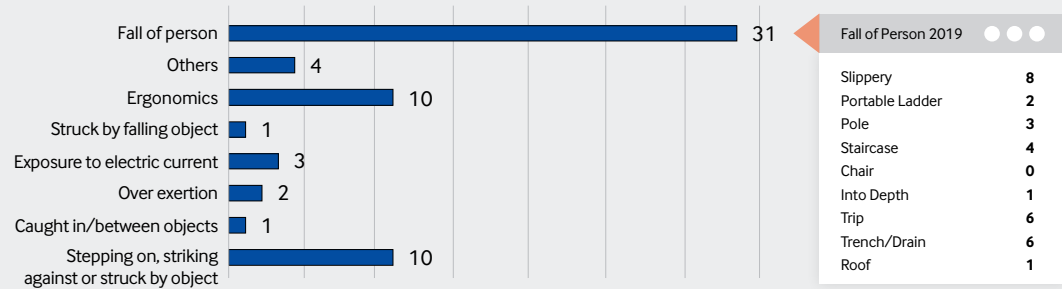
#### OSHE Incidents in 2019

OSHE Incidents by Category



<b>C1F</b>	Category 1, Fatality
<b>C1SBI</b>	Category 1, Serious Bodily Injury
<b>C2</b>	Accident requires medical treatment and lost time injury four (4) days and above.
<b>C3</b>	Dangerous Occurrences
<b>C4</b>	Accident requires medical treatment and lost time injury less than four (4) days
<b>C5</b>	Minor Injury with First Aid Treatment
<b>C6</b>	Near misses

OSHE Accidents by Type





## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### TRAINING & DEVELOPMENT

In addition to overhauling systems and processes, TM's digital transformation journey involves the reshaping of workforce capabilities. The continuous and relevant upskilling of our people is critical for the future of the business as disruptive cycles accelerate. **We adopt a holistic approach to talent development, in which we provide training programmes that futureproof employees with skills for career progression as well as contribute to TM's growth.** The key skills required for employees to thrive in the future workforce include: agile ways of working; mobile 5G; telco cloud (i.e. SDN/NFV); data analytics; RPA; programming and coding; and digital. Through TM's L&D centre, we are nurturing a capable and healthy workforce that remains resilient through change.

**54% of employees worldwide will require reskilling and upskilling in just three (3) years.**

*Source: The Future of Jobs Report 2018, World Economic Forum*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Lack of structured training and development for employees.
- Irrelevant or outdated training programmes.
- Poor digital skills and readiness among the workforce.

#### How Do These Impact Value Creation?

- Dissatisfied and unmotivated employees.
- Gaps in essential skills to prepare employees against future challenges.
- An inability for employees to thrive in a digital economy.

#### 2019 Initiatives

- **Overall Training & Development:**
  - o Over RM12.0 million invested in employee training and development, with 13% (RM1.5 million) spent on future skills.
  - o Conducted 2,802 various employee training sessions, totalling 514,216 training hours.
- **Future Skills Areas:**
  - o Conducted a Training Needs Analysis to identify skill gaps at organisational and individual levels.
  - o Channelled 13% of the training budget to identified future skills area, including 5G, AI, cybersecurity, data analytics, IoT and smart services, RPA, SDN and NFV.
- **Digital Learning:** Established TM Learn for online digital learning opportunities.

#### Values Created



#### SOCIAL IMPACT

- **Overall Training and Development:**
  - o 17,817 employees participated in various training programmes, thus equipping the workforce with digital and relevant skills required to thrive far into the future
  - o 100% of workforce have completed their KPI assessment

	2017	2018	2019
<b>Employee Participation in Training (in no. of pax)</b>	32,282	26,476	<b>48,299</b>
<b>Employee Participation in Training (headcount)</b>	13,042	12,140	<b>17,817</b>
<b>Average Attendance Per Training Programme</b>	12	16	<b>17</b>
<b>Average Training Budget Per Employee (RM)</b>	1,097	657	<b>527</b>
<b>Average Total Hours of Training Per Employee</b>	20	18	<b>22</b>

- **Future Skills Areas:**
  - o 66 employees completed the course and certified as Subject Matter Experts in key areas, such as Agile, Data Analytics, Sales, Programming and Digital
  - o Over 2,400 employees trained in future skills and emerging functions
- **Digital Learning:** Over 12,000 employees subscribed to TM Learn, allowing greater access to learning opportunities

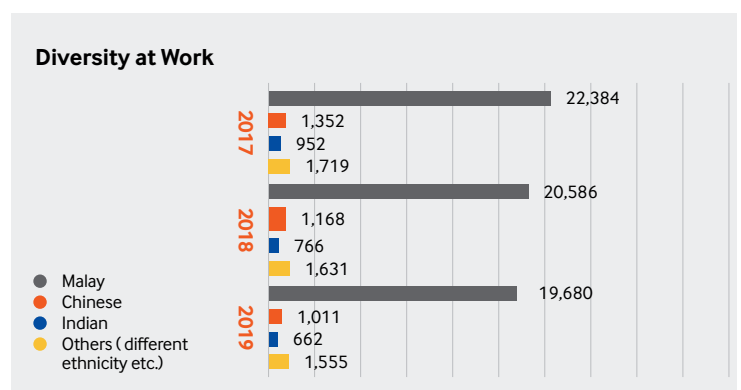
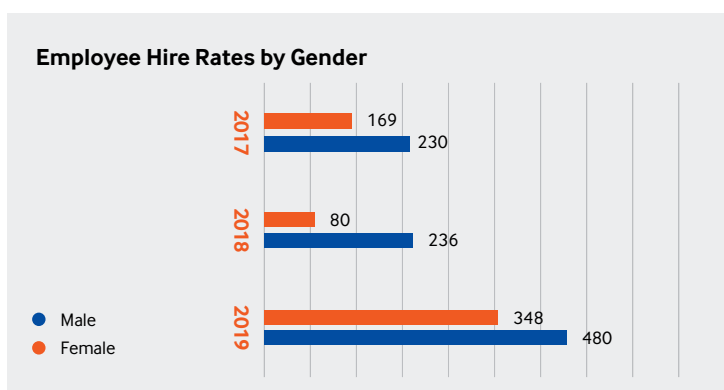
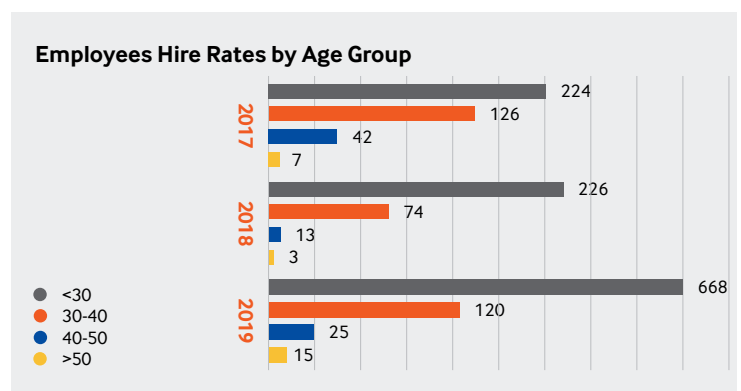
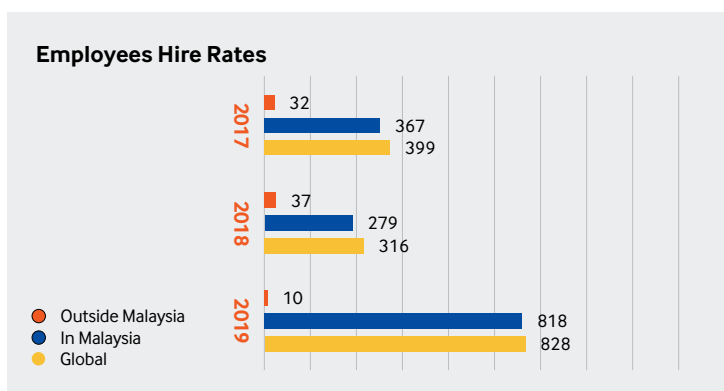
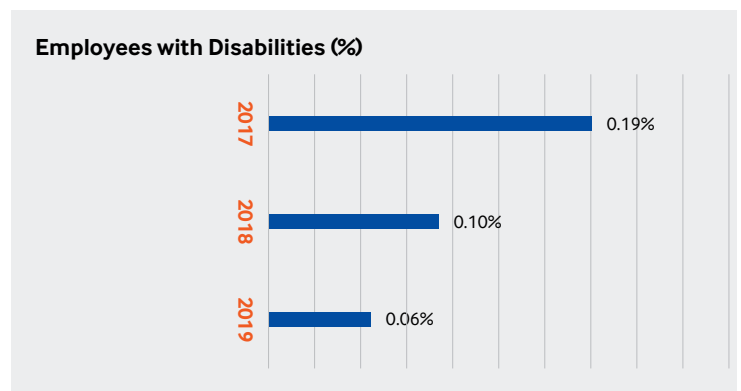
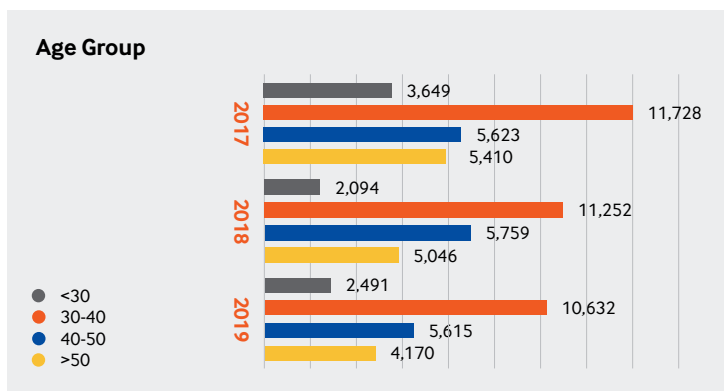
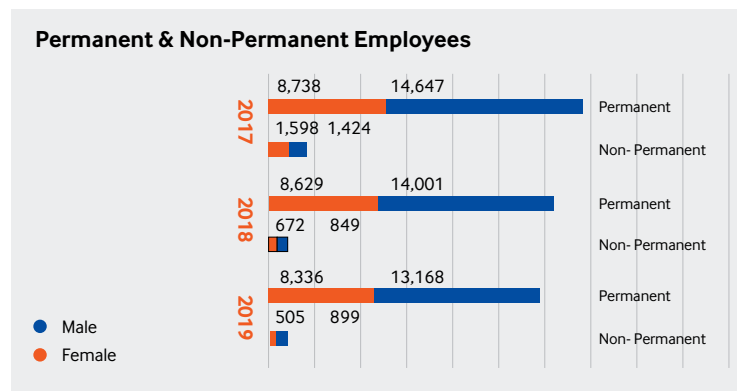
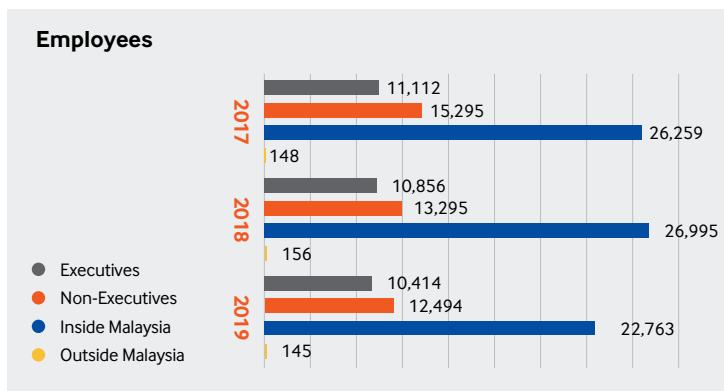
# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



## TRAINING & DEVELOPMENT (Continued)

### Workplace Statistics

To better understand our talent management performance, we monitor the trends and changes of our workforce. As such, our key workplace data for the past three (3) years are presented in the charts below.



# # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING

## M6 # COMMUNITY DEVELOPMENT

As a key enabler of Digital Malaysia, we are committed to empowering communities and future leaders to catalyse the digital transition. We provide resources, services and solutions necessary to build a knowledge-based workforce for the country. Through various channels, we nurture and grow the skills of the community to accelerate Malaysia as a major player in the rapidly-changing global market.

In 1994 we established YTM with an aim to support academic ambitions of future innovative leaders. In the past 25 years YTM has invested over RM549.5 million in educating over 15,000 students. Similarly, TM's MMU was established to provide quality education in areas of engineering, ICT and innovation. Through MMU, we help nurture the nation's talent pool to meet the 21st-century digital economy needs.

Additionally, we are focused on the development of B40 communities. We believe in the untapped potential of B40 households to drive national development. **By providing them with internet access and additional income opportunities, we strengthen the middle class which drives economic growth and investments, which is necessary for robust entrepreneurship and innovation.**

At TM, we provide B40 entrepreneurs with the business acumen needed to succeed through our PUW 4.0 and RAPIDE: TM-Technical and Vocational Education and Training (TVET) Entrepreneurship Programme. They are guided by experts who conduct ongoing

analysis and coaching, and are trained with essential skills to grow their business. Also, we play an important role in the SME market. We provide connectivity to entrepreneurs nationwide from various sectors, which further contributes to economic and social growth.

Similarly, connectivity is critical for the e-commerce market. Malaysia has one of the highest Internets and mobile penetrations in Southeast Asia, with 85% and 140% respectively, making it one of the fastest growing e-commerce emerging markets in the region. **We see this as a business opportunity, as well as a responsibility to support budding entrepreneurs.**

Finally, throughout the year, TM employees volunteer in community empowerment programmes outside of the Group's main objectives. These cover a variety of issues that impact the welfare and well-being of communities. In doing so, TM volunteers feel a sense of fulfilment in giving back while meaningfully contributing to the development of communities where we operate.

### KEY DRIVERS



EDUCATION



ENTREPRENEURSHIP



CHARITY



EDUCATION

**420 million people will be lifted out of poverty worldwide if all adults completed secondary school.**

Source: UNESCO Institute for Statistics 2017

**Education is an investment in the future of a country. To develop a digital and forward-thinking society, we need to provide access to high-quality education.** This is why TM established its two (2) primary educational bodies: **YTM**, which provides financial support to students; and **MMU**, Malaysia's first private university that focuses on quality ICT education. TM is also a strategic partner in catalysing the MOE's Digital Education Transformation journey in robotics and coding. We empower the Malaysian education system by providing digitalisation and e-learning solutions to students, teachers and school administrators. Through our education initiatives, we develop agile future leaders with entrepreneurial mindsets and perseverance to drive a digital workforce.



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### EDUCATION (Continued)

#### Key Capitals Affected/Inputs:



Key Sustainability Concerns	>> How Do These Impact Value Creation?
<ul style="list-style-type: none"> <li>Limited education and learning opportunities for the ICT sector.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of ICT knowledge and talent in the workforce inhibits socio-economic growth.</li> </ul>
<ul style="list-style-type: none"> <li>Poor understanding of digital transformation by the majority of the population.</li> </ul>	<ul style="list-style-type: none"> <li>Slow uptake of Malaysia's digital transition causes the country to fall behind global players.</li> </ul>
<ul style="list-style-type: none"> <li>Absence of innovative leaders to drive the digital transformation.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of direction and leadership impedes Malaysia's digital progress.</li> </ul>

#### 2019 Initiatives

- YTM:**
  - RM20.6 million disbursed for education scholarship in 2019.
  - Provided 100 Young Leader Scholarships to PT3 leavers, and 50 Future Leader Scholarships for tertiary students across Malaysia.
  - Delivered structured development programmes to scholars to nurture future digital leaders.
  - RM549.5 million have been disbursed for education scholarships inclusive of tuition fees and allowance as well as scholars' developments programmes since 1994.
- MMU:**
  - Ran media campaigns to raise awareness on MMU and digital education.
  - Engaged with primary and secondary schools to foster and nurture digital-related thinking.
  - Conducted STEM activities through camps and workshops.
  - Synergised ideas through Government-linked university alliance.
- TM Nano Maker Kit 2019:**
  - Invested RM98,000 to promote STEM learning for young students.
  - Introduce new learning tool to help students better understand STEM subjects, such as Physics and Mathematics.
- TM School Adoption Programme:**
  - Invested RM2.8 million in adopted schools, with RM130,000 contributed in 2019.
  - Adopted 15 schools from rural areas across Malaysia to provide students with holistic education opportunities.
  - Provided digital learning and conducted proof of concept of Smart Attendance System at SMK Paya Rumput supported by high-speed broadband connectivity.

#### Values Created



#### SOCIAL IMPACT

- YTM:**
  - 52% of scholars achieved a CGPA 3.5 and above
  - 37% of scholars graduated with a 1<sup>st</sup> Class Degree
  - Outstanding academic achievements by graduates:
    - 1<sup>st</sup> place in Malaysia and 10<sup>th</sup> in the world for ACCA Taxation Paper
    - Gold Medal Winner for Final Year Project 2019 (University Putra Malaysia)
    - Top Achiever Award 2018/2019 (University of Southampton)
    - MMU Convocation Award 2019
- MMU:**
  - Nearly 4,000 new students enrolled, reaching close to a total of 13,000 students
  - Top five (5) Malaysian Private University from Times Higher Education World University Rankings
  - 170<sup>th</sup> position in QS University Rankings Asia, compared to 175 in 2018
  - Superbrand Status and Silver Award from the Putra Brands Awards
  - Received Premier Digital Tech University status from Malaysia Digital Economy Corporation (MDEC) and MOE
- TM Nano Maker Kit 2019:**
  - More than 2,400 students learned STEM through data logging technology
  - 30 teachers trained from 30 schools nationwide in order to sustain the knowledge at schools
  - Over 4,000 views on YouTube about real-time data logging experiments made by the students
- TM School Adoption Programme:**
  - More than 25,000 community members nationwide benefited from the programme since 2003
  - Established a Robotic hub at SMK Arau for the surrounding communities
  - Improved schools' academic performance with better average school grade



## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### ENTREPRENEURSHIP

We are avid supporters of local entrepreneurs and their impact on elevating Malaysia’s economic status. However, many entrepreneurs, particularly from the B40 group, are at risk of getting left behind due to the digital transition of the market landscape. This will result in a bigger wealth gap and make it harder for communities to escape the cycle of poverty. To mitigate this, **TM invests in the development of SMEs and B40 entrepreneurs to create a catalytic effect of additional job creation and socio-economic growth. This includes providing them with the skills and opportunities to thrive in a digital economy.**

**By 2020, 60% of new jobs will require TVET-related skills.**

*Source: Ministry of Human Resource 2018*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Limited business knowledge and essential skills in B40 entrepreneurs.
- Lack of business opportunities for B40 women.

#### How Do These Impact Value Creation?

- Poor income growth to improve their socio-economic development.
- Increase in gender inequality and wealth gap.

#### 2019 Initiatives

- **PUW 4.0**
  - Invested over RM200,000 in training and coaching women entrepreneurs, to date.
  - Conducted training for over 250 female entrepreneurs, which included coaching and analysis from business experts since 2015.
  - Provided a customised analytics dashboard platform to help them identify target market segmentation, business opportunities, customer share of wallet, and potential collaborators.
- **RAPIDE: TM-TVET Entrepreneurship Programme**
  - Invested RM140,000 in training new businesses and start-ups.
  - Provided budding entrepreneurs with TVET to foster a digital economy.
  - Trained 60 GiatMara graduates on how to market their TVET skills and knowledge .
- **TM e-Koperasi Programme – Koperasi Bukit Kepong (KOBK)**
  - Invested over RM130,000 to establish KOBK, a community cooperative in rural villages to elevate their socioeconomic status.
  - Target to increase income generation through the cooperative establishment, entrepreneurship development and business coaching for the communities.
  - Provided opportunities to create new business through convenience stores local products and tourism.

#### Values Created



#### ECONOMIC IMPACT

- **RAPIDE: TM-TVET Entrepreneurship Programme**
  - 100% of participating entrepreneurs have improved business operations through Google Cloud Services; digital presence via Google, YouTube, Whatsapp, Instagram and Facebook; and online advertisements such as Carousell
- **TM e-Koperasi Programme – Koperasi Bukit Kepong (KOBK)**
  - 50 registered KOBK members
  - Potential to increase income of 26 local entrepreneurs



#### SOCIAL IMPACT

- **PUW 4.0**
  - 13% of women who participated expanded their business and increased their monthly income within a six-month period

## # CONTRIBUTING TO POSITIVE ECONOMIC, ENVIRONMENTAL & SOCIAL WELL-BEING



### CHARITY

As a nation-building organisation, TM takes its role as a corporate citizen seriously. We are committed to improving lives beyond digital empowerment and telecommunications. **We understand the importance of meaningful engagement and contributions with underdeveloped communities. It not only helps with social progress but also provides TM employees with a greater sense of purpose and fulfilment.** This is why we hold numerous corporate responsibility events that provide aid to communities.

**93% of people surveyed believe companies have a responsibility to positively impact society.**

*Source: Ethical Leadership & Business 2019*

#### Key Capitals Affected/Inputs:



#### Key Sustainability Concerns

- Lack of volunteer programmes for TM employees.
- Insufficient engagement and programmes for struggling communities.

#### >> How Do These Impact Value Creation?

- Unfulfilled and unmotivated workforce.
- Poor development of communities, which are a key stakeholder group for TM.

#### 2019 Initiatives

- **Ramadan Activities:** Held events with disadvantaged communities during Ramadan, which includes buka puasa events, Hari Raya shopping, and group prayers.
- **Children Programmes:** Organised meaningful engagement sessions with underprivileged children, which included educational outings and fundraising events.
- **Flooding Recovery:** Provided financial and non-financial assistance to flood victims in Johor and Kelantan.
- **Social Well-Being Programmes:** Conducted fundraising and engagement programmes for underdeveloped communities, including Orang Asli, senior citizens and low-income groups.
- **Digital Charity Platform:** Established myENSANI as a digital solution for stakeholders to contribute to social programmes.

#### Values Created



#### SOCIAL IMPACT

- **Ramadan Activities:** 67 TM volunteers contributed a total of 536 hours
- **Children Programmes:** 81 volunteers contributed a total of 648 hours
- **Flooding Recovery:** 44 volunteers contributed a total of 352 hours
- **Social Well-Being Programmes:** 128 volunteers contributed a total of 1,984 hours
- **Digital Charity Platform:** RM5,000 worth of masks donated to SK Bangsar from funds collected through the myENSANI app