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**GROUP CORPORATE COMMUNICATIONS**  
**TELEKOM MALAYSIA BERHAD**  
(128740-P)

Level 8 (South Wing), Menara TM,  
Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia

[www.tm.com.my](http://www.tm.com.my)

 @tmcorp

TELEKOM MALAYSIA BERHAD (128740-P)

2013 SUSTAINABILITY REPORT



**life made sustainable**

2013 SUSTAINABILITY REPORT





## ABOUT THE COVER

Because we understand the demands of life, TM is committed to helping you balance those demands a little bit better – to connect, communicate and collaborate – through its comprehensive suite of services. The icons on the cover represent the many facets of your everyday needs. As easy as turning over a page, flipping over the transparent sheet of icons will reveal the words 'Life Made Easier', which is symbolic of TM's aspiration to make the lives of our stakeholders easier in everything that we do, big and small.

Be it via Streamyx, UniFi, or any of our complete end-to-end solutions, for homes or businesses, TM is here to make your life easier, and help you open up to life's endless possibilities.



**27,830** employees  
TM's most valuable asset

**>12,000** TM ROVers  
or 'TM Reaching Out Volunteers' registered nationwide

FACTS AT A  
GLANCE

**19,526** lives touched  
by TM's School Adoption Programme



**RM450.0** million  
disbursed through Yayasan TM since 1994

**44,598** no. of graduates  
and diploma holders from MMU and MMC in the Malaysian workforce

**RM5.3** million  
in electricity savings via three energy-saving initiatives

**5,278** participants  
of TM Earth Camp since 2010



pg **44**  
Workplace  
Made Happier

pg **70**  
Marketplace  
Made Livelier

pg **88**  
Community  
Made Closer

pg **106**  
Environment  
Made Greener

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# ABOUT THIS REPORT: TM SUSTAINABILITY REPORT 2013

This is the sixth Sustainability Report to be produced by Telekom Malaysia Berhad (TM), as part of the Company's efforts to 'connect, communicate and collaborate' more effectively with our stakeholders. Together with the Annual Report, which highlights the financial aspects of our business, the two reports provide a clear, comprehensive and transparent representation of the Company's performance in managing the economic, social and environmental aspects of our operations.

In writing this Report, we have been guided by the Global Reporting Initiative (GRI), an internationally recognised standard for sustainability reporting, while also taking into account local and international guidelines relevant to our business. The Report's structure is based on the reporting framework of the Silver Book published by the Putrajaya Committee on GLC Transformation (PCG). Four sections have been devoted to our sustainability efforts in the Workplace, Marketplace, Environment and Community, as suggested by Bursa Malaysia's Corporate Social Responsibility (CSR) Guidelines.

This Report features Disclosures on Management Approach (DMA) and provides information on the nature of our business in each area of the GRI Guidelines. Our strategies, achievements and future plans for sustainability management are all aligned with these guidelines, especially in the areas of sustainable environmental management, community, social contributions, ethics and corporate culture.

Where group-wide information is not available, we have provided performance data and case studies which are representative of our general approach. In this Report, we have also tracked performance data and statistics to date and evaluated our progress towards achieving targets.

Our transparency efforts are not limited to this Report. Other material issues such as Corporate Governance and detailed data of our internal operations and business activities are reported in our Annual Report and are not repeated here. We have structured this Report in a manner which allows readers to understand our approach to sustaining our economic, social and environmental responsibilities. We have endeavoured to present our data in the most accurate manner possible, using quantitative indicators where relevant. In preparing this Report, we have borne in mind the latest GRI G4 guidelines and made sure that everyone in the Group will be ready for the new requirements when we decide to implement the new guidelines. We have also taken into consideration feedback from stakeholders, including the GRI and the judging panels of various CSR awards.

TM is a signatory to the United Nations Global Compact (UNGC), and strives to align our operations and policies with the Ten Principles of the UNGC.

## Scope of Report

**Reporting period:** 1 January to 31 December 2013

**Reporting Cycle:** Annually

**Coverage:** TM and its subsidiaries as included in the Group's consolidated financial statements. Subsidiaries refer to all companies in which TM holds a majority stake or has direct managerial control.

However, to reflect the latest updates on the Company's overall performance, our non-financial information has been updated as of 27 February 2014 to be aligned with Annual Report 2013 for the 'Message from our Chairman', 'Message from our Group Chief Executive Officer' and 'Corporate Profile' sections in this report, unless stated otherwise.

## REFERENCE AND GUIDELINES

### Principal Guidelines

- GRI G3.1 Sustainability Reporting Framework

### Additional Guidelines

- Bursa Malaysia's Corporate Social Responsibility (CSR) Framework
- Silver Book: The Putrajaya Committee on GLC Transformation Manual
- ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies
- ISO 26000: Guidance on Social Responsibility

### Reliability of Information Disclosed

TM strives continually to improve the materiality and reliability of the information presented and has adopted an approach aligned with the ISO 26000 and the United Nation's Global Compact. The contents of this report have been verified by SIRIM QAS International Sdn Bhd and assessed by the Global Reporting Initiative (GRI) for how comprehensively the latest GRI G3.1 guidelines have been applied, achieving a top application level of A+, for the sixth consecutive year. TM's approach to sustainability is also widely endorsed by our stakeholders, as reflected in the awards received based on independent assessments of our performance. These are listed in this Report.

## FEEDBACK

This Sustainability Report as well as TM's Annual Report 2013 are available to all stakeholders in hard copy on request and can be downloaded from TM's corporate website. The Annual Report also comes in an e-book version, which can be accessed by scanning the QR code here:



For further information and comments please contact:

Group Corporate Communications  
**Telekom Malaysia Berhad**  
Level 8, South Wing  
Menara TM, Jalan Pantai Baharu  
50672 Kuala Lumpur, Malaysia  
Telephone: +603 2240 9494  
Facsimile: +603 7955 3620  
Email: [gcc@tm.com.my](mailto:gcc@tm.com.my)  
Website: [www.tm.com.my](http://www.tm.com.my)  
Twitter: @TMCorp

# A MESSAGE FROM OUR CHAIRMAN

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**On behalf of the Board of Directors of Telekom Malaysia Berhad (TM), I am honoured to present the Sustainability Report for the financial year ending 31 December 2013. It has certainly been interesting to follow the transition of corporate sustainability and practices in TM over the last decade, which is aligned to global developments in this emerging field. Much of this began as well-meaning contributions to the community with evolution of more accountability over the years. We understood that our unique and strategic role as a trusted partner for national development in building Malaysia's telecommunications infrastructure and delivering holistic communication services to all Malaysians gave us our purpose. In that purpose lay the key to our sustainability. Since then sustainability has been at the heart of our business strategy towards long-term meaningful success, and covers a diversity of local and group initiatives. We involve all our stakeholders including employees, local community members, shareholders, the Government and local authorities as well as the general public at large, in our sustainability footsteps to strengthen our triple bottom line accountability of economic, environment and social, and more specifically, social responsibility in our operations.**

In market economies, the primary purpose of companies is to maximise shareholder value. For this, we develop strategies with our shareholders and indeed, all our stakeholders in mind, in order to continuously create value. At TM, Corporate Sustainability represents the way we achieve enhanced ethical standards and balanced economic, environmental and social imperatives addressing the concerns and expectations of our stakeholders. Sustainability forms a foundation to enhance responsible business operations, which in turn translates into long-term value to our shareholders and other stakeholder groups at large.

TM has produced a standalone Sustainability Report since 2008 to show our serious commitment to Corporate Responsibility (CR) and Sustainability. This year our Sustainability Report 'Life Made Sustainable' echoes the theme of the main Annual Report 'Life Made Easier', further demonstrating how closely linked sustainability is to our business operations. Embedded in our actions and decisions throughout TM, our sustainability framework covers four distinct areas of workplace, marketplace, community and environment. With a focus on ICT, we have further refined our CR areas to three major pillars, ie education, community/nation-building and environment.





# A MESSAGE FROM OUR CHAIRMAN

**27,830** employees

TM's most valuable asset

**44,598** no. of graduates

and diploma holders from MMU and MMC in the Malaysian workforce

**19,526** lives touched

via 12 schools adopted since 2003

In this report, we have also aligned the four CR domains of TM to the theme of 'Life Made Sustainable', that is 'Workplace Made Happier', 'Marketplace Made Livelier', 'Communities Made Closer' and 'Environment Made Greener'. These sub-themes were carefully chosen to best reflect our intentions of sustainability in each. Some of the highlights from our initiatives are mentioned below. They are better summarised in our Group Chief Executive Officer (GCEO) Statement as well as elaborated in greater detail in this report itself.

The past year has presented many challenges to TM, but also many opportunities. TM's enduring vision to create larger societal capital in line with the national agenda is manifest in our commitment to underlining our business principles with sustainability. It is this commitment that guides our every thought and action. This vision of being a trusted partner to enable people and businesses to connect, communicate and collaborate towards a better future has powered a multi-pronged competitive strategy to enhance our economic contribution, enable world-class benchmarked environmental practices, contribute to climate change mitigation and adaptation, and integrate societal value creation in our business models.

We continue to take great strides in sustainability initiatives to make our stakeholders' lives easier – be it in relation to streamlining our supply chain or developing innovative

environmental activities; helping to grow new business markets or creating professional development opportunities for our employees. We believe that these long-term sustainability efforts will help the Company to better integrate into the world around us. More importantly, we hope to create positive impacts that are beneficial to our stakeholders. One of the initiatives in 2013 was to create an avenue for volunteerism among the Company's 27,000-strong workforce. The formalisation of TM ROVers, or TM Reaching Out Volunteers, has created the opportunity for our employees to channel their enthusiasm and love for volunteerism nationwide. It has strengthened the spirit of 1TM in everyday work situations and built closer ties among these volunteers, while meeting the needs of communities in areas these volunteers operate. This initiative has provided opportunities for employees to grow and contribute to society.

We welcomed two more families into our Program Sejahtera, where we continue to support a national-level effort by all GLCs in alleviating poverty and providing opportunities for the needy to improve their lives. With Program Sejahtera, we have a more holistic approach in which we assist single mothers with their business initiatives and help boost their business processes by providing the necessary tools. We also assist their children to further their studies by providing opportunities for higher education at our Multimedia College [MMC].

The establishment of Multimedia University (MMU) and MMC has helped TM to become a producer and feeder of quality knowledge-based workers for the country. Already more than 44,598 graduates and diploma holders have had the opportunities to contribute in the Malaysian workforce. We have set a tradition of educating Malaysians in communications technology and related subjects since 1948, and endeavour to continue this tradition in the future. Our Yayasan TM (YTM) has helped support Malaysian talents by awarding scholarships and financial assistance. YTM collaborated with *Yayasan Peneraju Pendidikan Bumiputra* (YPPB) to train talented Bumiputra youth for leadership roles in the nation. We are proud of our efforts in education, more details of which can be found in this Sustainability Report. We also adopted two more schools under our TM PINTAR Programme; Sekolah Menengah Kebangsaan Munshi Abdullah in Sabak Bernam, Selangor and Sekolah Menengah Kebangsaan Orang Kaya Haji in Kuala Lipis, Pahang, joining another two existing schools that are under our care. To date, this programme has seen 12 schools adopted since 2003, and has touched the lives of 19,526 students, teachers, parents and community members from surrounding areas.



Our sustainability commitment extends to the global stage and is reflected in our continuous support of the United Nations Global Compact by incorporating its principles into our daily business practices. It is a source of great satisfaction that TM's unique and inclusive business models together with our focussed social investments contribute meaningfully to the Millennium Development Goals envisioned by the United Nations.

Through the dedication, hard work and innovative qualities of our people, we have emerged leaner, stronger and more focused. Ultimately, sustainability is about long-term well-being.

At a macro level, TM believes that life can be made more sustainable through a solid and purposeful presence in the industry, at home and abroad. By elevating telecommunications reach and efficiency, we touch more lives through our services. TM is supporting the next phase of the nation's economic development agenda having launched three strategic ICT infrastructure projects, namely My1Hub (a neutral one-stop hub enabling connectivity from Malaysia to the rest of the world), Iskandar International Gateway (IIG) (which will position Nusajaya as the preferred hub of ICT network reachability and for data centre integration in Southeast Asia), and Cahaya Malaysia (TM's first privately-owned submarine cable system). These milestones will further facilitate Malaysia's aspiration of becoming a regional communications hub, and TM's own goal of becoming a true Information Exchange. We are now building on this vision to also include an Innovation Exchange, where we will be in the best position to provide the right content and applications for our customers. Already we have our HyppTV, the leading Internet Protocol Television (IPTV) on our UniFi, Streamyx 4Mbps and 8 Mbps, as well as on multiscreens, with HyppTV Everywhere. We continue to work with global content houses to provide the best in news, sports and entertainment. Moreover, through our interactive channels, Content Services Development Platform (CSDP) and upcoming device strategies, we are open to and encourage innovative collaborations with content and application developers and entrepreneurs. TM is even working on its own physical version of our Innovation Exchange, and will make the necessary announcements of this exciting development at a later date. These two important concepts of Information and Innovation Exchange are what will help TM deliver on 'Life Made Easier', our brand promise.

At a micro level, our commitment to make life more sustainable by reaching out, bridging the digital gap and providing the opportunity to every individual to stay connected is aligned with the Company's position as Malaysia's Broadband Champion. TM is currently deploying telecommunications infrastructure and access to telecommunications products and services in rural and underserved areas via projects under the Universal Service Provision (USP) Fund managed by the Malaysian Communications and Multimedia Commission (MCMC). Through this programme, TM has built and supported various centres and initiatives in targeted districts, upgrading the living standards of societies in the catchment areas and providing job opportunities by hiring local supervisors. To date, 326 *Pusat Internet 1Malaysia* (PI1M), formerly known as Community Broadband Centres (CBCs), 56 mini CBCs, 98 Internet-enabled *Perpustakaan Jalur Lebar* (PJLs), or Community Broadband Libraries (CBLs), 1,637 *Kampung Tanpa Wayar* (KTW) or Wireless Villages, 286 WiFi 1Malaysia (W1M) hotspots and 2,214 payphones have been deployed nationally.

We strive to enhance our sustainability journey for the betterment of society. Sustainability is also fundamental to the continued future success of our business. Not only is it at the heart of our actions and behaviour, it is a principle that is deeply embedded in each stage of our customers' experience with us. Our 'Life Made Sustainable' promise is geared around sustainable value creation. For us, this means having the best people, best products and best processes in place to create a thriving ecosystem for business. We have always believed that our growth is inextricably linked with the growth of our people. Thus, we encourage diversity and a performance-driven organisational culture in which our people give their best and feel proud to be part of a successful and a caring organisation. I hope this Report will inspire meaningful action to shape a better and more secure tomorrow so that we can collectively weave a brighter future for the generations to come.



**DATO' SRI DR HALIM SHAFIE**  
Chairman

# A MESSAGE FROM OUR GROUP CHIEF EXECUTIVE OFFICER

**As a leading player in a very dynamic industry, TM is constantly innovating to excite our customers with new products and services, while fine-tuning our operations to maximise efficiency. This year was no different in that we continued to implement a wide range of initiatives across the entire chain of our operations. Most notable was the change in our approach to bring us even closer to our customers and to give that approach meaning to our employees – a concept called 'Life Made Easier'.**

This aspiration touches everyone in our ecosystem. At TM this means simplifying our systems and processes; and simplifying the way we communicate with our customers, the market and to each other. For our partners and vendors, it is by streamlining and clarifying procedures. For other industry players, by offering infrastructure and solutions they can ride on to better provide their own services. Most importantly, we continually strive to make the lives of our customers easier by offering great convenience via our products and services, and their interaction with us, to meet their every need and demand.

Thus the theme of our Annual Report 2013 is 'Life Made Easier'. We have chosen to echo this in our Sustainability Report with the title of, 'Life Made Sustainable'. We believe that adding value and quality to the lives of our stakeholders makes long-term business sense which in turn adds to our continued success and sustainability as an organisation.

As a responsible corporate citizen, we are concerned about the sustainability of our operations as well as the sustainability of the marketplace, and of the communities that we serve, including our own people. We are also committed to the sustainability of the environment, for Earth supports all other life. Needless to say, safeguarding our sustainability is an ongoing process, and TM continues to make headway in our efforts to strengthen our sustainability scorecard based on our triple bottom line approach of Economic, Social and Environmental well-being. It gives me pleasure to note that many milestones were achieved in this regard in 2013, and even greater pleasure to share some of these successes with you.

## **WORKPLACE MADE HAPPIER**

In the workplace, our sustainability efforts are focused on three main aspects: nurturing the skills and knowledge of our people to increase productivity; engaging with our employees to create a motivated and energised 1TM; and ensuring our work environments are safe at all times for our employees, partners and contractors.



The logo for Telekom Malaysia (TTM) is displayed on the red chair. It features a stylized blue bird-like icon above the letters 'TTM' in a bold, blue, sans-serif font.

# A MESSAGE FROM OUR GROUP CHIEF EXECUTIVE OFFICER

In terms of development, various training and development programmes are provided to all employees to increase their professional capabilities and enhance their career prospects. We also have a range of structured activities that allow for Management and employees to engage in open two-way discussion.

Members of the Group Leadership Team and I thoroughly enjoy our *Teh Tarik* and *Turun Padang* sessions at which we get to meet employees from all over the country, across all levels, and get direct feedback from them on work-related issues and to clarify our shared business direction.

In terms of safety, we continuously improve our Occupational Safety, Health and Environment (OSHE) policies and procedures to minimise work hazards. We recognise certain job scopes for being inherently risky and take extra precautions to ensure the safety of our employees and contractors undertaking these functions. This year, for example, we collaborated with the Industrial Rope Access Technologies (M) Sdn Bhd (IRATEC) to conduct a Working at Height (WAH) certification programme with TM Research & Development (R&D). I am proud to share that our constant and concerted efforts to maintain a safe work environment led to a 53.0% reduction in total accidents in 2013. While this is an excellent statistic, we of course will not ease up on our OSHE efforts as we work towards achieving a zero-accident workplace.

We were honoured to be selected for the first time to receive the HR Asia Best Companies to Work For in Asia 2013 Award. Almost 200 companies participated in the over a year-long Top 50 HR Asia Best Companies to Work For in Asia 2013 survey, in which we were one of 50 outstanding companies in Malaysia to receive the award. Winning companies came from various industries, with TM being the only telco. Indeed this award, among the other accolades we humbly received, only further reaffirms the pride *Warga* TM feels to be part of TM and to be working for one of the Best Companies in Asia.

Our 2013 My1TM Survey or employee engagement index also reflects this pride, recording a score of 90.0% for the third consecutive year. This is 15 percentage points higher than both the Malaysian and Global Telco (TC) norm and give us a five percentage point lead over the Global High performing Companies (GHPC) norm.

## MARKETPLACE MADE LIVELIER

Our efforts in the marketplace focus on our business partners and vendors, but most importantly, our customers. We are committed to upholding the highest level of integrity in our dealings with all these stakeholders to maintain our market reputation which is critical to the sustainability of our business.

We have strict and robust procurement policies that guide the behaviour of TM personnel in relation with vendors and suppliers, ensuring our dealings with them are always transparent and ethical. At the same time, we require our vendors to abide by an ethical code and meet certain requirements, such as the integrity and sustainability of their systems.

We give top priority to enhancing the customer experience and make every effort to offer products and services that surpass their expectations in terms of quality and delivery. We recognise we have an important role to play in promoting the success of Small and Medium Enterprises (SMEs) through the provision of ICT solutions that enhance their operations. We have, in fact, made the SME market one of our key business segments and are constantly introducing value-added products and services in our quest to be the preferred communications and solutions partner to this important niche segment. A highlight this year was the launch of the enhanced UniFi with Microsoft® Office 365 business package which will increase SMEs' productivity, expand their market reach and help serve their customers more effectively.

Another major initiative in the year was reducing the incidence of cable theft which disrupts communications services, often in underserved areas where they are needed the most. I would like to commend our Cable Theft Campaign team and partners – in particular the *Polis Diraja Malaysia* (PDRM), *Pasukan Sukarelawan Malaysia* (RELA), National Unity & Integration Department and NGOs – for their invaluable contributions in making this joint effort successful.

## COMMUNITY MADE CLOSER

As Malaysia's leading telecommunications provider and Broadband Champion, we are aware of the unique role TM plays in nation building and the positive impact our business and services can have on community life and well-being. We are thus committed to enriching the lives of our stakeholders

and building Malaysia's human capital, in support of the Government's vision of nurturing a knowledge-rich and skilled nation.

During the year, we continued to care for our stakeholders and touched more lives by bringing them closer to us through various community initiatives. Through Yayasan TM (YTM), we make the dreams of many deserving youth come true by enabling them to pursue higher education through our extensive scholarships. In 2013 itself, YTM disbursed no less than RM12.9 million to some 650 scholars in Malaysia and overseas. We also extended our PINTAR school adoption programme, which entered its fourth phase, launching two new PINTAR schools in Selangor and Pahang, and graduating one in Johor. We also allocated 600 seats in the Multimedia University and Multimedia College for outstanding students from our adopted schools, whom we will aid financially via scholarships and discounted tuition fees. This is an example of how we ensure we connect the dots in terms of cross-initiative collaborations. Within the communities itself, we continued to support single mothers and their children through Program Sejahtera, which entered its second phase with five families in Kelantan. I am very pleased to note the formalisation of TM volunteers, long involved in our various clubs and association, under the banner of TM ROVers (Reaching Out Volunteers) whose spirit of volunteerism could not have been deployed at a better time than when the East coast of Peninsular Malaysia was hit by devastating floods last December. More than 275 TM ROVers were deployed to assist the victims in clean-up activities. I am indeed very proud of their ever-ready willingness to support any of our CR activities for the betterment of the community at large.

True to our commitment as a Broadband Champion to adopt a holistic approach in providing broadband to the nation across all segments, we also plan to expand our broadband services both with High Speed Broadband Phase Two as well as in underserved areas, complementing our existing suite of fixed broadband services with wireless technology options.

## ENVIRONMENT MADE GREENER

As part of our commitment to minimise our impact on the environment, we have implemented an Environmental Monitoring System (EMS) which keeps tabs on our environmental footprint. All aspects of our environmental performance including emissions, water quality and usage, materials use and waste are managed.

**>12,000** TM ROVers

or 'TM Reaching Out Volunteers' registered nationwide

**RM12.9** million

disbursed to 650 YTM scholars in 2013

**90.0%** score in My1TM

(TM Group Employee Engagement) Survey for the third consecutive year – 5.0% higher than Global High Performing Companies norm

Recognising that electricity consumption has been increasing at TM in recent years, we are focusing on monitoring our consumption patterns and targeting a reduction of between 3.0% and 8.0%. Towards this end, a number of energy-saving initiatives have been introduced including an environmental awareness programme for our employees, tenants and contractors. Energy conservation is considered when renovating or retrofitting equipment. Thermostats are also used to automatically adjust the office temperature.

We performed well in reducing our solid waste this year, where in a pilot programme at Bukit Timbalan exchange, Johor Bahru, we surpassed our target of 2.0% waste reduction. To our great pleasure, we achieved a 44.6% reduction, from 7,400.8kg to 4,098.0kg. Encouraged by this, we will expand the programme nationwide.

Our BumiKu programme continued to be the flagship of our environmental initiatives, and grew in popularity among our employees. The BumiKu Eco Camp 2013 – Saving our Legendary Wonders for Tomorrow in Langkawi, Kedah attracted the participation of 143 staff and achieved a 100.0% satisfaction rate. In addition, our partnership with the Malaysian Nature Society (MNS) on TM Earth Camps was made more interesting with the 'cross-zone' approach. Rather than organise the camps for the schools involved within their respective zones, they were hosted in different

# A MESSAGE FROM OUR GROUP CHIEF EXECUTIVE OFFICER

zones. This inculcated a further appreciation of the rich diversity of Malaysia's nature and ecology among the students, and the opportunity to broaden their geographical horizons.

## TRANSPARENT REPORTING

TM has always placed the highest priority on corporate governance, transparency and integrity – and has consistently been acknowledged as one of the leading corporates through numerous awards and accolades. This is testament to our strong commitment to transparent reporting and sincere communication, which adds value to our Company, and we aspire to achieve this via different channels, including our standalone Sustainability Report, which is now in its sixth volume. We have been enhancing the quality of this report over the years by providing our stakeholders with even more transparent details of our aspirations, goals, challenges and achievements. At the same time, we continue to regularly engage with our stakeholders on material issues via various platforms. We acknowledge their feedback and contributions towards improving our business processes, services and ultimately performance.

I am delighted to share with you our recent achievement in winning the Platinum for Overall Excellence for the Most Outstanding Annual Report of the Year, and specifically the Gold Award for Best Corporate Social Responsibility Reporting at the National Annual Corporate Report Awards (NACRA) 2013. This was presented in recognition of our accountability and excellence through transparent reporting and effective communication. In many ways, NACRA reiterates our commitment to continuously exceeding the expectations of our key stakeholders by delivering real value.

At the regional stage, we were honoured for the second year running for the Best Sustainability Report in Malaysia for the years 2012 and 2013 by the National Centre for Corporate Responsibility (NCSR), Indonesia. We also achieved an A+ for Advanced Application Level in GRI Sustainability Reporting Framework for the sixth consecutive year.

## MOVING FORWARD

For the rest of the year, and indeed beyond 2015, TM will remain focused on the execution of PIP 3.0 with its pillars of continued growth, greater efficiency and productivity as well as institution building. TM's ongoing transformation journey towards becoming an Information and Innovation Exchange stand in good stead and will allow the Group to maintain the momentum of growth that has already been established.

This combination of Information and Innovation Exchange forms the basis of our 'Game-Changer' approach to market, which is redefined in terms of a more lifestyle driven approach and basically, in simple terms is about making life easier, for all our external and internal customers.

In 2014, we intend to further create stakeholder value by placing greater emphasis on risk management and operational efficiencies while expanding on our value-added services, community development and talent management. It is our aspiration that through these initiatives, TM will continue to live up to our stakeholders' expectations, as embodied in our principle of 'Life Made Easier'. I believe our work in sustainable business and innovation has equal potential to shape our legacy, in addition to the strategies we have put in place. The challenges we face may be formidable, but the opportunities are even greater if we act now to create new business models, new markets, new services and products with new approaches – grounded in our commitment to make life easier.

## ACKNOWLEDGEMENTS

I would like to take this opportunity to extend my deepest gratitude to all our stakeholders who have inspired us to perform better with their feedback, guidance and support while we continue to invest in the future of our Company and our nation. I would like to express my highest appreciation to our Chairman, the Board of Directors, my fellow Management team and employees for their continuous dedication, commitment and contribution to TM, and as 1TM. United in our shared belief, with passion and purpose, we can scale to even greater heights, and continue to make a difference. As always, we hope our readers find our report useful and informative and we appreciate your feedback which is vital towards developing our future together.



**TAN SRI DATO' SRI ZAMZAMAIRANI MOHD ISA**  
*Group Chief Executive Officer*

# STRATEGY AT A GLANCE

## STAYING AHEAD OF THE GAME

The drive to stay ahead forms the basis of our Performance Improvement Programme 3.0. Our PIP 3.0 is a three-year initiative from 2013 to 2015 with a clear roadmap of the desired results. The challenges of competition and the ever constant changing business landscape underscore the importance of continuously staying ahead of the game.

### PERFORMANCE IMPROVEMENT PROGRAMME 3.0

#### CONTINUED GROWTH

Creating a world class growth Information Exchange leveraging but not wholly dependent on traditional connectivity services

#### FUNDAMENTAL PRODUCTIVITY SHIFT

Fundamental change towards a lean paradigm to sustain high profitability combining the strength of a stable traditional telco with new value-added services in ICT

#### IMPROVE INSTITUTIONAL HEALTH DRIVERS

Strengthening our Customer experience and building a TM to last. Transform to be more efficient, flexible, focused on customers & ready to take on new business in ICT

### UNDERPINNED BY OUR GUIDING VALUES AND PASSION TO DRIVE PERFORMANCE

#### KRISTAL

- Total commitment to customers
- Uncompromising Integrity
- Respect & Care

#### COOL

- C – Customer Centricity and Quality Programme
- O – One Company Mindset with Execution Orientation
- O – Operational Excellence and Capital Productivity
- L – Leadership Through Innovation and Commercial Excellence

#### TEAMING WITH PASSION

At the heart of TM is this dynamic energy that drives change, called Teaming With Passion (TWP)

# CORPORATE PROFILE

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## VISION

To be Malaysia's leading new generation communications provider, embracing customer needs through innovation and execution excellence

## MISSION

To achieve our vision, we are determined to do the following:

- Strive towards customer service excellence and operational efficiency
- Enrich consumer lifestyle and experience by providing innovative new generation services
- Improve the performance of our business customers by providing high value information and communications solutions
- Deliver value for stakeholders by generating shareholder value and supporting Malaysia's growth and development

## KRISTAL VALUES

- Total Commitment To Customers
- Uncompromising Integrity
- Respect & Care



## HEAD OFFICE

Menara TM  
Jalan Pantai Baharu  
50672 Kuala Lumpur  
Malaysia

Tel : 603-2240 9494  
Website : [www.tm.com.my](http://www.tm.com.my)

## STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa  
Malaysia Securities Berhad  
Listing Date : 7 November 1990  
Stock Name : TM  
Stock Code : 4863  
Stock Sector : Trading/Services

## SUBSTANTIAL SHAREHOLDERS' HOLDINGS OF 5% AND ABOVE

### Khazanah Nasional Berhad

- Shares Held : 1,027,841,692
- Percentage : 28.73%

### Amanah Raya Trustees Berhad (*Skim Amanah Saham Bumiputera*)

- Shares Held : 484,168,700
- Percentage : 13.53%

### Employees Provident Fund Board

- Shares Held : 362,854,000
- Percentage : 10.14%

TM is Malaysia's leading integrated information and communications solutions provider offering a comprehensive range of cutting-edge communications services and solutions in broadband, data and fixed-line. Over the years, it has become the nation's Broadband Champion, entrenching our market leadership within a highly competitive environment. Driven by stakeholder value creation, TM is committed to delivering an enhanced customer experience via continuous improvements and innovation, while focusing on increased operational efficiency and productivity. Our transformation into a new generation communications provider aspires to make life easier, enabling Malaysians to enjoy an enhanced and integrated digital lifestyle and opening up possibilities through connection, communication and collaboration to elevate the nation into a high-income economy. At the same time, our extensive global connectivity, network infrastructure and collective expertise are propelling Malaysia into an Internet hub and digital gateway for Southeast Asia. TM is well on its way to becoming the 'Information and Innovation Exchange' we envisioned on our continuing journey of transformation.

Established as the Telecommunications Department of Malaya in 1946, TM has continuously developed and improved the country's telecommunications and broadcasting infrastructure. The year 2008 was a turning point for TM, where a strategic demerger was carried out to separate mobile operations from the fixed line business. It was also the year where TM signed a Public Private Partnership (PPP) with the Government of Malaysia to build and deliver high speed broadband or HSBB. Just a year and a half later, UniFi, the nation's first HSBB service was launched, making the project one of the fastest and lowest cost high speed broadband roll-outs in the world.

Through our commitment as Malaysia's Broadband Champion, TM has now provided high speed broadband services beyond the UniFi coverage areas. By upgrading and improving the quality of existing copper infrastructure, Streamyx 8Mbps, in addition to the existing 4Mbps, was deployed to ensure Malaysians are able to enjoy a digital lifestyle where all Malaysians can connect, communicate and collaborate. TM is also actively entering into strategic partnerships with housing developers to provide this digital lifestyle to new housing development areas.

# ABOUT US

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With content being one of TM's key game changers, we are focused on improving our HyppTV contents by offering more channels and packages to suit the lifestyles of our customers. New offerings include value-added packages that bring a multitude of sports, entertainment and edutainment channels for customers to choose from. With the introduction of HyppTV Over Broadband, these exciting channels are no longer limited to UniFi customers, but have been extended to Streamyx 4Mbps and 8Mbps customers as well as to the multi-screen environment via HyppTV Everywhere.

In support of the Government's vision of transforming Malaysia to become a value-based knowledge society, TM has put in place strategic ICT infrastructure to ensure that this vision comes true. My1Hub, Iskandar International Gateway and TM's first privately-owned submarine cable system, Cahaya Malaysia, are three strategic initiatives that aim to further elevate TM's position as the nation's Information Exchange, where all communications needs are met with or through TM and as the trusted ICT partner to propel Malaysia into becoming an international and regional hub.

In an exercise to further improve the services for our domestic and global customers, TM's domestic wholesale (TM Wholesale) and global wholesale (TM Global) were merged into a single entity now known as Global & Wholesale (G&W). This consolidation enables TM to become a one-stop solutions centre serving the needs of our customers domestically and in more than 50 countries. The merger also increases TM's value proposition and improves customers' experience. Now, the Company is aligned into six principal customer segments of Consumer, SME, Enterprise, Government, Global & Wholesale and New Media. This new business model creates greater synergies between the various divisions, and allows TM to better serve the needs of the different customer segments. To further enhance this customer experience, TM focuses on accessibility, simplicity and generally making customers' lives easier via our extensive network of TMpoints and our self-service portal, TM Online.

Along with our rapid transformation into an Information and Innovation Exchange, the focus on training and development of TM's more than 27,000 employees has never been sharper. TM Training Centre has developed a comprehensive range of programmes aimed at enhancing the soft and technical skills of all employees, with specialised modules to meet the needs of technical personnel as well as potential leaders.

In addition, via TM's Education cluster comprising the Multimedia University (MMU) and Multimedia College (MMC), the Company is supporting the Government's vision of nurturing a knowledge-driven society, supplying a steady stream of capable and skilled human capital in various fields of expertise.

As a model corporate citizen committed to good governance and transparency, TM remains true to our pledge to ensure the integrity of our processes, people and reputation as well as the sustainability of our operations. Our Corporate Responsibility (CR) ethos reinforces responsible behaviour in the four main domains of the marketplace, workplace, the community and the environment. The Group's Reaching Out programmes leverage on our ICT expertise to empower communities, serving as a perfect example of how businesses can contribute to sustainable development.

TM's focus on excellence has led to numerous awards in almost every aspect of our operations including corporate governance and corporate responsibility. Most recently, the Company was honoured with the Platinum Award for the Most Outstanding Annual Report of the Year at the National Annual Corporate Report Awards (NACRA) 2013. This was the third time TM has won the NACRA Platinum, after 2011 and 2006. The company also won the Industry Excellence Award for Main Board Companies under the Trade & Service category for the 17th consecutive year. In addition, TM was awarded the Best Sustainability Report Award in Malaysia for 2012 and 2013 by The National Centre for Sustainability Reporting (NCSR) based in Indonesia. Frost & Sullivan Malaysia has named TM the Telecom Service Provider of the Year for the last three years and the Data Communications Service Provider of the Year for the 10th consecutive year. Regionally, TM was recognised as the Fixed Broadband Provider of the Year at the Frost & Sullivan Asia Pacific ICT Awards in 2012 and 2013. TM also made the list of Top 50 Best Companies To Work For In Asia 2013 by HR Asia.

Such accolades drive the Company to continue exploring and innovating to realise our aspiration of delivering an enhanced and integrated digital lifestyle to Malaysians while fulfilling the nation's communications needs. With many changes in the economic climate domestically and internationally, TM has made our promise to create and deliver cutting-edge solutions for our customers, be it for business or lifestyle. TM will continue to strive to provide these solutions as to make our customers' lives easier!

For further information on TM, visit [www.tm.com.my](http://www.tm.com.my).

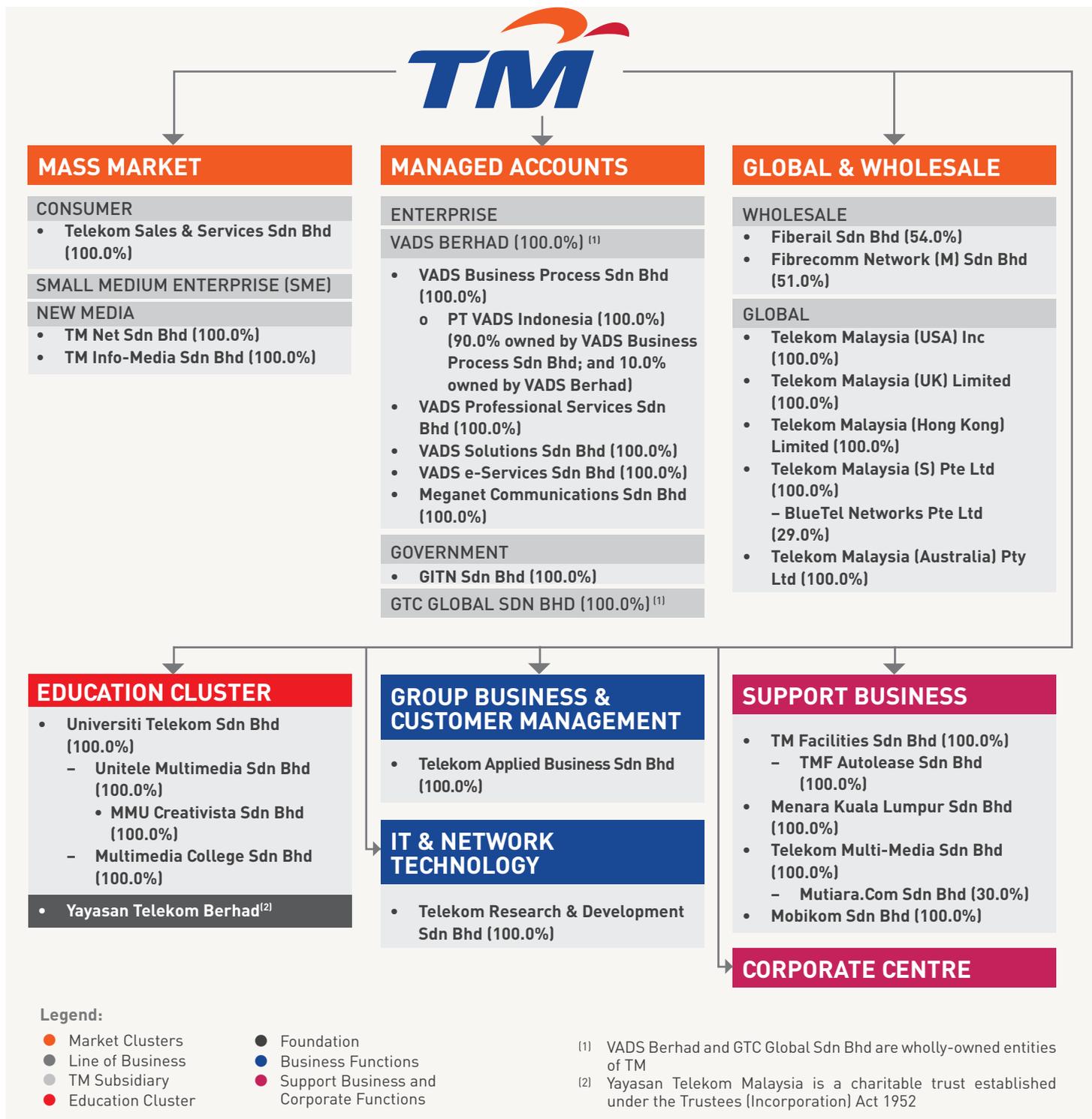
# GROUP FINANCIAL HIGHLIGHTS

In RM Million	2009	2010	2011	2012	2013
<b>OPERATING RESULTS</b>					
1. Operating revenue	8,608.0	8,791.0	9,150.7	9,993.5	<b>10,628.7</b>
2. Profit before taxation and zakat	921.6	1,360.2	1,001.2	1,069.6	<b>1,046.0</b>
3. Profit for the financial year	673.3	1,245.0	1,237.1	1,305.9	<b>1,047.8</b>
4. Profit attributable to equity holders of the Company	643.0	1,206.5	1,191.0	1,263.7	<b>1,012.2</b>
<b>KEY DATA OF FINANCIAL POSITION</b>					
1. Total shareholders' equity	6,946.1	7,659.7	7,424.0	6,894.8	<b>7,136.7</b>
2. Total assets	20,237.4	21,079.0	22,252.3	22,195.9	<b>21,146.5</b>
3. Total borrowings	6,713.5	5,532.0	6,410.4	7,140.4	<b>6,455.2</b>
<b>SHARE INFORMATION</b>					
1. Per share					
Earnings (basic)	18.3 sen	33.9 sen	33.3 sen	35.3 sen	<b>28.3 sen</b>
Gross dividend	23.0 sen	26.1 sen	19.6 sen	22.0 sen	<b>26.1 sen</b>
Net assets	196.0 sen	214.7 sen	207.5 sen	192.7 sen	<b>199.5 sen</b>
2. Share price information					
High	RM4.00	RM3.60	RM5.09	RM6.40	<b>RM6.00</b>
Low	RM2.60	RM3.04	RM3.50	RM4.71	<b>RM5.05</b>
<b>FINANCIAL RATIOS</b>					
1. Return on shareholders' equity	7.5%	16.5%	15.8%	17.7%	<b>14.4%</b>
2. Return on total assets	3.3%	5.9%	5.6%	5.9%	<b>5.0%</b>
3. Debt equity ratio	1.0	0.7	0.9	1.0	<b>0.9</b>
4. Dividend cover	0.8	1.3	1.7	1.6	<b>1.1</b>

# GROUP CORPORATE STRUCTURE

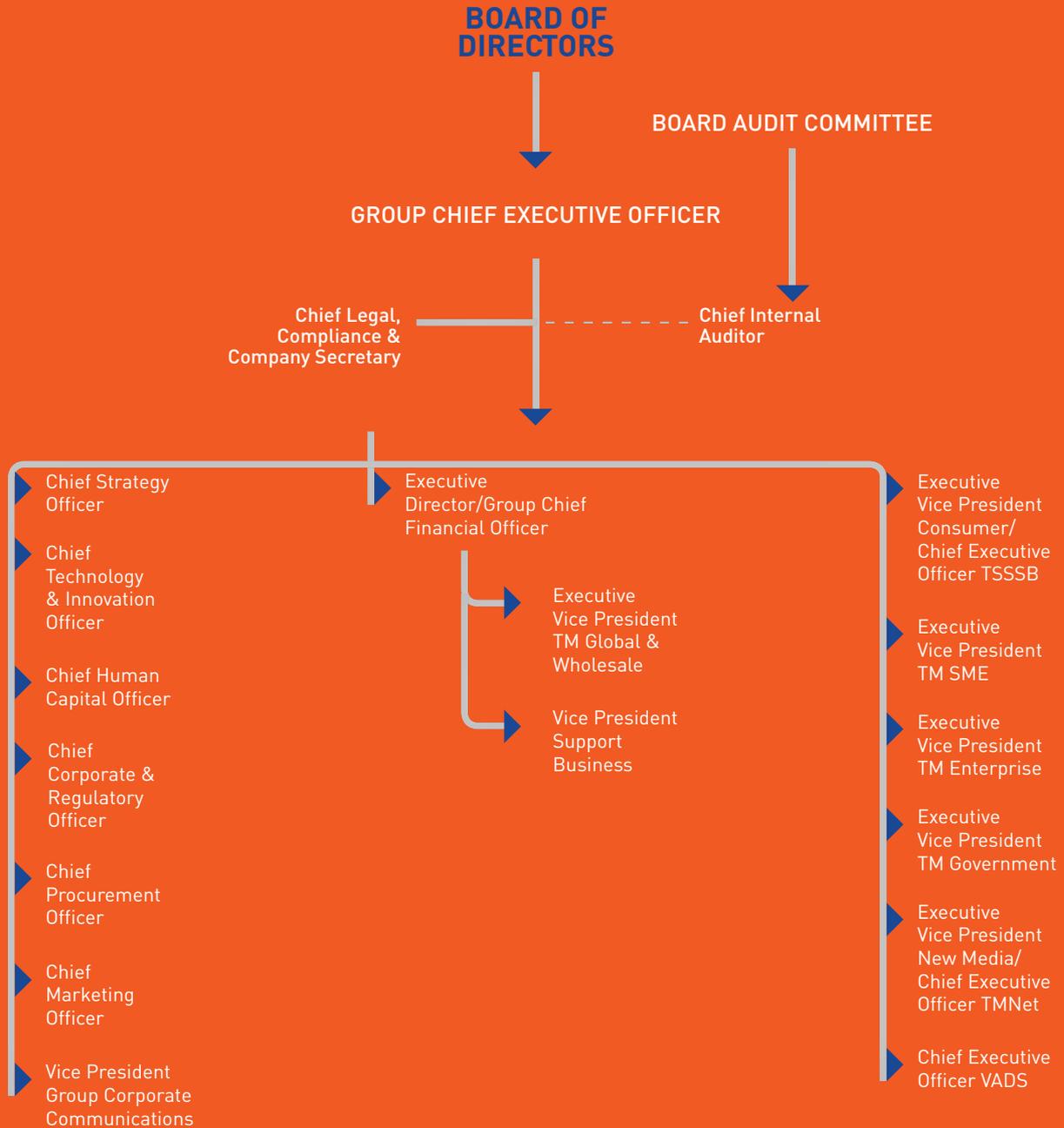
as at 20 March 2014

This chart represents TM's lines of business, subsidiaries, associates, business functions and corporate functions



# GROUP ORGANISATION STRUCTURE

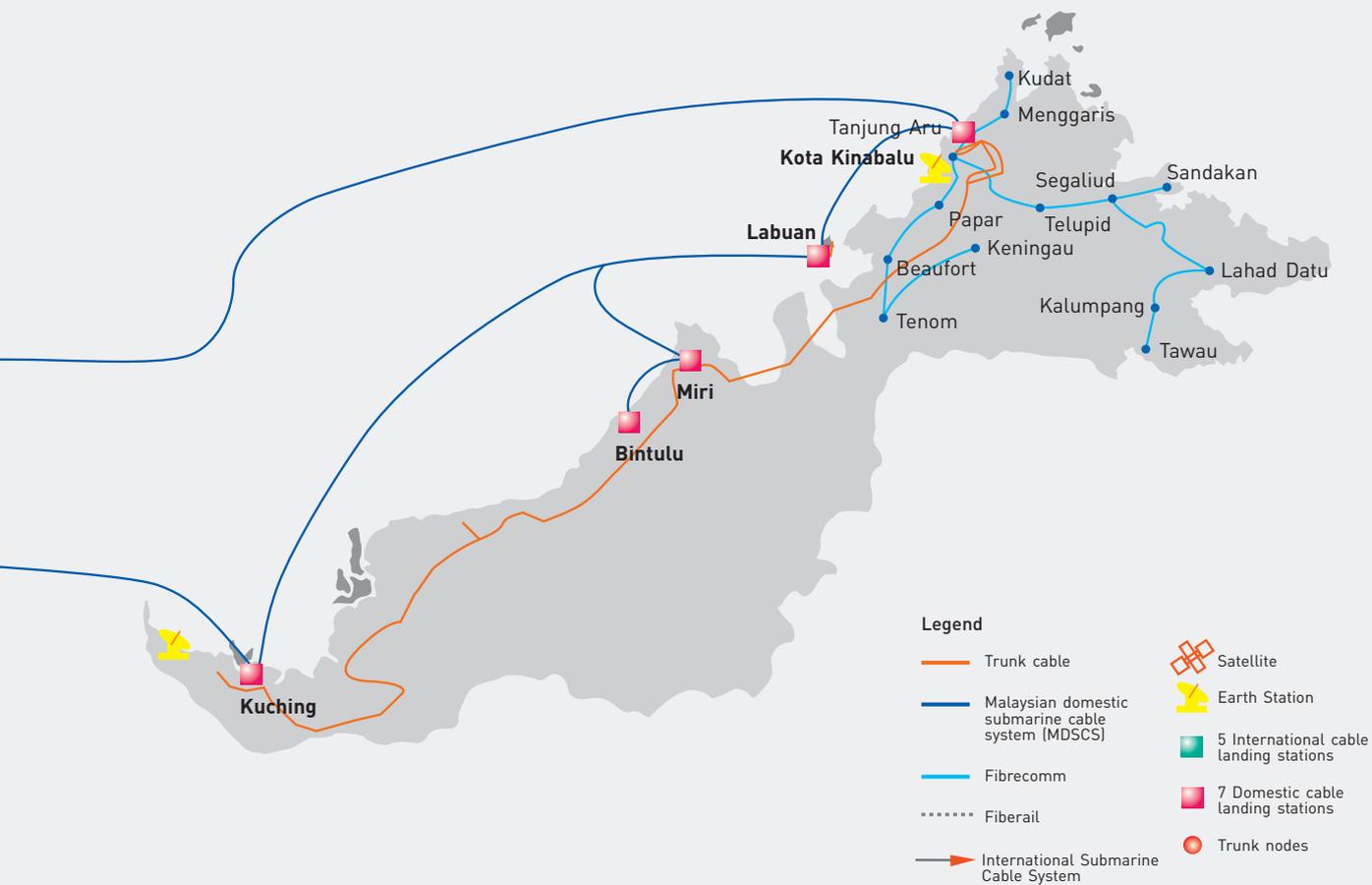
as at 20 February 2014



# INTERNATIONAL & DOMESTIC INFRASTRUCTURE & TRUNK FIBRE OPTIC NETWORK

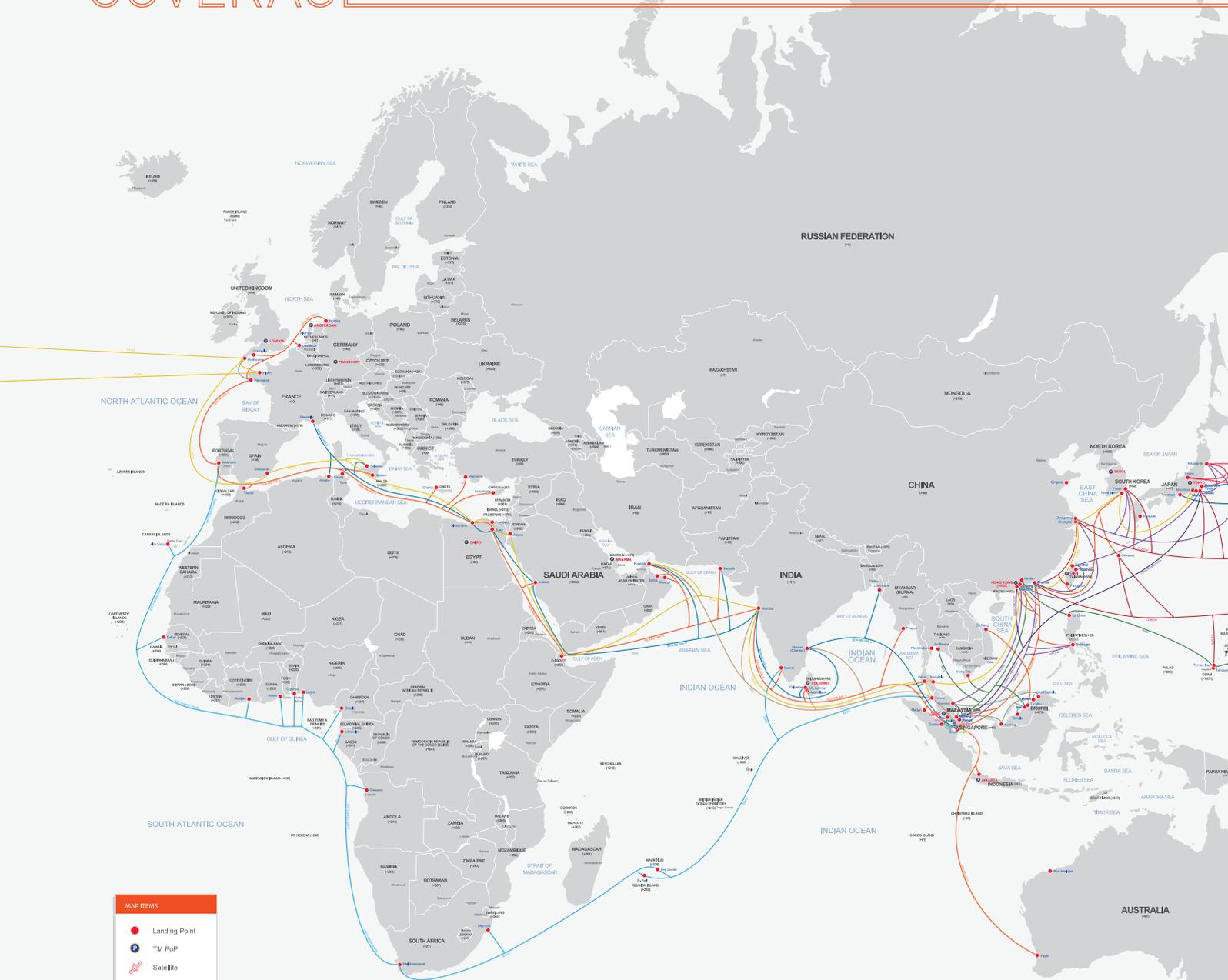


Intelsat 904 60.0°E	Intelsat 17 66.0°E	Intelsat 10 68.5°E	ABS1 75.0°E	Apstar 7 76.5°E	Insat 4A/2E 83.0° E	Measat 3 91.5° E
NSS 6 95.0° E	Asiasat 5 100.5° E	Asiasat 3S 105.5° E	JCSAT 3A 128.0° E	Apstar 6 134.0°E	Apstar 5 138.0°E	Intelsat 19 166.0° E



# TM WORLDWIDE COVERAGE


  
 Intelsat 904 60.0° E    Intelsat 17 66.0° E    Intelsat 10 68.5° E    ABS1 75.0° E    Apstar 7 76.5° E    Insat 4A/2E 83.0° E



**MAP ITEMS**

- Landing Point
- Ⓜ TM PoP
- Satellite

REGION	SUBMARINE CABLES SYSTEM											
South East Asia	<span style="color: green;">●</span> AAG	<span style="color: purple;">●</span> APCN2	<span style="color: lightgreen;">●</span> BRIGHT	<span style="color: olive;">●</span> MDSCS	<span style="color: magenta;">●</span> OMCS	<span style="color: yellow;">●</span> FLAG	<span style="color: teal;">●</span> BDM	<span style="color: lightblue;">●</span> SAT3-WASC-SAFE	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> SEA-ME-WE-4	<span style="color: darkblue;">●</span> CAHAYA MALAYSIA	<span style="color: brown;">●</span> BBG-RFS Q4:2014
Asia Pacific	<span style="color: green;">●</span> AAG	<span style="color: purple;">●</span> APCN2	<span style="color: magenta;">●</span> CUSCN	<span style="color: yellow;">●</span> FLAG	<span style="color: red;">●</span> JUSCN	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> TGN	<span style="color: darkblue;">●</span> CAHAYA MALAYSIA				
Europe	<span style="color: yellow;">●</span> FLAG	<span style="color: lightblue;">●</span> SAT3-WASC-SAFE	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> SEA-ME-WE-4								
North America	<span style="color: yellow;">●</span> FLAG	<span style="color: green;">●</span> AAG	<span style="color: red;">●</span> JUSCN	<span style="color: magenta;">●</span> CUSCN	<span style="color: blue;">●</span> TGN							
Indian Sub Continent	<span style="color: yellow;">●</span> FLAG	<span style="color: lightblue;">●</span> SAT3-WASC-SAFE	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> SEA-ME-WE-4	<span style="color: brown;">●</span> BBG-RFS Q4:2014							
Middle Eastern	<span style="color: yellow;">●</span> FLAG	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> SEA-ME-WE-4	<span style="color: brown;">●</span> BBG-RFS Q4:2014								
Africa	<span style="color: yellow;">●</span> FLAG	<span style="color: lightblue;">●</span> SAT3-WASC-SAFE	<span style="color: orange;">●</span> SEA-ME-WE-3	<span style="color: blue;">●</span> SEA-ME-WE-4								
Oceania	<span style="color: orange;">●</span> SEA-ME-WE-3											

Measat 3  
91.5° E

NSS 6  
95.0° E

AsiaSat 5  
100.5° E

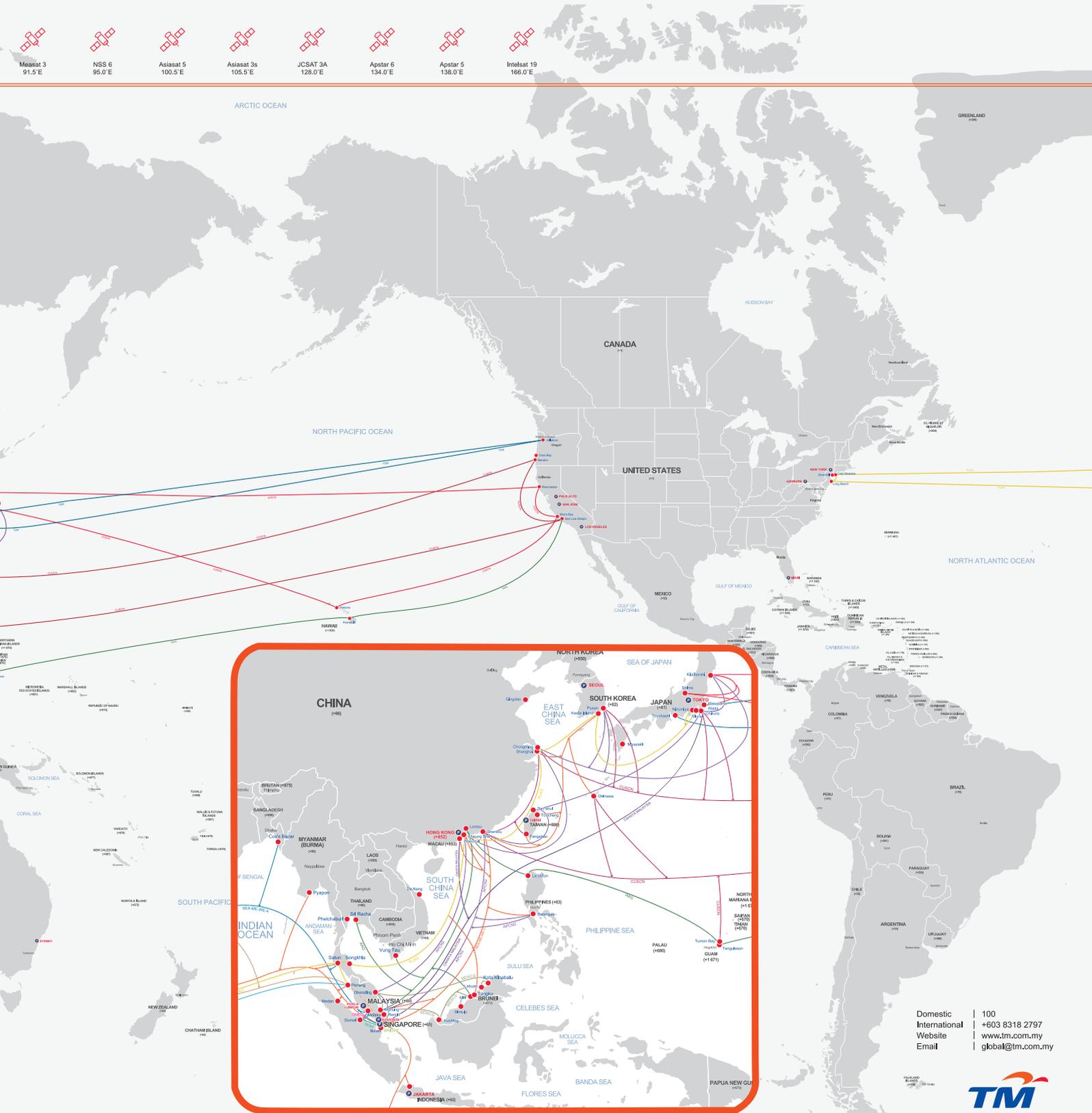
AsiaSat 3s  
105.5° E

JCSAT 3A  
128.0° E

Apstar 6  
134.0° E

Apstar 5  
138.0° E

Intelsat 19  
166.0° E



Domestic | 100  
 International | +603 8318 2797  
 Website | www.tm.com.my  
 Email | global@tm.com.my



# AWARDS & RECOGNITIONS 2013

**13 JAN**

## **Anugerah Juruteknologi Negara**

- TM R&D won for Service category

**17 FEB**

## **Global HR Excellence Awards**

- Chief Human Resource Officer of the Year
- HR Leadership Award

**19 FEB**

## **Islamic Finance Awards for Innovation**

- TM received recognition for Innovation category

**22 FEB**

## **Malaysia Invention and Innovation Awards (MTE)**

- TMR&D won Bronze Awards

**20 MAR**

## **TV Connect Industry Awards**

- Best Live Online TV Service or Solution

**18 APR**

## **Reader's Digest Trusted Brands**

- Phone & Broadband Service Category – Gold

**26 APR**

## **Putra Brand Awards**

- Communication Network – Bronze medal

**9 MAY**

## **Frost & Sullivan Malaysia Excellence Awards**

- Telecom Service Provider of the Year
- Data Communication Service Provider of the Year

**10 JUN**

## **The Brand Laureate Country Branding Awards – won by Menara KL**

**20 JUN**

## **Asia Communication Awards (ACA)**

- Innovation Award won by TMR&D

**21 JUN**

## **Kuala Lumpur Mayor's Tourism Awards**

- Menara KL won Outstanding Achievement in Tourism Attraction Category

**26 JUN**

## **Frost & Sullivan Asia Pacific ICT Awards**

- Fixed Broadband Service Provider of the Year

**2 JUL**

## **Human Resources Excellence Award 2013 'HR Team of the Year'**

- Best 50 Companies to Work For in Asia

**8 AUG**

## **Global Services 100 Provider**

- VADS - Outsourcing Malaysia Excellence Awards 2013 (BPO Project of the Year)





### 21 NOV

#### National Annual Corporate Report Awards (NACRA)

- Most Outstanding Annual Report of the Year – Platinum
- Best Corporate Social Responsibility Reporting – Gold
- Best Annual Report in Bahasa Melayu – Silver
- Industry Excellence Award – Trading & Services

### 12 SEPT

#### Alpha Southeast Asia's Institutional Investor Corporate Awards

- Best Strategic CSR
- Best Annual Report in Malaysia

### 7 OCT

#### MSC Asia Pacific ICT Alliance (MSC APITCA)

- Winner and Merit for the Best of Research & Development Award – won by TM R&D
- Merit for the Best of Communications Applications category – won by TM R&D

### 9 OCT

#### Computerworld Malaysia Readers Choice Awards 2013

- Managed Connectivity

### 14 OCT

#### Contact Centre Association of Malaysia (CCAM) Awards

VADS won for:

- Best Outsourced Outbound Contact Centre (Over 100 seats)
- Best Government Contact Centre
- Best Government Initiative

### 2 NOV

#### Contact Centre World Awards

- Best Leader
- Best Operations Manager
- Best Recruitment Campaign
- Best IT Support
- Best Sales Inbound

### 9 NOV

#### Persidangan dan Ekspo Ciptaan Institusi Pengajian Tinggi Antarabangsa (PECIPTA) 2013

Won by MMU for:

- Best of the Best Awards
- Special Awards from the Korean Asia Invention Association

### 27 NOV

#### Asia Pacific Information and Communication Technology Alliance (APICTA) Awards 2013

- Merit award for Communication Category

### 10 DEC

#### Anugerah Zakat Kebangsaan

- TM received recognition for Government Linked Company category

### 13 DEC

#### SMI Association of Malaysia SME Recognition Awards

- SME Sahabat Negara Award 2013

### 16 DEC

#### Malaysian – ASEAN Corporate Governance Index 2013

- Top Five Overall Corporate Governance
- Best Conduct of AGM
- Best ESG

### 18 DEC

#### National Centre for Sustainability Reporting (NCSR) Awards

- Winner Best Sustainability Report 2012 in Malaysia

# TM GROUP PRODUCTS & SERVICES

## MASS MARKET

### Voice Service Access

- Homeline
- Businessline
- CDMA
- ISDN
- Centrex

### Value-Added Services

- Infoblast
- Marketing Tools
- Voicemail
- TollFree 1300/1800
- BizApps Store

### Prepaid Service

- iTalk
- **Broadband (Consumer)**
  - UniFi VIP
  - Streamyx
  - TM WiFi
  - Streamyx Wireless (CDMA/EVDO)
- **Broadband (Business)**
  - UniFi Biz
  - Business Broadband
  - TM WiFi
  - Direct
  - In-Building Broadband Service (IBS)

### Geomatics

- AVLS (Automatic Vehicle Location)
- SmartMap
- Navigation System

## MANAGED ACCOUNT

### Internet Services

- Direct
- Direct V
- In-Building Broadband Solution (IBS)
- Hospitality Entertainment Solutions
- Hotzone

### Internet VAS

- BOD & Burstable (Direct)
- Border Gateway Protocol (BGP)
- CPEPV (Direct)
- Expedite Request
- IPv4 for Direct
- IPv6 for Direct
- Service Level Guarantee (SLG)
- XDSL backup for Direct

### Voice Services

- Access Multi-Line SIP
- ISDN
- ISDN Minutes Plan
- TMCentrex
- Hotline Package

### Voice VAS

- Tollfree
- Tollfree Analytics
- TollFree Solutions for BPO
- Infoblast
- Infoblast Flat Rate Plan
- TollFree Disaster Recovery Manager
- Businessline SMS
- Infoblast Open API
- Call Plan
- Flexi Smart PIN
- Flexi Smart Call
- Flexi Destina
- Flexi Destina Value
- Smart Call/Smart Biz
- Flexi Destina Plus
- Privilege Plan
- SmartPIN
- Flexi Destina for Toll Free (TF)
- Data Services Managed Connectivity
- Services VSAT Ku-Band
- VSAT Starnet (C-Band)
- VSAT StarNet MESH
- Hyperband
- Domestic Leased Line - Wideband
- Domestic Leased Line - Digitaline I
- Domestic Leased Line - Broadband
- Managed Network Services
- IPVPN Backup 3G & IPLite 3G
- IPVPN Value
- Metro Ethernet
- IPVPN Premier
- IPVPN Lite
- IPVPN Wireless Off Premise ATM
- SmartBiz
- IPVPN Value EVO
- School Broadband

### Integrated ICT Services

- Managed Data Centre & Cloud Services
  - Managed Data Centre Services
  - Managed Cloud Services
- Managed Communication & Collaboration Services

- Managed Unified Communications
- Managed TelePresence Services
- Managed Network & Network Integration Services
  - Managed Local Area Network (MLAN)
  - Managed Wide Area Network (MWAN)
  - Managed Network Visibility Services (MNVS)
- Managed Security Services
  - Managed Web Application Firewall (WAF)
  - Managed Unified Threat Management (MUTM)
  - Cloud Based Web Security Service (CBWS)
- End User Computing Services
  - Managed Desktop Services
  - Managed Service Desk

### Integrated BPO Services

- Customer Experience Management
  - Customer Service
  - Technical Support
  - Service Desk
- Revenue Generation & Protection
  - Tele Sales
  - Inside Sales
  - Inbound Sales
  - Tele Collection
  - Tele Reminder
  - Tele Save-A-Customer
  - Telemarketing
- Knowledge Process Outsourcing
  - Business Insights
  - Dashboard Reporting
  - Social Media Analytics
- Business Suites/Facilities Management
  - Facility Management
  - Disaster Recovery

## NEW MEDIA

### Content Services

- HyppTV
- HyppGames
- B-Smart
- My1Content
- TM Shop
- E-browse

### Value-Add Services

- E-storage

### Advertising services

- Yellow Pages Publications (YP Big Book, YP4Home, Destination Malaysia & Halal Pages)
- Digital Yellow Pages (Internet & Mobile)
- TV Advertising via HyppTV

## GLOBAL & WHOLESALE

### Voice Services

- Bilateral Voice Services
- Wholesale Voice Services
  - Voice over Internet Protocol (VoIP)
  - Time-Division Multiplexing (TDM)
- International Value Added Services
  - Global Voice Solutions
  - Global SMS Hub

### Voice & Multimedia Services

- Voice over Internet Protocol (VoIP)
- Interconnect Minutes

### Data Services

- Global Ethernet Services (GES)
  - Global Ethernet Virtual Private Line (EVPL)
  - International Ethernet Private Line (IEPL)
- Global Virtual Private Network (VPN) Services
- Media Delivery Services (MDS)
- IP Services
- Global Hosting Services
- International Bandwidth Services
  - International Private Leased Circuit (IPLC)
  - Bandwidth Transit
  - Bandwidth Backhaul
  - Bandwidth Interconnection
  - Global VSAT

### Backhaul Services

- High Speed Broadband (HSBB) Service
- Wholesale Ethernet Service
- Next-Gen Backhaul™ (NGBH) Services

### Solutions

- My1Hub

**Life**



**Made**

**Easier**<sup>TM</sup>

**Hidup Lebih Mudah**

# SUSTAINABILITY & CORPORATE RESPONSIBILITY: STRATEGY & IMPACT ANALYSIS

## ADDRESSING STAKEHOLDERS' INTERESTS THROUGH A TRIPLE BOTTOM LINE APPROACH

We continue to include our stakeholders in designing our CR roadmap. Our response to each issue is dependent upon its relevance to the triple bottom line principle. Key initiatives taken in each focus area are as summarised below.

Triple Bottom Line	CR Dimensions	Key Initiatives
Economic	Marketplace	<ul style="list-style-type: none"> <li>• Best Corporate Governance Practices</li> <li>• Policy and guidelines to govern business conduct</li> <li>• Enterprise Risk Management (ERM) Framework</li> <li>• Special focus group and customer advisory panels</li> <li>• Customer satisfaction survey and online feedback</li> <li>• Customer service management centres and initiatives</li> <li>• Greater customer engagement via social media channels (Twitter and Facebook accounts) as well as VADS Social Media Hub</li> <li>• Customer education and awareness programmes</li> <li>• Vendor training and standard procurement process</li> <li>• Vendor Development Programmes</li> <li>• Active stakeholder engagement programmes</li> <li>• Upgrading of TMpoint outlets</li> <li>• Education and training for TM ambassadors</li> </ul>
	Workplace	<ul style="list-style-type: none"> <li>• Transparent performance measurement system</li> <li>• Employee satisfaction monitoring (My1TM survey)</li> <li>• Disability and health benefits</li> <li>• Occupational, Safety and Health (OSH) management</li> <li>• Development and training opportunities</li> <li>• Employee Assistance Programme (EAP)</li> <li>• Work-life balance (flexi-hours, teleworking)</li> <li>• Talent pool management</li> <li>• Mentoring programme</li> <li>• Women empowerment and support in workplace (eg childcare, maternity benefit)</li> <li>• Employee volunteerism (TM ROvers)</li> </ul>
Social	Community	<p><b>TM in Education</b></p> <ul style="list-style-type: none"> <li>• Yayasan TM Scholarships</li> <li>• TM PINTAR Programme</li> <li>• Multimedia University (MMU)</li> <li>• Multimedia College (MMC)</li> <li>• TM-MMU Graduate Employability Outreach Programme (GEOP)</li> </ul>

Triple Bottom Line	CR Dimensions	Key Initiatives
Social	Community	<p><b>TM in the Community and Nation Building:</b></p> <ul style="list-style-type: none"> <li>• <i>Program Sejahtera</i> for Single Mothers</li> <li>• Contributions to disaster relief and the underprivileged</li> <li>• Universal Service Provision (USP) <ul style="list-style-type: none"> <li>- <i>Pusat Internet 1Malaysia</i> (PI1M) or Community Broadband Centres (CBCs)</li> <li>- Mini Community Broadband Centres (CBCs)</li> <li>- <i>Perpustakaan Jalur Lebar</i> (PJLs) or Community Broadband Libraries (CBLs)</li> <li>- <i>Kampung Tanpa Wayar</i> (KTW) or Wireless Villages</li> <li>- WiFi 1Malaysia (W1M) hotspots</li> <li>- Payphones</li> </ul> </li> <li>• TM ROvers deployed nationwide</li> <li>• Ad-hoc donations and contributions to charitable organisations</li> </ul>
Environment	Environment	<ul style="list-style-type: none"> <li>• TM Environmental Manual</li> <li>• Active recycling programme</li> <li>• Optimisation of power usage</li> <li>• Energy savings at exchanges and stations</li> <li>• TM Environmental Management System (EMS)</li> <li>• Carbon Management Plan</li> <li>• Water Management</li> <li>• Energy saving and conservation</li> <li>• Conformance to Occupational Safety, Health and Environment (OSHE) Policy</li> <li>• Environmental conservation and minimising impact: water, energy, waste, emissions, noise and other areas</li> <li>• Green landscaping at TM offices</li> <li>• BumiKu Campaign: BumiKu ECO Camp, Earth Day</li> <li>• Partnership with Malaysian Nature Society (MNS) on TM Earth Camp</li> </ul>

## IDENTIFICATION OF STAKEHOLDERS AND METHODS OF ENGAGEMENT

At TM, stakeholders are identified as groups who impact and/or are impacted by our operations.



**TM's stakeholders: Those who matter most to us**

# SUSTAINABILITY & CORPORATE RESPONSIBILITY: STRATEGY & IMPACT ANALYSIS

We make a genuine effort to engage with our stakeholders through various formal and informal channels as we believe it is important to understand their needs and concerns on any matter related to our services and operations. We highly value two-way communication as we seek to understand our stakeholders' expectations and manage them effectively to achieve sustainable long-term relationships.

The table below summarises the way in which TM engages with our different stakeholders and the frequency of our engagement activities.

Stakeholder Group	Engagement Method	Frequency of Engagement
<b>Customers</b>	Customer feedback management	Daily
	Customer support centre at 100	Daily
	Market research	Regular
	Events, dialogue sessions, roadshows and engagement sessions	Ad-hoc
<b>Government &amp; Authorities</b>	Formal meetings	Ad-hoc
	Performance reports	Regular
	Discussions on Government initiatives	Ad-hoc
<b>Shareholders &amp; Investors</b>	Investor Relations (IR) events	Ad-hoc
	Annual and Sustainability Reports	Annually
	Annual General Meetings	Annually
	Extraordinary General Meetings	Ad-hoc
	Shareholder updates	Regular
	Quarterly reports	Quarterly
<b>Business Partners</b>	Progress reports	Regular
	Annual and Sustainability Reports	Annually
	Corporate presentations	Ad-hoc
	Signing ceremonies	Ad-hoc
<b>Community</b>	Website and service catalogues	Daily
	Annual and Sustainability Reports	Annually
	Visits, seminars and joint activities	Ad-hoc
	Community engagement activities	Regular
<b>Employees</b>	Employee Satisfaction Survey	Annually
	Dialogue and engagement	Regular
	Intranet, departmental meetings, newsletter	Regular
	Employee engagement programmes	Regular
	TM Clubs: Kelab TM, BAKIT, TIARANITA, TM Bikers, Pakar Semboyan	Regular

Stakeholder Group	Engagement Method	Frequency of Engagement
<b>Suppliers</b>	Transparency survey	Annually
	Suppliers training programmes	Regular
	Supplier relationship management	Regular
	Vendor Development Programme (VDP)	Ongoing
<b>Trade Union and Professional Bodies</b>	Dialogue and engagement	Regular
	Joint activities	Regular
	Consultations and negotiations	Ad-hoc
<b>Analysts</b>	Analyst briefings	Regular
	Site visits	Regular
	Seminars, Question & Answer sessions	Regular
	Performance reports	Quarterly
<b>Public at Large</b>	TM Website	Daily
	TM Contact Centres	Daily
	Annual and Sustainability Reports	Annually
	Campaigns and roadshows	Regular
<b>Non-Governmental Organisations (NGOs), Consumer Groups and Active Organisations</b>	Dialogue and engagement	Regular
	Collaborations	Regular
	Sponsorships	Ad-hoc
<b>Media</b>	Press releases	Regular
	Press conferences, Question & Answer sessions	Regular
	Media coverage	Regular
	Media luncheons	Regular
<b>Social Media</b>	Engagement sessions	Regular
	Corporate Twitter accounts	Daily
	Other online brand and marketing channels	Daily

# SUSTAINABILITY & CORPORATE RESPONSIBILITY: STRATEGY & IMPACT ANALYSIS

## ADDRESSING MATERIAL ISSUES

According to the Global Reporting Initiative, material issues include “those topics that have a direct or indirect impact on an organisation’s ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large”.

In simple terms, addressing materiality is about identifying all issues that could pose a risk or present opportunities to TM, and weighing these according to the level of concern they present to our stakeholders as well as to the sustainability of our operations. It is how we choose what to focus and report on.

Applying a rigorous materiality process not only helps us report on the issues our stakeholders want to hear about, but also facilitates in decision-making as to where to focus our internal resources.

In order to identify areas that could represent opportunities or risks to our business now or in the future, we analyse issues in terms of their relevance to society and to us. A topic is of material interest to TM if it is considered relevant from both our stakeholders’ as well as our own perspective. We conduct a materiality survey throughout the year to gather the views of each of our stakeholder groups. Results of this survey are compiled, reviewed and presented in our Sustainability Report.

What are TM’s Material Issues?	How is TM addressing these issues?
<b>Quality of service</b>	Our Quality Management Systems involve a gated process which governs the entire Product Life Cycle (PLC) from product Ideation (pre-launch) to product exit. All products and services are endorsed by the relevant stakeholders before they are launched.
<b>Expansion of TM’s service coverage</b>	<p>Regional</p> <p>My1Hub directly supports the Government’s Economic Transformation Programme (ETP), specifically Entry Point Project (EPP) 3 (Positioning Malaysia as a World-Class Data Centre Hub) and EPP 10 (Extending the Regional Network). In addressing the demand for Data Centres, My1Hub also supports related activities including content development and distribution as well as ICT-BPO services. My1Hub rides on TM’s huge domestic and international infrastructure and is positioned as an equal or better solution for Malaysian players.</p>
<b>TM for a better economy and developed nation</b>	<p>Domestic</p> <p>TM is upgrading up to 400 exchanges nationwide under phase two of Malaysia’s high speed broadband programme (HSBB2), following the conversion of 103 exchanges under phase one. Under phase two, an additional 95 exchange areas have been targeted for conversion over a period of three years. RM1.8 billion will be spent on expanding coverage in urban areas, and another RM1.6 billion to expand HSBB to suburban areas, increasing Internet access speeds to between 4Mbps and 10Mbps.</p> <p>Together with our higher speed Streamyx packages, the number of customers of high speed broadband (Streamyx 4Mbps and 8Mbps, and UniFi) represents 41.0% or close to 900,000 of our total broadband customers; 2.21 million. TM also signs a Smart Partnership with developers to increase broadband reach.</p>



What are TM's Material Issues?	How is TM addressing these issues?
<b>Bridging the digital divide</b>	<p>TM is deploying telecommunications infrastructure and ensuring access to products and services in remote and low population density areas via projects under the USP Fund, managed by the Malaysian Communications and Multimedia Commission. To date, 326 <i>Pusat Internet 1Malaysia</i> (PI1M), 56 mini CBCS, 98 Internet enabled <i>Perpustakaan Jalur Lebar</i> (PJLs), 1,637 <i>Kampung Tanpa Wayar</i> (KTW) or Wireless Villages, 286 WiFi 1Malaysia (W1M) hotspots and 2,214 payphones have been deployed nationwide. We have also introduced an affordable <i>Pakej Jimat Hebat</i> at RM38/384kbps for low income earners in rural areas. This forms part of the Government's initiative to bridge the digital divide.</p>
<b>Life made easier with TM: effectiveness and efficiency</b>	<p>TM is committed to empowering local businesses and aspires to become their preferred communications and solutions partner in Malaysia with a comprehensive range of tools to help them grow. In 2013, we launched an enhanced UniFi with Microsoft® Office 365 business package, which offers comprehensive, bespoke solutions that meet increasingly sophisticated requirements.</p>
<b>Impact of operations</b>	<p>TM has engaged the Non-Ionising Radiation Unit of Malaysian Nuclear Agency to assess the radiofrequency and microwave radiation safety around our telecommunications and broadcast towers. Based on current knowledge and available scientific evidence on the biological effects of radio frequency and microwave radiation, we believe our radiation levels are highly unlikely to cause any adverse health effect on exposed persons.</p>

# CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

Corporate governance remains as an underlying value to every aspect of the organisation in TM. The Board maintains its stance in upholding its importance and strives to instil an effective corporate governance structure at the core of the Company's pursuit to realise its vision of becoming Malaysia's leading new generation communications provider.

The governance structure concentrates on creating and enhancing shareholder value by striking a balance between short-term financial performance and long-term sustainability through sound governance that upholds corporate ethics, risk management and effective internal controls.

The foundation of TM's corporate governance model is built based on the following requirements and guidelines:

Malaysian Code on Corporate Governance  
(MCCG 2012)

Main Market Listing Requirements (Main LR) of  
Bursa Malaysia Securities Berhad (Bursa Securities)

Corporate Governance Guide: Towards Boardroom  
Excellence (CG Guide) by Bursa Securities  
(Second Edition)

Corporate Disclosure Guide by Bursa Securities

Green Book on Enhancing Board Effectiveness by the  
Putrajaya Committee on Government Linked  
Companies (GLCs) High Performance (PCG)

International best practices and standards on  
corporate governance and integrity

Other than the above requirements and guidelines, TM also benchmarks itself against the ASEAN Corporate Governance Scorecard (ASEAN CG).

TM's continuing commitment to ensuring transparency, accountability, disclosure and equality in its governance and stakeholder management is acknowledged by the industry with the Company being the recipient of multiple awards from the 2013 National Annual Corporate Report Awards (NACRA) on 21 November 2013. The year 2013 marked TM's third Platinum for Overall Excellence for the Most Outstanding Annual Report of the year. Meanwhile TM won the Trading and Services category for Industry Excellence among Main Board Companies for the 17<sup>th</sup> consecutive year, the Gold Award for Best Corporate Social Responsibility and Silver Award for Best Annual Report in Bahasa Malaysia.

## BOARD OF DIRECTORS

TM continues to be led and controlled by an active, engaged and experienced Board. It maintains a healthy mix of Directors with varying financial, technical, regulatory, private and public service backgrounds and experience in the telecommunications industry both local and abroad. Three of the Directors, the foreign Director and two local Directors, are experienced in the telecommunications industry from the perspective of consultants and regulators respectively.

# CORPORATE GOVERNANCE

## BOARD CHARTER

TM's Board Charter (Board Charter), encompassing the Company's governance practices, Board policies and guidelines serves the primary purpose of providing clear guidance to all stakeholders, and was first adopted in January 2013.

To serve as a guide on good corporate governance, the Board Charter is based on the principles outlined in MCCG 2012 and also the principles, recommendations and guidelines established from the earlier codes on corporate governance that are, in the Board's opinion, best practices which are aligned to the regulated rules and requirements.

As recommended by the MCCG 2012, the Board Charter is reviewed annually incorporating updates and enhancements, and continues to be relevant to the existing rules and regulations as well as international standards of corporate governance. Effort is also made to rectify any deficiencies in the processes and procedures to ensure comprehensiveness of the document.

The reviews also form part of the annual exercise carried out under the Board Performance Improvement Programme (BPIP), which includes assessment of the Board Charter's provisions involving the Board's objectives, roles and responsibilities in ensuring it is consistent with the practices and adheres to the relevant rules, regulations and governance. The Board Charter is accessible to the public on the Company's official website at [www.tm.com.my](http://www.tm.com.my).

## ROLES AND RESPONSIBILITIES OF THE BOARD

The roles and responsibilities of the Board and that of Management are demarcated in the Board Charter. Though separated, their respective functions remain mutually interdependent enabling efficient and effective execution of their respective duties and responsibilities.

The Board's principal focus is the overall strategic direction, development and control of the Group in an effective and responsible manner. The role of Management, on the other

hand, is to run the business operations and general activities and administration of financial matters of the Group in accordance with established delegated authority from the Board.

The following six core responsibilities serve as guiding principles for the Board in discharging its duties:

Review and approve a strategic business plan for the Group

Oversee and evaluate the conduct of the Company's business

Identify and manage principal risks

Monitor succession planning

Develop and implement an investor relations (IR) programme

Review the adequacy and integrity of the Company's internal control systems

Apart from these six core responsibilities, the Board also takes independent and collective responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight. The Board is constantly mindful of safeguarding the interests of all stakeholders. To facilitate the effective discharge of these responsibilities, dedicated Board Committees have been established with clear Terms of Reference (ToR), comprising Directors who have committed their time and effort as members.

## SEPARATION OF POWER BETWEEN THE BOARD AND MANAGEMENT

TM has a clear policy for identifying the separate functions of the Board and Management and the Chairman and EDs in ensuring the smooth running of the Company's business and operations. The division of the roles and responsibilities ensures that no one individual or group can dominate the decision-making process.

### The Chairman

The roles and responsibilities of Dato' Sri Dr Halim Shafie, TM's Non-Independent Non-Executive (NINE) Chairman, and the Managing Director/Group Chief Executive Officer (MD/Group CEO), Tan Sri Dato' Sri Zamzamzairani Mohd Isa, are clearly separated in line with best governance practices that ensure appropriate supervision of the Company's management, appropriate balance of power and increased accountability.

Such separation accords a balance of power and authority in the Board. Furthermore, Dato' Sri Dr Halim has never held the position of CEO of the Company nor has he ever been a part of TM's Management.

The Chairman ensures the effectiveness of the relationship between the Non-Executive and Executive Directors, which Dato' Sri Dr Halim handled with ease with his vast experience gained during his service in various government sectors and agencies. He is instrumental in generating an open and effective Board discussion, and with his past experience as former chairman of the Malaysian Communications and Multimedia Commission he is able to provide the constructive engagement the Company needs. Coupled with his five-and-a-half years' tenure as TM Chairman, Dato' Sri Dr Halim is well equipped to interact with global leaders of the industry, build relationships with stakeholders and actively participate in various institutions.

### Executive Directors (EDs)

The EDs, Group CEO and Group Chief Financial Officer (CFO) each have their own respective functions that they are responsible for in ensuring the smooth running of the Company. Their primary areas of responsibilities are captured in their respective KPIs and are annually evaluated, reviewed and approved by the Board.

The Group CEO is responsible for the implementation of broad policies approved by the Board and is required to report and discuss at Board Meetings all material issues currently or potentially affecting the Group and its performance, including strategic directions, projects and regulatory developments.

On the other hand, the Group CFO is responsible for the financial management of the Group, developing initiatives and strategies to improve the Group's overall performance, implementing business and economic strategies, monitoring treasury aspects, forecasting and analysing the long-term financial situation of the Group and serving as one of the spokespersons for the operations of Group in interactions with the market. He also oversees the Global and Wholesale, Support Business and Multimedia University.

The EDs have also established several management committees, to support them in discharging their operational and management duties. These forums provide the Senior Management team including the heads of various divisions and departments the platform to directly interact with each other, discuss, provide their views and reviews the objectives, strategies and operations of the Company on a regular basis.

### Senior Independent Non-Executive Director (SID)

In accordance with best practice in corporate governance, Dato' Danapalan T.P Vinggrasalam was appointed as TM's SID on 21 May 2009. He is the main channel between the Independent Directors and the Chairman on matters that may be deemed sensitive and provides an alternative communication avenue for shareholders and stakeholders to convey their concerns and raise issues so that these can be brought up to the relevant parties. The role of SID is included in the Board Charter which is accessible on the Company's website.

# CORPORATE GOVERNANCE

## BOARD COMPOSITION AND BALANCE

Article 96 of TM's Articles of Association provides that there should not be more than 12 members of the Board. As at 31 December 2013, the diverse and varied Board membership stands at 11 members, comprising a NINE Chairman, two EDs designated as the MD/Group CEO and the ED/Group CFO, two Non-Independent Non-Executive Directors (NINEDs) with their respective alternate directors designated as NINE Alternate Directors, and six Independent Non-Executive Directors (INEDs), inclusive of one foreign Director. The current Board members have the prerequisite skill sets and experience to guide TM's strategic plans and future aspirations.

## BOARD DIVERSITY

In support of the Government's initiatives to achieve 30.0% women participation at the Board level in the country, TM has selected four women in Senior Management to undergo training with the NAM Institute of Women Empowerment (NIEW) under the Ministry of Women, Family and Community Development. They are already serving as Directors on Boards of TM's subsidiaries, hence proving the Company's commitment to increasing women participation on the Board of TM Group. As at 31 December 2013, there were three women Directors on the Board of TM, namely a Non-Independent Non-Executive (NINE) Director, an Independent Non-Executive Director (INED) and NINE Alternate Director.

## INDEPENDENCE

The INEDs are not involved in the day-to-day operations of the Company. Business transactions handled by the Company are free from any involvement of the INEDs other than for the final approval when the collective Board's decision is required, as the case may be. This mitigates the risk of possible undue influence from third parties and allows INEDs to exercise fair judgements while avoiding any possible conflict of interest situations.



## DIRECTORS' REMUNERATION

The Board ensures that the Group's remuneration policy remains competitive to attract and retain Directors of such calibre who are able to provide the necessary skills and experience as required commensurate with the responsibilities for the effective management of TM Group. The policy and framework for the overall remuneration of the EDs and Non-Executive Directors (NED) are reviewed against market practices by the NRC, following which recommendations are submitted to the Board for approval.

The remuneration package for EDs is balanced between fixed and performance-linked elements. As EDs, the Group CEO and Group CFO are paid salaries, allowances, bonuses and other customary benefits as appropriate to Top Management. A significant portion of the EDs' compensation package has been made variable depending on the Company's performance during the financial year, which is determined by individual KPIs, and aligned to TM Group's Balanced Scorecard. They are not paid Director's fees or meeting allowances for Board and Board Committee meetings that they attend and are members of.

## BOARD COMMITTEES

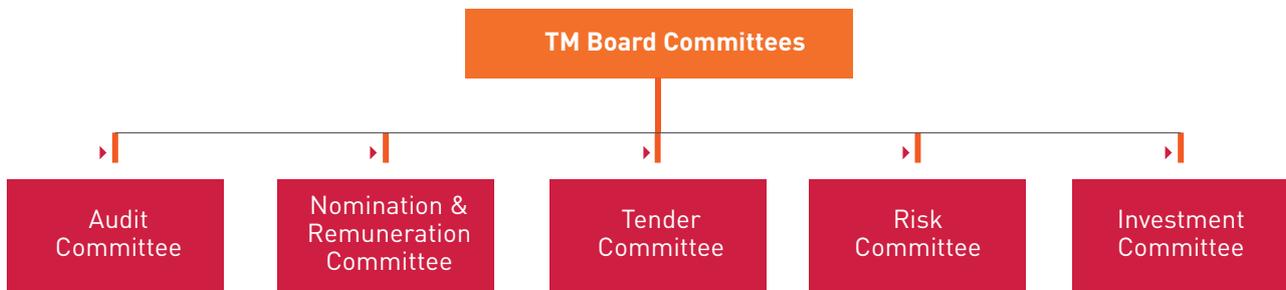
In accordance with Article 118 of the Company's Articles of Association, the Board may at its discretion delegate its powers to its Committees.

All of these Committees have specific ToRs, operating procedures and their respective authority parameters approved by the Board. The committees' modes of operation are reviewed from time to time to ensure they are relevant and up-to-date. The ToRs of the Board Committees are detailed in the Board Charter which is available on the Company's official website.

TM has established five main Board Committees which were entrusted to carry out the Board's delegated tasks. During the year, the Board decided on the disbandment of the Dispute Resolution Committee in favour of establishing an ad-hoc committee known as the Board Sub-Committee (BSC) to be created as and when required based on specialisation required and the nature of the issues/cases raised.

The proceedings and deliberations of Board Committees are reported to the Board at every Board Meetings by Chairmen of the various Board Committees. On matters reserved for the Board and where the Board Committees have no authority to make decisions, recommendations are highlighted in their respective reports together with the Committee members' comments and views for the Board of Directors' deliberation and endorsement.

The existing Board Committees in TM are as follows:



# CORPORATE GOVERNANCE

## CODE OF BUSINESS ETHICS

TM's Code of Business Ethics (Code) supports TM's Vision and KRISTAL Core Values. It serves as a reference as to acceptable and unacceptable business conduct, reinforcing our initiatives to instil, internalise and uphold the value of Uncompromising Integrity in our dealings with all stakeholders.

The Code is applicable to TM's Board of Directors, Management, employees and representatives including agents, consultants, independent contractors and suppliers, who also have to abide by all applicable laws and regulations as well as other Company policies.

Business partners are encouraged to report any violation of the Code, with the assurance of full protection from our Whistle-blowing Policy and the Whistle-blowing Protection Act 2010.

### Conflicts of Interest

At TM, conflicts of Interest are defined as any personal or material interest that Directors or employees may have that could interfere with their objectivity in performing their duties or exercising their judgment on behalf of the Company.

Business decisions and actions should be made in the best interests of the Company, and cannot be motivated by personal interest, considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect our independent and sound judgment on behalf of the Company.

### Whistle-Blowing Policy

TM's Board and Management are committed to an internal whistle-blowing programme, which serves as a platform for employees to channel concerns about any illegal, unethical or improper business conduct that could impact the Company. The programme allows Management to take appropriate preventive and corrective actions without the negative consequences of public disclosure.

Employees are encouraged to disclose concerns about any illegal, unethical or improper business conduct within TM, thus help reveal cases that might otherwise go undetected. The Board of Directors and Management give their assurance that employees will not be victimised or face retribution or retaliation from their superiors or from any member of Management. Protection is also provided for under relevant laws such as the Evidence Act, 1950, Malaysian Anti-Corruption Commission Act 2009, Companies Act 1965 and the Whistleblowers Protection Act 2010.

TM's whistle-blowing programme is managed by an independent committee appointed by the Board of Directors, which ensures employees have safe and confidential channels to report illegal, unethical or improper business conduct. Employees are strongly urged to use TM's Ethics telephone (1-800-88-2377) or fax (03-7957 2377) lines, or the Ethics email service at [ethic@tm.com.my](mailto:ethic@tm.com.my), which guarantee that their identities will be known only to specific persons.

### Whistle-Blowing Channel Survey

A survey was performed in September 2013 among TM's employees and suppliers to gauge the level of awareness of the existence of the Whistleblowing Platform in TM, TM Ethics Line. This survey indirectly created greater awareness of the existence of TM Ethics Line via telephone calls, emails, fax and post. The findings of the survey were taken into consideration as a basis to further improve and strengthen the effectiveness of communication (awareness and feedback), confidentiality and trust in the reporting channels.

### TM and Integrity

In 2011, our efforts intensified with the signing of a Corporate Integrity Pledge. We also signed a Memorandum of Understanding to become a 'Rakan Integrity' of the Institute of Integrity Malaysia (IIM), which commits us to planning, implementing, executing, overseeing and evaluating the principles as contained in the NIP within the Company. Then, in 2012, we launched our Integrity Pact, which is an agreement between TM and our vendors to perform business dealings free of bribery and corrupt practices. We also reinforced awareness of integrity among our staff via a nationwide roadshow as well as regular talks and counsel, led by the Management Team.



As recently as January 2014, TM organised our first ever Integrity Day to further inculcate and internalise our KRISTAL core values, and specifically the value of Uncompromising Integrity across our Group of Companies. The event promoted the establishment of a value-based society with a serious effort to make integrity and honesty a way of life and promote an accountable, corrupt-free society in line with the NIP. Integrity Day adds to our National Integrity Month celebration every November since 2004 as well as International Anti-Corruption Day on 9 December annually.

#### **Establishment of Enterprise Ethics & Integrity Unit in TM**

The establishment of an Enterprise, Ethics & Integrity Unit (EEIU) in February 2013 has further boosted TM's efforts to enhance and strengthen our corporate governance and business ethics, as well as inculcate ethical behaviour among the workforce and representatives of the Company. This is in line with the Government of Malaysia's call through its Committee on Integrity Governance (JKTU) on 8 July, for Government Linked Companies to form an Integrity or Compliance Unit to intensify and strengthen integrity and corporate governance practices in GLCs.

The key responsibilities of EEIU, among others, are as follows:

- To ensure that the demographics of the ethics and integrity practices in TM are being managed and monitored effectively;
- To strengthen and improvise the current principles, policies and processes relating to ethics and integrity;
- To ensure adequate and effective dissemination of knowledge and understanding pertaining to ethics and integrity practices among TM employees, suppliers and other related stakeholders;
- To promote whistleblowing as a deterrent; and
- To ensure in depth understanding of the ethics and integrity principles related to policies and processes.

*\*A full disclosure of our Corporate Governance Statement and more information on Leadership and Accountability can be found in our Annual Report 2013 (page 84-169).*



## WORKPLACE MADE HAPPIER

We believe that our employees are our greatest assets in achieving our goals. To enable them to reach their full potential, we have created a work environment like no other, both challenging yet rewarding.





# WORKPLACE MADE HAPPIER

## FACTS AT A GLANCE

**90.0%** score in My1TM

(TM Group Employee Engagement) Survey for the third consecutive year – 5.0% higher than Global High Performing Companies norm.

**47**

engagement sessions

with employees nationwide

**53.0%** reduction

in no. of accidents at the Workplace

TM is committed to providing a safe and enjoyable workplace. We are dedicated to working on health and safety, as well as running a company which our employees are happy to be in. We believe that employee engagement is an important factor in employee productivity and job satisfaction. Our internal communication goal is therefore to support employee engagement through listening to what our employees have to say to us and providing them with the information and communications support they need. We have a Group-wide Health and Safety monitoring system which tracks all major incidents including the actions taken. All regions invest a substantial amount of time and money to minimise the incidents which take place. We believe that we are on the right track in being an exemplary employer. This is reflected in the large number of employees who choose to spend a significant proportion of their career with us, and who experience excellent progression as a result.

## THE FIVE KEY PILLARS OF OUR PEOPLE STRATEGY

### Working Together:



- We promote a culture of honest, transparent communication, seek ongoing input from our employees, and provide extensive opportunities to collaborate and innovate.

### Providing Training and Development Opportunities:



- We offer wide-ranging training, mentoring and development programmes and encourage our employees to build a career with TM.

### A Safe and Healthy Work Environment:



- We invest in our employees' health and well-being, offer flexible work practices, and provide a safe work place.

### Rewarding Our People:



- We provide a competitive rewards package, including wide-ranging benefits, and we recognise our employees' achievements and contributions.

### An Inclusive and Diverse Culture:



- We recruit a diverse workforce and foster an inclusive culture where everyone feels welcomed, valued, respected and heard.

# WORKPLACE MADE HAPPIER

## WORKING TOGETHER

### Teaming With Passion

Teaming with Passion (TWP) was introduced in late 2009 to create corporate excellence via a strong leadership that is able to inspire positive change in the entire organisation. It aims to promote positivity in leadership and team playing to achieve the 1TM business aspiration. The fundamentals of TWP are supported by our corporate values of KRISTAL and COOL which drive the behaviour of a high-performing organisation. Packed with energy and positive vibes, TWP has been proven to significantly heighten the morale and spirit of oneness among our employees. It has truly forged a one-company mindset that is propelling TM from strength to strength, bringing on a positive impact towards work and company performance.



**we have the passion  
to bring about Positive Change,  
to deliver Customer Centricity &  
to become a Performance-Based Culture  
to drive Sustainable Profitability for our shared future.**

We Have The Passion  
To Bring About  
Positive Change

Change begins with  
ourselves and our  
sphere of influence

We Have The Passion  
To Deliver  
Customer Centricity

Everyone is our customer  
and everyone deserves  
our best service

We Have The Passion  
To Become A  
Performance-Based Culture

A performance-based culture  
means everyone delivers results  
and goes beyond targets

**Together We Succeed  
Support Each Other  
Make It Happen  
We Can Do It**

**There Are No Limits  
Break All Barriers  
Passion To Deliver  
Passion To Win  
1 Team, 1 Mindset, 1 TM**

**THE TM CITIZEN EMBODIES KRISTAL VALUES TO DELIVER COOL  
ENERGISED BY TWP & ALWAYS IN THE SPIRIT OF 1TM**

## Employee Engagement Programmes

<b>31 Teh Tarik Sessions</b>	<b>11 Turun Padang Sessions</b>
<b>4 Jom Bersama Sessions</b>	<b>1 Chill Out with GCC Session</b>

Employee engagement is key to TM's vision of operating as a single, integrated company. We align our people and processes across the nation to achieve our sustainability goals and growth plans. Over the past few years, we have significantly bolstered our efforts to engage with our employees, as indicated in the table below.

Type of Engagement	Frequency
Dialogue and engagement sessions	Regular
Intranet, departmental meetings, newsletters	Regular
Employee engagement programmes	Regular
TM Clubs and NGOs: Kelab TM, BAKIT, Tiaranita, Persatuan Eksekutif Telekom (PET)	Regular
Leaders' Dialogue	Quarterly
Sesi Teh Tarik (Teh Tarik Sessions) with the GCEO, GCFO and GLT members	30-40 sessions per year

## Sesi Teh Tarik

*Sesi Teh Tarik* gives employees the opportunity to interact with the Group Leadership Team (GLT). The programme was introduced in 2007 for the Group Chief Executive Officer to meet employees, but since 2012 has been expanded to include 12 members of the GLT.

The objectives of *Sesi Teh Tarik* are:

- To provide a platform for the GLT to promote greater understanding of the Company's Vision and Mission among employees, and to inspire a collective sense of working towards the Company's aspirations.
- To provide a platform for employees of all levels to interact in an informal atmosphere with the top leadership and share their views on matters related to the Company's business.
- To further boost employee engagement, commitment and morale.

A total of 31 sessions involving 577 staff were held in 2013, receiving positive feedback from employees, as evidenced from the overall rating exceeding four out of five for all the sessions. Most participants expressed satisfaction with the topics raised during the sessions, saying they gained better understanding of the Group's direction and role.



*Jom Bersama Session*

# WORKPLACE MADE HAPPIER



*Turun Padang MSC*

## ***Turun Padang***

At *Turun Padang* sessions, Management engage with staff in the various states, and discuss matters pertaining to current Company issues. When it first started, the programme involved only the Group Chief Executive Officer and Group Chief Financial Officer, however in 2013 it was expanded to include three other members of the GLT. A total of 11 sessions held in Pahang, Perak, Sarawak, Johor, Melaka, Kuala Lumpur, Terengganu, Kedah and Perlis, Kelantan, Selangor and MSC were attended by almost 3,500 staff.

Response to *Turun Padang* visits has been positive, with most staff agreeing that the messages were easily understood and they were eager to do their best after listening to the GCEO. Many also said the Teaming With Passion programme had a positive impact on their work.

## Chill Out With GCC

Chill Out with GCC is an employee engagement initiative with an environment slant, organised in the various states by Group Corporate Communications. In 2013, Chill Out with GCC in Kedah was led by the Vice President of Group Corporate Communications. A total of 90 employees including 71 employees from TM Kedah & Perlis participated in the nature awareness programme at Lintang Organic Valley (LOVELY), Kampung Lentang, Sik. While instilling the spirit of 1TM, the programme also increased our employees' environmental awareness and saw them roll up their sleeves to take part in conservation activities.

During the gathering, TM Management shared the Company's vision with staff while listening to their concerns and feedback for future enhancement of the Company's operations. The session was made more entertaining with communication-oriented games that emphasised the importance of effective communication among TM employees.

Overall, the participants were very satisfied with the session, and gave an average rating of four out of five in their feedback forms. Most of the participants felt the programme was interesting and beneficial, and should be held frequently.

## Employee Internal Communication Channels

<b>38 1Suara e-newsletters</b> issued	<b>8 GCEO Messages</b> published
<b>9 Perspektif videos</b> issued	<b>3 Fokus Negeri videos</b> published

TM's employees are located across the length and breadth of the country, and work both virtually as well as from our offices. Our employee communication initiatives thus aim to keep our leaders, managers and employees connected. Employees everywhere are empowered to conduct candid dialogue sessions with Top Management and have their questions answered in a timely manner.

## Seeking Input from Our Employees

Listening to our employees helps us build a better company. Employees are given ample opportunities to speak to their managers and leaders. Answers can be sought in a variety of ways including through blogs, performance reviews, social media and informal gatherings. We also gain valuable feedback through surveys on how we can make their work more satisfying. Our Communication Team responds proactively to the feedback, ensuring appropriate action is taken on suggestions made.

## Tapping into Employees' Ideas

We believe that a critical element to developing better products and solutions is to give our employees opportunities to collaborate and innovate in situations outside their usual work setting. We enable such opportunities via interactive forums and innovation events.

## My1TM (TM Group Employee Engagement) Survey

Employee engagement has been measured annually with My1TM Survey since 2009. All employees are surveyed, except those who tender their resignation or join the Company after the agreed cut-off date. The findings are discussed and syndicated at the Top Management level, addressing the key business drivers that sustain the engagement level of the workforce as well as highlighting areas of improvement. The results are communicated to the respective divisions for deployment of action plans.

Our 2013 My1TM Survey or employee engagement index recorded a score of 90.0% for the third consecutive year which is 15 percentage points higher than both the Malaysian and Global Telco (TC) norm and give us a five percentage point lead over the Global High Performing Companies (GHPC) norm.

# WORKPLACE MADE HAPPIER



*TM supports cultural activities to create a harmonious work environment that respects diversity.*

## PROVIDING TRAINING AND DEVELOPMENT

TM is founded on our employees' abilities to create, innovate and develop solutions to challenges faced by our business and customers. We are therefore committed to providing to our employees opportunities to develop themselves and at the same time to grow our business. TM is sharpening our employees' skills and empowering them to build their careers.

We offer a variety of programmes and training courses for management, technical, professional and career development, which are delivered from the day a new recruit steps into TM.

Personnel in Sales, TMpoint and Customer Care Centres receive training prior to products and services being offered to customers. This ensures all relevant parties are aware of the offerings and become TM ambassadors in disseminating the correct information to our customers and the public. Various training programmes are also scheduled for our Management and technical teams. Employees also participate in on-the-job training and attend internal as well as external training programmes.

TM has introduced various learning tools to ensure continuous learning and development of our employees, as we believe that tackling this important aspect of employees' lives in a structured way provides for positive outcomes for all parties.

## GEMS ESS Learning Solution

This online training application system allows employees to apply for courses, seminars, industrial attachments, study visits and other development programmes conducted by TM Training Centre (TMTTC).

## 360° Feedback Assessment

In 360° feedback, employees obtain feedback on their behaviour, skills and competencies from a number of people at different levels around them. The method has proven to be highly effective because the identity of the assessment providers remain confidential so peers feel comfortable in providing honest appraisals. At the same time, it is beneficial to the persons being assessed as it allows them to play an active role in their career development.

At TM, the 360° Feedback Assessment involves input from the person being assessed, their subordinates, peers, supervisors and internal customers. Used initially as a tool to identify development strengths and areas for improvement of individual employees, the system has evolved and is now linked to performance. It also helps in succession planning and career development strategies, reinforcing the current assessment practice and the assessment of future talents.

The objectives of our 360° Feedback are to:

- Improve managerial and leadership skills of TM's Senior Managers and Top Management
- Provide additional input on individuals' strengths and weaknesses for personal and professional development
- Serve as a reliable and consistent approach for individual potential, competencies and succession planning
- Obtain information for performance appraisal

### Knowledge Sharing

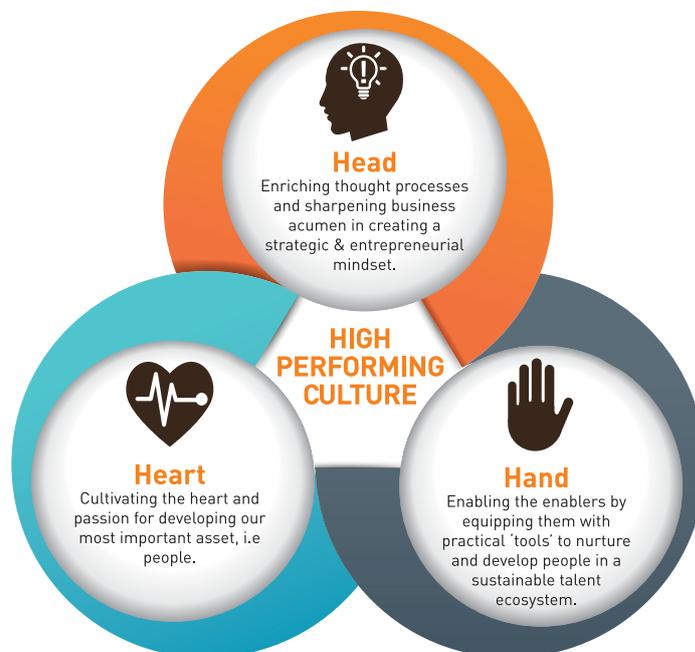
TM has implemented a corporate wiki to enhance internal knowledge sharing and promote collaboration among employees.

### Talent Development

We have a range of initiatives, from structured learning and development programmes to cohesive leadership and career development, systematic coaching, mentoring, cross assignments and job rotations.

In order to strengthen TM's leadership pipeline, our talents participated in various development programmes based on their development needs in order to further build their leadership capabilities. In 2013, talent engagement sessions were held nationwide where TM's leaders had the opportunity to connect and share their aspiration with the talents. The sessions form part of an initiative for talents to be familiarised on what their roles are as TM's future leaders.

For our high-achieving young executives, TM has implemented a structured Fast Track Programme (FTP) to unravel their leadership potential. In 2013, 24 participants of this programme continued to undergo several job rotations and assignments within the Group to broaden their experience and exposure to the business and hone their leadership capabilities.



# WORKPLACE MADE HAPPIER

## SUCCESS Leadership Competency Model & The Philosophy of Leadership

TM stands guided by the philosophy of 'Identifying, Building & Sustaining Leaders at All Levels', which entails nurturing leaders from the entry level itself all the way up to the top Management. In the belief that every individual has the potential to be a leader, we have developed a SUCCESS Leadership Competency Model to instil behaviours essential for leadership in all our employees.

The SUCCESS Leadership Competency Model consists of seven components that underline what it means to lead others and one's self, as listed below:



### TM LEADERSHIP COMPETENCIES

- S** ▶ Service Excellence
- U** ▶ Unity & Teamwork
- C** ▶ Cultivates Stakeholder Collaboration
- C** ▶ Catalyses Change
- E** ▶ Embraces and Nurtures Talent Mindset
- S** ▶ Strives for Results
- S** ▶ Strategic & Entrepreneurial Mindset

To support the SUCCESS framework, customised leadership development programmes have been developed that build leadership capabilities, a talent mindset and behavioural competencies. During the year, 235 members of Senior Management attended various development programmes aimed at bringing out their developing talents.

## REWARDING OUR PEOPLE

### Competitive Benefits

We recognise that we operate in a competitive marketplace, thus offer attractive remuneration and benefits packages as well as structured career opportunities to attract and retain the best talents. We further provide personal and leadership development and training to enhance the Company's performance, reputation, culture and values. TM complies with all applicable laws, agreements and industry standards on working hours and compensation. In addition to fixed salaries and variable remuneration, other customary benefits are usually included in our benefits packages.

We make use of a competitive remuneration system that compares TM with the market and other companies in the industry. From this, we are able to note that we provide the most attractive benefits in certain areas within the industry.

Employees' pension liabilities are fully covered through the EPF scheme, while insurance coverage is also provided to all full-time employees. Our benefits include:

- Allowance and reimbursement
- Company vehicles and related benefits
- Club membership
- Employment conditions (flexi-hours, early retirement, five-day week)
- Leave
- Loans (housing, vehicle and computer)
- Medical benefits (outpatient/inpatient, dental, maternity benefits, insurance policy and prolonged illness benefits)
- Retirement benefits
- Other benefits (childcare, education assistance)

Following the Governments' announcement of a Minimum Wages Policy effective from January 2013 the minimum wage in Peninsular Malaysia is RM900 per month and in Sabah and Sarawak, RM850 per month. Effective from July 2013, the Government has also enforced a new Minimum Retirement Age Act 2012. TM has ensured that we meet the policy and the Act.



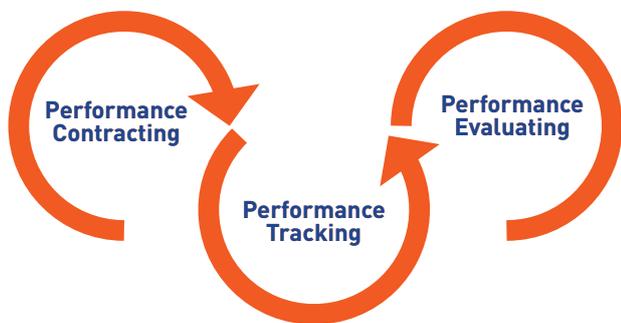
TM strive to inculcate the value of working as a team as 1TM, and celebrate the high achiever at the TM Group Awards Night.

## Performance Management

At TM, Performance Management is about establishing a clear vision of what is to be achieved. It aligns employee skills, competency requirements, development plans and the delivery of results with TM's objectives. There is continuous emphasis on improvement, learning and development to achieve our overall business strategy and to create a high performance workforce. Our Performance Management comprises three performance cycles – performance contracting, performance tracking and performance evaluating – which take place continuously throughout the year.

Our performance appraisals are based on two key elements:

- i. MAPS (Individual/Shared KPIs) – where employees are evaluated based on their individual Key Performance Indicators (KPIs) which have been set during the performance contracting stage.
- ii. 360° feedback – which measures the behavioural competencies of executives through a set of questions derived from the Leadership Competency Framework for each job level. It is conducted annually in the last quarter.



Measures and targets are discussed during the Performance Contracting period, when expectations are also explained and KPIs are mutually agreed. Performance is then monitored during the Performance Tracking period, two-way feedback is gathered and an improvement plan established. Performance Evaluation is a period of final evaluation by supervisors, gaining and receiving feedback and achieving mutual agreement on final assessment. Every stage is conducted through face-to-face sessions.

# WORKPLACE MADE HAPPIER

## How does TM's Performance Management System link to remuneration?

There are two components of remuneration: the 1TM Bonus and an additional bonus based on divisional performance. The 1TM Bonus embodies the 1TM mindset that drives collective performance. The additional top-up is tied to respective divisional performance. These two components form the reward pool for each division. Subsequently, this reward is paid out to employees based on individual performance, consistent with TM's performance-based reward principle.

Our appraisal system is continuous throughout the year. All (100.0%) of TM's permanent and contract employees who have served more than three months are reviewed by their supervisors.

## A SAFE AND HEALTHY WORK ENVIRONMENT

### Occupational Safety and Health (OSH)

Nothing is more important than keeping our employees and the people we work with safe as they perform their duties. Our Occupational Health and Safety Programme identifies and reduces the risk of injury and illness across our operations by standardising health and safety management while allowing local teams to monitor its effectiveness.

All employees are responsible for maintaining a safe workplace by following our safety, health and environment rules and practices. They are also responsible for the immediate reporting of accidents, injuries and unsafe equipment, practices or conditions to a supervisor or other designated person. TM is committed to keeping our workplaces free from hazards, in full compliance with provisions of the TM Occupational Safety and Health Manual.

Occupational Safety, Health & Environment (OSHE) Committees at all levels consist of a chairman appointed by TM, a secretary, who is either a safety and health officer or someone appointed by the chairman, and representatives of TM and employees. According to regulations, a minimum of four employer and employee representatives are required in the workplace of 100 occupants and above. At TM, an estimated 9.2% of our employees are appointed as members of OSHE committees, indicating strong direct participation of employees in OSHE activities.

In ensuring a safe work environment, TM adheres to the following Acts, regulations and guidelines:

- Occupational Safety & Health Act (OSHA) 1994 with Regulations
- Factory & Machinery Act 1967 with Regulations
- Environment Quality Act 1974 with Regulations
- OHSAS 18001: Occupational Safety & Health (OSH) Management System
- MS 1722: Occupational Safety & Health (OSH) Management System
- TM Occupational Safety Health & Environment (OSHE) Management System

### OSH Statistics in 2013

Indicator	Unit	Rate
Incident Rate	Per Thousand Employees	1.64
Frequency Rate	Per Million Hours Worked	0.57
Severity Rate	Per Million Hours Worked	2.23
Fatality Rate	Per Thousand Employees	0.00
LTI Frequency Rate	Per Million Hours Worked	0.20

## OSH PERFORMANCE: 2013 VS 2012

Year	OSH Accidents	Fatalities	LTI (days)	OSH Incident	Commuting incidents	Total incidents
2013	32	0	360	92	43	135
2012	68	4	794	101	61	162

The total number of accidents at TM dropped by 53.0% in 2013 compared to the previous year. As LTI injuries remained the highest type of injuries, TM has introduced various measures to minimise LTI accidents, as enumerated below.

### i. Preventing Chemical Spillage

TM has stringent and detailed guidelines to deal with chemical spillage. In the event of a major spillage, the emergency response plan procedure is immediately activated to avoid affecting human health. The plan comprises the following sequence of events:

- i) The area's Chemical Spillage Control Team contains the spillage with the appropriate tools and equipment.
- ii) The spillage and contaminated items are collected and packed in a safe container.
- iii) Proper packaging and labelling is done to avoid leakage and provide accurate information on contents.
- iv) Proper handling, storage and transfer of collected spillage avoids further leakage and spillage, which may be detrimental to humans and the environment.
- v) All collected spillage material are treated on-site and disposed of at prescribed premises.

Only trained personnel are allowed to handle spilled chemicals. If necessary, proper personal protective equipment is worn and the materials are treated as scheduled waste. All chemical spillage cases are investigated to determine their root causes, following which preventive and corrective actions are taken.

### ii. Occupational Safety and Health Training

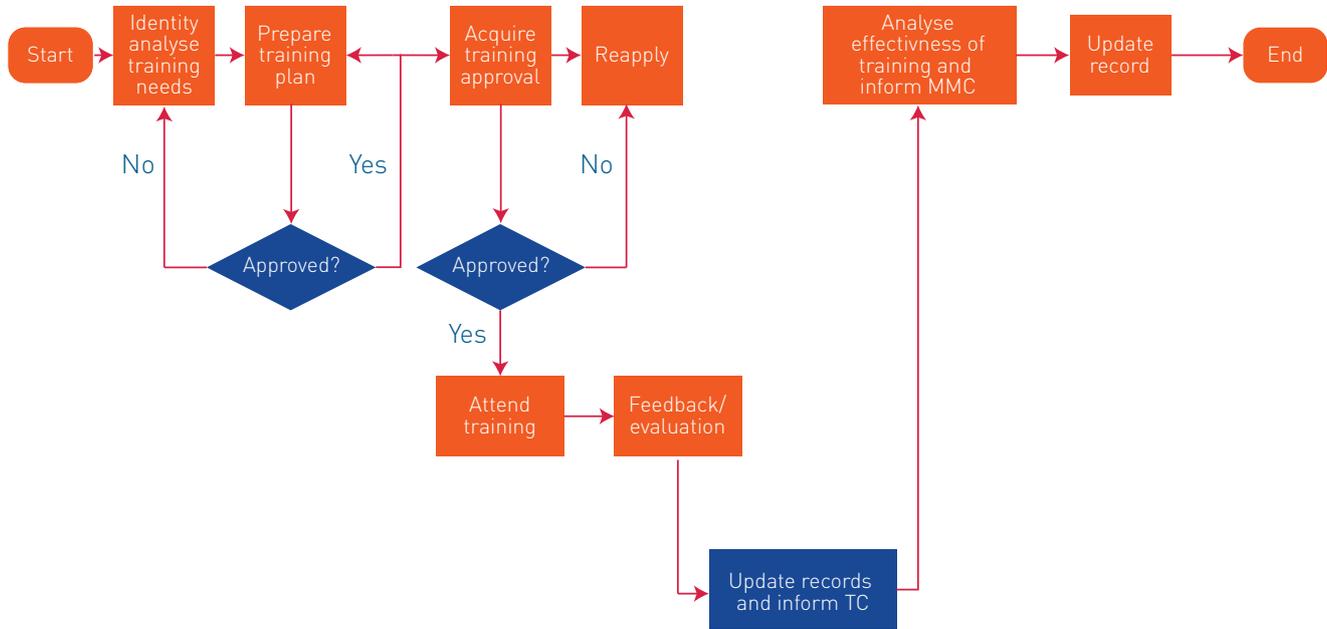
TM personnel must have sufficient OSHE training and competency in OSHE matters and must understand:

- The importance of conformance to OSHE policies, procedures and management systems
- Actual or potential OSHE work consequences and improvement mechanisms should the OSHE procedures not be implemented properly

Competence Training and Awareness Procedures enhance the skills and knowledge of personnel, enabling them to achieve OSHE performance excellence.

# WORKPLACE MADE HAPPIER

## Competence Training and Awareness Procedures



### iii. Working in High-Risk Environments

TM does everything we can to minimise the risk of workers exposed to high-risk jobs. All employees must be trained if they are involved in any hazardous activity such as working at height, in confined spaces, or with electricity and chemicals. Exposure to Electromagnetic Field radiation, radio frequency fields and hazardous chemicals are also considered. Approximately 3,480 employees from Regional Network Operations perform occupational activities with high incidence or high risk of specific disease.

Special provision is given to the health, safety and welfare of TM employees, visitors and others working at height, such as on towers, roofs and elevated surfaces, and ladders. TM employees who work at heights of 10 feet or more are required to attend training on fall protection.

The mandatory training includes:

- Safe work systems and practices to prevent falls including how systems are installed to prevent falls
- Hazard and incident/accident reporting systems
- The correct selection, fitting, use, care, maintenance and storage of personal protective equipment
- Correct selection, use, care and storage of tools and equipment to be used
- Emergency rescue procedures
- Safe methods of working on brittle and fragile materials
- Electrical safety
- Maintaining records of procedures and systems
- Following TM's accident/injury/Incident/Hazard Notification procedures if an accident occurs

#### iv. Work At Height (WAH) Certification

Industrial Rope Access Technologies (M) Sdn Bhd (IRATEC) conducted a WAH certification programme with TM R&D from 29 to 31 October on how to implement a working-at-height system. Ten project members, including researchers and technical assistants from Cable Anti-Theft project, attended the training which comprised classroom lectures, group discussions, workshops, safety equipment familiarisation, slide presentations, practical work on towers and an assessment. To date, TM has trained 223 operational employees to perform work on towers as Competent Aerial Riggers.

TM contractors and customers' contractors carrying out work on telecommunications towers and masts are required to fulfil similar training, with topics including:

- Safe technique for climbing towers
- Problem solving in the vertical environment for any situation
- New techniques and equipment for working at height
- Minimising the impact of a fall
- Safety legislation
- Self-rescue
- Preparing working and safety equipment reports
- New techniques for working on towers

#### v. Confined Space Medical Examination (CSME)

The Industry Code of Practice (ICOP) for Safe Working in a Confined Space 2010 is enforced by the Department of Occupational, Safety and Health (DOSH) Malaysia, and provides guidelines for the safety and health of all persons who need to enter or work in confined spaces. It aims to prevent exposure to hazards which may otherwise be experienced when working in a confined space, and requires that personnel in such work conditions be certified physically and mentally fit by occupational health doctors.

TM has introduced a Confined Space Medical Examination (CSME) to comply with this ICOP. As of November 2013, 1,432 Regional Network Operations and Network Development employees have participated in the programme.

TM has also collaborated with NIOSH to develop a customised training module, Authorised Entrant and Stand-by Person (AESP-TM), which was approved by DOSH Malaysia in July 2011. As of July 2013, a total of 1,471 TM employees and contractors had been trained in AESP-TM in 98 sessions.

Regional Network Operation teams working in confined spaces (manholes) are being provided with specialised safety equipment such as portable gas detectors, ventilators, water pumps and 'tripod & hoist', to ensure safe entry into confined spaces.

#### vi. Upgrading of Portable Ladder and Fall Protection Equipment

Portable Aluminium Ladders are important tools for TM employees and contractors from Regional Network Operations and Network Development, especially for those working on poles and wall applications. The upgrade from a non-standard ladder to the BS 2037 Class 1 (Industrial) Standard took into account the safety aspect of tools and personal protective equipment (PPE) provided to employees to meet acceptable OSH standards and specifications.

The portable aluminium BS 2037 Class 1 (Industrial) Standard ladders come with safety accessories and product training. Fall protection equipment such as full body harness and Y-lanyard have replaced safety belts to ensure safe work on poles. TM contractors are similarly required to upgrade to portable aluminium ladders.

#### vii. Ergonomic Assessment

One aspect of OSHE that is becoming increasingly important is Human Factors Engineering. Together with Ergoworks Sdn Bhd, we conducted an Ergonomics Risk Assessment on all employees working at our Directory Assistant Call Centres (DACC) nationwide. Following the assessment, we introduced Guidelines on Office Ergonomics, supplemented by programmes such as safety training for staff and contractors, health talks and aerobic sessions. We also designed Stress Management and Total Wellness programmes specifically for retiring employees to help them adapt to a non-working life.

# WORKPLACE MADE HAPPIER

## **OSHE Performance Measurement and Monitoring**

TM ensures our OSHE performance is monitored and measured in accordance with the applicable regulatory and other requirements.

## **Health and Safety Training**

In 2013, TM launched a Safety Campaign at our headquarters to increase employees' and agencies' health and safety awareness, in support of the Department of Occupational, Safety and Health (DOSH) and Social Security Organisation (SOCSO) efforts to reduce the number of workplace accidents. This campaign was then taken to Terengganu, and in 2013, TM Melaka launched its campaign themed 'Stretch and Flex for Health and Safety'.

All states have appointed OSHE officers who are responsible for enforcing and monitoring the implementation and adherence to the Occupational Health and Safety Act (OHSA) at all work levels and in all TM premises. The OHSA is also applied to all contractors in any field of employment related to TM's business operations.

TM has also taken the initiative to collaborate with the National Institute of Occupational Safety and Health (NIOSH) to develop training modules that emphasise the safety and health of our employees. Training programmes such as the NIOSH-TM Safety Passport (NTMSP) and Authorised Entrant and Stand-by Person TM (AESP – TM) are now being presented in a more user-friendly and interactive manner with the use of the OSHE portal and e-learning.

TM Negeri Sembilan followed in TM Melaka's footsteps to launch its own Stretch and Flex for Health and Safety 2013. It also signed a Memorandum of Understanding (MoU) with 10 appointed contractors for participation in a mentor-mentee programme. Intensive efforts were outlined by TM, as the mentor, to heighten contractors' occupational safety and health awareness. The mentor-mentee programme, held in collaboration with DOSH Negeri Sembilan, is a first for TM.

## **OSH Week and Programmes**

OSHE Week and other related OSHE programmes are observed to educate, train and counsel employees on safety and health, and issues such as serious diseases and hazard identification. During OSH Week, there are talks, health screening, an Emergency Response Team demonstration, PPE audits and fitness programmes. In 2013, OSHE Week was held in 10 states. The remaining five states are targeted for the first quarter of 2014.

## **NIOSH-TM Safety Passport (NTMSP)**

The NIOSH-TM Safety Passport (NTMSP), developed by TM and NIOSH, has been mandatory for all TM contractors since it was implemented in November 2006. As of December 2013, a total of 43,412 participants have undergone the programme, which provides uniform and standard OSH induction training.

## **AN INCLUSIVE AND DIVERSE CULTURE**

### **Employee Volunteerism**

TM fully supports employee volunteerism, especially in areas geared towards the development of society and the country. We believe that a responsible corporate organisation should not be concerned solely with profits, but must give back to the communities it serves, and that employee volunteerism supports this philosophy.

TM is particularly supportive of volunteerism activities that are in-line with our CR values of community and nation-building, education and protecting the environment.

### **TM CR Council**

The TM CR Council was established to create a TM culture that is committed to local and national enrichment based on TM's CR pillars. Supported by TM volunteers, it acts as a platform bringing together all TM's clubs and societies under one umbrella for the sharing of resources, learnings and best practice. The ultimate goal of TM CR Council is to provide guidelines and frameworks for all TM's CR activities, ensuring these are sustainable.

### TM CR Council Framework

An initiative committed to bringing local and national enrichment through the promotion of Corporate Social Responsibility and Sustainability:

- To become a reference for guidelines and frameworks for TM's Corporate Social Responsibility and Sustainability efforts.
- To bring TM's clubs and societies together to learn, share and implement sustainable and effective Corporate Social Responsibility practices for better community outcomes.
- To nurture a TM Volunteerism Culture via the involvement of members of TM clubs and societies and employees.



### Yayasan TM (YTM)

Although YTM is synonymous with TM's scholarships, its scope is much wider. Current and previous scholars can contribute to the community through YTM's volunteer group, YTM Broadband Brigade. The brigade organises various community outreach activities during term breaks using the *Pusat Internet 1Malaysia* (PI1M) centres nationwide as its base. Its primary aim is to encourage rural communities to make use of broadband technologies. YTM, as a member of TM CR Council, also gets involved in TM's CR initiatives. Full details of YTM's role in education can be found in the Workplace section of this Report.

### Kelab TM

Kelab TM is an active society with a membership of more than 13,000. It organises various national-level TM activities including Karnival Sukan TM (Sports Carnival), the Amazing Race, Golf Tournament, Netball League, Bowling Tournament, Futsal Tournament and 4x4 Challenge. It also runs CSR activities and holds annual Family Days at the state level. In addition, Kelab TM participates in state government corporate events.

### Pakar Semboyan

*Rejimen Semboyan Diraja Pakar Telekom* (AW) is a Territorial Army regiment tasked with ensuring that essential telecommunications services in the country are not disrupted during any national emergency or natural disaster. The idea of AW was raised at a meeting in 1964 between the Director of Telecom and the *Ketua Pakar Semboyan*, Lt Col Erksine. The AW team trains regularly to prepare for immediate mobilisation in times of crisis. In 2013, the team came to the rescue of victims of the floods and landslides.

# WORKPLACE MADE HAPPIER



Official launch of TM ROVERS by Chairman, Dato' Sri Dr Halim Shafie on 15 September 2013 at Seberang Takir, Terengganu.

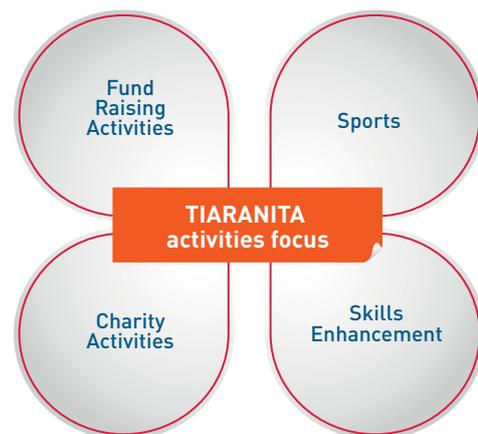
## TIARANITA

TIARANITA is an organisation for women employees and wives of Telekom Malaysia which seeks to enrich the lives of its members and their families. Headed by the GCEO's wife, the organisation was formed as MUTIARA on 4 July 1992 with 50 members, and over the years has grown in strength to boast 2,679 members as of end 2013.

The organisation's objectives are:

- To cultivate the spirit of *muhibbah* (harmony) among its members who come from different races and backgrounds
- To increase the knowledge and develop the skills of members through self-motivation programmes, talks, seminars and courses
- To organise activities for the benefit of members and their families
- To organise fund-raising programmes in aid of charitable organisations
- To network with other registered women's organisations thus be part of national development programmes related to women

TIARANITA focuses on four main segments, as shown in the diagram below:



Activities in 2013 included a cancer awareness programme, charity bazaar, beading class, an 'Evening with Tun Dr Siti Hasmah Mohd Ali, our former First Lady and the TIARANITA business plan holiday retreat.

### Badan Kebajikan Islam TM (BAKIT)

BAKIT, which was registered with the Registrar of Societies (ROS) on 17 December 1990, carries out various activities at the Federal and state levels, focusing on welfare and religion. These activities are in line with the Vision and Mission of the Company and in accordance with Islamic law. BAKIT also channels its contributions to needy Muslims abroad.

BAKIT develops the religious knowledge of Muslim employees and provides a channel for them to perform acts of charity, thus contributing to a caring and trustworthy culture imbued with integrity.

Several national-level events were conducted in 2013, including the first ever *Karnival Islam TM*, *Qurban* and *Aqiqah TM*, and *zakat* (tithes) distribution. Employees were also involved in *Maal Hijrah*, *Maulid Rasul* and other Government-hosted events; and to help them perform their *Umrah*, BAKIT collaborated with TH Travel & Services and Bank Islam Berhad to provide convenient pilgrimage packages.

This year, 89 cows and 10 goats donated by TM staff were sacrificed under the *Program Qurban dan Aqiqah* which was held during *Aidil Adha Eid* from 15-18 October. The meat was subsequently distributed to the underprivileged in Cambodia, Sri Lanka and Myanmar. Donations were also made to the Rohingya refugees in Rahkine, Myanmar.

### Cultivating Islamic Values at Karnival Islam 2013

TM and BAKIT organised an inaugural educational carnival revolving around Islam, its teachings and values. The *Karnival Islam 2013*, themed *Kegemilangan Syiar Islam Di Tanah Melayu – Menyingkap Perjalanan Dakwah Di Nusantara*, was held between 25 November and 16 December. Open to TM employees and the general public, it positioned Islam as a progressive religion that has contributed to a progressive nation.



The 'Karnival Islam 2013' theme 'Kegemilangan Syiar Islam di Tanah Melayu – Menyingkap Perjalanan Dakwah di Nusantara'.

Activities included *Majlis Tilawah* and *Hafazan Al-Quran Peringkat Kebangsaan TM*, which is already an annual TM event. It also featured the *Galeri Islam Nusantara* displaying *khat* handwriting, different publications of the Qur'an as well as other Islamic arts and craft. *Muslimah* apparel, food, healthcare and electronics were on display, and three fashion shows were held presenting the works of local designers.

The *Karnival Islam 2013* also featured talks by the descendants of Malay Islamic scholars such as Tok Kenali and Dr Syeikh Mohamad Idris bin Abdul Rauf AL-Marbawi. It was organised in collaboration with the Islamic Arts Museum Malaysia, Melaka Museum Corporation (PERZIM), *Yayasan Restu*, PERKIM, *Yayasan Sofa*, Radio IKIM.fm, Zakat Collection Centre and TV Al-Hijrah.

Other Islamic activities organised by BAKIT included:

- Pre-marriage counselling and talks on halal food and sacrificial rites
- Training on *penyembelihan* (sacrificial rites)
- Collaboration with IKIM fm to broadcast Islamic messages nationwide
- Visit and donation to needy TM employees
- Retreat programmes, leisure and sports

# WORKPLACE MADE HAPPIER

## TM Bikers

The objective of TM Bikers is to encourage big bike enthusiasts among TM colleagues to fill their leisure time with community-centric activities. In one of the major highlights of the year, TM Bikers together with the Department of Islamic Development Malaysia (JAKIM) organised the Kembara Amal Bikers 2013.

## TM ROvers

In September 2013, TM officially launched the TM ROvers, which stands for 'TM Reaching Out Volunteers'. This volunteerism programme comprises mainly employees who are also members of TM's clubs and societies, but is also open to all other TM staff.

The objectives of this programme include:

- Building closer ties between fellow TM ROvers and strengthening the spirit of 1TM in everyday work to enhance performance
- Meeting the needs of the communities in which TM operates, focusing especially on the underprivileged
- Providing opportunities for employees to contribute to society according to their interests and areas of expertise

Through their activities, TM ROvers indirectly realise core objectives of TM's CR.

## TM ROvers help flood victims

In December, TM ROvers were deployed to help flood victims in Kelantan, Pahang, Terengganu and Johor. More than 275 TM ROvers helped to clean up houses and schools that had been affected by the deluge. In Kuantan, more than 300 bags of food and household items were distributed to the victims.

RM128,928 worth of cash and essential items was collected at TM Headquarters for distribution in Pahang, Terengganu, Johor and Kelantan. The table opposite lists additional contributions at each state and the number of volunteers involved.

State	Total contributions (RM)	Number of volunteers (TM ROvers)
Pahang	117,456	180
Terengganu	22,400	65
Johor	5,400	30
Kelantan	2,800	-

Other activities undertaken by TM ROvers:

- The nationwide *Gotong-royong 1TM* [read more about this under the Environment section of this Report]
- River clean-up during the BumiKu Eco Camp 2013, during which plastic bottles, styrofoam, food wrappers, coffee cups and other rubbish were collected

## Feedback from the flood victims:

“ I'm very thankful for the help from TM. It has really helped me and my family as all of our belongings were washed away in the flood. I'm really touched to see representatives from TM Headquarters come here and get their hands dirty rectifying all the damage done. ”

– Victim of flood in Kuantan

“ We were trapped on the second floor of our house when the disaster happened. The flood waters gushed in and filled up the entire first floor. Luckily, our telephone was on the second floor. I would never have guessed that our telephone line would still be working even though it got sunk in the flood. It just shows what a very strong connection TM provides. ”

– Victim of flood in Kuantan

## TM Reaching Out Facebook Page

TM also leverages on Facebook to create public awareness of our Reaching Out initiatives via CR activities and to encourage interaction among the participants.

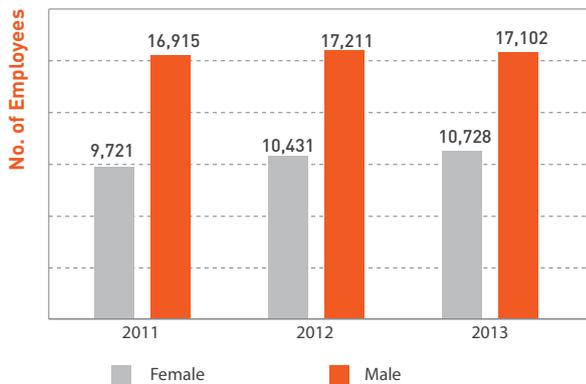
This allows them to share their experience and knowledge about interesting things, especially TM's events that they have participated in.



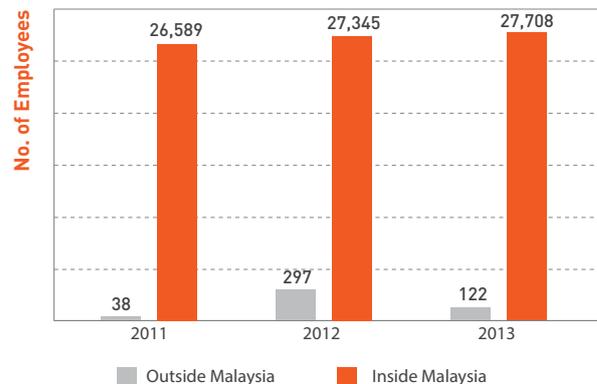
## Employee Diversity and Equal Opportunities

TM provides equal employment opportunities for all applicants regardless of race, colour, religion, national origin, gender or disability.

**Breakdown of Employees by Gender (2011-2013)**



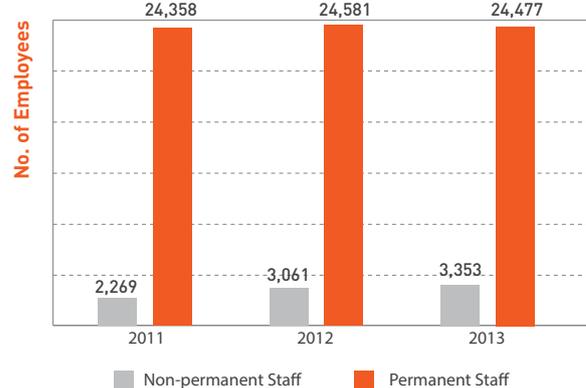
**Total Breakdown of Employees by Location (2011-2013)**



**Total Breakdown of Employees by Type (2011-2013)**



**Total Breakdown of Employees by Employment Status (2011-2013)**



# WORKPLACE MADE HAPPIER

## Human Rights

In order to maintain a comfortable and healthy work environment, we urge our employees to speak out when the conduct of others makes them feel uncomfortable, and to report any form of harassment when it occurs.

We are committed to advancing human rights through company policies and business activities, and ensuring that the people who make our products or engage with our services are treated fairly and with respect.

We respect our employees' rights and emphasise the following best practices at our workplace:

- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Supporting a harassment-free and violence-free workplace
- Prohibiting retaliation or any form of physical or mental disciplinary practice
- Respecting workers' right to freedom of association
- Ensuring compliance with laws governing working hours and wages
- Promoting environmental protection, health and safety

These practices ensure consistent and fair employment practices across TM nationwide.

## Sexual & Other Forms of Harassment

Sexual harassment involves bullying or coercion of a sexual nature, or inappropriate promise of rewards in exchange for sexual favour. It can also be sexually-related conduct that is offensive, hostile or intimidating to the recipient but may have no direct link to any job benefit. The harassment may be in any verbal, non-verbal, visual, psychological or physical form or communicated in any means. It can also happen in any workplace situation. Such behaviour is unacceptable in TM, and our comprehensive Sexual Harassment Policy aims to eradicate from the workplace all forms of sexual harassment. Guidelines on sexual harassment are also covered in TM's Code of Business Ethics.

TM also does not tolerate any derogatory comments based on gender, religion, racial or ethnic characteristics. This is in line with our Kristal Core Value of Respect and Care.

## Freedom of Association and Collective Bargaining Agreement

TM's non-executive employees enjoy freedom of association and are able to join and leave our unions as they see fit. Our unions, managed by Union Management of Group Human Capital Management (GHCM), are empowered to take collective action to pursue employees' interests within the boundaries of Malaysian Employment Law.

During the year, TM concluded our Collective Agreements (CAs) with *Kesatuan Kebangsaan Pekerja-pekerja Telekomunikasi Semenanjung Malaysia* (NUTE) on 19 July; with *Kesatuan Pekerja Telekom Malaysia Berhad Sarawak* (UTES) on 23 July; and with *Kesatuan Pekerja-pekerja Telekom Malaysia Berhad Sabah (SUTE)* on 24 July. These agreements outline benefits to our 13,276 non-executives in accordance with Section 17 of the Industrial Relations Act 1967.

Although the articles differ slightly, all the agreements cover:

- Provisions for Occupational Safety and Health
- Employment terms such as salary structure, salary adjustment/revision, benefits, bonuses, training, working hours, promotion, overtime and rest days
- Annual, medical, maternity, Haj, compassionate, study, unpaid, examination and quarantine leave
- Allowances and claims for food, driving, lodging, travel, rent, cost of living and hardship
- Loans to help with the purchase of houses, vehicles and computers
- General conditions including legal and funeral aid, national service, pensions and transport



Signing ceremony between TM and Kesatuan Kebangsaan Pekerja Telekomunikasi Semenanjung Malaysia (NUTE)

#### TM Union Membership Breakdown for 2011 to 2013

Year/ Union	NUTE	UTES	SUTE	TOTAL
2011	9,580	1,129	758	11,467
2012	8,147	987	726	9,860
2013	9,347	1,092	761	11,200

#### Notice Period for Relocation and Termination

A minimum of two weeks' notice is required for transfers that do not involve the relocation of residence, while one month is required for transfers involving the relocation of residence. Meanwhile, three months' written notice is required for the termination of employment or resignation of confirmed employees. This is in lieu of three months' salary.

# WORKPLACE MADE HAPPIER

## Workplace Statistics 2011-2013

	2011	2012	2013
<b>Employees</b>			
Total number	26,627	27,642	<b>27,830</b>
Executives	9,435	9,655	<b>9,987</b>
Non-Executives	17,192	17,987	<b>17,843</b>
Inside Malaysia	26,589	27,345	<b>27,708</b>
Outside Malaysia	38	297	<b>122</b>
Permanent Staff	24,358	24,581	<b>24,477</b>
Non-permanent staff	2,269	3,061	<b>3,353</b>
Female	9,721	10,431	<b>10,728</b>
Male	16,915	17,211	<b>17,102</b>
Union members	11,467	9,937	<b>11,200</b>
% of Union Members out of total no. of Employees	67	36	<b>40</b>
% of Union Members out of total no. of Non-Executives			<b>63</b>
Non-Union members	15,160	17,705	<b>16,630</b>
Age group			
<30	8,035	8,876	<b>8,357</b>
30-40	6,690	7,243	<b>8,011</b>
40-50	6,160	4,770	<b>4,760</b>
>50	5,742	6,753	<b>6,702</b>
Disabled staff (%)	0.04	0.05	<b>0.06</b>
<b>Diversity</b>			
Malay	22,544	23,380	<b>22,769</b>
Chinese	1,253	1,201	<b>1,167</b>
Indian	1,083	1,046	<b>925</b>
Others	1,747	2,015	<b>2,969</b>

	2011	2012	2013
<b>Employee Turnover Rates</b>			
Global	1,563	1,528	<b>1,465</b>
In Malaysia	1,552	1,527	<b>1,463</b>
Outside Malaysia	11	1	<b>2</b>
Female	547	453	<b>462</b>
Male	1,016	1,075	<b>1,003</b>
Age Group			
<30	464	253	<b>238</b>
30-40	248	198	<b>188</b>
40-50	101	68	<b>84</b>
>50	750	1,009	<b>955</b>
% Women in Management	4.71	6.08	<b>5.11</b>
% Women in Top Management	0.26	0.25	<b>0.26</b>
<b>Training</b>			
Employee participation in training	78,950	76,185	<b>72,073</b>
Average attendance per training programme	19	17	<b>30</b>
Average training budget per employee (RM)	2,806	2,489	<b>2,978</b>
Average total hours of training per employee	35	46	<b>32</b>
<b>Performance Review towards Career Enhancement</b>			
% Employees who are formally appraised (at least annually)	95	95	<b>83</b>
Employee Engagement Index (EEI)	89	90	<b>90</b>
<b>Occupational Safety and Health (OSH)</b>			
Total recordable injury frequency rate	43	58	<b>56</b>
Absenteeism rate (headcount)	26,625	68	<b>32</b>
Absenteeism rate (days)	542,424	794	<b>360</b>
Lost Time Injury frequency (no. of cases)	28	68	<b>32</b>
Fatal accident rate (no. of cases)	1	4	<b>0</b>



### MARKETPLACE MADE LIVELIER

To deliver an exceptional customer experience, we continually invest in our customer and supplier related ecosystems. Always going a step further, we have helped to nurture a marketplace that is exciting and lively, while providing compelling and relevant lifestyle and business communication services.





# MARKETPLACE MADE LIVELIER

## FACTS AT A GLANCE

**No. 1** broadband provider

nationwide with 2.2 million of broadband customers

**>72** score in TRI\*M Index

for two consecutive years

**1,272** agents trained

on HyppTV and Sales Skills

We are committed to getting it right first time, every time and to constantly exceed our customers' expectations. Our business model is designed to deliver sustainable growth. We constantly innovate our services and delivery to make our customers' lives easier. We work closely with our supply chain partners to achieve the highest efficiency possible. As we unfold more product offerings which focus on providing solutions, we hope to make our customer engagement livelier.

### ETHICAL TM IN THE MARKETPLACE

Our work is guided by the following principles:

- We do not participate in business activities that would aid repression.
- We do not support attempts by governments to balkanise the Internet or create a 'closed' Internet, as such attempts undermine fundamental human rights including the right to freedom of expression.
- We do not customise or develop specialised or unique filtering capabilities to enable regimes to block access to information.
- We do not supply nor support mediation equipment that allows the interception of telephone calls made over the Internet using Voice over Internet Protocol (VoIP).

### SUSTAINABLE PROCUREMENT

TM's procurement philosophy is to obtain the best goods, services and works in terms of quality, price, quantity, timely delivery, supplier and technology. The Total Cost of Ownership approach and implementation of key levers in Procurement ensure the best returns to the Company.

# MARKETPLACE MADE LIVELIER

Our Procurement Policy requires all procurement to maximise competition. Everyone involved in the procurement process must observe stringent ethics, integrity, behaviour, and adhere to governance and control procedures. Negotiations with suppliers are not confined to just securing good prices, but extend to specifying delivery times, inventory responsibilities, shipping terms, return policies and other value-added provisions inclusive of the contractual obligations. The entire lifecycle of purchase, delivery, financial settlement and payment is considered as areas of negotiation.

All personnel involved in procurement processes uphold the basic principles of trust, honesty, fairness and transparency in their business dealings. They cannot have any conflict of interest in any procurement activity, and should abstain from participation if such conflict exists. All documents relating to the procurement processes are documented, filed and kept properly by the person responsible. Purchasing agreements clearly identify the services or products to be provided, the basis for payment, and the applicable price rate or fee. The amount of payment must be commensurate with the services or products provided.

## TM Procurement Maturity Index 2013

A yearly survey is conducted to gauge the perception of Group Procurement's (GP) internal customers and GP staff on the sophistication and maturity level of the current TM Procurement organisation according to best practices as guided by the Red Book and to identify opportunities for improvements in performance effectiveness and efficiency, enhance added value and eliminate weaknesses in practices. TM Procurement Maturity Index 2013 of 8.21 is an improvement from 2012, whilst the strongest and weakest points remain unchanged.

Key findings of the Procurement Maturity Index 2013:

- Most of the respondents perceive the Chief Procurement Officer to be a strong leader, supported by dedicated structure and resources that meet the business requirements, through a centralised procurement organisation.
- GP internal staff are very concerned about supplier management and emphasised the need for improving supplier selection and consequence management on non-performing suppliers.

- Current procurement internal control and governance is perceived as strong and satisfactory.
- GP has maintained good coordination and integration efforts with internal customers but needs to improve on operational speed.

## Transparency Index

Measuring the transparency index involves conducting a yearly survey to obtain feedback from TM suppliers on the effectiveness and efficiency of the procurement process and activity. A score of 7.6 out of 10 was obtained in 2013 as compared to 7.5 in 2012.

In 2013, GP reviewed the questionnaires and target respondents based on our supplier segments. Our findings show that our suppliers are generally happy with TM's procurement process and practices as compared to other companies in Malaysia and among other GLCs.

## Supplier Relationship Management

TM continues to provide hands-on training with minimal fees to interested suppliers to ensure their capabilities in using the SRM online system. A total of 72 suppliers attended the SRM training on the 'know how' of submission of online invoicing and participation in online bidding.

TM also organised a Supplier Knowledge Sharing session known as Supplier K-Day on 7 November to improve suppliers' awareness of processes and functionalities in our Supplier Relationship Management (SRM) system, hence facilitate effective and timely payment to our suppliers. About 182 suppliers benefitted from the session.

On 1 July, TM launched the Supplier Helpdesk online which focuses on emails and TM website as mediums of interaction between TM and suppliers. Suppliers are encouraged to highlight their concerns on the SRM system and procurement processes to SRM Helpdesk via email and TM's corporate website.

## **Our Procurement Policy is in line with our KRISTAL Core Values**

Sustainable Procurement also relates to the safety, health and environmental practices of our vendors. The Supplier must comply with all relevant laws related to the protection and preservation of the environment, in particular the Environmental Quality Act 1974, and at the same time must ensure all equipment supplied complies with environmental standards and Factories and Machinery Act, 1967. Finally, all suppliers and their employees must comply with the Occupational Safety and Health Act, 1994.

We have a clause in our contract in relation to Environmental Matters and Occupational Safety and Health that requires our vendors to comply with our safety guidelines, and to submit an OSH Plan (where applicable) based on the nature of the services, works and goods supplied within the identified time period as specified in the Letter of Award. Suppliers must ensure that all work and supply of equipment are carried out safely and in compliance with OSH Requirements. No employee of suppliers or of their sub-contractors or any other persons employed through our suppliers shall be assigned to work on the Contract and/or enter into TM premises or sites unless they have undergone the National Institute of Occupational Safety and Health (NIOSH) - TM Safety Passport (NTMSP) Programme.

For our part, TM ensures the sustainability of our vendors by providing them with training to increase their capabilities and level of professionalism. In 2013, 28 companies under our Vendor Development Programme (VDP) received grants from the Ministry of Internal Trade and Industry (MITI) and SIRIM, seven of whom were awarded full grants as an incentive for winning the Entrepreneur Awards. In 2010, awareness training was delivered, followed by certification. The objective of this programme is to improve the competitiveness of entrepreneurs and the quality of management through ISO certification and 5S.

## **EMBEDDING SUSTAINABILITY INTO THE SUPPLY CHAIN**

Responsible supply chain practices are embedded into routine business processes to promote sustainability as a key criteria in our supplier performance evaluation. These efforts help us improve the effective management of our supply chain and reduce risks to business continuity. Clear expectations are set through our Supplier Code of Conduct and key suppliers are held accountable through our business scorecard. Strong-performing suppliers are rewarded with opportunities for further business with TM, while exceptional-performing suppliers are recognised through a supplier appreciation award. Suppliers that systemically fail to comply with the Code of Conduct, will have their contracts terminated.

Educating suppliers about the Code and its requirements is prioritised so they view it as an essential part of doing business with us. To promote sustainable practices among smaller component suppliers that have yet to establish strong sustainability programmes, we engage with them directly for training.

Improved disclosure of sustainability issues increases transparency and raises standards throughout the industry supply chain. By identifying key risks and impacts, we can work with suppliers and peers to improve performance.

# MARKETPLACE MADE LIVELIER



GLC Explorace 2013 at TM Convention Centre, Menara TM.

## TM as a Driver of the Vendor Development Programme

TM has long been a driver of the Vendor Development Programme (VDP) as of the first GLCs to establish and implement this programme which focuses on supporting high quality, value-added and the sustainable development of TM vendors. After 20 years of its implementation, the programme has benefited more than 600 vendors. The next phase in the transformation of the VDP will look into the sustainability of our vendors' businesses, by exploring business opportunities with other GLCs and at the same time reducing dependencies between both incumbents and their related vendors. Towards this end, we are working closely with the Ministry of International Trade and Industry (MITI) together with other government agencies, such as TERAJU

*(Unit Peneraju Agenda Bumiputera)* to lead, coordinate and drive the Bumiputera Agenda as part of the National Transformation Plan to boost the capacity and capabilities of local entrepreneurs and vendors.

In July 2013, with the tagline 'Winning Networking Opportunities', TM and MITI co-organised the inaugural GLC Explorace™ 2013, which congregated local entrepreneurs and vendors together with MITI and its agencies as well as Government Linked Companies (GLCs) under one roof – providing them with a platform to acquire the latest information on entrepreneurship, as well as explore broader horizons for business opportunities.

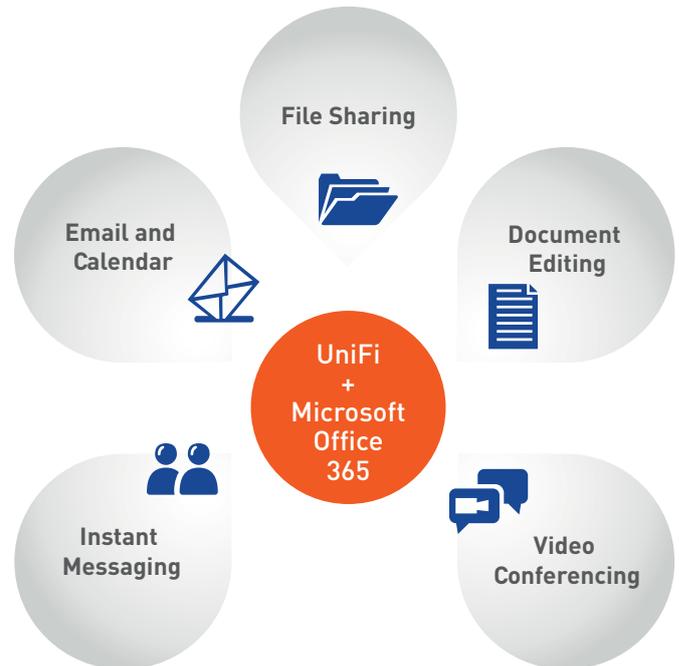
### Digital Malaysia Corporate Accelerator Programme

TM also collaborates with the Multimedia Development Corporation (MDeC) and StartupMalaysia.org (SUM) to organise the Digital Malaysia Corporate Accelerator Programme (DM CAP) which aims to help Malaysians leverage on the Internet for revenue generation and to create acceleration platforms and programmes for nurturing and developing netizens to become producers-consumers. DM CAP falls under the aegis of TM's Blue Lane Programme (BLP), an ICT technopreneur programme for local small and medium ICT players, which aims to harness home-grown digital entrepreneurs and develop the Malaysian ICT ecosystem by providing market access via TM's platform to become the company's business partners. DM CAP has so far invited five local startups with ventures that are able to complement TM's product offerings including UniFi, HyppTV and Cloud into an intense three-month accelerator programme. By combining TM's industry and market demand knowledge, StartupMalaysia.org's local and global mentoring networks and MDeC's acceleration platforms for startups, the pioneer batch of DM CAP graduates have accelerated their growth trajectory in a short period of time and collectively achieved revenue of RM2.6 million by closing deals with 54 customers.

### Catering to Our Stakeholders' Need – A Journey in Becoming the Preferred ICT Partner in 2016

We are committed to empowering local SMEs to move up the value chain, as we become their preferred one-stop business solutions provider with a comprehensive and innovative range of tools to help their businesses grow.

In 2013, we launched an enhanced UniFi business package with Microsoft® Office 365, enabling SMEs to reap the benefits of ICT to increase their productivity, expand their market reach and serve their end customers more effectively.



# MARKETPLACE MADE LIVELIER



*TM is helping customers to save costs and focus on their core business with UniFi.*

## EXPANDING OUR REACH

### TM As A World-Class Data Centre Hub

TM launched My1Hub, Malaysia's innovative neutral one-stop hub solution offering Internet, hosting and fibre connectivity with seamless and reliable connectivity from Malaysia to the rest of the world via our submarine cable investments such as our wholly owned Cahaya Malaysia cable system (linking Malaysia - Hong Kong - Japan) and the Batam - Dumai - Melaka cable system (linking Malaysia - Indonesia) which TM is a member of.

My1Hub is in line with the Government's Economic Transformation Programme (ETP) and National Key Economic Areas (NKEAs) for ICT development, specifically in the Communications Content and Infrastructure (CCI) sector.

With My1Hub, industry players are now able to offer services at competitive rates to end customers. My1Hub also provides an open and supportive ICT platform offering holistic Internet, bandwidth and hosting services to facilitate the various needs of global and domestic players.

Moving forward, My1Hub will continue to evolve in line with the requirements and demands of industry players. Enhancement plans are ongoing and the development of infrastructure for My1Hub at the remaining locations is nearing completion.

## Regional Offices

In further expanding TM's presence globally, TM has set up Regional Offices (ROs) at major strategic communications hubs in Singapore, Hong Kong, the United Kingdom (UK), United States (US) and recently, Australia. The establishment of these ROs is to look for potential business opportunities, explore new market demands and to understand global requirements. The ROs also enable TM to serve and speed up customers' requirements hence helping customers to save costs and focus on their core business.

Finding our own niche and value proposition is an important requirement before venturing into new markets. Leveraging on TM's huge network inside and outside of Malaysia as a hubbing or transiting destination and together with existing ROs, provides a further edge and value to new ROs.

More ROs will be opened in the future with the aim of expanding TM's coverage globally. Sites and markets are constantly being identified and evaluated for possible RO establishment. ROs will be set up in locations with high regional potential and possible access to other promising markets.

## CONTINUOUS INNOVATION AT TM

### Next Generation Backhaul (NGBH)

Next-Gen Backhaul™ (NGBH) is a service specifically developed to provide backhaul connectivity for Mobile Network Operators (MNOs). The NGBH service is designed in compliance with stringent technical specifications and industry standards for 3G and Long Term Evolution (LTE).

The introduction of LTE as the next generation wireless technology drives MNOs to enhance their wireless infrastructure catering for high bandwidth requirements to meet ongoing demands and needs of their customers. Additionally, enhancement of MNOs backhaul infrastructure is required to ensure it complies with LTE specifications and requirements. NGBH is specifically designed for this purpose, and demand for the service is expected to be huge over the next three years as MNOs further enhance their LTE coverage and introduce LTE offerings to the market.

The challenge for TM is to prove to the MNOs that TM's NGBH™ is capable of addressing flexibility, high speed and customisation requirements of an LTE network. On top of that, TM also needs to show that NGBH will reduce MNO's Total Cost of Ownership (TCO) in the long run from cost, quality and Operations & Maintenance (O&M) perspectives.

So far, TM has been successful in overcoming those challenges as evidenced from deals made with two major industry players, namely Celcom and DiGi for the supply of NGBH to hundreds of their Access and Aggregator sites. NGBH service will continue to evolve in line with the maturity of LTE technology over the years. The advent of LTE-A (LTE-Advance) in the near future will make it necessary for NGBH to be flexible and robust enough for long-term stability and sustainability of TM's solution to our customers. Plans are already in place to enhance the NGBH for future demand and requirements. TM is also exploring additional value added services to complement the NGBH service, which includes Radio Access Network (RAN) management, Operations & Maintenance Services and Small Cells offerings.

### Cahaya Malaysia Cable System

Cahaya Malaysia (CM) is TM's latest privately owned international cable system providing 560 Gigabits per second (Gbps) connectivity between Malaysia and Japan and Hong Kong. The cable system can potentially be upgraded up to 24 Terabits per second (Tbps) using 100Gbps wave technology. Currently, CM is using the latest 40Gbps technology with the capability to support forthcoming 100Gbps wave technology. CM offers express connections via exclusive dedicated and ultra-low latency optical fibres which enables faster data and Internet speeds on a more secure connection. With the establishment of CM, more bandwidth can be made available in the near future to meet the great demands and needs of the nation and industry.

CM is one of TM's key commitments to the nation. Apart from supporting TM's own services namely UniFi, Internet, Bandwidth, International Connectivity and My1Hub services, the availability of bandwidth will spur the development of data centres in Malaysia, in which there will be more local and localised content. As the nation's leading telecommunications provider, TM continues to play an

# MARKETPLACE MADE LIVELIER

integral role in fulfilling the Government's National Broadband Plan (NBP) and the Economic Transformation Programme (ETP) by 'Extending the Regional Network'. This cable system will enable us to provide Malaysians with better regional reach and a highly dependable regional network.

Strategic investment in a consortium-led and privately owned system is necessary for TM's organic growth. The forecasted huge demand from Asia-Pacific especially from the ASEAN region, will provide opportunities to increase TM's international businesses thus justifying investments in new submarine cables and in existing systems' upgrading exercises. TM is not the only player in the market thus intense competition will come from other cable owners. Unavailability of TM's cable investments in certain regions means our ability to monetise our capacity is severely limited over certain routes.

TM will continue to participate in new submarine cable investment opportunities and upgrading activities as long as it makes economic sense to the Company. At the same time, we will remain prudent in our business analysis by observing stringent investment processes and procedures.

## Safe Use of Our Products and Services

All TM-produced customer premises equipment (CPE) such as modems, phones, Set-Top-Box and other network equipment undergo a Product Development Process before being offered to customers and the public.

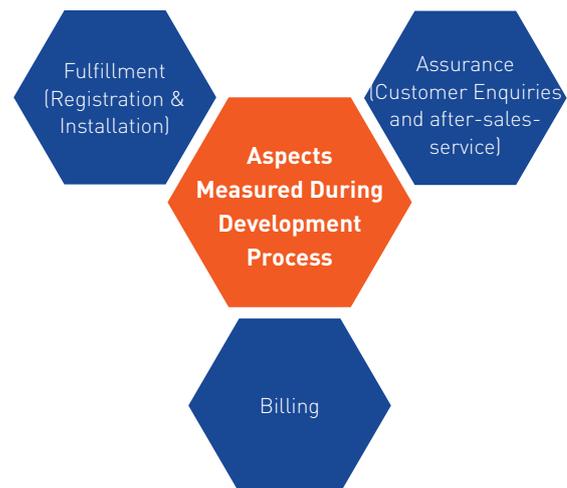
Storage and distribution are well planned prior to the launch of any product or service. Generally, the products and services are made available at touch points such as TMpoint outlets, Telekom Authorised Dealers (TAD) or Malaysia Logistic for new installations.

Our Quality Management Systems are done through a gated process which governs the entire product lifecycle from product ideation (pre-launch) to product exit. All products and services must have their fulfilment, assurance and billing endorsed by the relevant stakeholders prior to their launch.

For example, approvals by SIRIM and TM R&D ensure the safety of our HyppTV Set-up Box (STB). Their reviews test the performance of HyppTV STB's devices against environmental effects, and detect potential field failures that could result in low customer satisfaction and warranty claims. The safety checklist, meanwhile, includes regulatory requirements that TM must abide with.

## Content Regulations

All content available on HyppTV comply with the Content Application Service Provider (CASP-I) License conditions set by MCMC and certified by the Malaysia Censorship Board. This is to ensure the content is suitable for public viewing. Various aspects are measured to ensure smooth product or service offerings and installations during the development process.



## IMPACT FROM OPERATIONS

### Radiation Safety Assessment at TM Hill Stations

TM engaged the Non-Ionising Radiation Unit of the Malaysian Nuclear Agency to carry out a radiofrequency and microwave radiation safety assessment of areas surrounding our telecommunications and broadcast towers. The objectives of the project were to:

- Identify work places surrounding the telecommunications and broadcast towers where radiation levels are significant in comparison with the exposure limits allowed by the Malaysian Communications and Multimedia Commission (MCMC) and International Commission on Non-Ionising Radiation Protection (ICNIRP) Guidelines.
- Determine the radiofrequency and microwave radiation exposure levels of employees working in the premises.

The Radiation Safety Assessment was conducted at the following hill stations:

1. Ulu Kali, Genting Highlands
2. Bukit Tampin, Negeri Sembilan
3. Gunung Pulai, Johor
4. Bukit Keratong, Sabah
5. Gunung Serapi, Sarawak
6. Bukit Larut, Perak
7. Bukit Penara, Penang
8. Bukit Pelindung, Pahang
9. Bukit Besar, Terengganu
10. Bukit Bakar, Kelantan
11. Gunung Jerai, Kedah

The assessment concluded that the radio frequency and microwave radiation emitted by the towers will not cause any significant radiation exposure to workers staying or working in the areas. The Malaysian Nuclear Agency cited available scientific evidence on the biological effects of radio frequency and microwave radiation as the basis of its conclusion.

## OUR STAND ON QUALITY

Compliance with quality processes and safety requirements is essential to maintain TM's reputation. Commitments made to customers are honoured, and if they cannot, prompt feedback is given within agreed timeframes or organisational guidelines.

## CUSTOMER SATISFACTION

Customer satisfaction forms one of TM's headline KPIs, demonstrating our commitment to customer-centricity. Since 2008, we have been monitoring our Customer Satisfaction Index (CSI) via market surveys using the globally accepted TRI\*M (Measure, Manage and Monitor) methodology. TRI\*M monitors our performance in satisfying and retaining existing customers, and is used for continuous process improvement in service delivery across TM touch points and customer segments.

In 2013, TM scored more than 72 in our Customer Satisfaction Index (CSI) which is an improvement from the previous year and above the global industry average of 68. We have set ourselves the target to achieve a score of 83 by 2015, which would bring us close to the score (84) of the top 10 telcos in Asia.

In 2013, two waves of the CSI study were completed. The first 'dipstick' study, from June to August 2013, involved 8,430 customers from Mass Market and Managed Accounts. The second study was commissioned from October to December involving 13,500 customers across Mass Market, Managed Accounts, Wholesale & Global and VADS. The second study results were used as the final Internal KPI and external headline KPI performance.

Respondents selected to take part in the survey must have experienced at least one of TM's touch points such as a TMpoint, TM reseller, Call Centre or Fulfilment Restoration within six months of the survey. Lists of potential respondents were obtained from the databases of the respective touch points. The customers were called randomly for their feedback and to describe their experience of the touch point, as well as to evaluate TM's overall performance.

# MARKETPLACE MADE LIVELIER

## HOW TM MAKES LIFE SUSTAINABLE

As part of building a long-term sustainable business focused on growth, TM Consumer takes into account the needs of both its internal and external customers. For internal staff, we have provided special staff packages for broadband as well as HyppTV content with special discounts. The special staff packages allow our internal staff, both executives and non-executives, to experience the services whilst being able to pitch the commercial offerings to external customers as TM ambassadors.

In our continuous effort to drive business, TM Consumer has expanded our high speed broadband coverage area by introducing Streamyx 8Mbps. We have also enabled HyppTV content to be enjoyed by Streamyx customers with speeds 4Mbps and above. Customers in non-UniFi areas can enjoy faster connectivity as well as triple play services nationwide. We have also been introducing a framework to enable high speed broadband in USP areas via LTE. This will allow us to expand our boundary beyond home and WiFi premises while capturing new growth in the LTE market. Relentless efforts have also been made to enable customers in rural and sub-urban areas to enjoy broadband experience with programmes such as Kampung Wifi.

TM Consumer strives to gradually align all its efforts towards long-term sustainability. We hope our efforts in this field will transform our interest towards individuals and communities.

### Complaints Management

Customers can lodge complaints and provide feedback or comments at TMpoints nationwide, or by calling 100/1 300 88 1221; emailing help@tm.com.my, unifi@tm.com.my or via our portal; or by communicating with us through our social media platforms including twitter @TMCorp.

All comments received will be recorded in our ICP & NOVA systems through Service Request (SR). Customer Service Management (CSM) is responsible for attending to and resolving all SRs received. Customers are kept updated on the status of their SRs, which are closed upon customer verification.

Complaints are analysed at the Customer Centricity Working Group (CCWG) with respective owners. Root causes and gaps are identified, while action or improvement plans are discussed and their subsequent implementation monitored.

## ENSURING SATISFACTION

In line with our KRISTAL Core Values, every employee must be:

- Proactive in dealing with customers and try to exceed their expectations
- Sensitive to customers' needs and requirements
- Responsive and serve our customers with conviction and professionalism

Integral to the provision of exceptional service is for our front liners to be conversant with new products and services. HyppTV is a good example, as it introduces a new channel almost every month. Before the new channels are launched, personnel from our content line-up train HyppTV front liners on these new developments, highlighting any signature programme on a particular channel. On-air promotions (OAPs) and other video materials are shown to expose participants to HyppTV content. In 2013, the following training sessions were held:

- HyppTV Awareness campaign with TMpoint outlets nationwide in which we trained all TMpoint employees. A total of 240 hours of training was conducted.
- Streamyx training nationwide with Telemarketing where we successfully launched HyppTV over Streamyx, followed by eight sessions of introductory training to HyppTV.
- Monthly training sessions at call centres. A minimum of two sessions of four hours each is required every year. During these training sessions, call centre employees are briefed on TM's latest programmes and offerings.
- Training for *Pejabat Telekom Tempatan* (PTT) and state resellers. In 2013, we visited Johor, Negeri Sembilan, Terengganu, Penang and Central Kuala Lumpur.

In 2013, a total of 51 training sessions were delivered to 1,272 agents. Training modules organised for our resellers are summarised below:

Title	Topics Covered
8 selling steps	Principles of sales
Effective Selling Skills	Sales skills
Beyond Connectivity (Hypp TV)	Awareness of HyppTV
Compliance Training	Handling forms and customer complaints
Operations Training (Order Management in Partner Portal, Commission)	For new recruited agents and sales consultants

## PROMOTING RESOURCE EFFICIENCY

Telekom Malaysia Info-Media (TMIM) launched a mobile app in 2012 to provide the directory service through new technology. Today, an enhanced version is being developed to deliver better directory information to the public. The Digital and Online division continues to digitise current products to reduce our environmental footprint.

The new Yellow Pages Mobile App we are developing is packed with great new features. The upgrade will be performed in two phases. Some of the main features to be introduced in Phase 1 include:

- Auto detection/Hyperlocal Search – using GPS technology, the application will detect the user's location during a search and provide results located within a certain radius from the customer. For example, if a user performs a search on 'shopping mall' in Mont Kiara, a list of shopping malls within a specified radius from Mont Kiara will be displayed.
- Manual user input – user is able to search for a business within a specific geographical location. For example, by putting 'Restaurant' and 'Bangsar' the application will display all restaurants within the vicinity of Bangsar.
- Enhanced map and navigation feature – the current mobile app only displays the location of a business on a map. In this new map, we will be introducing a directional map, which provides users a turn-by-turn direction to the location of the business/advertiser.

A user has the flexibility of searching based on a product, business name and place. All search results can be sorted by alphabetical order, proximity or paid/non-paid advertisers.

Phase 2 of the project will bring in more sophisticated features such as:

- M-Commerce – To enable transactions via mobile payment
- Coupon/Voucher – Merchants/Advertisers will be given the opportunity to create mobile vouchers/coupons to their customers via this app to increase consumer loyalty.

## From Product-Centric to Digital Lifestyle

TM's ICT offering is moving towards a virtualisation and cloud-based concept. This results in faster deployment, cost savings and resource optimisation. Services include:

- Cloud solution deployment to replace physical servers
- Telepresence to replace physical meetings with remote meetings thus minimise travelling

## TM SUPPORTS GOVERNMENT EFFORTS TO BRIDGE THE DIGITAL DIVIDE

TM continues to play an integral role in supporting the Government's Economic Transformation Programme (ETP), and particularly the Entry Point Project on Extending the Regional Network by providing Malaysians with better regional reach and a highly dependable regional network.

In 2013, we signed an agreement with five other regional telcos to form a consortium to establish the Bay of Bengal Gateway (BBG) submarine cable system. The BBG will provide connectivity between Southeast Asia, South Asia and the Middle East. It will also connect Europe and Africa through interconnections with other existing and newly-built cable systems landing in India and the Middle East.

Our fellow consortium partners are Vodafone Group, UAE's Etisalat, Sri Lanka's Dialog Axiata, India's Reliance Jio Infocomm Limited, and Omantel of Oman. Each member is committed to investing in the development of IP communications globally and to extending broadband connectivity to a wider audience.

# MARKETPLACE MADE LIVELIER

## TM WORKS WITH LOCAL COMMUNITIES TO CURB CABLE THEFT

TM continued to roll out our extensive Cable Theft Prevention Campaign in 2013 with the formation of Cable Theft Prevention Taskforces at the national, state and district levels. We also introduced the Cable Theft Prevention Execution Framework comprising four key focal components: Technologies, Enforcement, Engagement and Internal Process.

In 2013, TM launched a cable theft awareness campaign emphasising how cable theft affects lives, and the role the local community can play to reduce these incidents. Doubling their efforts, we installed iWatch Alarm Systems. To date, 80.0% of routes have been connected to Local Control Centres that alert TM staff via SMS if a cable theft has occurred.

Throughout the year, we expanded and enhanced our collaboration with principal enforcement agencies and authorities at the national, state and district levels. By further strengthening ties with *Polis Diraja Malaysia* (PDRM), *Pasukan Sukarelawan Malaysia* (RELA), *Skim Rondaan Sukarela* (SRS), *Jabatan Kemajuan & Keselamatan Kampung* (JKKK), Malaysian Communications and Multimedia Commission (MCMC), state excos, community leaders, NGOs and fellow telecommunications and utility organisations nationwide, TM helped build a formidable network dedicated to eradicating cable theft.

We also created a cable theft documentary based on the rationale that, through the medium of video, we could capture the attention of target audiences in what otherwise is seen as a 'dry' subject.

Internal Process helped boost our efforts by fully engaging all 27,000 employees in this massive undertaking. Internal Process also spearheaded a thorough re-examination of standard operating procedures and kick-started internal initiatives to minimise the possibility of cable theft occurring as a result of internal oversight or malfeasance.

## TOWARDS A MORE SUSTAINABLE PRODUCT THROUGH TM GREEN FIBRE WIRELESS

The Radio over Fibre (ROF) technology, G-FiWi, is an alternative access network technology with the potential to support speedier network deployment at lower cost, especially in challenging geographical environments. Collaborating with Fibre home, TM R&D has completed the proof of concept in transmitting triple play content at a minimum speed of 500Mbps, and successfully filed patents for the technology. G-FiWi also bagged a merit for Best Research & Development at the 2013 MSC Asia Pacific ICT Awards (APICTA). In addition, it led to TM R&D being accredited an Order of Merit in material engineering at the World Inventor Award Festival (WIAF) 2013, recognised by the High Commission of 2013 WIAF Joint Organizing Committee.

In 2014, TM embarked on a G-FiWi 2 project to integrate both uplink and downlink systems for better project demonstration, and improve current wireless transmission distance. The project will also demonstrate a bi-directional 40GHz ROF system with a single optical fibre. The new prototype will boast wireless Internet browsing capability, which is desirable due to vast bandwidth capacity of the hybrid wireless-optical link. G-FiWi 2 may have greater potential applications as a result of point-to-multipoint and multi-service activities providing more connectivity for future high speed wireless distribution systems.

## TM'S E<sup>3</sup> INFRA – EFFICIENT, EFFECTIVE, ELASTIC

TM's E<sup>3</sup> Infra is smart, agile, flexible, modular, scalable, secured and cost-effective, supporting TM's ambition to be a one-stop centre satisfying all the needs of corporate clients. It powers the four important levers that contribute to the success of a business: bandwidth, ICT & IP, performance and reliability and cloud computing.

Further enhancing TM's E<sup>3</sup> Infra, IT&NT strives to deploy Green network elements and infra which are energy efficient, made from hazardous-free materials and manufactured in environment-friendly methods. It has already developed the policy, green specifications and energy-efficient reference document to be adopted by the technical community. Among the operational and design best practices implemented are equipment layout remodelling, network platform consolidation and optimal temperature management.

## KEEPING OUR STAKEHOLDERS INFORMED

We employ many direct and indirect channels to engage with customers, and update our stakeholders, for example through brochures, our website, e-newsletter Take Out, electronic direct mailers, facebook and twitter. Most collaterals bearing information on ICT and our services can be found in high-traffic TMpoint outlets.

Differentiated channels are used to communicate with our different customer segments. Targeting SMEs, we publish a fortnightly SME Buzz on the latest products catering to their needs. We also position experienced SME consultants at strategic business points; and communicate our messages in print advertisements, magazines and on television. The annual TM SME BizFest™ reinforces our reputation as the nation's trusted and reliable end-to-end ICT solutions provider with the capability to adapt to customers' growing businesses. SME Corp is a strategic partner for SME events, endorsing our SME BizFest. It helps TM to play a bigger role in SME growth. We actively participate and support SME Corp events.

In 2013, nationwide 'Life Made Easier' road shows were also organised which created greater awareness of TM's products and services.

Meanwhile, the public can communicate with us by calling our Customer Service Call Centre, or approaching TM ambassadors at our Customer Support Centre at 100 or 1-300-881221. They can also interact via our @TMCorp and @TMConnects Twitter accounts.



VADS Social Media Hub and its 'Super Agents' that are capable of handling both UniFi and Streamyx customers.

Social media has played a critical role in helping us engage with our customers on a more personal level. In December, we launched our VADS Social Media Hub which saw the expansion of @TMConnects to include 'Super Agents' capable of handling both UniFi and Streamyx customers. One of the key social media highlights was the hugely successful #whoTheMan contest, held on #FabFriday™, which was the biggest #FabFriday™ has held so far, resulting in more than 13,000 tweets, with a reach to more than 355,295 followers, and impressions to more 10.1 million twitterati.

All TM customer premise equipment (CPE) contain a complete customer reference manual and instructions. CPE come with either one-year or lifetime warranties depending on the product or service offering.

HyppTV service video tutorials are available which cover the VOD service, channel purchasing and interactive channel viewing. These videos are shared with customers through various channels including our electronic direct mailer system, Help section on the HyppTV platform, HyppTV official website, Youtube and other social media platforms.

The quality of information published by TM impacts our reputation and image. All marketing communication initiatives are therefore developed to ensure that published information:

- Correctly represents the products and services, and promotions related to them;
- Is accurate, well-written and visually appealing; and
- Meets high quality standards in print or other published formats.

# MARKETPLACE MADE LIVELIER

## CUSTOMER INFORMATION AND PRIVACY

TM protects our customers' sensitive, private or confidential information in line with all related regulatory and legal requirements, and in particular the Personal Data Protection Act 2010.

Any request for customer information must be channeled to the following divisions/units:-

- Group Corporate Regulatory, which responds to regulatory bodies other than Bursa Malaysia, such as SKMM or Bank Negara;
- Compliance Unit of Group Legal, Compliance & Company Secretarial Division (GLCCSD), which responds to any request from Bursa Malaysia;
- Special Affairs Unit, which responds any requests from the Malaysian Anti-Corruption Commission;
- Security Management Unit, which responds to requests from *Polis DiRaja Malaysia* and agencies under *Kementerian Dalam Negeri*; and
- Legal Strategy & Intellectual Property (LSIP) of GLCCSD, which responds to any other request apart from the above.

Privacy of our customers' personal data and communication is fundamental to TM's integrity in the communications business. We ensure that appropriate security measures are in place to safeguard our customers' personal data from any loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction. Except when compelled by law, or in the normal course of business such as performing repairs, or carrying out preventive maintenance, we do not disclose customer information or the location of equipment, circuits, trunks or cables to any unauthorised persons.

## FREEDOM OF CHOICE AND PRIVACY

TM believes that transparency and choice are critical elements of protecting personal and business privacy. People expect to know when and why their personal data is being collected and how it will be used. They rightly expect to be able to opt out from having their data and information processed for activities no longer consented by them. They also expect to be informed about the benefits they get from sharing their personal data.

Consistent with the concept of fair use, TM informs our customers and the public of the nature of the personal data being processed, the purposes for which it is collected and further processed and provides them with a means to exercise their choice where necessary. We design our products with privacy in mind, providing customers with a wide range of options on how they can enjoy our products and services while protecting their privacy.

As a telecommunications technology leader, we believe that upholding the right to freedom of choice, expression and privacy are fundamental to our business and society. We strongly support freedom of choice, and open communication on the Internet. We are proud of our role in helping to make Internet technology ubiquitous, allowing billions of people across the nation to access information previously unavailable to them.

## ACTIVE AND TRANSPARENT MARKETING

At TM, we build long-term relationships with our customers by demonstrating honesty and integrity. All marketing materials and advertising are accurate and truthful. Deliberately misleading messages, omissions of important facts, or false claims about competitors' offerings are not acceptable. Only legal and ethical business is procured.

In 2013, TM launched our 'Life Made Easier' campaign, which was featured across various advertising and promotion channels. Members of the public were reminded of the theme in all our on-ground initiatives, activities and booths. Fun activities lined up for the campaign included clown appearances and colouring contests. The campaign reinforced TM's position as Malaysia's broadband champion with myriad service offerings catering to the ever-changing requirements of Malaysian consumers.



*A lot of exciting activities and prizes to reward our customers' loyalty.*

The marketing message behind this campaign reminded our customers that TM keeps everyone connected with our extensive connectivity — while you are at home or out of your residence, either in the office or on the go.

### **POLITICAL DONATIONS AND ACTIVITIES**

TM does not make any political contributions, as is clearly stated in our Code of Business Ethics. All executive employees are prohibited from being involved in any political activity beyond belonging to a political party.

Non-executives involved in political activities do so in their own time and with their own resources. Their involvement must be kept separate from their roles and responsibilities as TM employees. Any political statement made must be delivered clearly as their personal opinions and not be construed as representing the Company's position.

Employees wishing to hold any elected position as office bearers in any political party must obtain prior written approval from the Chief Human Capital Officer. Meanwhile, employees wishing to pursue politics full-time are required to resign from TM's employment.

### **PROTECTING INTELLECTUAL PROPERTY**

Our Code of Business Ethics contains provisions for protecting intellectual property. Employees must not infringe on any third party's intellectual property rights during his or her employment with TM.

Employees must inform TM if any third-party intellectual property right is required and/or used in carrying out any Company duty.

TM's electronic communication systems must not be used to disseminate copyrighted or licensed materials such as articles or computer software. Employees should also not transmit chain letters, advertisements or solicitations on the Company's systems unless authorised. Employees should not make unauthorised alterations of records or software instructions and ensure all software is obtained from authorised TM suppliers.



## COMMUNITY MADE CLOSER

All our achievements have been inspired by the one thing that is closest to our heart: the continuous well-being of the community. We believe we are more than just a broadband champion. With the resources, capabilities and heart that we have, we can make a difference and enrich the lives of the communities we serve.







# COMMUNITY MADE CLOSER

## FACTS AT A GLANCE

**19,526** lives

touched by TM's School Adoption Programme

**RM450.0** million

disbursed through YTM since 1994

**3,866** MMU graduates

in 2013

TM's core business of providing telecommunications services has a huge impact on local communities as well as the nation. Recognising this, our sustainability plan commits to our offering our services in the most efficient manner and at a fair and competitive price.

Over and above this basic duty, we actively support the local communities in which we operate, focusing on the areas of education and nation-building, and ensuring our activities are carried out with integrity and the highest regard to good corporate governance and transparency.

We also encourage our employees to engage in community, charity or non-governmental work, as well as in political organisations and causes of their choice. However, we require them to make clear that their views and actions are not those of TM. We also require our employees to ensure there are no conflicts of interest between their employment and their community duties. Further, they should not allow their outside activities to interfere with their job performance.

Our community initiatives are designed to create a more equitable and progressive nation in support of the Government's agenda. Accordingly, our projects focus on education, which enables youth to break out of the poverty cycle; and empowering the underprivileged with other means to uplift their lives and the lives of their communities. In many instances, we have been able to create links between different community programmes in order to create synergies for more efficient use of our resources and hence more sustainable outcomes.

# COMMUNITY MADE CLOSER

## CAPACITY-BUILDING THROUGH EDUCATION

### Yayasan Telekom Malaysia (YTM)

YTM was initially established as the scholarship unit in TM's Human Resources function. In 1994, it was transformed into a charitable trust fund, and on 27 January 2007 it was incorporated as a corporate foundation.

Guided by its own Board of Trustees, YTM aims to achieve three main objectives:

1. The promotion and advancement of education by awarding scholarships, grants and financial assistance
2. The promotion and advancement of culture, arts and heritage by providing assistance and support in maintaining a museum or related activities
3. Partnering and collaborating with other organisations in line with the causes supported by YTM and TM

### The Board of Trustees of Yayasan Telekom Malaysia

1. DATO' SRI DR HALIM SHAFIE (EX-OFFICIO CHAIRMAN)

2. TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA (EX-OFFICIO DEPUTY CHAIRMAN)

3. DATO' MOHD KHALIS ABDUL RAHIM

4. TAN SRI DATO' SERI YAHAYA IBRAHIM

5. TAN SRI DATO' DR IR WAN ABDUL RAHMAN YAACOB

6. DATO' IR DR ABDUL RAHIM DAUD

7. DATO' DR MOHD YAHYA NORDIN

8. DR ZAINAL ABU ZARIM (SECRETARY)

As at 2013, RM450.0 million of tax-exempted funds have been entrusted to the YTM management team since its inception in 1994. This money has benefitted 13,408 students mainly through scholarships and financial assistance. As part of TM's efforts to support lifelong education and capability building, YTM also develops TM's talents and future leaders by providing selective scholarships for tertiary education in various institutions nationwide. Overseas scholarships are awarded for study in the United Kingdom, France, Germany and Australia.

In 2013, YTM disbursed RM12.9 million on scholarships and scholars development programmes covering 650 active scholars; and RM406,000.00 for *zakat* (tithes) distribution and

donations. YTM also channelled RM330,000 towards Muzium Telekom, TM's own telecommunications museum, one of its kind in Southeast Asia.

Various activities were conducted throughout the year in support of the Fund's three main objectives, including collaborations with strategic partners *Yayasan Peneraju Pendidikan Bumiputra* (YPPB), PINTAR Foundation, Yayasan Universiti Multimedia (YUM) and Yayasan Sofa.

Moving forward, YTM is hoping to focus more on developing TM's own leaders in line with TM's values.

## YTM and YPPB Join Hands in Developing the Nation's Future Talents

YTM collaborated with *Yayasan Peneraju Pendidikan Bumiputera* (YPPB) to develop talented Bumiputera youth and prepare them to become the nation's next generation of leaders. The collaboration was formalised with a Memorandum of Understanding (MoU) between both parties, signed at Multimedia University (MMU), Cyberjaya.

This initiative also benefits the less fortunate who have not been presented sufficient opportunities to succeed. YPPB's anchor programme, *Peneraju Tunas Potensi*, offers scholarships to SPM/STPM leavers, with priority given to students from households earning less than RM3,000 in income, children from single-parent families, orphans, family members of people with disabilities and students from ethnic minorities in rural areas. Deserving candidates from challenging backgrounds are helped to develop their skills so they can earn a good income in the future.

YTM is open to working with other such foundations and organisations to empower the nation through education.

## TM'S PINTAR PROGRAMME

PINTAR is a school adoption programme inspired by Khazanah Nasional and run by GLCs as well as some private corporations in Malaysia. The PINTAR Foundation aims to improve socio-economic standards through educational achievement. It redefines school adoption programmes in line with the Government's call under the Ninth Malaysia Plan (9MP) and 2006 Budget for public-private partnerships to aid sustainable development. The programme creates awareness among students from low-income households of the power of academic excellence to break out of the poverty cycle.

 TM has been very helpful and supportive of SKPK Tuaran, especially in terms of learning aids and activities. The school will be stretched as it requires special equipment and assistance. 

*Wong On Fook  
Principal, Sekolah Kebangsaan  
Pendidikan Khas Pekan Tuaran, Sabah*

## New Schools Adopted

In 2013, TM expanded its education initiatives by embarking on the fourth phase of its PINTAR programme, and adding Sekolah Menengah Kebangsaan Orang Kaya Haji, Kuala Lipis, Pahang (SMK Orang Kaya Haji) and Sekolah Menengah Kebangsaan Munshi Abdullah in Sabak Bernam, Selangor (SMK Munshi Abdullah) to its list of adopted schools.

TM is allocating a total of RM200,000 to both schools to conduct various activities over a three-year period from 2013 and 2016. The activities include training and workshops to prepare for public examinations, language workshops, Internet Application classes, computer management and maintenance workshops. Motivational courses will also be delivered for the benefit of the students and teachers.

A student information centre has already been set up at SMK Orang Kaya Haji, where most of the students are Orang Asli from surrounding rural areas. The students are enjoying broadband Internet access and WiFi connections which are providing them with access to a borderless world of knowledge.

# COMMUNITY MADE CLOSER



*Sekolah Menengah Kebangsaan Munshi Abdullah, Sabak Bernam, Selangor officially 'adopted' as a TM's PINTAR School.*

To date, the Company has allocated more than RM2.0 million for our school adoption programme.

TM has adopted six schools under the first three phases of our PINTAR programme:

1. Sekolah Kebangsaan Bukit Indera Muda (SKBIM) and Sekolah Kebangsaan Seri Penanti (SKSP), in Bukit Mertajam, Penang from 2007 until 2009 under Phase 1.
2. Sekolah Kebangsaan Tembak (SKT), Kedah and Sekolah Kebangsaan Seri Bandan (SKSB), Johor from 2010 under Phase 2.
3. Sekolah Kebangsaan Pendidikan Khas Pekan Tuaran (SKPKPT), Sabah, the first school with special needs (OKU) adopted in the PINTAR Programme and Sekolah Menengah Kebangsaan Chenderiang (SMKC), Temoh, Perak from 2011 until 2014 under Phase 3.

After the three-year adoption period, all schools have shown notable improvements in their academic results. Some have

been named best schools in their districts and nominated as among the best schools at the national level.

TM's PINTAR programme has touched more than 19,526 lives including students, teachers, parents and community members of the surrounding areas where the adopted schools are located.

TM performs a Social Return on Investment (SROI) calculation to measure the social value created to each beneficiary school. This calculation incorporates the social, environmental and economic costs and benefits of the project and considers the financial proxy of each investment. It accounts for stakeholders' views of impact, and assigns financial 'proxy' values to those impacts identified by stakeholders which do not typically have market value. TM aims to include people values that are often excluded from markets. The SROI for our contribution to each PINTAR school has been estimated to be at least RM3.03. This means, for every Ringgit spent, at least RM3.03 of social value has been created.

“ The Government, under the Government Transformation Programme (GTP) has been emphasising the enhancement of students’ performance towards holistic growth of the education sector. It is the Government’s hope to see more collaborations of this nature between corporate organisations and government institutions towards elevating the academic qualifications level of Malaysians which will boost the competitiveness of the nation. ”

*Dato’ Saifuddin Abdullah  
Deputy Minister of Higher Education*

### **Education Extension Programme for PINTAR Schools at MMC and MMU**

On 12 March 2013, TM launched an Education Extension Programme for SPM and STPM leavers from our PINTAR schools to enrol into diploma programmes at our Multimedia College (MMC) or degree programmes at Multimedia University (MMU).

Under the programme, TM will offer scholarships, discounted tuition fees and other forms of financial assistance to up to 600 students from six TM PINTAR secondary schools, most of whom come from low-income households. The PINTAR schools are:

- SMK Chenderiang, Tapah, Perak
- SMK Munshi Abdullah, Sabak Bernam, Selangor
- SMK Orang Kaya Haji, Kuala Lipis, Pahang
- SMA Repah, Tampin, Negeri Sembilan
- SMK Pakan, Sarikei, Sarawak
- SMK Ayer Lanas, Jeli, Kelantan

TM is the first GLC to launch such an extension of the PINTAR programme. It is hoped that this initiative improves the students’ employability, leading to an improved standard of living of the families under the scheme.

### **MMU as an i-University**

MMU is consistently rated by independent parties as Malaysia’s top private university. As the first private university in Malaysia, it not only pioneered the model with which a private university could successfully establish itself in the country, it also helped the liberalisation of the country’s tertiary education sector. Located in the heart of the MSC, MMU has served from its very first day as a catalyst for the growth of the nation’s ICT industry. The university is a significant contributor of talent for the industry, which, over the years, has come to show a strong preference for MMU’s graduates.

According to a tracer study compiled in 2013 by the MMU Alumni Office using MMU’s data together with that of the (then) Ministry of Higher Education, more than 90.0% of MMU graduates secured employment within six months of graduation. The analysis also found that 7.0% of its graduates have started their own businesses, a great achievement for the university and the nation because in establishing their own enterprises, these graduates are creating job opportunities for others. Approximately 86.0% of graduates are working with multinationals and the private sector, in line with MMU’s goal of becoming an industry-preferred university. In 2013, a total of 3,866 graduated from MMU. With its outstanding record of excellence in education, MMU degrees are gaining recognition in more countries, with Kuwait and Namibia being added to the list in 2013. Since its inception, 38,244 graduates have passed through our doors.

MMU researchers are also contributing to the university’s increasing renown. In 2013, they won 18 medals and awards at the *Persidangan dan Ekspo Ciptaan Institusi Pengajian Tinggi Antarabangsa (PECIPTA) 2013*. Among the top awards won were: the Best of the Best Award, two Special Awards from the Korean Asia Invention Association, and three Gold awards.

# COMMUNITY MADE CLOSER

MMU is also known for its diverse student population. In 2013, the university had 2,039 international students from 85 countries, constituting 11.3% of the total student population, which stands at 18,018.

As a university that is responsive to emergent needs and challenges, MMU is upgrading its facilities to be more disabled-friendly. During the year in review, two new rooms for persons with disabilities (OKU) were built at the Melaka campus hostel, one for the male hostel block, and a similar one for the female block. Each room can accommodate four occupants. Wheelchair ramps for OKU were also installed at the same campus, one each at the Faculty of Business (FOB) and Centre for Diploma Programme (CDP) blocks. MMU plans to install more OKU-friendly facilities in 2014, namely a ramp at the new Law library in Melaka, a new OKU washroom at the Melaka campus Surau, an upgraded hostel room for OKU in the Cyberjaya campus, as well as new ramps and a covered pathway to the Faculty of Computing and Informatics (FCI) theatre, at the Cyberjaya campus.

The University continued to deliver programmes that cater to current demand in the education industry, and six new

courses were approved by the Ministry of Higher Education in 2013:

- Master of Electrical and Electronics Engineering
- Bachelor of Cinematic Arts (Hons)
- Executive Master of Business Administration
- Bachelor of Multimedia with Education (Hons)
- Master of Science in Engineering Business Management
- Master of Science in Sustainable System Management

MMU is still pursuing the MMU 2.0 Transformation Programme that was launched in March 2012, where it seeks to become a Top 100 University in Asia with Global Recognition by 2022. The university aspires to attract quality students and staff engaged in innovative academic programmes and research, driven by academic and commercial revenue streams.

Embracing the concept of the i-University, MMU strives to create a comprehensive ecosystem to stimulate new ideas and innovation, by establishing close collaborations with industry. The initiative aims to create avenues for creative exploration and the pursuit of non-academic business opportunities, thus changing the delivery of education.



*MMU is the Premier University established to support ICT and ICT Related Industries in Malaysia.*

Already, MMU plays an essential part in skills and entrepreneurship development in TM and the nation as a whole. This has been the outcome from the close collaboration and understanding between MMU, TM R&D, TM, venture capital companies, start-up companies and the industry.

### Ecosystem of i-University



### Multimedia College

Multimedia College (MMC), a subsidiary of MMU, specialises in telecommunications and creative multimedia programmes, offering students an exceptional experience by coupling superior academic programmes with experiential learning within the TM environment. It is driven to be Malaysia's leading Information and Communications Technology (ICT) & Multimedia education provider nurturing holistic human capital through education excellence and value enhancement.

Reflecting industry needs, MMC's academic offerings continuously evolve, with new programmes replacing those that are less in demand, such as the *Sijil Kemahiran Malaysia* (SKM). Currently, eight programmes are offered:

- Diploma in Technology (Telecommunications Engineering)
- Diploma in Creative New Media
- Diploma in Software Engineering
- Diploma in Information Technology
- Diploma in Management with Multimedia
- Diploma in Accounting
- Certification in Multimedia Artist – Visual
- Certification in Multimedia Designer Artist – Visual & Animation



Multimedia College (MMC) is a college specialising in the area of telecommunication and creative multimedia.

# COMMUNITY MADE CLOSER

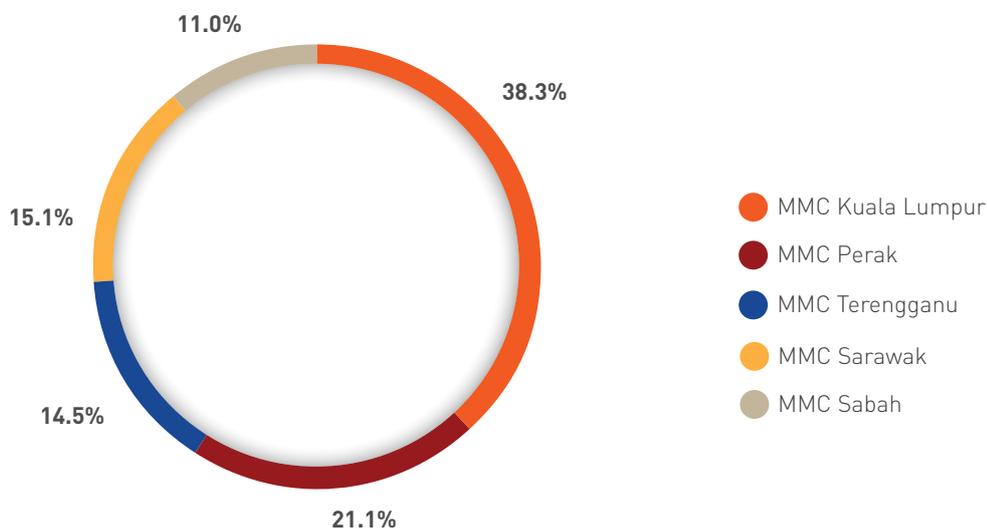
MMC has five regional colleges and a total of 2,176 students as at 31 December. Of these, 816 students are from the 2013 cohort, representing 37.5% of the total student population. A student breakdown across the five regions is shown below. To date 6,354 diploma holders have graduated since its inception.

In addition to focusing on its academic programmes, MMC plays an active role in Corporate Social Responsibility (CSR). In 2013, two CSR initiatives were organised: Project Sungai Bonus and *BumiKu Kampusku*.

Project Sungai Bonus, organised by the Nature Society Club and Student Affairs of MMC in collaboration with the Dewan Bandaraya and 1Malaysia For Youth (1M4U) on 12 January,

saw a total of 60 volunteers comprising students, MMC staff and DBKL employees clean up Sungai Bonus adjacent to the college. The objective was to garner greater commitment in protecting the environment and highlight the importance of nature conservation.

*BumiKu Kampusku*, held on 24 May, focused on creating a green campus environment for students within the city of Kuala Lumpur. It received positive support from various government bodies and NGOs, with the Malaysian Nature Society (MNS) sponsoring 70 plants for the campus and DBKL providing gardening equipment and a sponsored lunch for the 200 volunteers who took part. This initiative also received support from the Ministry of Energy, Green Technology and Water (KETTHA), 1M4U and Kuala Lumpur City Hall (DBKL).



## TM IN BUILDING THE NATION

HSBB has been identified as the major catalyst for Malaysia to boost its broadband penetration in the country. TM is proud to be given the responsibility of ensuring such a key Government initiative is accomplished successfully.

Embarked in 2008, under a Public Private Partnership (PPP) agreement between TM and Government, one of the key principles was to provide an open network. Thus, TM provides three types of services using the HSBB infrastructure in order to facilitate other industry players to deliver IP-based converged services to the end-users.

These are: High Speed Broadband Access (HSBA), High Speed Broadband Transmission (HSBT), and High Speed Broadband Connection (HSBC).

To keep pace with ongoing demand and needs of the industry as well as current consumer market trends and behaviour, HSBA has become the key product under HSBB project. HSBA is a high speed access product that enables service providers to deliver bandwidth hungry IP-based value added application services such as IP-based Convergence Services (voice, video and data), IP-based Network Services and IP-based Enterprise Application to end-users via TM's network.

By subscribing to HSBA services, service providers can focus on delivering their core business while leaving the hassle of managing network operations and maintenance to TM. Service providers will also enjoy cost savings on network Capex and save on deployment time as they will have instant access to TM's readily-available Next-Gen Network (NGN) platform.

On the broader consumer perspective, TM has moved ahead with access migration and expansion of high speed broadband network across high impact economic areas, capital states, major industry areas, development regions and the larger suburbs. This is in line with the National Broadband Plan to increase the supply of broadband infrastructure to Malaysia's households. This can be seen where in 2009, speeds of 4Mbps or higher were available to less than 10.0% of households. By 2013, more than 70.0% of households have access to high speed broadband with speeds of 4Mbps or

higher. With domestic fibre core and trunk junction in excess of 3 million kilometres and over 2 million premises passed nationwide, TM's high speed broadband growth from 2010-2013 is astounding at a compound annual growth ratio of over 124.0%.

### Bridging the Digital Divide

TM is currently deploying telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas via projects under the Universal Service Provision (USP) Fund, managed by MCMC. Through this programme, we have built Community Broadband Centres (CBCs) in targeted districts, upgrading the living standards of the local communities and providing job opportunities with the hiring of local supervisors. As of end 2013, there were 326 *Pusat Internet 1Malaysia* (PI1M), 56 mini CBCs, 1,637 *Kampung Tanpa Wayar* (KTW) and 2,214 payphones in rural Malaysia.

TM is also enabling low-income families to 'connect' by introducing the affordable *Pakej Jimat Hebat* at RM38/384kbps. The package is open to low-income earners in rural areas. Low-income households are defined as those with incomes of less than RM1,500 a month.

### Right to Access

As a technology leader, TM strongly supports the freedom of expression and open communication on the Internet. Our goal in developing ICT systems is to expand access to information and promote innovation. We build our products on open, global standards which are critical to overcoming censorship, protecting privacy and keeping the nation connected.

By making our products interoperable, we reinforce the Internet's capacity to be a positive force in society. We believe our role in providing more people across the world with access to the Internet brings enormous benefits to the different local communities. We also believe in an open Internet where people can access the same information no matter where they are in the world. We design our products and services to enable such access while safeguarding human rights.

# COMMUNITY MADE CLOSER

## COMMUNITY AND NATIONAL BUILDING INITIATIVES

### The Empowerment of Single Mothers

Program Sejahtera empowers adopted single-mother families to provide for their families, be financially independent and improve their lives. The single mothers receive basic skills training and attend entrepreneurship workshops where they are exposed to networking and business opportunities. TM provides them with small grants to help them establish their own businesses to supplement their incomes. Children from the adopted families who qualify are enrolled either into Multimedia College (MMC) or Multimedia University (MMU), both fully-owned subsidiaries of TM. With the education received, these students are well positioned to contribute financially to their families in the future.



*Puan Syarifah Nor Suzana's premises were upgraded from a wooden facade (left) to a more modern look (right).*



*Her business made sustainable with TM's support via Program Sejahtera.*



TM celebrates its single mothers and families during *Majlis Berbuka Puasa TM Kelantan Bersama Pelanggan*.

The social return on Investment for our contribution to each single mother has been estimated to be at least RM5. This means, for every Ringgit spent, at least RM5 of social value was created.

### Providing Business Opportunities

Program Sejahtera was launched in 2009 with three single mothers in Pahang. Spurred by the success of this programme, we launched phase two in Kelantan in 2012 with three single mothers. In 2013, we added two more single mothers, making a total group of five, namely Noor Rizan Mat Amin, Syarifah Nor Suzana Syed Abdullah, Hasnah Che Ismail, Siti Kartini Ismail and Rodiah Ismail.

These single mothers have been sent for courses to gain new or additional vocational and entrepreneurial skills in tailoring, baking, ICT, financial literacy and management. We have allocated RM20,000 for each family in cash and kind, to help the single mothers operate their businesses based on their skills and interests. In addition, at 2013 year end, each mother received RM500 to help prepare for the 2014 schooling year. We helped improve the premises of single mothers is to further develop their business.



*Dato' Sri Dr Halim Shafie launches the Majlis Permuafakatan Program Sejahtera Fasa Kedua at Kampung Tawang, Bachok, Kelantan.*

# COMMUNITY MADE CLOSER



Puan Siti Kartini Ismail with her bread-mixer to improve her cookies business.

This was in addition to aid in the form of business tools and equipment for the new single mothers:

- Rodiah received a boost for her tailoring services with a sewing machine
- Siti Kartini's cookies business was enhanced with a bread-mixer machine

## Other Program Sejahtera Activities

On their own initiative, employees in TM Kelantan have joined forces to contribute to the programme. In 2013, they organised a *Majlis Permuafakatan Program Sejahtera TM* in

Kampung Tawang, Bachok, Kelantan. Almost 100 volunteers comprising employees, who are the members of various TM clubs and Kampung Tawang community members helped to repair Noor Rizan Mat Amin's grocery shop. The grille and roof were repaired to enhance the shop's security; the shop was given a facelift with a fresh coat of paint; and stocks were rearranged for more effective display and operations. Volunteers also cleaned the surrounding areas and a nearby mosque, Masjid Mukim Tawang.

Mohamad Zulfakar, Rodiah's son, received RM2,750 as pocket money during his first year of study at MMC.

During the fasting month, all the single mother families were invited to a *Majlis Berbuka Puasa TM Kelantan Bersama Pelanggan*. *Duit raya* and hampers were handed over during the occasion. In conjunction with the event, there was also a motivational session with a TV-Alhijrah personality to boost their self-confidence and keep focused on enhancing their lifestyle.

## Engaging with the Community

### BAKIT and HyppTV Join in to Host Special Guests

TM, BAKIT and HyppTV shared the *barakah* (blessings) of the holy month of Ramadhan with orphans and single mothers at an annual *Majlis Berbuka Puasa* event held at Menara TM.

A total of 113 children from three orphanages in the Klang Valley were invited:

- 23 from Akademi Tahfiz Ihya Ul Quran, Shah Alam, Selangor;
- 30 from Rumah Amal Kasih Bestari, Kampung Melayu, Subang, Selangor; and
- 60 from Rumah Jagaan Nuri, Jalan Air Panas, Setapak, Kuala Lumpur.

They were joined by 49 orphans and 27 single mothers from the Company. Each child received exclusive HyppTV merchandise and RM50, while the single mothers received RM200 each. TM, through BAKIT, also contributed RM2,000 in cash to each institution. In addition, we donated RM5,000 in cash to two NGOs: Aman Palestin and Persatuan Ulama Rohingya.

During the year, we also donated hampers or gifts received from TM's business partners or vendors during the different festivities to deserving charity organisations. Hampers received were recorded and stored by the reception counter personnel before being distributed accordingly. This TM Cares initiative is part of our Reaching Out Corporate Responsibility programme to spread cheer and joy to the less fortunate.

On 25 July, the hampers and gifts were handed over to three charity homes at an event held at Menara TM. HyppTV and its local content partner, Hikmah channel, brought in popular Nasyid singer Hafiz Hamidun to entertain the guests, who were also enlightened by a *tazkirah* by Ustaz Halim Hafidz, also from Hikmah channel.

This initiative is being implemented nationwide, with TM's NGOs at the state level handing over contributions to various charities. To date, more than 20 charity organisations and institutions have benefited from TM Cares.

#### **'Be My Mentor – Cahaya Insan'**

The TM R&D team supports TM's CSR agenda with its 'Be My Mentor – Cahaya Insan' programme. The programme, spearheaded by Khazanah Nasional, focuses on mentoring orphans and underprivileged children for 12 months. Among the activities organised by TM R&D in 2013 was a Career Trip to TM Innovation Centre for 25 children, who were familiarised with our research environment. They were also briefed on life as a researcher.

#### **Developing Local Talent**

*Mencari Ramli*, TM's in-house football talent search television show, entered its third season in 2013. The programme seeks six winners: two under-14 year olds, two under-16 year olds and two who are voted for by viewers.

Winners receive an intensive football coaching session at the Manchester United Soccer School (MUSS), and have the opportunity to witness Manchester United in action at the Old Trafford. This is made possible through an existing partnership between TM and Manchester United as TM is the Official Integrated Telecommunications partner of Manchester United in Malaysia. The talent search sessions were held in 24 schools across the country.

Winners are also treated to a full-fledged VIP trip, during which they get to experience a typical Manchester United match day. They dine at the same restaurant as the football team, stay at their hotel and have a session on the field with the first team players.



*Young talented football players produced from the 'Mencari Ramli' programme.*

# COMMUNITY MADE CLOSER

## Donations by TM

TM provides philanthropic contributions that improve the lives of people in our communities. Through financial contributions and in-kind donations, we hope to instil the spirit of charity and caring among our employees. Our donations follow strict guidelines that prevent any association with harmful substances such as alcohol or tobacco. In 2013, TM disbursed in-cash and in-kind donations for various causes including education, health, community, economic development, safety and welfare. Among our beneficiaries were NGOs, foundations, schools, government bodies, media and other associations in general.

## KL Rat Race 2013

In 2013, we participated again in the Kuala Lumpur Rat Race which was held on 17 September. The Race was co-organised by Bursa Malaysia and The Edge, with Bursa Malaysia's foundation arm, Yayasan Bursa Malaysia as host. Funds collected were channelled to more than 20 selected beneficiaries via Yayasan Bursa Malaysia. In 2013, we contributed RM18,000 through our participation in the event. TM was crowned as the winner for the one-kilometre race for CEO, being represented by Ansahari Abdul Kudus.



From left Datuk Bazlan Osman, Tan Sri Zamzamzairani Mohd Isa and Dato' Sri Dr Halim Shafie with orphans during Majlis Berbuka Puasa at Menara TM.

## Dealing with Corruption, Gifts and Entertainment

TM complies with the anti-corruption laws of all the countries in which we operate, while also being guided by our own Code of Business Ethics which contains a comprehensive policy on corruption and gift-giving.

Directors and employees are prohibited from directly or indirectly offering or making corrupt payments to government officials including employees of government-owned enterprises. Suppliers and business partners are prohibited from offering any form of gratification to any of TM's Directors or employees. Suppliers, business partners, employees and Directors who have been offered any form of gratification in contravention of the Malaysian Anti-Corruption Commission Act 2009 must report these.

Directors and employees may not accept kickbacks, lavish gifts or gratuities other than items of nominal value such as small promotional items. Employees are not allowed to accept gifts worth more than RM200.

As a rule, no gift should be accepted that might compromise the individual's judgement. These include lavish or frequent entertainment. Employees may pay the true value of the entertainment themselves, but it is recommended that accepting inappropriate entertainment should be discussed with immediate superiors, in advance if possible.

On occasions when it may be impractical or harmful to refuse or return a gift, the situation must be referred to the Management or the Board.

During Ramadhan in 2013, we tightened our No Gifts Policy via an exercise called Project Give Away – to donate all festive gifts and hampers delivered to TM employees, irrespective of their value, to charitable organisations. This initiative is also part of our Reaching Out corporate responsibility effort to spread cheer and joy to the less fortunate.

## Competition Practice

In Malaysia, the Communications and Multimedia Act 1998 (CMA) states that "a licensee shall not engage in any conduct which has the purpose of substantially lessening competition in a communications market". Competition practices among others, prohibits arrangements that provide for rate fixing, market sharing, boycott of suppliers or competitors and mandatory tying or linking arrangements regarding the provision or supply of products and services. Two guidelines have been published by the Malaysian Communications and Multimedia Commission to assist the industry with compliance to competition practices:

- Guidelines on Substantial Lessening of Competition in a Communications Market
- Guidelines on Dominant Position in a Communications Market

All employees are required to adhere to local competition laws and the competition laws of the countries in which the Company's business is conducted. Further, as a licensee under the Communications and Multimedia Act 1998, TM is bound to its conditions, which include compliance with the provisions of the CMA. The relevant provision that deals with anti-competitive behaviour is Part VI Economic Regulation: Chapter 2 – General Competition Practices (Section 133-144).

TM views adherence to competition laws seriously and has included the requirement in our Code of Business Ethics. Chapter 8 states that all TM employees must adhere fully to Malaysian competition laws and the domestic laws of the countries in which TM operates.



## ENVIRONMENT MADE GREENER

To ensure a healthy planet for the future of our children, we go the extra mile to reduce our environmental footprint through efficient practices in the workplace and wider education of the public.

We are also nurturing a generation of future leaders who are aware of the need to protect our natural resources.



environment made



greener





BUMIKU

TM

**TM EARTH CAMP 2013**

Zon Borneo (Sarawak)

18-20 Oktober 2013

Taman Negara Gua Niah,  
Miri

# ENVIRONMENT MADE GREENER

## FACTS AT A GLANCE

**5,278** participated

in TM Earth Camp since 2010

**RM5.3** million

saving via energy-saving initiatives

**44.6%** reduction

in solid waste at Bukit Timbalan exchange,  
Johor Bahru

At TM, we aim to minimise the environmental impact of our operations by complying with all applicable environmental laws and pursuing green initiatives. Our businesses are operated in ways that foster sustainable use of the world's natural resources.

Employees support this commitment by complying with TM's environmental policies and programmes. They are required to notify the Management if any hazardous materials are exposed to the environment or are improperly handled or discarded.

### ENVIRONMENTAL MANAGEMENT SYSTEM

An environmental management system (EMS) refers to the management of an organisation's environmental impacts and programmes in a comprehensive, systematic and planned manner. An EMS:

- serves as a tool to improve environmental performance
- provides a systematic way to manage an organisation's environmental impacts, requirements and programmes
- addresses immediate and long-term impacts of an organisation's environmental activities, products, services and processes
- provides structure and consistency for organisations to address environmental concerns through the allocation of resources and assignment of responsibility, as well as through the evaluation of practices, procedures and processes and their impacts
- focuses on the improvement of the system and environmental performance

TM buildings, which were EMS certified as at 31 December 2013 were Menara TM, Kuala Lumpur; Kompleks TM Alor Star, Kedah; Admin Complex and IDC Building, Cyberjaya and Bukit Timbalan exchange, Johor Bahru. We plan to replicate the system at other TM sites in the future.

# ENVIRONMENT MADE GREENER

## ENERGY MANAGEMENT

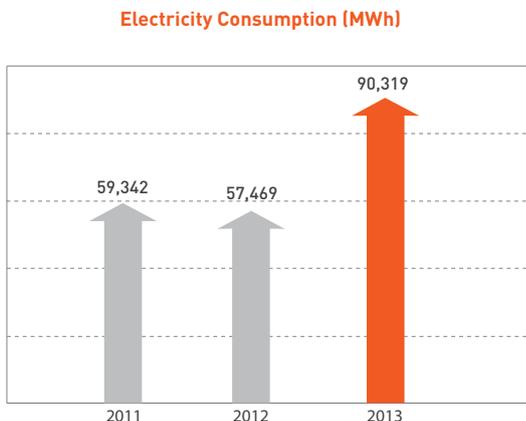
Electricity consumption has been on the rise in TM in recent years from increased use of office machines and equipment; heating, ventilation and air conditioning (HVAC) systems; and lighting. To counter this, a number of energy reducing initiatives have been introduced, and an annual environmental awareness programme is conducted for employees, tenants and contractors. In addition, energy conservation is considered when renovating or retrofitting equipment, and thermostats are used to automatically adjust the office temperature.

In 2013, Property Operations (PO) implemented three energy saving initiatives at our commercial buildings, exchanges and cabins nationwide, which come under Commercial Building Central, namely:

- 1) Adjusting the temperature in all cabins to improve cooling system efficiency. This initiative was subsequently introduced in four rooms in exchange buildings: Rectifier, Battery, MDF and Control.
- 2) Improving cooling system efficiency in suitable rooms.
- 3) Replacing regular split air conditioning units with more energy-efficient inverter types.

Based on actual and cost avoidance calculations, about RM5.3 million in electricity savings was achieved from these three initiatives.

### Electricity Consumption from 2011 to 2013



The activity was very challenging as it required detailed study of many different situations and close monitoring to ensure no adverse effect on equipment performance or service outage to our customers. A summary of the achievements is as follows:

Initiative	Target (RM Million)	Actual Saving 2013 (RM Million)
Temperature Adjustment	1.18	1.04
Improving cooling system efficiency at all sites*	0.35	4.28
Replacement to inverter-type air conditioners	0.05	0.003
<b>Total</b>	<b>1.58</b>	<b>5.323</b>



Menara TM, Kuala Lumpur

Meanwhile, an energy performance contract and optimisation of chilled water for TM Annexe buildings are still in progress.

Battery Related Equipment	Total Cost (RM)
Battery	9,015,102.04
Rectifier	3,462,777.97

We also recently introduced an initiative to reduce the electricity consumption of Menara TM's basement car park, which has to be functional 24 hours a day, 365 days a year for safety reasons. Aiming for a reduction in consumption of between 3.0% and 8.0%, existing fluorescent lights will be replaced with energy-saving alternatives, and the energy savings will be monitored and measured monthly.

In the Northern region, an energy saving programme was launched at Kompleks TM Alor Star.



Menara Alor Star, Kedah

## MANAGING OZONE DEPLETION SUBSTANCES

### Air-conditioning system – use of R-410A & R407C Refrigerant

R-410A & R407C refrigerants were developed as environmentally friendly and more efficient alternatives to replace R-22 (Freon). These refrigerants do not deplete the ozone layer the way R-22 does. R410A is used for small-capacity air conditioning units whereas R-407C is employed for larger capacity equipment.

In 2012, five buildings were migrated to R-410A & R407C refrigerants:

- TM JRC, TM Kelana Jaya, TM Brickfields, TM Cyberjaya and TM Cyberjaya 2.
- In 2013, the replacement programme was extended more widely to TM buildings nationwide with the approval of SOR Air-Conditioners Installation.

### Installation of Air Conditioners using Green Gas in 2013

Region	Type of Green Refrigerant	No. of Aircond Installed
Central	R410A	52
Northern	Nil	Nil
Southern	R410A	6
Eastern	R410A	18
Sarawak	R410A	77
Sabah	R410A	24
Commercial Building Central	R407C	3
Total		180

Menara TM has set a monthly target for the release of 1m<sup>3</sup> or less of R-22 gas. There was no reported release of R-22 gas in 2013 at Menara TM.

### Fire-Fighting system – use of Novec

Recognising that Halon 1301 damages the ozone layer, PO has been actively replacing it with a more environmentally-friendly media system, based on a new generation gas, Novec 1230. To date, the balance of Halon 1301 in TM is 24,273kg. The Halon 1301 replacement programme in 2013 is detailed in the table below.

# ENVIRONMENT MADE GREENER

## Halon 1301 Replacement in 2013

State/Region	Quantity Replaced (kg)
Eastern	936.0
Sarawak	47.0
Central	2,593.0
Southern	2,380.6
Northern	868.6
Sabah	Nil
Total	6,825.2

## WASTE MANAGEMENT

The two main types of waste identified at TM are:

- i) Solid waste which consists of office paper and food waste
- ii) Scheduled waste resulting from maintenance and non-maintenance activities (fluorescent bulbs, oil waste, rags, discarded batteries, aerosol cans) in accordance with First Schedule, Parts 1 and 2, Environmental Quality Act (EQA) 1974 Regulations (Scheduled Waste) 2005

PO has introduced a programme to reduce the large quantities of solid waste generated in Menara TM daily. This includes paper, tissue papers, old newspapers, used boxes and food waste.

It was identified that solid waste could cause unpleasant odour at refuse compactors. TM aims to prevent odour from solid waste in Menara TM. A target was set to receive less than two complaints per month and to resolve these issues within 24 hours. This initiative was successful as no complaints were received in 2013.

Hygiene waste generated must be managed and disposed of according to the designated licensed premises. TM set a target to receive less than two complaints per month regarding proper hygiene waste disposal. The complaints must be resolved within 24 hours. No complaints were received in 2013.

To reduce waste, in 2013 we conducted an awareness programme via monthly emails to all Menara TM tenants, urging all personnel of TM and our tenants to:

- Implement a 3R programme
- Reduce paper consumption by reusing paper
- Reuse used envelopes and other stationery
- Place recyclable waste in recycle bins provided

At Bukit Timbalan exchange, we targeted to reduce office waste by 2.0% compared to the 2012 baseline of 7,400.8kg. We are pleased to have greatly surpassed this target and reduced our solid waste to 4,098kg, which represents a 44.6% reduction. Given its success, this programme is being introduced in other regions.

Further promoting green initiatives to sustain a workable and liveable environment, since 1 January 2012, all TM's housekeeping contractors in Malaysia have been required to use biodegradable cleaning chemicals.

### Solid Waste Generated from 2011 to 2013



### Scheduled Waste Generated in 2011 to 2013



For the years 2012 and 2013, scheduled waste was monitored in buildings under Commercial Building Central, namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan exchange, Johor Bahru and Kompleks TM Alor Star; whereas in 2011, scheduled waste was monitored only in Menara TM. This partly explains the increase in volume of scheduled waste from 2011 to 2012.

(Scheduled waste also increased by 90.8% from 1,102kg in 2012 to 2,103kg in 2013). No penalties were received by the Department of Environment (DOE) for the management of scheduled waste as targeted.

Meanwhile, solid waste generated reduced by 43.5% from 1,597,742kg in 2012 to 716,397kg in 2013.

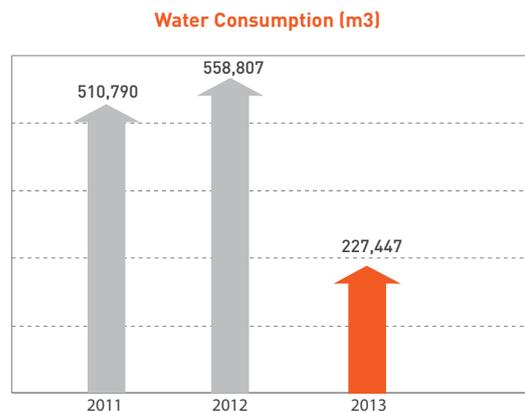
## WATER MANAGEMENT

Large quantities of water are consumed in TM's daily operations. Recognising that clean water is a scarce asset, TM is committed to reducing, reusing and recycling this valuable commodity.

In 2013, an environmental awareness programme was delivered to educate TM employees and contractors on reducing water consumption, with each employee receiving a useful information pack. Various initiatives were also implemented to manage water use. These included a water control and monitor programme, and the installation of dual flow water tap flow rate controllers.

In addition, TM continued with our Recycling Irrigation project to recycle water for watering the plants surrounding Menara TM. This decreases the diversion of water from sensitive ecosystems.

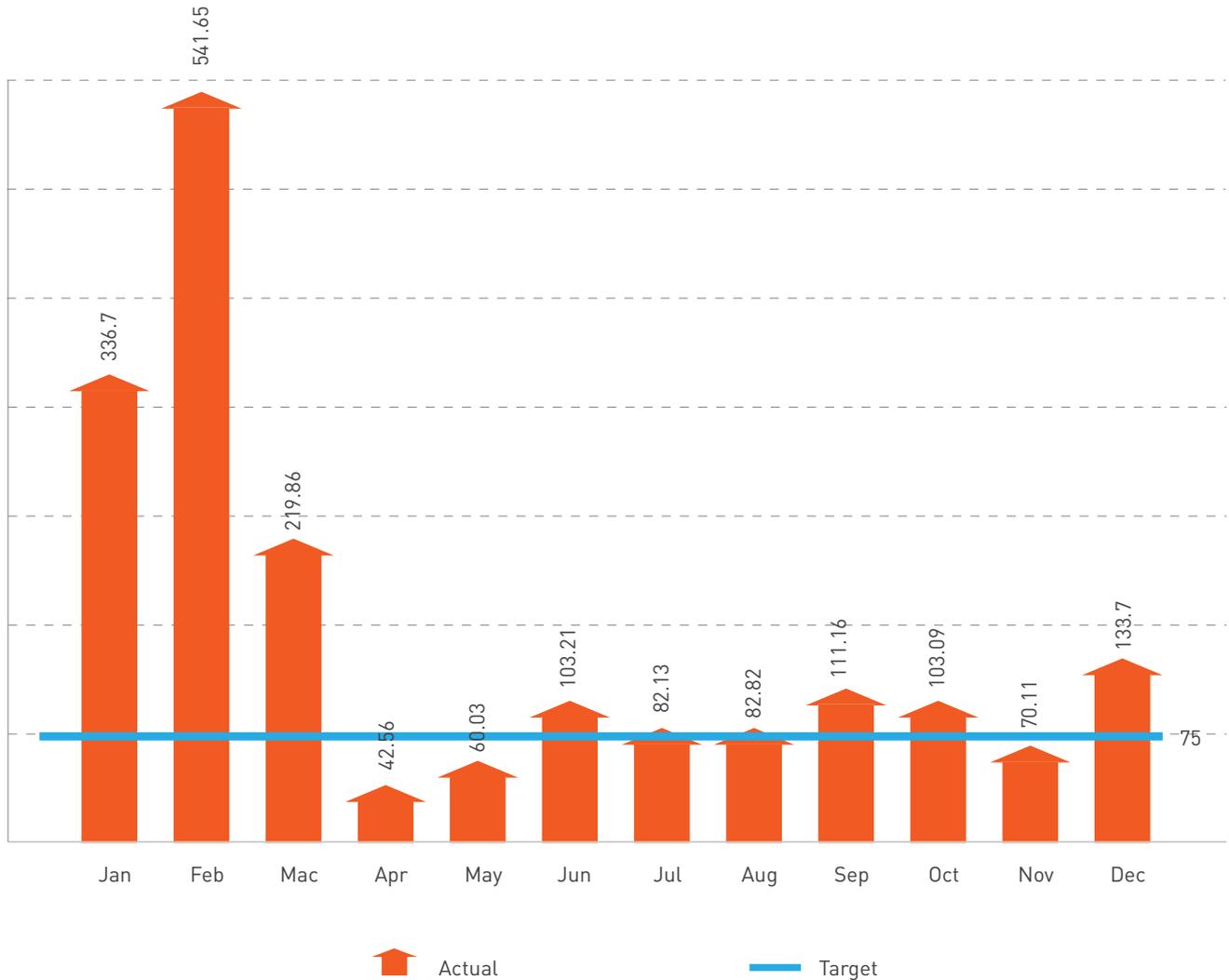
### Water Consumption from 2011 to 2013



# ENVIRONMENT MADE GREENER

We increased our monthly target from using 50m<sup>3</sup> of recycled water in 2012 to 75m<sup>3</sup> in 2013. We did not meet this target in April and May as a pump was faulty. A monthly average of 157.25m<sup>3</sup> was recycled, which was much higher than targeted.

## Water Recycled at Menara TM in 2013



## CLIMATE CHANGE AND GHG EMISSIONS

In 2013, we continued with our carbon management, measurement and reporting efforts as part of our Carbon Management Plan. This is the third year we are reporting our greenhouse gas (GHG) emissions.

TM has adopted the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI). Our emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

Emissions Scope	Category	Indicators Measured
Scope 1	Direct GHG Emissions	<ul style="list-style-type: none"> <li>Company-owned vehicles</li> </ul>
Scope 2	Indirect GHG Emissions	<ul style="list-style-type: none"> <li>Electricity</li> </ul>
Scope 3	Other Indirect GHG Emissions	<ul style="list-style-type: none"> <li>Air travel</li> </ul>

### Scope 1

TM reports on our GHG emissions from all company owned vehicles. Consumption is calculated from fuel purchases for cars, motorcycles, 4-wheel drives, vans and trucks. The fuel volume has been converted from Ringgit Malaysia. The volume of CO<sub>2</sub> emissions from the consumption of fuel was derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

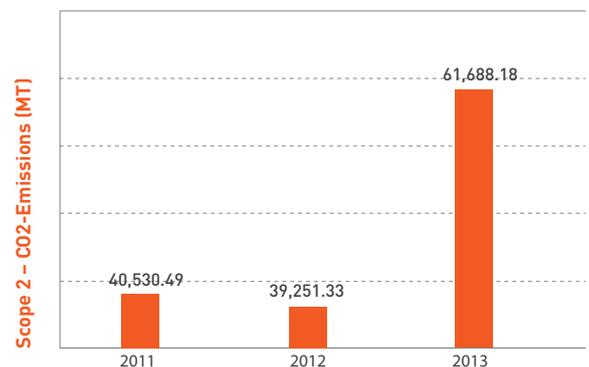
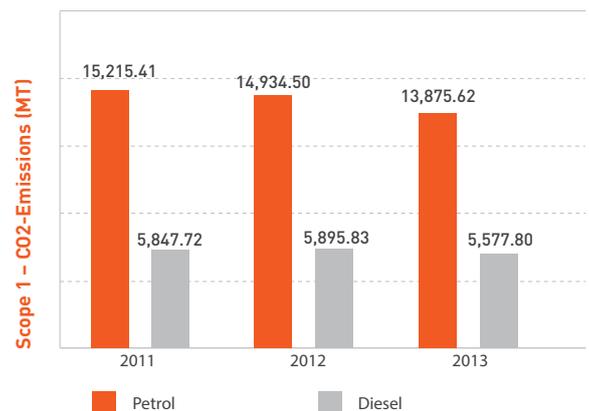
CO<sub>2</sub> emissions from petrol and diesel consumption reduced by 6.6% in 2013 from 2012, and by 7.6% against the benchmark set in 2011.

CO<sub>2</sub> emissions from petrol consumption reduced by 7.1% in 2013 compared to 2012 and 5.4% compared to the 2011 benchmark. CO<sub>2</sub> emissions from diesel reduced by a significant 5.4% compared to 2012 and 4.6% compared to the 2011 benchmark.

### Scope 2

Emissions resulting from electricity consumption were calculated for our Commercial Building Central to ensure consistency and a fair performance comparison with the 2011 baseline. The volume of CO<sub>2</sub> emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

Emissions from our electricity consumption increased by 57.2% from 39,251.3 MT in 2012 to 61,688.2 MT in 2013. We are taking all possible steps to keep our electricity usage to a minimum.

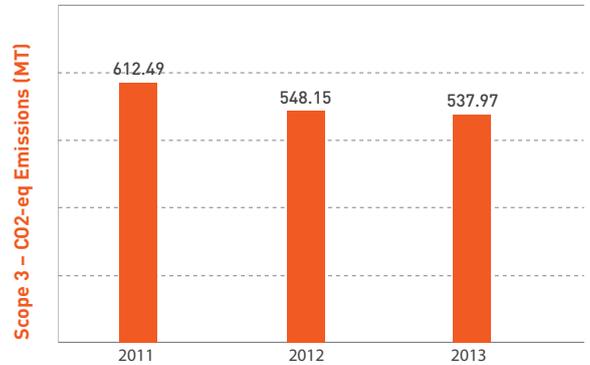


# ENVIRONMENT MADE GREENER

## Scope 3

GHG emissions resulting from air travel were measured from point-to-point including the number of employees on board, distance and flight class. All short and long-haul flights were included in the GHG calculations. Online tools derived from the World Resource Institute (WRI) Greenhouse Gas Protocol have been used to estimate the CO<sub>2</sub> emissions from air travel.

The emissions produced from our air travel decreased by 1.9% from 548.2 MT in 2012 to 538.0 MT in 2013.



## OTHER ENVIRONMENTAL INITIATIVE

### Acoustic Treatment of Generator Sets

In 2013, seven standby generator sets (gen sets) were replaced nationwide. This initiative ensured the reliability of backup power supply and sustainability of the environment. The new gen sets were tested and found to comply with DOSH guidelines. They also conform to the EQA 1974 and Regulations on dark smoke, air impurities, clean air, noise limit and control. The replacement of gen sets by region is as follows;

### Replacement of Generator Set by Region in 2013

Region	Generator Set				Total
	150 kVA	250 kVA	500 kVA	750 kVA	
Eastern	-	-	2		2
Northern	-	-	1	1	2
Sabah	1	1	1		3
Total					7

## ENVIRONMENTAL AWARENESS PROGRAMMES

### BumiKu Eco Camp 2013

BumiKu Camp is held once a year to promote green awareness and knowledge of various environmental issues at the selected location through an experiential approach. This programme is also aimed at getting staff excited about the Company's Corporate Responsibility programme.

The 'BumiKu Eco Camp 2013 – Saving our Legendary Wonders for Tomorrow' was designed to establish a network of employees able to drive TM's green efforts. A total of 143 participants shared their interests and notions during the experiential learning camp held in Pulau Langkawi, Kedah from 15 to 17 November.

Langkawi is the first island in Southeast Asia to be awarded World Geopark status by UNESCO. Gunung Machincang, Langkawi has been identified as the oldest geological formation in the region. Participants were exposed to the legendary wonders through activities such as coral reef planting initiatives, and forestation of mangroves. In addition, participants and community members from Kg. Kubang Badak cooperated to build artificial reefs. Participants learned the importance of protecting the ecology from the by-products of great tourism.

A brief ecotourism study by the participants was submitted to the Langkawi Development Authority (LADA) to contribute to its conservation efforts in Langkawi Geopark.

### Gotong Royong 1TM

Gotong Royong 1TM was held for the first time under the BumiKu Campaign in 2012. In 2013, approximately 1,500 employees across Malaysia contributed to the success of this programme. The 'epicentre' of the nationwide programme was Kampung Seberang Takir, Kuala Terengganu where about 100 staff and 200 members of the community worked together to repair a jetty and paint a mosque in addition to beautifying and cleaning the beach. In addition, 50 orphans from the village received school items. To foster better ties with the community, fun activities such as a colouring contest was held for six to 12-year-olds. Our staff also enjoyed a game of beach football and tug-of-war with the community.



*TM with the local Community members of Kg. Kubang Badak, Langkawi, Kedah building artificial reefs during BumiKu Langkawi Eco Camp 2013.*

# ENVIRONMENT MADE GREENER

During this programme, TM's employee volunteerism group TM ROvers was launched.

I sincerely feel that this is a great TM programme, especially for employees like me who spend our days working in the office. By getting ourselves involved on the ground, it connects us with the community and reminds us of life outside work.

*Ab Halim Awang  
SME Terengganu*

The BumiKu programme was really an eye-opener for me. I now know various islands and mountains surrounding Langkawi.

*Nur Aidi Zaharudin  
VADS*

Even though we live in Terengganu and have a lot of exposure to fishery, never have I had the experience to 'membuat tukun' until today.

*Sanisah Zakaria  
TM Terengganu*

I would like to thank TM for choosing Langkawi as one of its BumiKu locations. It is truly an honour to introduce the beauty of Langkawi to the public. TM BumiKu is a great platform to expose our people to the beautiful nature of our country which most of us are not aware of. I welcome more of such activities in the future.

*Sharudin Hasan  
Ketua Unit Pembangunan Komuniti, Lembaga  
Pembangunan Langkawi*

It is heart-warming to see TM volunteers, regardless of their position, from employees to top managers, take part in community activities. I can really feel the spirit of 1TM in them.

*Pak Uda  
Local resident, Terengganu*



TM ROvers from various positions take part in community activities, BumiKu Eco Camp 2013.

### **BumiKu Fun Run**

BumiKu Fun Run promotes environmental awareness among staff, particularly the importance of reducing our carbon footprint. In 2013, the run was held in conjunction with *Karnival Sukan Tahunan* (KASTEL) 2013, which was organised on 24-27 October in Terengganu.



*BumiKu Fun Run 2013 at Kuala Terengganu, Terengganu.*

### **BumiKu Share-A-Ride**

BumiKu Share-A-Ride is a car pool programme for staff, introduced to reduce our carbon footprint. Cars with at least four staff are allocated parking space in the limited Menara TM carpark. A total of 30 lots at Menara TM and 10 at TM Annexe have been reserved for Share-A-Ride. Not only does this initiative contribute to the environment, it has also helped to address the problem of shortage of parking space. Parking space allocation for the programme is renewed every three months to allow as many staff as possible to benefit from it. A total of 160 staff are involved in this programme during any three-month period.

### **TM's Earth Day**

TM's Earth Day celebration themed 'The Face of Climatic Change' was celebrated nationwide on 22 April 2013 by *Warga TM* as yet another activity to promote environmental awareness. Many wore earth colours - blues, greens and browns - and filled a Pledge Wall placed in the lobby of Menara TM with their signatures and environmental messages. The photo contest also received good response.

In conjunction with Earth Day, a nature camp was held from 27-28 April attracting 40 members of Kelab Pencinta Alam. Other than outdoors environmental activities, the participants attended a presentation by AUO Sunpower, an international company operating in Melaka involved in developing solar technology.

### **TM-MMU Mudball Project 2013**

TM-MMU Mudball Project 2013 was a collaboration by TM's Group Corporate Communications (GCC) Division and MMU. The initiative, held at MMU Cyber Lake, was participated by close to 200 TM and MMU employees and students.

During the event, 5,880 mudballs known as EM or effective micro-organisms, were thrown into the lake. Composed of a variety of microbes including lactic acid bacteria, yeast and phototrophic bacteria as well as a mixture of molasses, dried dirt and rice, the balls work to re-establish high populations of beneficial micro-organisms in water and stop the growth of bad microbes.



*TM collaborates with MMU to organise TM-MMU Mudball Project 2013.*

# ENVIRONMENT MADE GREENER

## TM EARTH CAMP

TM Earth Camp was launched in March 2010 in partnership with the Malaysian Nature Society (MNS). The three-day nature camp targets students who are members of nature clubs in their schools. The aim is to increase these students' awareness of Malaysia's rich biodiversity through real-life experience, in the hope that they will spread their knowledge among their peers.

Given its success, in 2013, TM and MNS signed an agreement to continue our TM Earth Camp collaboration for the fourth year.

Each camp features a prominent theme highlighting the unique elements at the respective camp locations such as Earth, Water, Air (climate change), Fire (energy) and Human (community), representing the vital components of the environment.

Activities include campaigns on habitat protection, water testing and climate change awareness, nature craft and local community engagement. Since the camp was introduced in

2010, more than 5,278 individuals have benefitted from it. This includes 560 students, 90 teachers, 55 TM volunteers and their children, and 600 members of the local communities who participated in the programme in 2013. The camps were held in the six zones.

Each camp features a prominent theme highlighting the unique characteristics of the respective location. The cross-zone concept was introduced in 2013 so that participants from the Northern zone could explore differences in the flora and fauna in the Central zone.

The involvement of government agencies such as the Ministry of Education, Ministry of Natural Resources and Environment, and the Sabah Forestry Department, as well as other organisations add value to the camps, which have grown over the years. In the four years that the camp has been organised, its reach has increased by 10.3% not only among the participants, but also among the community members involved.



*TM Earth Camp focuses on exploration and experiential learning.*



*TM Earth Camp features a prominent theme highlighting the unique characteristics of a location with visually impaired students from its adopted school – Sekolah Pendidikan Khas Pekan Tuaran, Sabah.*

Zone	Date	Location	Activities	Impact
TM Earth Camp Northern Zone	5 – 7 July	Taman Alam Kuala Selangor, Selangor  Theme: Air (Climate Change)	<ul style="list-style-type: none"> <li>• Firefly observation</li> <li>• Visit Bukit Melawati and Freshwater Fish Park: To study freshwater fish and their history in Kuala Selangor</li> <li>• Activities with the Community: Gotong Royong Premiere was held at TM's Adopted School SMK Munshi Abdullah, and over 110 types of plants were planted.</li> </ul>	<ul style="list-style-type: none"> <li>• 176 participants from 31 schools including 17 teachers, six volunteers from TM and five Brigade YTM members.</li> <li>• 200 mangrove saplings were planted and 292.86kg of rubbish was collected from the mangrove forest.</li> </ul>
TM Earth Camp Borneo Zone (Sabah)	6 – 8 September	Celyn Resort, Kundasang, Sabah  Theme: Earth (Biodiversity)	<ul style="list-style-type: none"> <li>• Science &amp; Nature: To discover species of insects</li> <li>• 'Denai' Exploration: To discover species of exotic flora and fauna including birds, insects, mammals, amphibians and reptiles.</li> <li>• Activities with the Community: Most of the participants including 100 students, teachers and Persatuan Ibu Bapa dan Guru enjoyed the exploration with blind children from SK Pendidikan Khas Pekan Tuaran, Sabah.</li> </ul>	<ul style="list-style-type: none"> <li>• 86 participants recorded from 12 schools including 18 teachers and 10 TM ROvers</li> <li>• The Kinabalu Park exploration was interesting for the blind children.</li> <li>• It was discovered that Mount Kinabalu National Park has over 5,000 species of plants and animals including 326 birds and over 100 mammals.</li> </ul>

# ENVIRONMENT MADE GREENER

Zone	Date	Location	Activities	Impact
TM Earth Camp Southern Zone	13 – 15 September	Pusat Pendidikan Alam Sekitar EcoCare, Kerteh, Terengganu  Theme: Energy	<ul style="list-style-type: none"> <li>• Turtle Release: More than 200 hawksbill sea turtles were released into the sea.</li> <li>• Mangrove Exploration: All participants enjoyed the opportunity to explore and learn about the ecology and diversity of the unique plants and animals that live there.</li> <li>• Activities with the Community: More than 300 community members supported gotong-royong activities with participants in Sekolah Kebangsaan Seri Gelugor, Kerteh.</li> </ul>	<ul style="list-style-type: none"> <li>• More than 100 students and eight teachers from Johor and Melaka, and five TMROvers benefited from the programme.</li> <li>• Of approximately 300 species of turtles, only seven are found in Malaysia: the Leatherback sea turtle, Hawksbill sea turtle, Olive ridley sea turtle and Green sea turtle.</li> <li>• It was observed that only one of the 1,000 turtle hatchlings was able to survive.</li> </ul>
TM Earth Camp Eastern Zone	20 – 22 September	Pulau Tali Kail, Grik, Perak  Theme: Earth, Human and Water	<ul style="list-style-type: none"> <li>• Animal feeding and exploring the local areas</li> <li>• Bird Watching: To observe different bird species especially Hornbills, as well as butterflies, beetles and grasshoppers</li> <li>• Activities with the Community: Gotong Royong Premiere was held at Kampung Chuweh, Gerik with the Orang Asli community.</li> </ul>	<ul style="list-style-type: none"> <li>• 97 participants were recorded from 21 schools including 15 teachers and 10 TM ROvers.</li> <li>• Royal Belum State Park is famous for its bird population.</li> </ul>

Zone	Date	Location	Activities	Impact
TM Earth Camp Borneo Zone (Sarawak)	18 – 20 October	Taman Negara Niah, Sarawak  Theme: Human	<ul style="list-style-type: none"> <li>• Night-Walk: To enjoy the beauty of the rainforest with a variety of luminous fungi.</li> <li>• Eksplorasi Niah: The Niah exploration is ideal for a myriad of activities with challenging tracks, exotic flora and fauna including Kites.</li> <li>• Activities with Sekolah Kebangsaan Tanjung Berlipat (SKTP), Miri which has fewer than 50 students and 12 teachers.</li> </ul>	<ul style="list-style-type: none"> <li>• Approximately 89 students and 14 teachers from Sarawak gained tremendous experience.</li> <li>• More than 23 species of bats and six species of squirrels were recorded, in addition to approximately 200 bird species found surrounding Niah.</li> </ul>
TM Earth Camp Central Zone	8 – 10 November	Taman Lipur Lagenda, Gunung Ledang, Johor  Theme: Water	<ul style="list-style-type: none"> <li>• Science &amp; Nature: To test the water quality at Gunung Ledang waterfall.</li> <li>• 'Denai' Exploration: To discover species of exotic flora and fauna, guided by Rangers from Jabatan Perhilitan Taman Negara Gunung Ledang.</li> <li>• Activities with the Community: Most of the participants including 100 students, teachers and parents enjoyed gotong-royong activities such as building a KLCC replica using recycled bottles, gardening and painting a mural at Sekolah Kebangsaan Sagil Kampong, Ledang, Johor.</li> </ul>	<ul style="list-style-type: none"> <li>• 123 participants from 37 schools including 18 teachers and 10 TM ROVers</li> <li>• It was discovered that Gunung Ledang hosts a large number of species of exotic flora and fauna including orchids, pitcher plants, herbs, birds and insects.</li> </ul>

# ENVIRONMENT MADE GREENER

In 2013, TM Earth Camp had a different feel due to the 'cross-zone' approach. Rather than organising the camps within their respective zones, the camps were hosted in different zones. This inspired further appreciation of the rich diversity of Malaysia's nature and ecology. It also exposed the students to differences in cultures and community practices found in Malaysia, particularly in environmental preservation.

“ This is my fifth year of joining the TM Earth Camp with my school. Every year, I can see tremendous change in my students' awareness of the environment as a result of TM Earth Camp. I would like to thank TM for providing an eye-opening experience to my students and the young generation on our nature. This is important as they are the people who will take on the responsibility from us in protecting the environment in the future. ”

*Teacher, TM Earth Camp Sabah Zone*

“ A big thank you to TM for giving me the opportunity to be part of TM Earth Camp Zone Borneo. It was a valuable experience for me as it made me appreciate nature, and especially the beautiful biodiversity of our country. I really enjoyed the programme and I really look forward to joining it again in the near future. ”

*Onamery Benjamin Yanggau,  
Student, Sekolah Menengah St Michael,  
Penampang*

## ENVIRONMENTAL COMPLIANCE

TM complies with all environmental guidelines, legislation and best practice including:

- Environmental Quality Act 1974 (Act 127)
- Environmental Quality (Clean Air) Regulations, 1978
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Motor Vehicle Noise) Regulations 1987
- Environmental Quality (Scheduled Waste) Regulations 2005
- Environmental Quality (Halon Management) Regulations 1999
- Environmental Quality (Refrigerant Management) Regulations 1999
- Environmental Quality (Declared Activities) (Open Burning) Order 2003
- Local Government Act 1976
- Occupational Safety and Health Act 1994
- Fire Services Act 1988 (Act 341)

There were no significant penalties for environmental non-compliance or violations of laws and regulations in 2013.

## ENVIRONMENTAL EXPENDITURE

In 2013, TM spent a total of RM1,013,247 on environmental-related activities, as indicated below:

Environmental Activity	Expenditure (RM)
TM Earth Camp	595,387
BumiKu Projects	92,635
Tapir Sponsorship at Zoo Negara	32,000
Others: training, certification and expenditure on environmental components	293,225
<b>TOTAL</b>	<b>1,013,247</b>

# GRI G3.1 CONTENT INDEX TABLE

GRI Reporting Framework promotes transparency especially on economic, environmental, social and governance performance. This transparency and accountability builds stakeholders' trust in organisations. G3.1 is a finalised update of GRI's most recent generation of Sustainability Reporting Guidelines, and is the most comprehensive sustainability reporting guidance currently available.

We recognise the value of the GRI in assisting the process of improving disclosure by identifying sustainability indicators, and in enhancing the standard of our reporting. The following table provides an overview of how we have applied the GRI guidelines to define the report content, integrate the reporting principles for defining quality, and report on the GRI standard disclosures. We believe that these guidelines offer us the best way to present our most important sustainability information in a fully transparent and reliable way.

**Application : C – Core; A – Additional**

**Status:** ● Fully Reported; ■ Partially Reported; X Not Reported; N/A: Not Applicable

## G3.1 CONTENT INDEX

### STANDARD DISCLOSURES PART: Profile Disclosures

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organisation	●	6-14	
1.2	Description of key impacts, risks, and opportunities	●	6-14	
<b>2. Organisational Profile</b>				
2.1	Name of the organisation	●	Font Cover	
2.2	Primary brands, products, and/or services	●	28	
2.3	Operational structure of the organisation	●	20	
2.4	Location of organisation's headquarters	●	5	
2.5	Number of countries where the organisation operates	●	22-25	
2.6	Nature of ownership and legal form	●	20	
2.7	Markets served	●	22-25	
2.8	Scale of the reporting organisation	●	22-25	
2.9	Significant changes during the reporting period	●	6-14	

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation
2.10	Awards received in the reporting period	●	26-27	
<b>3. Report Parameters</b>				
3.1	Reporting period	●	5	
3.2	Date of most recent previous report	●	5	
3.3	Reporting cycle	●	5	
3.4	Contact point for questions regarding the report or its contents	●	5	
3.5	Process for defining report content	●	5-14	
3.6	Boundary of the report	●	5	
3.7	Specific limitations on the scope or boundary of the report	●	5-14	
3.8	Basis for reporting on joint ventures, subsidiaries, etc	●	5-14	
3.9	Data measurement techniques and the bases of calculations	●	115-116	
3.10	Explanation of the effect of any re-statements of information	●	6-14	
3.11	Significant changes from previous reporting period	●	6-14	
3.12	Table identifying the location of the Standard Disclosures	●	GRI G3.1 Content Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	●	Third Party Verification Statement by SIRIM QAS International Sdn Bhd	
<b>4. Governance, Commitments and Engagement</b>				
4.1	Governance structure of the organisation	●	37	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	39	

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation
4.3	Independent and/or non-executive members of the Board	●	40	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	42	
4.5	Linkage between compensation and the organisation's performance	●	41	
4.6	Processes in place to ensure conflicts of interest are avoided	●	42	
4.7	Qualifications and expertise of the Board	●	40-41	
4.8	Internally developed statements of mission or values, codes of conduct, and principles	●	42	
4.9	Identification and management of economic, environmental and social performance, conduct and principles	●	58-59	
4.10	Processes for evaluating the highest governance body's own performance	●	58-59	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	●	82	
4.12	Externally developed economic, environmental and social charters, principles	●	54	
4.13	Memberships in associations	●	62	
4.14	List of stakeholder groups engaged by the organisation	●	31	
4.15	Basis for identification and selection of stakeholders with whom to engage	●	32	
4.16	Approaches to stakeholder engagement	●	32-33	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	●	34-35	

# GRI G3.1 CONTENT INDEX TABLE

## STANDARD DISCLOSURES: Performance Indicators

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Economic</b>					
<b>Economic performance</b>					
<b>EC1</b>	Direct economic value generated and distributed	●	19		
<b>EC2</b>	Financial implications and other risks and opportunities for the organisation's activities due to climate change	●	115-116		
<b>EC3</b>	Coverage of the organisation's defined benefit plan obligations	●	54		
<b>EC4</b>	Significant financial assistance received from government	●	97-100	TM continues to support the Government's objective of building the nation through various community development programmes	
<b>Market presence</b>					
<b>EC5</b>	Standard entry level wage vs. local minimum wage	●	54		
<b>EC6</b>	Policy, practices and proportion of spending on locally-based suppliers	●	73-74		
<b>EC7</b>	Procedures for local hiring	●	-	There is no specific policy for hiring of locals but it has been our practice to prioritise the locals when hiring	
<b>Indirect economic impacts</b>					
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit	●	91-94		
<b>EC9</b>	Understanding and describing significant indirect economic impacts	●	98-100		

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Environmental</b>					
<b>Materials</b>					
EN1	Materials used by weight or volume	X	-	We are yet to monitor the quantity and volume of materials used in our production. However, we are a service based Company thus this indicator is not of the highest urgency to us	
EN2	Percentage of materials used that are recycled input materials	X	-	We are yet to monitor the quantity and volume of materials used in our production. However, we are a service based Company thus this indicator is not of the highest urgency to us	
<b>Energy</b>					
EN3	Direct energy consumption by primary energy source	●	110-111		
EN4	Indirect energy consumption by primary source	●	110-111		
EN5	Energy saved due to conservation and efficiency improvements	●	110-111		
EN6	Initiatives to provide energy-efficient or renewable energy	●	110-111		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	●	110-111		
<b>Water</b>					
EN8	Total water withdrawal by source	●	113-114		
EN9	Significant impact of withdrawal of water		113-114		

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>EN10</b>	Percentage and total volume of water recycled and reused	●	113-114		
<b>Biodiversity</b>					
<b>EN11</b>	Location and size of land owned, leased, managed in, or adjacent to, protected areas	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>EN12</b>	Description of significant impacts of activities, products and services on biodiversity in protected areas	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>EN13</b>	Habitats protected or restored	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>EN14</b>	Strategies, current actions and future plans for managing impacts on biodiversity	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>EN15</b>	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Emissions, effluents and waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight	●	115-116		
EN17	Other relevant indirect greenhouse gas emissions by weight	●	115-116		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	115-116		
EN19	Emissions of ozone-depleting substances by weight	●	115-116		
EN20	NOx, SOx, and other significant air emissions by type and weight	X	-	We are in the midst of improving our data collection and we hope to have this indicator reported in our coming Sustainability Reports	
EN21	Total water discharge by quality and destination	■	113	We monitor our water discharge in totality instead of by quality and destination	
EN22	Total weight of waste by type and disposal method	●	112-113		
EN23	Total number and volume of significant spills	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
EN24	Weight of transported, imported, exported or treated waste deemed hazardous	X	-	We are in the midst of improving our data collection and we hope to have this indicator reported in our coming Sustainability Reports	

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impact of products and services, and extent of impact mitigation	●	109-114		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N/A	-	Our business focuses on providing integrated information and communications solutions thus this indicator is not directly relevant to us	
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	124		
<b>Transport</b>					
EN29	Significant environmental impact of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	●	115		
<b>Overall</b>					
EN30	Total environmental protection expenditure and investment by type	●	124		

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Social: Labour Practices and Decent Work</b>					
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract and region	●	65		
LA2	Total number and rate of employee turnover by age group, gender and region	●	65		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	●	54		
LA15	Return to work and retention rates after parental leave, by gender	X	-	This benefit is currently not available at TM	
<b>Labour/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements	●	67		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	●	67		
<b>Occupational health and safety</b>					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	●	56		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	●	56		

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	●	57-58		
LA9	Health and safety topics covered in formal agreements with trade unions.	●	66		
<b>Training and education</b>					
LA10	Average hours of training per year per employee by employee category	●	69		
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	69		
LA12	Percentage of employees receiving regular performance and career development reviews	●	69		
<b>Diversity and equal opportunity</b>					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	65		
<b>Equal remuneration for women and men</b>					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	54		

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Social: Human Rights</b>					
<b>Diversity and equal opportunity</b>					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	●	66		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	66		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	●	66		
<b>Non-Discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken	●	66		
<b>Freedom of association and collective bargaining</b>					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	●	66		
<b>Child labour</b>					
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	●	66		

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Forced and compulsory labour</b>					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	●	66		
<b>Security practices</b>					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	●	66		
<b>Indigenous rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	66		
<b>Assessment</b>					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	●	66		
<b>Remediation</b>					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	●	42	We have a whistle-blowing channel which serves as a platform for employees to channel concerns about any illegal, unethical or improper business conduct that could impact the Company	

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Social: Society</b>					
<b>Community</b>					
S01	Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	●	91-96		
S09	Operations with significant potential or actual negative impacts on local communities	●	97-101		
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	●	97-101		
<b>Corruption</b>					
S02	Percentage and total number of business units analysed for risks related to corruption	●	105		
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	●	105		
S04	Actions taken in response to incidents of corruption	●	105		
<b>Public policy</b>					
S05	Public policy positions and participation in public policy development and lobbying	■	78-80, 87	TM continues to support the Government's objective of building the nation through various community development programmes	
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	■	78-80, 87	TM continues to support the Government's objective of building the nation through various community development programmes	

# GRI G3.1 CONTENT INDEX TABLE

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
<b>Anti-competitive behaviour</b>					
<b>S07</b>	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	●	105		
<b>Compliance</b>					
<b>S08</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	105		
<b>Social: Product Responsibility</b>					
<b>Customer health and safety</b>					
<b>PR1</b>	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	75-79		
<b>PR2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	●	79		
<b>Product and service labelling</b>					
<b>PR3</b>	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	●	80		
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	●	81		

Profile Disclosure	Description	Status	Cross-Reference	Reason for omission & Explanation	To be reported in
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	81		
<b>Marketing communications</b>					
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	●	86		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	●	86-87		
<b>Customer privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	86		
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	86		

# ASSURANCE STATEMENT



**SIRIM QAS INTERNATIONAL SDN. BHD.** (410334-X)  
SIRIM Complex,  
1, Persiaran Dato' Menteri, Section 2,  
40911 Shah Alam, Selangor Darul Ehsan.  
Tel : 603-5544 6400 Fax : 603-5544 6810  
www.sirim-qas.com.my

## INDEPENDENT ASSURANCE STATEMENT

### Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Telekom Malaysia Berhad (hereafter referred to as Telekom Malaysia) to perform an independent verification and provide assurance of the Telekom Malaysia Sustainability Report 2013. The main objective of the verification process is to provide Telekom Malaysia and its stakeholders with an independent opinion of the accuracy of the information presented in the report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the Telekom Malaysia Sustainability Report 2013.

The management of TM is responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Telekom Malaysia Sustainability Report 2013.

### Verification team:

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aminah Ang : Team Leader
- 2) Mr. Hafriazhar Mohd Mokhtar : Team Member
- 3) Mr. Shaiful Azmir Abdul Rahman : Team Member



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## *Methodology*

The verification team carried out an on-site verification audit at the corporate office of Telekom Malaysia on 12 and 13 March 2014. The verification audit involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources that are presented in the report;
- Reviewing of internal and external documentation and displays such as reports, media publications, newsletters, etc.;
- Interviewing of key personnel who were responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of Telekom Malaysia and its overall presentation against the GRI G3.1 requirements.

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

The verification process was subject to the following limitations:

- The scope of work did not involve verification of financial data, other than that relating to expenses for environmental related activities;
- The verification was designed to provide limited assurance of whether the Sustainability Report is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- Only the corporate office was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Telekom Malaysia's operating assets; and
- The verification team did not review any contractor, supplier or third party data.

# ASSURANCE STATEMENT

## ***Observations and areas for improvement:***

The following observations should be considered as areas for improvement in future reporting. These observations however do not affect our conclusions on the current report.

- Enhancement in the reporting of environmental performance especially issues pertaining to waste management;
- Enhancement in the data collection to ensure data reporting errors are minimized.

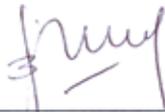
## ***Conclusion***

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

- The level of accuracy of data included in the Telekom Malaysia Berhad Sustainability Report 2013 is fair and acceptable;
- The Sustainability Report is in accordance with the A+ Application Level of the GRI G3.1 Sustainability Reporting Framework;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- Telekom Malaysia has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Telekom Malaysia.

Prepared by:

Approved by:



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**AMINAH ANG**  
Verification Team Leader  
Sustainability Certification Section  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date : 7 April 2014



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**PARAMA ISWARA SUBRAMANIAM**  
Senior General Manager  
Management System Certification  
Department  
SIRIM QAS International Sdn. Bhd.  
Date : 7 April 2014



## Statement GRI Application Level Check

GRI hereby states that **Telekom Malaysia Berhad** has presented its report "Telekom Malaysia Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The "+" has been added to this Application Level because Telekom Malaysia Berhad has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 17 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.