

GAME CHANGER

FOR SUSTAINABILITY



Sustainability Report 2014

TELEKOM MALAYSIA BERHAD
(128740-P)

SCAN FOR AURA CONTENT



TELEKOM MALAYSIA BERHAD (128740-P)

GROUP BRAND & COMMUNICATION
TELEKOM MALAYSIA BERHAD
(128740-P)

Level 8 (South Wing), Menara TM, Jalan Pantai Baharu
56072 Kuala Lumpur, Malaysia

www.tm.com.my

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Sustainability Report 2014



GAME
CHANGER

Content
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You are our inspiration to constantly *change the game*. In this constantly and rapidly changing world, you already have the power, the ability to be on the move, while always staying in touch. To be online, whilst basking in an offline world. You are already living in the edge of convergence.

And we've helped make all that happen. As your *Convergence Champion*, TM will constantly strive to deliver a seamless customer experience, innovative products and services, to all homes, businesses and communities – to *make lives a little easier and everyday a bit brighter*.



TM AURA

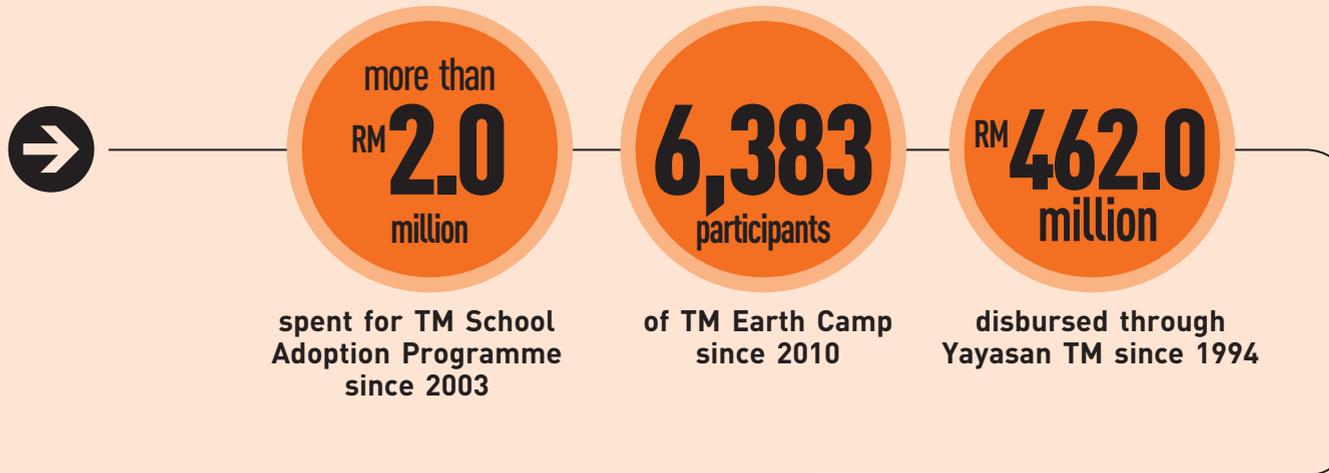
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FACTS AT A GLANCE



3,633 stakeholders
responded to TM Materiality Survey 2014



49,137 graduates
and diploma holders from MMU and MMC in the Malaysian workforce



28,047
employees
TM's most valuable asset



RM221.4
million
spent for sustainability initiatives



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ABOUT THIS REPORT

TM SUSTAINABILITY REPORT 2014

G4-32

The following corporate sustainability report by Telekom Malaysia Berhad (TM) has been prepared according to the guidelines of the Global Reporting Initiative, G4 level, In Accordance-Core option. The content index at the end of the report enables stakeholders and report readers to get a quick overview of the report. Indicators related to the telecommunications sector are also included.

TM strives continually to improve the materiality and reliability of the information presented. An approach aligned with the ISO 26000 and the United Nation's Global Compact has been adopted.

Structure and Information Provided

This report has been structured to be comprehensive and to share information on TM's initiatives with its stakeholders in a transparent manner. Goals achieved and policies adopted in the value chain are highlighted. This approach ensures the sustainability of business and society in the long term.

The performance and results presented are based on a multi-stakeholder approach that addresses the:

- Indicators and guidelines of the Global Reporting Initiative (GRI) G4
- 10 principles of the United Nations Global Compact
- Critical issues identified by stakeholders
- Benchmarks provided by local and international sustainability guidelines

Material issues in TM's sustainable management were identified from a detailed survey conducted on a cross-section of TM's stakeholders. This survey was carried out in the last quarter of 2014.

G4-28, G4-29 Reporting period : 1 January to 31 December 2014

G4-30 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.

To reflect the latest updates on the Company's overall performance, non-financial information has been updated as of 31 December 2014. It is aligned with the Annual Report 2014 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 G4 Level, In Accordance - Core Option

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

Audit and Veracity of The Data

G4-33

The information and data in this report have been verified in line with GRI guidelines. The credibility and quality of the content have been audited by an external and independent entity. This process is ongoing and its completion will help improve the available content.

The contents of this report have been verified by SIRIM QAS International Sdn Bhd. Through the Content Index Service, it is confirmed that the Content Index of the report is in line with the G4-32. TM's approach to sustainability is also widely endorsed by its stakeholders, as reflected in the awards received based on independent assessments of business performance. The awards are listed in this report.

Feedback

G4-5, G4-31

This report is available to all stakeholders in hard copy on request and the e-book can be downloaded as below:

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For further information and comments please contact:

Group Brand and Communication
Telekom Malaysia Berhad
Level 8, South Wing
Menara TM, Jalan Pantai Baharu
50672 Kuala Lumpur, Malaysia

Telephone : +603 2240 2657
Facsimile : +603 7955 3620
Email : gbc@tm.com.my
Website : www.tm.com.my

A MESSAGE FROM OUR CHAIRMAN

G4-1



TAN SRI DATO' SERI
DR SULAIMAN MAHBOB
CHAIRMAN

IN LINE WITH
CONTINUOUS
EFFORTS TO
INCREASE OUR
TRANSPARENCY,
IN THIS
SUSTAINABILITY
REPORT WE HAVE
EMBARKED ON THE
LATEST GENERATION
OF SUSTAINABILITY
REPORTING
GUIDELINES
DEVELOPED BY THE
GLOBAL REPORTING
INITIATIVES (GRI),
THE GRI G4.



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 2014. THIS IS OUR SEVENTH SUSTAINABILITY PUBLICATION; THOUGH WE HAVE LONG BEEN INCORPORATING ISSUES OF SUSTAINABILITY INTO THE COMPANY'S STRATEGY FROM WHEN WE FIRST BEGAN TO OPERATE AS THE TELECOMMUNICATIONS DEPARTMENT OF MALAYA IN 1946.

Over the last few years, TM has steadily transformed into a sustainable growth company, underpinned by an energising and purpose-driven business model. 2014 was another game-changing year, as we continued to strengthen our potential for long-term value through product, process and people-led innovations to deliver on our brand and services promise of 'Life Made Easier', and our aspirations as Malaysia's Convergence Champion.

As a listed company, we acknowledge our duty to generate significant profits in order to provide returns to our shareholders. However, as a sustainable-growth company, we have the added responsibility to make these profits in a socially and environmentally-responsible way. In other words, we must offer our customers relevant and quality ICT services that are reasonably priced; allow greater access to those services, especially by those who are under-served; and ensure our offerings, as well as the infrastructure that supports them, have minimum impact on

the environment. We also ensure that the people behind these products and services — namely our 28,047 employees — are treated with the utmost respect and are provided with an optimum environment in which to develop themselves professionally as well as personally.

Such commitment to sustainability is driven by the Board, and in particular by the policies and processes we have instituted to ensure a high level of corporate governance. Having always placed a top priority on governance, TM has adopted all relevant guidelines such as the Malaysian Code on Corporate Governance 2012 in developing its corporate governance framework. As a measure of our commitment to good governance, our policies are not static, but keep evolving to reflect best practices in the local and international corporate space to ensure we uphold the highest principles of integrity, equity and transparency.

While we are driven to maintain a high level of governance because of its inherent business value, at the heart of it is the ethos of 'Doing the Right Thing' — at an individual level, for the team, company and beyond that for the nation, society and the environment. In that pursuit, it is always encouraging to receive independent recognition of our efforts as these indicate that we are heading in the right direction. We were therefore extremely pleased by our recent wins at the MSWG-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2014. Among the categories won by TM were: Exemplary AGM Minutes, Exemplary ESG Practices, Industry Excellence (Telecommunications), Top Transparency as sole recipient and Top Corporate Governance, with the highest score of 86.9%.

We are extremely proud to have been awarded the NACRA 2014 Platinum Award for the Most Outstanding Annual Report of the year for the fourth time in our history. What made it even more meaningful was, apart from the total score of five awards, we also won the overall Platinum Award for Best Corporate Responsibility Reporting for the second time, validating the work and focus that TM has always invested in our sustainability efforts and initiatives.

We realise that having the best policies in itself is not enough. There needs to be a mechanism to ensure that these policies are internalised and 'lived' by our people. Towards this end, in 2014, we initiated an exclusive programme under which we are training close to 200 employees from various divisions who have been nominated to become TM Integrity Fellows. These Fellows cut across all levels in the organisation, from the ground level up to the top-most positions, and will be responsible for instilling a culture of integrity in TM that permeates all the actions and behaviours of all employees at all times. I am very excited about this development and hope to be able to report on some positive outcomes in our next Sustainability Report.

Our Sustainability Report itself continues to evolve to reflect the Company's increasing commitment to sustainable practices. This year, you will find within the following pages a new entry – on a comprehensive materiality survey conducted on our stakeholders to determine what their concerns are. The survey was inspired by the Global Reporting Initiatives (GRI)'s updated guidelines on sustainability reporting, the GRI G4. Having undertaken the survey, we fully appreciate how useful and relevant it is to any company that is committed to sustainable development. For us, it has provided a keen insight into our stakeholders, enabling us to better understand their concerns and design our future strategies accordingly.

The theme for this 2014 Sustainability Report 'GAME CHANGER FOR SUSTAINABILITY', goes hand-in-hand with that of the main Annual Report of 'GAME CHANGER', because business operations and sustainability are so intrinsically linked. Sustainability is our ultimate cause in game-changing our business model and

operations. This indicates TM has entered a new and exciting era in our onward journey, one that is driven by innovation. As we strive to be game changers that make life and business easier for everyone, we have been investing in our entire value chain from the infrastructure that supports our products and services, to our communications solutions and the way these are delivered to customers – as an end-to-end approach to customer experience.

2014 was a particularly productive year for TM in terms of innovating to enhance and enrich our customers' lifestyles and experience. We launched numerous new products and services targeting consumers, our business customers as well as the Government and its agencies. We also raised greater awareness of our services through various engagement activities nationwide including our Life Made Easier Roadshows and *Jelajah Hidup Lebih Mudah*. In terms of infrastructure, we continue to invest and improve our TM E³ Infra to be more efficient, effective and elastic.

We are cultivating a workplace environment that embraces and celebrates diversity as we believe this inspires innovation and creativity. To create unity among our 28,047 employees from different cultural, ethnic and socio-economic backgrounds, we are building connections across all levels of the organisation. These efforts are led by top management who engage frequently with all employees to inspire and motivate Warga TM to deliver their best to the organisation and its stakeholders. TM's culture of inclusivity is reflected in its fair hiring policy for all disabled and disadvantaged groups, from all walks of life.

TM also strongly endorses the principles for the empowerment of women because we believe that businesses need to be key drivers in advancing gender equality. This is not only a moral imperative but a strategic business and investment imperative. In fact, we are very proud to have an almost equal ratio of women to men in our leadership bench of General Managers and above. We celebrate our women through TIARANITA, which is an organisation for female employees and wives of TM employees, that seeks to enrich the lives of its members and their families. Our special Hari Wanita is celebrated each year to appreciate the huge contribution our female workforce makes.

Just as we give to our employees, it is heartening to see how they get together to give to others. Via the TM Reaching Out Volunteers (TM Rovers) movement, our employees have been going into local communities to give their time and physical effort in various ways that uplift lives while creating a genuine feeling of solidarity among each other and with the Company. In 2014, our TM ROvers did both the Company and nation proud by turning out in force to come to the aid of victims of the massive floods in the East Coast. Not only did they provide support to colleagues who experienced substantial loss of property in the calamity, they served as many affected Malaysians as they could – cleaning up damaged premises, distributing aid and providing general care and comfort to those in need.

In many ways, TM is a mirror of the society it serves, and we are doing our part to make it more sustainable. Through our sustainability initiatives, we support the Government's nation-building agenda primarily through bridging the gap in education and ICT services, as well as by enriching the lives of the underprivileged or marginalised, and mobilising our volunteers during times of national crisis. In 2014 itself, RM221.4 million was spent on such efforts.

Since 1994 our Foundation, Yayasan TM (YTM), has disbursed a total of RM462.0 million of tax-exempted funds in scholarships for tertiary education locally and at some of the best universities in the world, benefitting 13,557 students. At the school level, we promote better academic outcomes through our School Adoption Programme, with a pioneer initiative called the TM Robotics Programme being introduced. In 2014, close to RM200,000 was spent on four schools including Sekolah Pendidikan Khas Sabah (formerly known as Sekolah Pendidikan Khas Pekan Tuaran), a school for visually impaired students. In addition, we continue to develop future generations through our educational institutions, namely Multimedia University (MMU) and Multimedia College (MMC). [TM's impactful community initiatives can be read in greater detail in the Community section of this report.]

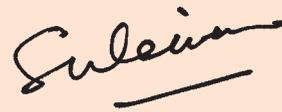
Through another flagship initiative, Program Sejahtera, we empower single mothers to run successful businesses so that they are able to support themselves and their families. We also pay for their children who qualify to receive quality tertiary education at our educational institutions, namely Multimedia University and Multimedia College.

Over and above these programmes, we are committed to reaching out to all Malaysians in the way we know best. We practise a culture of inclusivity that goes beyond our workforce. Firm in the belief that every individual has the right to be connected, we have been intensifying our efforts together with our Ministry of Communications and Multimedia (KKMM) and our regulator the Malaysian Commission of Communications and Multimedia (MCMC) to bridge the digital divide, especially in rural areas and low-income groups. These include the initiatives under the Universal Service Provision (USP) and Broadband for General Public (BBGP). We are also societal champions in our support of marginalised society groups such as People With Disabilities (PWD) or *Orang Kurang Upaya (OKU)* through our hiring practices and school adoption programmes that provide equal opportunities to them. We also have customised facilities at MMC campus such as wheelchair access, and support single mothers in their small business endeavours.

Looking to the next year and beyond, TM is firmly committed to ensuring we manage our business responsibly and play an integral, positive role in all the areas in which we do business and touch lives. TM will maintain its values-driven approach as it continues to build stakeholders' trust in the Company and brand. By truly living our values at all levels of the Company, we are shaping the future of TM. We will continue to advance our services and delivery

to provide the best experience to stakeholders. This report will take you through the innovations and actions we are embarking on in the marketplace, workplace, community and the environment. We have adopted the next level of technologies, concepts, ideas and processes to achieve optimum results for the benefit and satisfaction of our stakeholders.

We are very proud of these and other accomplishments, but there is always more to be done. I thank our employees for making our Company better, every day. Their 1TM spirit and determination have served TM, its customers, shareholders and communities for the past years and this is what drives what we do at TM to make a difference for generations to come. It is with great pleasure that I present our Sustainability Report. Your input is invaluable as we, as your game-changing Convergence Champion, aim to deliver on 'Life Made Easier'; and to improve and grow our business the right way — sustainably. We look forward to hearing from you.



TAN SRI DATO' SERI DR SULAIMAN MAHBOB
Chairman

A MESSAGE FROM OUR GROUP CHIEF EXECUTIVE OFFICER

G4-13, G4-22, G4-23



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.

TAN SRI DATO' SRI ZAMZAMAIRANI MOHD ISA

GROUP CHIEF EXECUTIVE OFFICER

Sustainability is a strategic priority for TM, and is applied not just to operations but, leveraging on its industry position as Malaysia's Convergence Champion, to further the sustainable development agenda of the nation. Adopting a holistic approach to sustainability, we integrate social and environmental considerations with economic factors to drive the business forward. Just in 2014 alone, we spent close to RM221.4 million on various causes and initiatives which enhance our overall stakeholder value

This Sustainability Report marks the seventh public disclosure of our sustainability performance, and is our first to be guided by the latest Global Reporting Initiative (GRI) framework – the GRI G4. In line with the updated framework, we engaged an independent consultant to conduct a detailed materiality study with all stakeholder groups, and subsequently expanded on our disclosure of material issues and their impact on TM. The materiality analysis has been an extremely useful exercise for the Company as it provides us with a clear picture of what is important to our stakeholders and allows us to address their concerns in a manner that builds on our strengths and promotes TM as a sustainable organisation and the leading converged communications services provider.

Our Workplace Re-energised

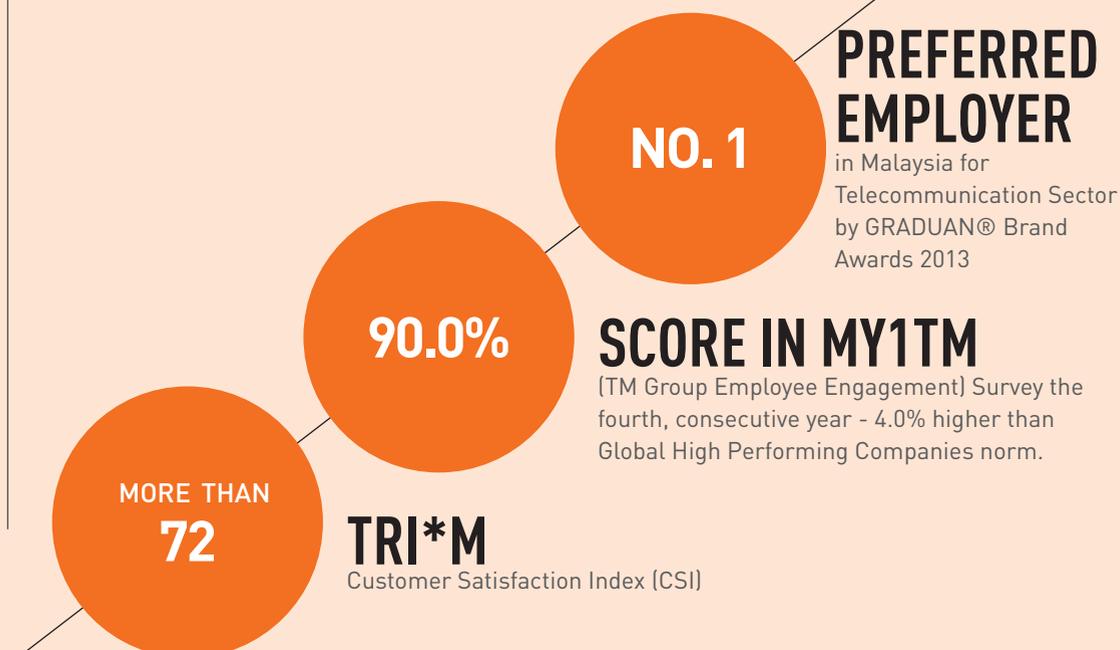
We thrive on the diversity of our 28,047 employees, which enhances our creativity making us unique. We deeply believe that diversity inspires innovation. Our definition of diversity goes beyond the traditional categories of race and gender. Who we are, where we come from, and what we have experienced influence the way we perceive issues and solve problems. We believe in celebrating that diversity and engage in equal opportunity and gender equality practices across our employment as well as career enhancement incentives. One example is the

employment of 27 disabled employees at our wholly owned subsidiary, VADS. Seeking to create greater gender equity, we continue to look for ways in which we can empower our female employees and help them balance their professional and personal obligations. During the year, we dedicated 10 bays located close to the car park entrance for pregnant employees; and also made a spacious nursing room available on the 18th floor of Menara TM that is able to accommodate nine mothers.

We continue to strive to provide the preferred workplace for our Warga TM, and our efforts were recognised when TM was listed among the Top 10 Preferred Employer in Malaysia and dubbed as the No. 1 Preferred Employer in Telecommunications sector by the GRADUAN® Brand Awards 2013 and the Asia's Best Employer Brand Awards 2014.

Firm in the belief that knowledge is key to success; each employee at every level within the organisation has a tailor-made learning path, supported by a customised portfolio of courses in the areas of strategy, business and leadership. High-achieving young executives are enrolled in a rigorous Fast Track Programme (FTP) through which they receive intensive training and mentoring while also engaging with the leadership.

An anonymous, transparent and detailed materiality survey covering all stakeholder groups was conducted by an external consultants.



In 2014, talents across the organisation were involved in a 'needle moving' project, which enabled them to play more active and significant roles to reveal their leadership potential. Through this highly facilitative development programme, they were assigned positions in different divisions and trained to become versatile leaders.

Further, we believe that engaged employees feel a greater sense of belonging to the organisation and are more motivated to perform. We therefore have a structured employee engagement programme comprising *Teh Tarik* sessions, *Turun Padang*, *Jom Bersama* and Mass Market BP2014 Roadshows. In 2014, 49 such sessions were held, in addition to keeping in touch with all employees via our intranet and internal newsletter. We were rewarded when our 2014 My1TM Survey or employee engagement index recorded a score of 90.0% for the fourth consecutive year, which is four percentage points above the Global High Performing Companies (GHPC) norm.

Our Marketplace Recharged

Leveraging on innovation, we have embarked on a game-changing and customer experience-centric strategy to increase our operational efficiencies and productivity, focusing on solutions. This is applied throughout our services supply and value chain - from developing our products and services to engagement with customers post-delivery, that is at every step of the customer experience journey.

Our aspiration towards becoming Malaysia's Convergence Champion and delivering on the brand promise of 'Life and Business Made Easier' is about providing convergence as a seamless customer experience, regardless of the technology, device or location. This vision is being fuelled by our concept of the 'Information and Innovation Exchange' with a strong foundation in broadband and ICT; which in turn represents a powerful way to unlock the full economic potential of our country.

A major milestone in 2014 was being awarded the *Sistem Kabel Rakyat 1Malaysia* (SKR1M) by the Malaysian Communications and Multimedia Commission (MCMC). This involves the development of a new submarine cable linking Peninsular Malaysia with Sabah and Sarawak to increase the nation's capacity for high-speed broadband. The project supports the Government's Economic Transformation Programme (ETP) via Entry Point Project (EPP) 10 - 'Extending the Regional Network' - as well as the National Key Economic Area (NKEA) for the Communications Content and Infrastructure (CCI) sector to improve communications infrastructure and the uptake of services. We continuously innovate our services to evolve with the needs of the industry through a broad range of services including Next-Gen Backhaul™ (NGBH), My1Hub and our extensive network of submarine cable systems.

Various services were launched during the year to cater to the needs of every segment of our customers. As part of our tailored services for vertical markets for enterprises, we launched our inbound services to support new companies and investments towards their connectivity and ICT needs. We are also proud to introduce Malaysia's first Virtual Private Cloud (VPC) which offers large enterprises in Malaysia a full spectrum of customised cloud computing services.

As part of our game-changing partnership with the Government, we collaborated to provide an integrated 21st Century Learning Solution for Majlis Amanah Rakyat (MARA), comprising a Content Management System, e-Teaching, Microsoft 365, security and blended learning pedagogy, this pilot solution is set to greatly enhance teaching and learning in Malaysia.

For Small and Medium Enterprises (SMEs) in Malaysia, our Shop in A Box™, SurePay and SurePay Point of Sale (POS) encourage businesses to increase efficiency and business profit.



Jom Bersama with GCEO Tan Sri Dato Sri Zamzamzairani Mohd Isa



TM ROvers mission during the massive flood relief operations in the East Coast



In 2014, we introduced two innovations focusing on enlarging our content reach: HyppTV Everywhere and HyppFlicks Plus Vouchers. HyppTV Everywhere is a stand-alone service for non-Unifi and non-Streamyx subscribers. Customers can now view and subscribe to HyppTV content through multiple electronic devices, even without having the Set-top Box at home. HyppFlicks Plus Voucher is a voucher redemption system for Video on Demand (VOD) content at HyppFlicks Plus channel.

Beyond products and services, we are positioning ourselves as an 'Innovation Exchange' to stimulate and inculcate innovation, creativity and entrepreneurship within TM and the innovation ecosystem at large, as well as to capitalise on market opportunities. Leveraging on TM Research and Development (TM R&D), Multimedia University (MMU) and our strategic industry alliances, we have set up an accelerator framework and programme, providing market access to start-ups, independent software vendors (ISVs) and entrepreneurs seeking to launch and scale-up their products.

As we drive an innovation ecosystem in the country, we are also supporting Bumiputera entrepreneurship. We have been running a Bumiputera Vendor Development Programme to promote this segment with more focused efforts on increasing their skills and competencies. In 2014, we included the development of Bumiputera champions as one of our key performance indicators (KPIs). We set a target to award 40.0% of our contracts to Bumiputera vendors and exceeded this by achieving a rate of 47.0%. We are working closely with the Ministry of International Trade and Industry (MITI) and 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.

Being a customer-centric culture organisation, Customer Experience Management and Transformation (CEMT) is well on track to humanise TM's customer service. It is TM's one-stop customer service unit overlooking our customer interactions and service improvements. Key milestones achieved in 2014 include enhanced Customer Service Charter (CSC) which includes measures to introduce a more customer-centric gauge of our operational performance, especially in the Mass Market and Managed Account segments.

We have also implemented a Voice of Customer (VoC) mechanism to capture customer feedback and respond to any dissatisfaction and in September 2014, an SMS rating system was introduced that allows customers to provide feedback on their interaction with sales agents and TMpoint frontliners. Similar feedback systems will be introduced to our call centres as well as installation and restoration teams in 2015 to further enhance our customers' experiences with us. Our efforts were once again rewarded when TM achieved get another score of more than 72 in the TRI*M index, meeting our headline KPI for the Third consecutive year.

Our efforts were once again rewarded when TM achieved yet another score at more than 72 in the TRI*M index, meeting our Headline KPI for the Third consecutive year.

Our Community Revitalised

We are proud of the unique and important role we play in nation building and the positive impact we are bringing to communities that we serve in. As Malaysia's Convergence Champion, our community programmes focus on ICT-led socio-economic development initiatives, with emphasis on education, the environment and uplifting the lives of the underprivileged, where we can.

As at 2014, YTM has disbursed RM462.0 million to 13,557 students mainly through scholarships and financial assistance. We have also allocated more than RM2.0 million to our adopted schools. Just in 2014, close to RM200,000 was invested in four adopted schools. Through the TM school adoption programme, we have touched the lives of close to 20,000 students, teachers, parents and local community members. Other than helping the students perform better in the national examinations, pioneer activities such as the TM Robotics Programme were organised to promote Higher Order of Thinking Skills (HOTS) and equip them with critical thinking skills. In addition, we continue to develop the future generations through our education arms, Multimedia University (MMU) and Multimedia College (MMC).

Under *Program Sejahtera* Phase 2 in Kelantan, we are helping five single mothers be financially independent. The single mothers receive basic skills training and attend entrepreneurship workshops where they are exposed to networking and business opportunities. They are also given one-on-one business coaching to improve their management, finance and marketing skills. Their children, meanwhile, are provided the opportunity to pursue their education at a higher level at MMU or MMC.

Towards bridging the digital divide, we have collaborated with the MCMC on several USP initiatives over the years to promote digital inclusion. These include the *Pusat Internet 1Malaysia (PI1M)*, *Kampung Tanpa Wayar (KTW)*, Community Broadband Library (CBL), *WiFi 1Malaysia (W11M)* and Mini Community Broadband Centre (CBC).

Our Environment Rebalanced

Innovative technologies are also leading in the gradual transformation towards a greener, healthier world. Acknowledging the importance of technology in managing our natural resources and reducing our environmental footprint, a green project management office was established in 2014, to embark on a sustainable green framework. This includes establishing new environmental baselines, energy efficiency metrics and a carbon reduction plan. These new standards and accompanying processes are to be implemented beginning 2015 onwards.

In 2014, TM Property Operations and the Support Business introduced five energy saving initiatives at our commercial buildings, telecom exchanges and cabins nationwide. As a result of these initiatives, TM saved approximately 23.7GWh of energy in 2014, which is equivalent to a reduction of over 17,681 metric tonnes (MT) of CO₂ (at a conversion factor of 1kWh = 0.75kgCO₂).

During the United Nations Climate Change Conference held in December 2009 in Copenhagen, Denmark, the Prime Minister of Malaysia announced a voluntary initiative to reduce the country's CO₂ emissions per GDP by 40.0% from the 2005 level, with technology transfer and financial support from developed countries. Supporting this national agenda, we have been reporting our carbon footprint in sustainability reports since 2011. More recently, we have enrolled in a two-year MYCarbon Reporting programme initiated by the Ministry of Natural Resources (NRE) and UNDP Malaysia. Such reporting will contribute towards the ministry's efforts to measure progress made in terms of the nation's emissions reduction. At the same time, this reporting portal will guide us towards our goal of reporting our environmental performance nationwide.

We understand that a significant volume of CO₂ results from our employees travelling to and from their various places of work around the country. In 2014, we embarked on an ambitious project to try to quantify the total yearly emissions produced by our entire workforce's daily commute. We understand that we cannot reduce what we cannot measure, and this useful information can help us devise ways to reduce our indirect carbon footprint further yet moving forward.

We continue to intensify our environmental awareness through our flagship programmes such as TM BumiKu Campaign and TM Earth Camp. We invite the young generations, employees, volunteers as well as TM Management Team to be involved in these programmes as we believe that each and every one of us has a role to play towards achieving a greener future.

Acknowledgements

I would like to take this opportunity to extend my gratitude to all our stakeholders who are a continuous source of inspiration for us to perform better with their feedback, opinions and support while we invest in a better future for the organisation, and our country. On behalf of the Management, I would like to express my deepest appreciation to our Board for their wisdom and guidance, and to our *Warga TM* for their passionate 1TM spirit, unrelenting dedication, and commitment. Together, we have changed our game, and will continue to do so. I personally welcome your feedback to this report and look forward to incorporating your views and suggestions to help us further accelerate our sustainability journey.



TAN SRI DATO' SRI ZAMZAMAIRANI MOHD ISA

Group Chief Executive Officer

MAXIMISING PERFORMANCE

Maximising revenue and profitability hinges upon maximising the reach and utilisation of our network. We anchor our strategies on the 'Information and Innovation Exchange' business vision which is translated into reality via our Performance Improvement Programme (PIP 3.0), 'Life Made Easier' (LME) and 'Business Made Easier' (BME) strategies. Our strategy also entails increasing operational efficiencies and productivity while maintaining an efficient cost structure to improve overall productivity.

STRATEGY AT A GLANCE

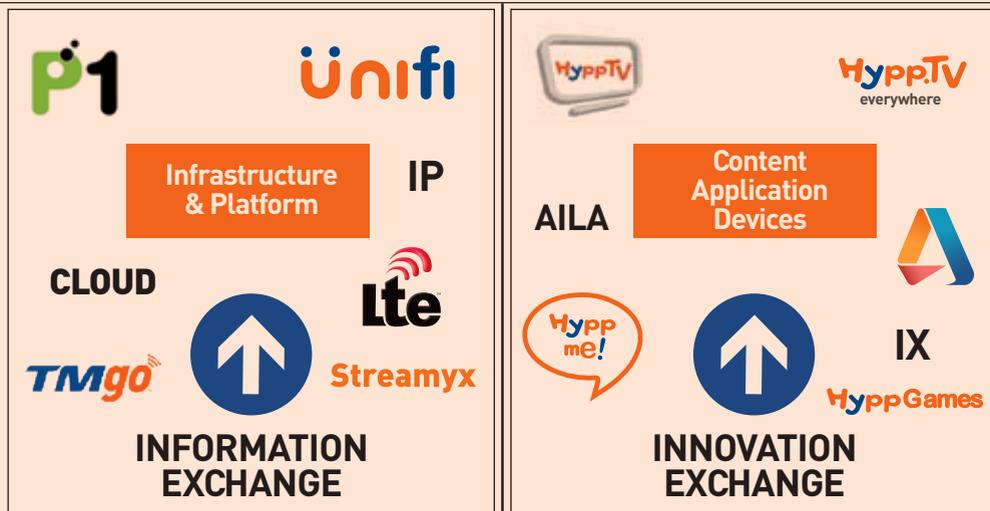
LME AND BME

LME and BME represent our go-to-market (GTM) strategy, based on the simple concept of ensuring excellent service and exceptional quality for all our customers. This is achieved by providing a comprehensive suite of services, optimising back-end processes and improving our touch points.



INFORMATION EXCHANGE

Guides TM to build and operate secure, fast, reliable and open networks and platforms that support all customers and anytime-anywhere-any device application.



INNOVATION EXCHANGE

Guides TM to explore new areas of innovation focusing on content, applications and devices delivered over our networks and platforms, driving usage of our networks.

PIP 3.0

PIP 3.0 is a three-year execution strategy that forms the base of our overall strategy framework. It is divided into three broad categories with detailed initiatives under each pillar.

Continued Growth

Fundamental Productivity Shift

Improving Institutional Health Enablers

WHERE WE ARE IN OUR SUSTAINABILITY JOURNEY

In addition to adhering to relevant legislation, TM conducts all activities in a manner that reflects its commitment to customer-centricity, connectivity, rigour, honesty, integrity, transparency, information accuracy, anti-corruption, equal opportunities, non discrimination, and environmental and social responsibility.

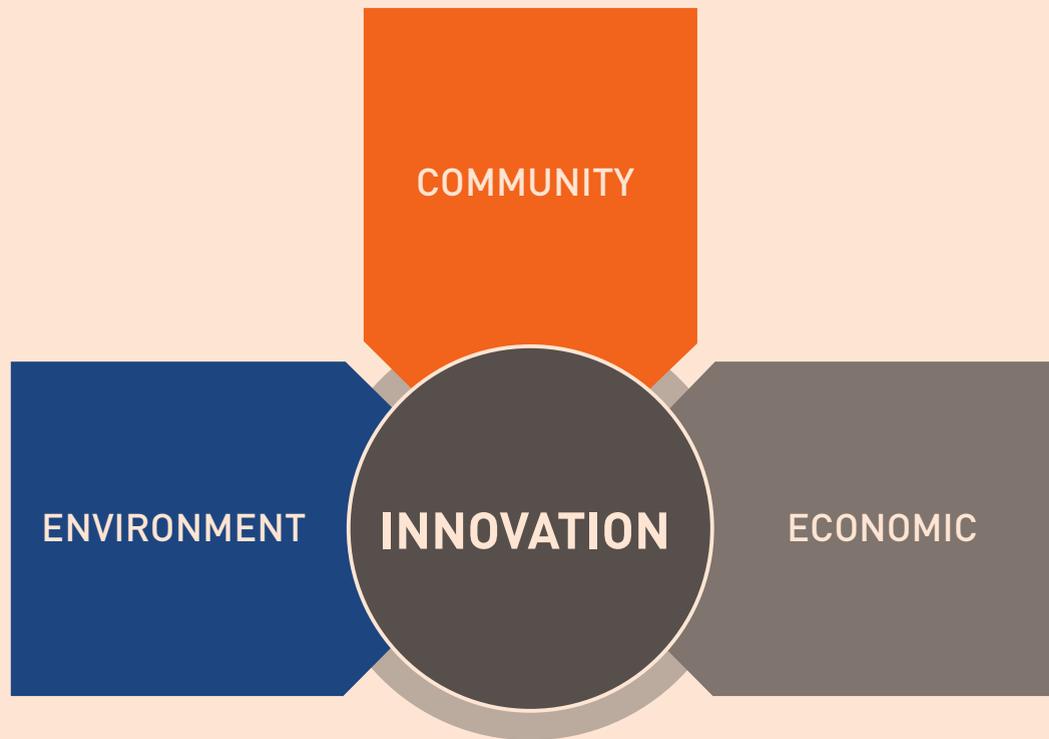
We have identified ambitious future goals relating to business growth, customer service, employment, human rights, innovation, energy efficiency and social responsibility. The table below presents our commitment in each area of sustainability and states our current achievements.

SUSTAINABILITY AREAS	OUR COMMITMENT	WHERE WE ARE
COMMUNITY	Transforming Communities through Impactful Community Initiatives	<ul style="list-style-type: none"> More than RM2.0 million has been channelled to our school adoption programme, through which we have supported a total of 12 schools. TM Robotics Programme, which was introduced through the TM School Adoption Programme, encourages students' creativity and innovative minds. TM hopes that the younger generations will benefit from these skills by developing critical thinking skills. MMU is catalysing growth of the nation's ICT industry via the MMU 2.0 Transformation Programme. Five single mothers are enhancing their families' lifestyle as a result of business training and grants support through Program Sejahtera in Kelantan.
WORKPLACE	Growing Together with Our Employees	<ul style="list-style-type: none"> TM was named one of the Top 5 Companies to Work For in Asia 2014, Asia's 50 Best Employers and Top 10 Preferred Employers in Malaysia 2014. TM goes beyond providing training programmes by implementing career opportunities that develop employees' talent and skills such as TM Fast Track Programme (FTP) and Lead, Excel & Deliver (L.E.A.D). TM Scored 90.0% in the recent My1TM Survey. Skim MESRA was introduced in 2014 to employees aged 55 and above as an option to retire before they turn 60. TM's Occupational, Safety, Health and Environmental (OSHE) Policy Statement was introduced in July 2014 which covers TM's safety regulations for all stakeholders on TM premises. Particular emphasis on TM ROVERS which unites employees in helping fellow Warga TM and Malaysians in need. TM Integrity Fellows programme was introduced in 2014 with close to 200 employees from various divisions being nominated to uphold and create awareness of integrity in fellow colleagues.
MARKETPLACE	Innovation at the Heart of Our Business	<p>Various innovative solutions were introduced in 2014 to:</p> <ul style="list-style-type: none"> Enhance customers' experience through SMS rating system and Voice of Customer (VoC). Achieve efficiency in the supply chain through the Workforce Management System (WFMS). Enlarge our network through My1Hub and Submarine Cable Systems. Intensify engagement with our stakeholders through VADS Social Media Hub. Uphold good governance and transparency through TM Integrity Fellows Programme and TM Integrity Day. Self help/informative YouTube Channels.
ENVIRONMENT	Minimising Environmental Footprint through Technology and Processes	<ul style="list-style-type: none"> TM began participating in MYCarbon Reporting in 2014 as part of its commitment to reducing emissions. TM signed an MOU with (Jabatan Alam Sekitar) Department of Environment Malaysia. TM embarked on a sustainable green framework and will establish new metrics for its energy efficiency baseline and benchmarking. TM raised awareness via TM Earth Camp for school children nationwide and BumiKu Campaign for employees.

Innovation Driven Sustainability

The telecommunications industry is more challenging than ever. While globalisation opens up the opportunity to serve a growing world population, successful companies will have to innovate to ensure ethical and sustainable business. TM has committed to creating stakeholder value through sustainability today and in the future. We balance the legitimate desire to generate profit with ethics as well as respect for the environment and our communities. Achieving this balance is essential for robust relationships.

Real and measurable value is delivered to stakeholders by leveraging on a unique blend of the following three key areas:



Sustainable business management forms the basis of leadership, and affects our future investment ability. This capability lends TM a competitive edge that sets it apart.

CORPORATE PROFILE

VISION

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

VALUE

1. Total Commitment To Customers
2. Uncompromising Integrity
3. Respect & Care

KRISTAL

Kristal Song*

With full commitment to our customers
We strive to give our very best
Showing great understanding
Keeping an open mind at all times

Be honest, sincere and trustworthy
To friends, colleagues and all
Always with respect for one another
Working with the utmost dedication

Chorus:

Let us move forward as one
Providing excellence in service
Overcoming all obstacles
Surely we can be the best

May TM continue to succeed
Guided by visionary leadership
And with our united foundation
May TM forever be the pride of the
Nation

* English translation of original Bahasa
Melayu lyrics

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

MISSION

ABOUT US

G4-4, G4-7

TM IS
MALAYSIA'S
LEADING
INTEGRATED
INFORMATION
AND
COMMUNICATIONS
SOLUTIONS
PROVIDER
OFFERING A
COMPREHENSIVE
RANGE OF
CUTTING-EDGE
SERVICES AND
SOLUTIONS IN
BROADBAND,
DATA AND
FIXEDLINE.

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 marked an inflection point, when a strategic demerger separated the Company's mobile operations from the fixed line business; and when TM signed a Public Private Partnership (PPP) with the Government of Malaysia to build and deliver high speed broadband (HSBB). Less than two years later, TM launched the nation's first HSBB service – UniFi – which was recognised by multiple global accolades, including being one of the fastest and lowest-cost high speed broadband roll-outs in the world.

Over the years, we have further strengthened our position as 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 true purpose is symbolised by our promise – 'Life and Business Made Easier' – an inspirational pledge that goes beyond our dedication to enhancing the customer experience so that whatever we do, big or small, is focused on making the lives of all our stakeholders easier. This is achieved not only by enriching lifestyles and increasing business productivity, but also by going beyond connectivity to provide opportunities for communication and collaboration. TM continues to play an important role in transforming the way Malaysians connect, communicate and collaborate towards a better future; in the way we touch the lives of Malaysians – be it through our products and services or solutions, or our community and nation-building programmes as well as via education.

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 envision on our continuing journey of transformation.

Always committed to supporting the Government's initiatives to increase high-speed broadband capacity, TM is proud to have been awarded a landmark contract by the Malaysian Communications and Multimedia Commission (MCMC) to establish a new submarine cable system, *Sistem Kabel Rakyat 1Malaysia* (SKR1M), linking Peninsular Malaysia with Sabah and Sarawak. This will further enhance the nation's broadband connectivity to meet industry's growing demand for IP applications. Most recently, TM also accepted the award of the High Speed Broadband Phase 2 (HSBB2) Project and the Sub Urban Broadband (SUBB) Project in collaboration with the Government to deploy domestic access core networks to deliver end-to-end broadband network infrastructure and services, and increase coverage nationwide.

Guided by our Information and Innovation Exchange aspiration, 2014 witnessed the acquisition of Packet One Networks (Malaysia) Sdn Bhd (P1) and our entrance into the Long Term Evolution (LTE) space with the launch of TMgo, our first 4G broadband offering. As we continue on our journey to become the nation's true Convergence Champion and No. 1 Converged Communications Service Provider, we intend to deliver convergence as a seamless experience beyond technology, products, services and devices to enrich, improve and impact the lives of Malaysians everywhere, true to our mantra – 'Life and Business Made Easier'.



With content being one of TM's key game changers, we are focused on improving HyppTV by offering more channels and packages to suit our customers' lifestyles. New value-added packages are increasing customers' choice of sports, entertainment, edutainment, news and lifestyle channels. With HyppTV Everywhere, customers can use their mobile devices to enjoy exclusive world-class channels available on the HyppTV platform even if they do not subscribe to TM's UniFi or Streamyx packages. The new offering is aimed at attracting more viewers from the tech-savvy Gen-Y segment who are the largest consumers of mobile entertainment and content, while at the same time enabling more Malaysians to watch HyppTV anywhere and anytime.

Along with our rapid transformation into an Information and Innovation Exchange, the focus on training and development of our more than 28,000 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 MMU and 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 its pledge to ensure the integrity of its processes, people and reputation as well as the sustainability of business operations. Our Corporate Responsibility (CR) ethos reinforces responsible behaviour in the four main domains of the marketplace, workplace, the community and 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 its numerous awards in almost every aspect of operations including corporate governance and corporate responsibility. Most recently, we were honoured with the Platinum Award for Overall Excellence for the Most Outstanding Annual Report of the Year at the National Annual Corporate Report Awards (NACRA) in 2014, a distinction we earned three times before, in 2013, 2011 and 2006. We also won the Industry Excellence Award for Main Board Companies under the Trade & Service category for the 18th consecutive year. In addition, TM was awarded the NACRA 2014 Platinum Award for Best Corporate Social Responsibility Reporting, and the Anugerah CSR Perdana Menteri for Best Workplace Practices in 2009 and 2010. TM is also the winner of the Best Sustainability Report Award (SRA) in Malaysia for two consecutive years at the 2013

Sustainability Reporting Awards organised by The National Centre for Sustainability Reporting (NCSR) based in Indonesia. We were named Telecom Service Provider of the Year for the third time at the 2014 Frost & Sullivan Malaysia Excellence Awards as well as the Best Broadband Service Provider of the Year for the eighth time and the Data Communications Service Provider of the Year for the 10th consecutive year. On the regional front, TM was recognised as the Fixed Broadband Provider of the Year at the 2013 Frost & Sullivan Asia Pacific ICT Awards for the second year running. TM was also named Asia Pacific's Best Wholesale Ethernet Service Provider for two consecutive years in 2011 and 2012 by Metro Ethernet Forum for its commitment to keeping pace with global Ethernet standards. Additionally, the Company was accorded the Best Broadband Carrier Award at the 2012 Telecom Asia Awards.

We will continue to focus on our ongoing transformation journey towards becoming a Convergence Champion, which will enable us to deliver our promise of 'Life Made Easier' and 'Business Made Easier' with TM.

For further information on TM, visit www.tm.com.my.

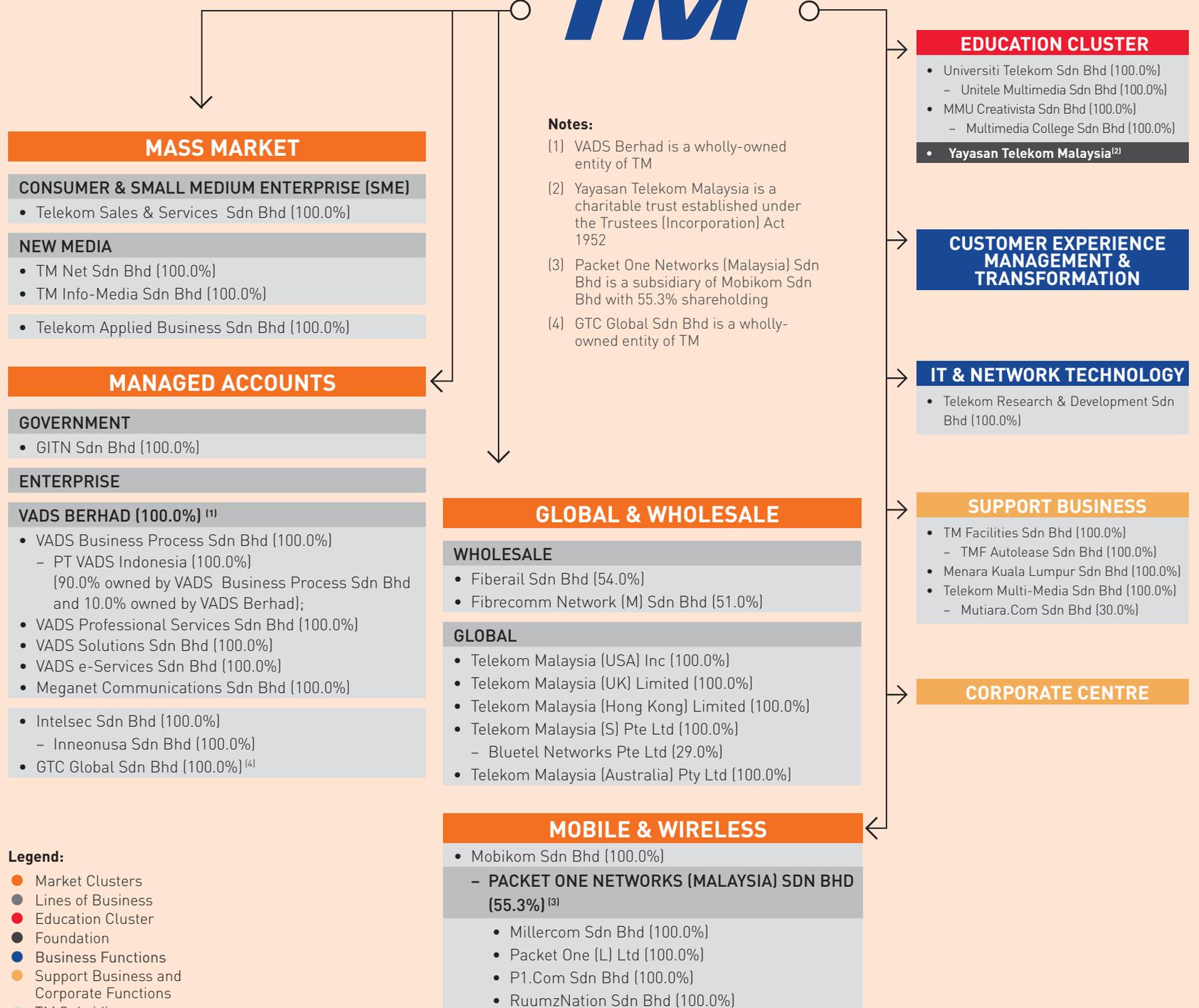
GROUP FINANCIAL HIGHLIGHTS

G4-DMA, G4-17, G4-ECI

In RM Million	2010	2011	2012	2014	2014
Operating Results					
1. Operating revenue	8,791.0	9,150.7	9,993.5	10,628.7	11,235.1
2. Profit before taxation and zakat	1,360.2	1,001.2	1,069.6	1,046.0	1,105.5
3. Profit for the financial year	1,245.0	1,237.1	1,305.9	1,047.8	842.5
4. Profit attributable to equity holders of the Company	1,206.5	1,191.0	1,263.7	1,012.2	831.8
Key Data of Financial Position					
1. Total shareholders' equity	7,659.7	7,424.0	6,894.8	7,136.7	7,571.1
2. Total assets	21,079.0	22,252.3	22,195.9	21,146.5	22,623.2
3. Total borrowings	5,532.0	6,410.4	7,140.4	6,455.2	6,448.4
Share Information					
1. Per share					
Earnings (basic)	33.9 sen	33.3 sen	35.3 sen	28.3 sen	22.9 sen
Gross dividend	26.1 sen	19.6 sen	22.0 sen	26.1 sen	22.9 sen
Net assets	214.7 sen	207.5 sen	192.7 sen	199.5 sen	203.6 sen
2. Share price information					
High	RM3.60	RM5.09	RM6.40	RM6.00	RM7.57
Low	RM3.04	RM3.50	RM4.71	RM5.05	RM5.28
Financial Ratios					
1. Return on shareholders' equity	16.5%	15.8%	17.7%	14.4%	11.3%
2. Return on total assets	5.9%	5.6%	5.9%	5.0%	3.7%
3. Debt equity ratio	0.7	0.9	1.0	0.9	0.9
4. Dividend cover	1.3	1.7	1.6	1.1	1.0

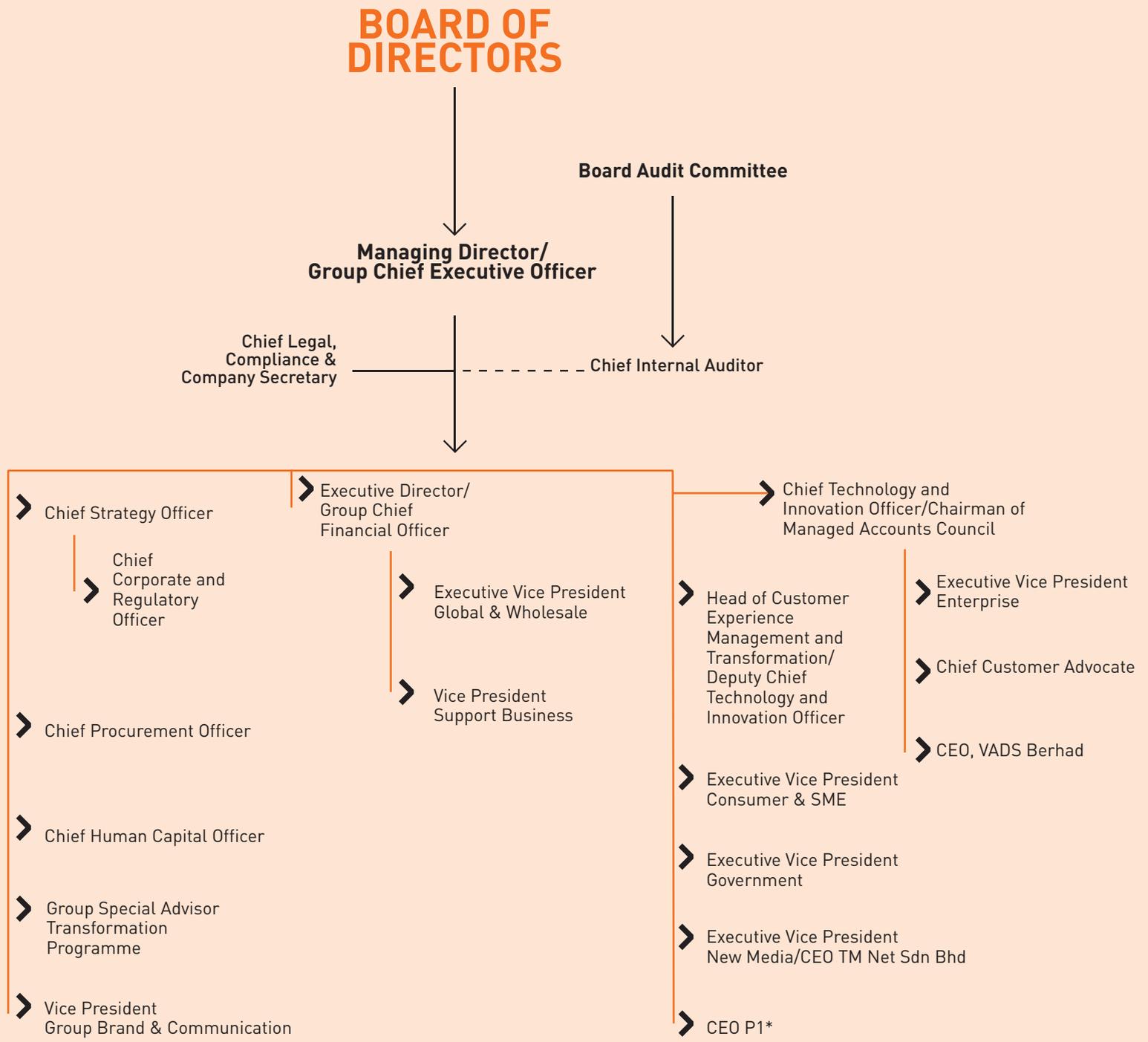
GROUP CORPORATE STRUCTURE

G4-34



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

GROUP ORGANISATION STRUCTURE



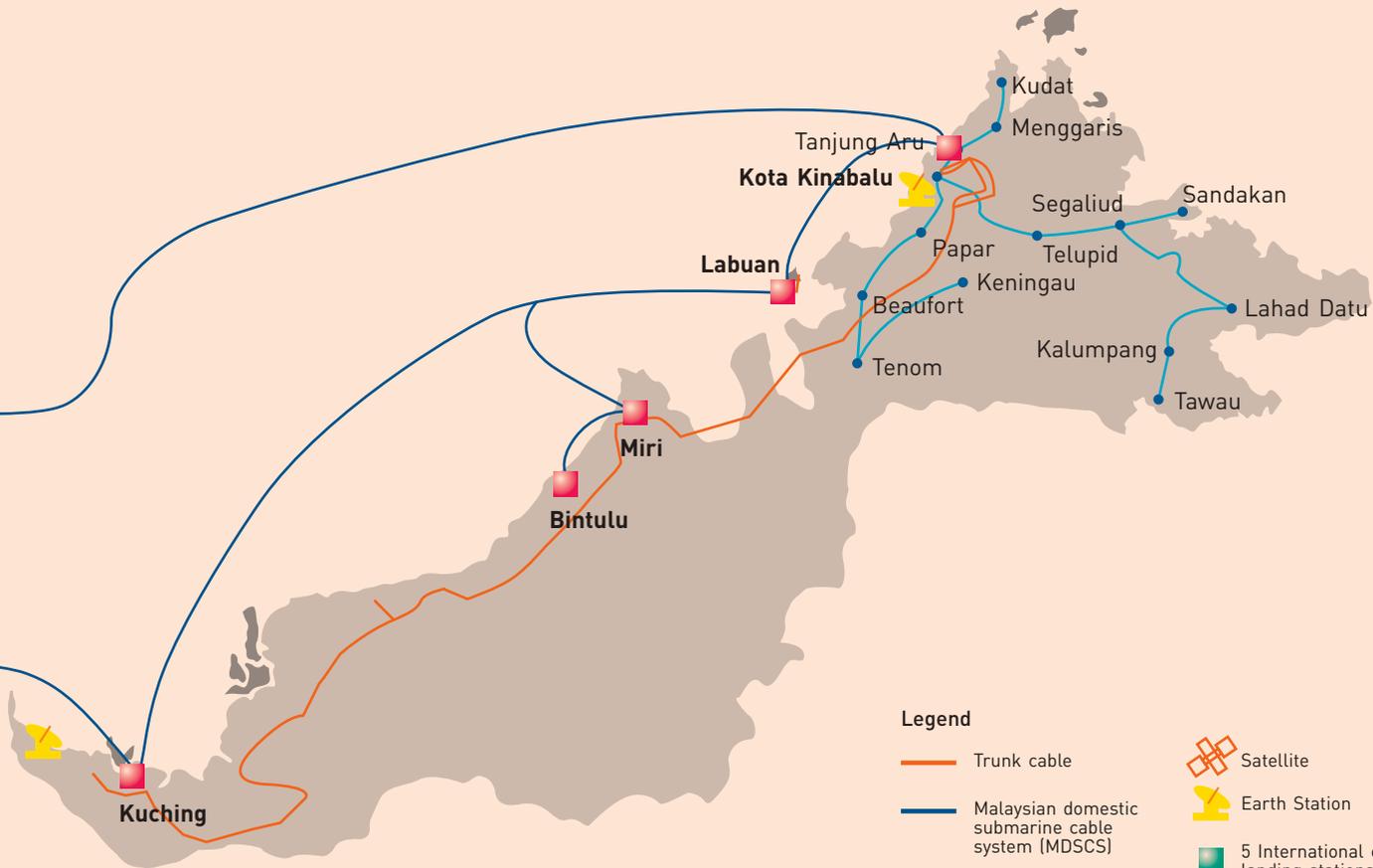
Note:
* Non GLT member

as at 13 March 2015

INTERNATIONAL & DOMESTIC INFRASTRUCTURE & TRUNK FIBRE OPTIC NETWORK



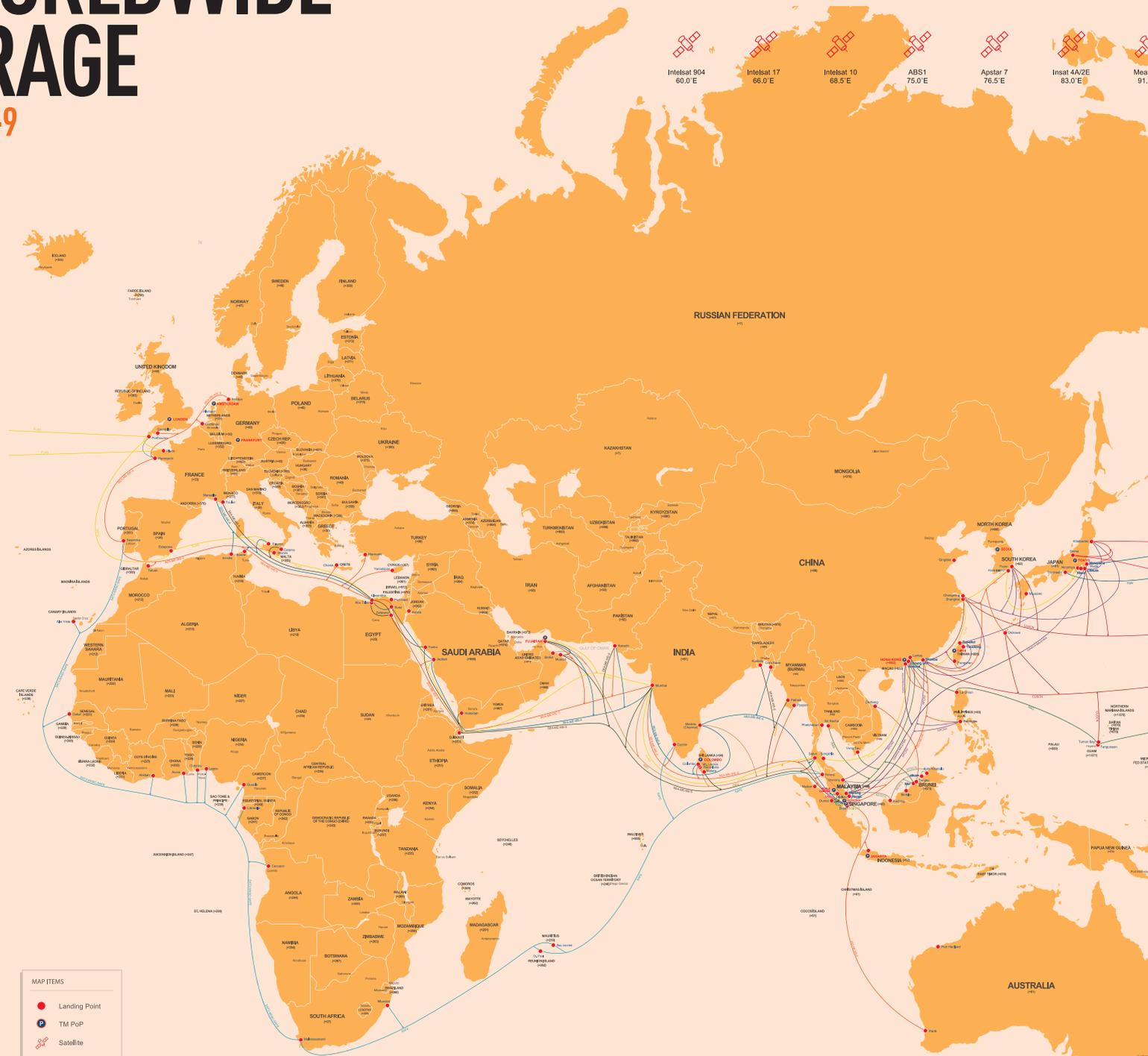
Intelsat 10 68.5°E	ABS2 75.0°E	ABS2 76.5°E	Insat 4A/2E 83.0° E	Measat 3 91.5° E	NSS 6 95.0° E
Asiasat 5 100.5° E	Asiasat 3S 105.5° E	JCSAT 3A 128.0° E	Apstar 6 134.0°E	Apstar 5 138.0°E	Intelsat 19 166.0° E



- Legend**
- Trunk cable
 - Malaysian domestic submarine cable system (MDSCS)
 - Fibrecomm
 - - - - - Fiberail
 - International Submarine Cable System
 - Satellite
 - Earth Station
 - 5 International cable landing stations
 - 7 Domestic cable landing stations
 - Trunk nodes

TM WORLDWIDE COVERAGE

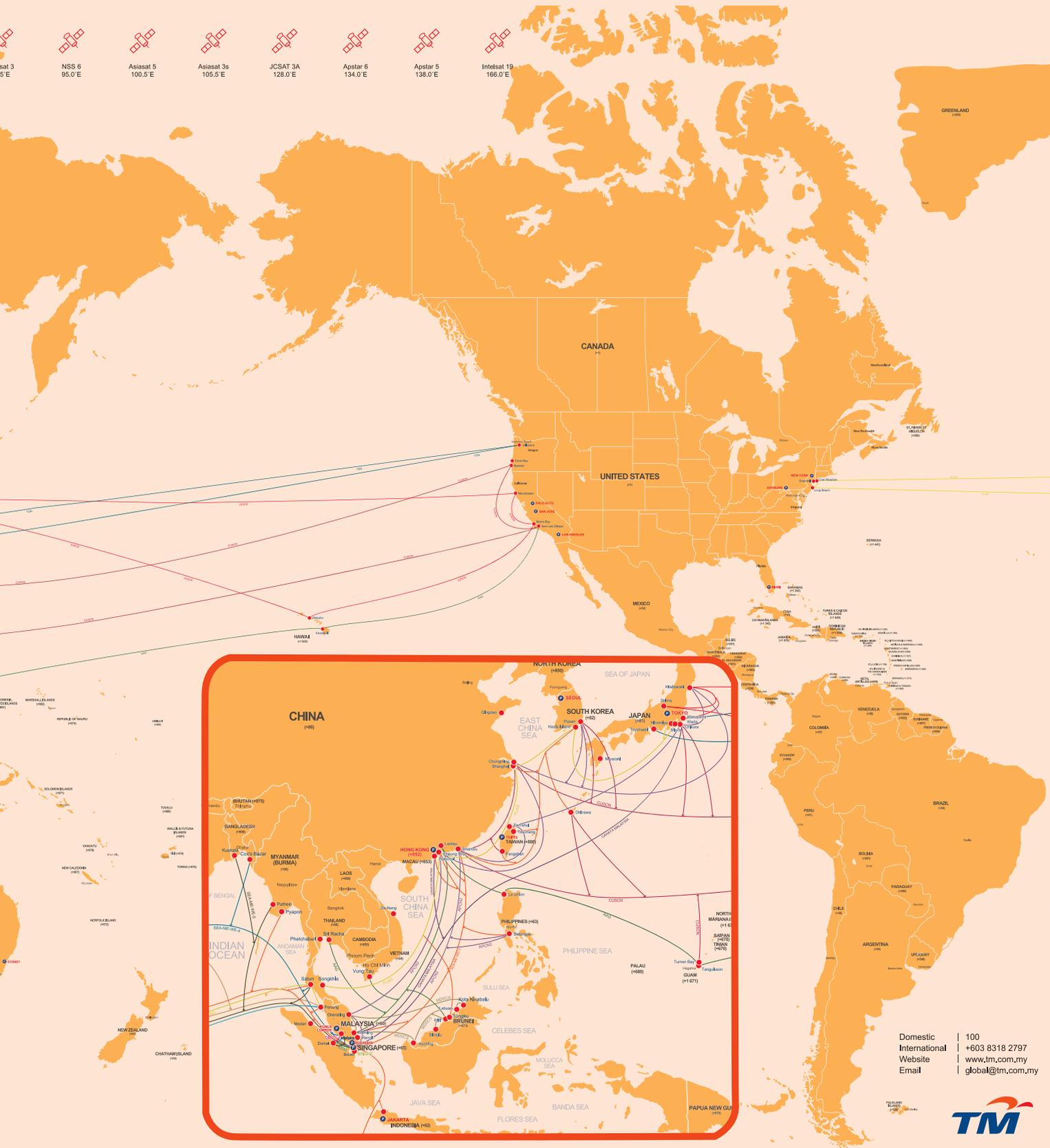
G4-6, G4-8, G4-9



MAP ITEMS

- Landing Point
- TM PoP
- Satellite

REGION	SUBMARINE CABLES SYSTEM												
South East Asia	● AAG	● APCN2	● BRIGHT	● MDSCS	● DMCS	● FLAG	● TGN	● SAT3-WASC-SAFE	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5	● BBG	● CAHAYA MALAYSIA
Asia Pacific	● AAG	● APCN2	● CUSCN	● FLAG	● JUSCN	● SEA-ME-WE-3	● SEA-ME-WE-4	● TGN	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5	● BBG	● CAHAYA MALAYSIA
Europe	● FLAG	● SAT3-WASC-SAFE	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5								
North America	● FLAG	● AAG	● JUSCN	● CUSCN	● TGN								
Indian Sub Continent	● FLAG	● SAT3-WASC-SAFE	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5	● BBG							
Middle Eastern	● FLAG	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5	● BBG								
Africa	● FLAG	● SAT3-WASC-SAFE	● SEA-ME-WE-3	● SEA-ME-WE-4	● SEA-ME-WE-5								
Oceania	● SEA-ME-WE-3												



- 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

1. **National Annual Corporate Report Awards (NACRA) 2014**
 - Platinum Awards for Best Corporate Social Responsibility
2. **Alpha Southeast Asia's 4th Annual Corporate Institutional Investor Awards 2014**
 - Best Strategic CSR & Best Annual Report in Malaysia
3. **Asia Corporate Excellence & Sustainability Awards 2014**
 - Top 5 Companies to Work for in Asia

AT TM, WE BELIEVE IN INNOVATING AND CREATING NEW IDEAS TO INCREASE OUR CAPABILITIES, STRIVING FOR GREATER HEIGHTS, TO SERVE YOU BETTER.

19 Mar
TV Connects Industry Awards 2014

- Best Component or Enabler

22 Apr
Frost & Sullivan Malaysia Awards

- TM Awards
 1. Telecommunication Wholesale Service Provider of the Year
 2. Data Communications Service Provider of the Year
 3. Broadband Service Provider of the Year
 4. Telecom Service Provider of the Year
- VADS Awards
 1. BPO Service Provider of the Year
 2. Managed Service Provider of the Year

5 May
11th RAM League Awards

- RAM Awards of Distinction 2013
- Blueprint Award 2013

9 May
Frost & Sullivan Malaysia Excellence Awards

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

30 May
Asia-Pacific Stevie Awards

- Grand Stevie Awards

25 June
Frost & Sullivan Asia Pacific ICT Awards

- Fixed Broadband Service Provider of the Year

1 Aug
Asia Best Employer Brand Awards 2014

- Asia's Best Employer Brand Awards 2014

15 Aug
CMO Asia's World Brand Awards

- Brand Excellence Awards – Telecommunication Service Sector

10 Sept
Alpha Southeast Asia's 4th Annual Corporate Institutional Investor Awards

- Best Strategic CSR & Best Annual Report in Malaysia
- Most Organised IR
- Best Senior Management IR Support

Ethical Boardroom Corporate Governance Awards 2015

- Best Corporate Governance – Telecoms – Asia

30 Sept
World IT and Services Alliance (WITSA) Excellence Awards

- TM R&D won the Chairman's Award

8 Oct
Computerworld Malaysia Readers Choice Awards 2014

- Managed Connectivity
- Hybrid and Private Cloud Provider – Won by VADS

31 Oct
Asia Corporate Excellence & Sustainability Awards 2014

- Top win for the category of Best Companies to work
- Top 5 companies to work

20 Nov
NACRA Awards 2014

- Overall Excellence for Best Annual Report – Platinum
- Best Corporate Social Responsibility – Platinum
- Best Annual Report in Bahasa Malaysia – Platinum
- Industry Excellence – Trading & Services
- Best Designed Annual Report – Gold

31 Nov
Top Asia Corporate Ball 2014

- Malaysia Top Corporate Leader – Tan Sri Dato' Sri Zamzamzairani Mohd Isa (Asian Corporate Icon – Telecommunication)

9 Dec
Minority Shareholder Watchdog Group (MSWG)-ASEAN Corporate Governance Index Awards 2014

- Top Transparency recognition
- Exemplary Annual General Meeting (AGM) Minutes
- Exemplary Environment, Social and Governance (ESG) Practices
- Industry Excellence in Telecommunications and Utilities
- Top Corporate Governance recognition.

SUSTAINABILITY & CORPORATE RESPONSIBILITY: STRATEGY & IMPACT ANALYSIS

Addressing Stakeholders' Interests through a Triple Bottom Line Approach

TM continues to incorporate stakeholders' input into the design of its CR roadmap. The response to each issue depends on 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"> • Innovation Exchange • Best corporate governance practices • Policy and guidelines to govern business conduct • Enterprise Risk Management (ERM) Framework • Special focus groups and customer advisory panels • Customer satisfaction survey and online feedback • Customer service management (Rapid Response Team (RRT)) • Customer education and awareness programme • Vendor training and standard procurement processes • Vendor Development Programmes • Active stakeholder engagement programmes • Upgrading of TMpoint outlets • Education and training for TM ambassadors • SME BizFest™, SME BizFiesta™, SMEBizNet™ • Expanding our global reach through My1hub and submarine cable systems
	WORKPLACE	<ul style="list-style-type: none"> • Transparent performance measurement system • Employee satisfaction monitoring • Disability and health benefits • Occupational, Safety and Health (OSH) management • Development and training opportunities • Employee Assistance Programme (EAP) • Work-life balance (flexi-hours, teleworking) • Talent pool management • Mentoring programme • Women empowerment • TM Integrity Fellows Programme • Skim MESRA • TM Flexi Plan • Lean Management • Various Volunteerism programme through TM Reaching Out Volunteers (TM ROVers)

**TRIPLE
BOTTOM LINE CR DIMENSIONS KEY INITIATIVES**

SOCIAL

COMMUNITY

- TM in Education:
- Yayasan TM Scholarships
 - YTM Brigade/Scholars Development Programme
 - TM School Adoption Programme with PINTAR Foundation
 - TM Robotics Programme with Sasbadi Sdn Bhd
 - Multimedia University (MMU)
 - MMU Transformation 2.0
 - TM Graduate Employability Outreach Programme (TM GEOP)
 - Multimedia College (MMC)
 - MARA Smart Education by TM Government
- TM in the Community and Nation Building:
- Program Sejahtera for single mothers
 - Contributions to disaster relief and the underprivileged
 - *Pusat Internet 1Malaysia (PI1M)*
 - *Kampung Tanpa Wayar (KTW)*
 - Universal Service Provision (USP)
 - Community Broadband Centres (CBC)
 - *Sistem Kabel Rakyat 1Malaysia (SKR1M)*
 - Ad-hoc donations and contributions to charitable organisations

ENVIRONMENT

ENVIRONMENT

- TM environmental manual
- Active recycling programme
- Energy savings at exchanges and stations
- TM Environmental Management System (EMS)
- Carbon Management Plan
- Water management
- Energy saving and conservation
- Conformance to OSHE Policy
- Environmental conservation and minimising the impact on water, energy, waste, emissions and noise
- Green landscaping at TM offices
- BumiKu Campaign
- Partnership with Malaysian Nature Society (MNS) for TM Earth Camp
- TM-MMU Mudball Project 2.0

STAKEHOLDER ANALYSIS

We define our stakeholders as those who may be affected by or have an effect on our operations. We are mindful of who our stakeholders are, categorising them as key, primary and secondary stakeholders.

Identification of Stakeholders

G4-24, G4-25, G4-26

Stakeholders have the capacity to affect our business activity both positively and negatively. Each year, we monitor the type of publicity generated about the Company, and assess the perceived impact of this on our stakeholders.

TM is honoured to be part of the daily lives of millions of people that it engages with at individual and organisational levels, and through public-private partnerships with the Government. Given the presence of our technology networks and service across the world, we recognise our duty to engage with stakeholders beyond national borders. Dealing with such a large number of stakeholders comes with its own set of complexities and, occasionally, competing priorities. However, we truly value feedback from our diverse stakeholder groups, and conduct several formal stakeholder engagement surveys throughout the year.

Relationship with Stakeholders

G4-24, G4-25, G4-26

We have introduced various formal and informal channels to engage with each stakeholder group and understand their needs and concerns on matters related to our services and operations. Our ultimate goal is to manage our stakeholders' expectations effectively to achieve sustainable long-term relationships.

Close relationships have been built that help anticipate solutions and mitigate possible negative impacts. TM generates ideas, identifies weaknesses and defines improvement plans that integrate the interests of all parties. We have made available the following communication channels, most of which are accessible 24 hours a day, 365 days a year.

TM'S STAKEHOLDERS: THOSE WHO MATTER MOST TO US



STAKEHOLDER GROUP	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
CUSTOMERS	Customer feedback management Customer support centre at 100 Social media tools – Twitter, FB, YouTube Market research Loyalty programmes Events, dialogue sessions, roadshows and engagement sessions	Daily Daily Daily Regular Ad-hoc
GOVERNMENT & AUTHORITIES	Formal meetings Performance reports Discussions on government initiatives	Ad-hoc Regular Ad-hoc
SHAREHOLDERS & INVESTORS	Investor relations events Annual and sustainability reports Annual general meetings Extraordinary general meetings Shareholder updates Quarterly reports	Ad-hoc Annually Annually Ad-hoc Regular Quarterly
BUSINESS PARTNERS	Progress reports Annual and sustainability reports Corporate presentations Signing ceremonies	Regular Annually Ad-hoc Ad-hoc
COMMUNITY	Website and service catalogues Annual and sustainability reports Visits, seminars and joint activities Community engagement activities	Daily Annually Ad-hoc Regular
EMPLOYEES	Employee satisfaction survey Dialogue and engagement Intranet, departmental meetings and newsletters Employee engagement programmes TM clubs: Kelab TM, BAKIT and TIARANITA Top management messages	Annually Regular Regular Regular Regular
SUPPLIERS	Transparency survey Supplier training programmes Supplier relationship management	Annually Regular Regular
TRADE UNION & PROFESSIONAL BODIES	Dialogue and engagement Joint activities Consultations and negotiation	Regular Regular Ad-hoc
ANALYSTS	Analyst briefings Site visits Seminars, question and answer sessions Performance reports	Regular Regular Regular Quarterly
GENERAL PUBLIC	TM website TM contact centres such as TMpoint outlets Annual and sustainability reports Campaigns and roadshows	Daily Daily Annually Regular
NON-GOVERNMENTAL ORGANISATIONS (NGOS), CONSUMER GROUPS & ACTIVE ORGANISATIONS	Dialogue and engagement Collaboration Sponsorships and donations	Regular Regular Ad-hoc
MEDIA	Press releases Press conferences, question and answer sessions Media coverage Media luncheons	Regular Regular Regular Regular
SOCIAL MEDIA	Engagement sessions with social media practitioners Corporate Twitter accounts TM Facebook Accounts Other online channels	Regular Daily Daily

Relevant Issues in the Year by Stakeholder

G4-21, G4-24, G4-25, G4-32

The Global Reporting Initiative defines material issues as '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'.

Put simply, addressing materiality concerns the identification of all issues that could pose a risk or present opportunities. These issues are weighted according to their level of concern for stakeholders and the sustainability of our operations. Materiality analysis helps to identify the most salient topics to focus on in our Sustainability Report.

Applying a rigorous materiality process also helps TM formulate a strategy for allocating internal resources.

G4-14

Areas that could represent potential opportunities or risks to the business now or in the future are identified and then analysed to determine their relevance to society and our business. A topic is of high material interest if it is considered relevant to both our stakeholders and TM. A detailed materiality survey was conducted in 2014 to ascertain the views of each stakeholder group. The methodology and results of this survey have been compiled, reviewed and now presented in this Sustainability Report.

Materiality Study

G4-18, G4-19, G4-20

Sustainability represents one of TM's five strategic objectives. To achieve sustainability, however, we believe it is essential to align the expectations of our stakeholders with those of the organisation. Towards this end, we conducted the most comprehensive and detailed materiality study that the Company has ever performed.

The Methodology

The TM Stakeholders Materiality Survey 2014 was conducted in the last quarter of 2014. To ensure impartiality and secure the anonymity of the respondents, the survey was performed by an external consultant. The opinions of representatives from the following major stakeholder groups were sought:

- Government and Authorities
- Shareholders, Investors and Analysts
- Business Partners and Suppliers
- Employees
- Trade Unions and Professional Bodies
- General Public and Community
- NGOs, Consumer Groups and Active Organisations
- Mainstream and Social Media
- Customers – current and potential

A total of 3,633 complete responses were obtained and analysed to ascertain the views of our stakeholders. Given the sample size, we believe the survey provides a reasonably accurate representation of our stakeholders' opinions.

SUSTAINABILITY AREAS ASSESSED IN THE MATERIALITY STUDY

Respondents were asked to rate the importance they placed on 41 issues related to corporate governance, economic performance, the environment, workplace, community and marketplace. These issues are summarised in the chart opposite.

A five-level Likert scale was used, allowing respondents to indicate how important each criterion was, from 'Less important' at (1) to 'More important' at (5). The survey could be completed in either English or Bahasa Malaysia.

There was a natural skew in the results as the different stakeholder groups were not represented equally. Employees were the highest represented stakeholder group with the fewest respondents representing mainstream and social media. To redress the sample imbalance, a separate average score was calculated for each of the 41 areas within each stakeholder group, following which an average from all nine stakeholder groups was obtained.

The same survey was completed by 20 members of the Board and senior managers, whose responses were used to represent the views of TM.



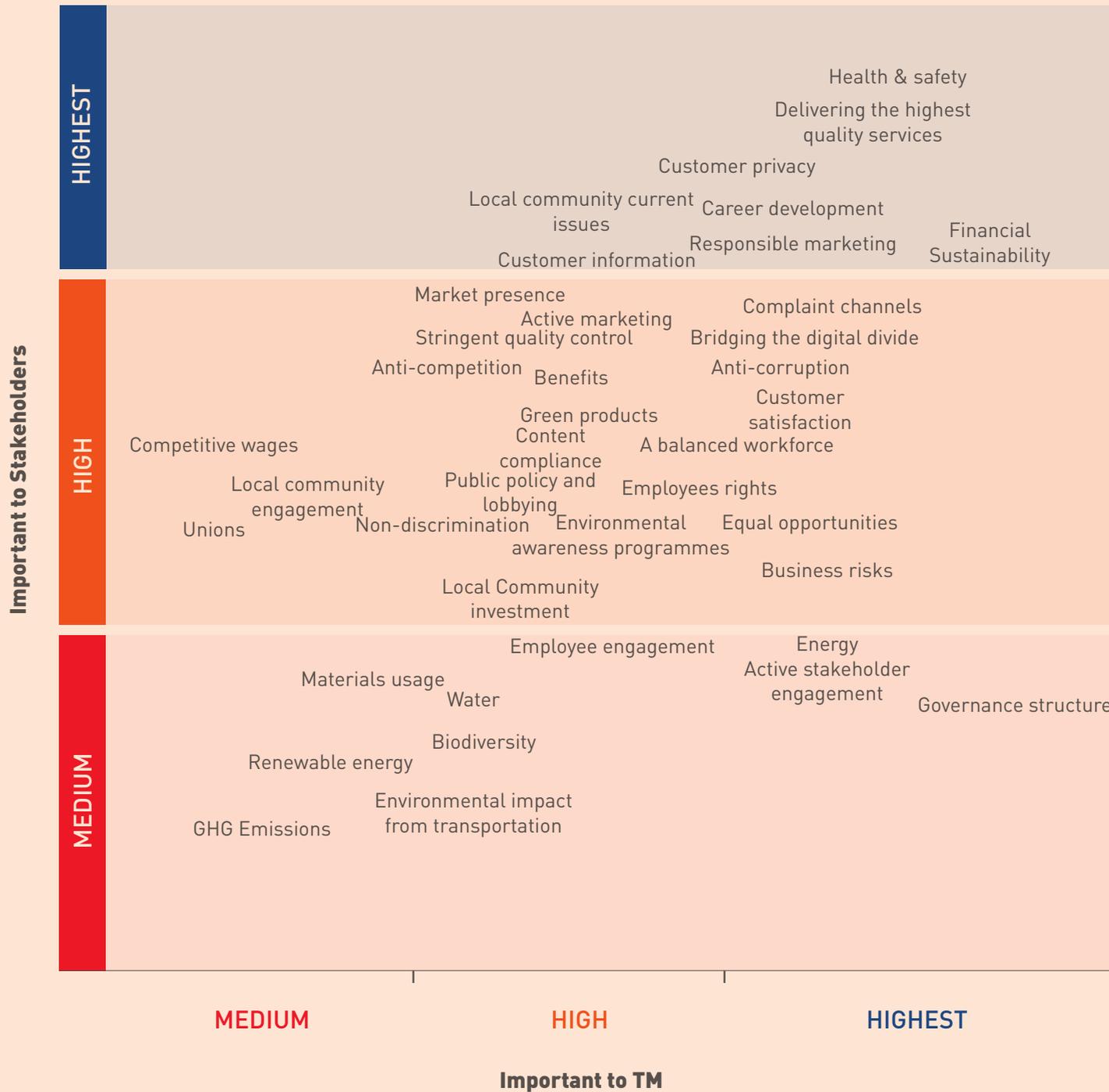
The Results

G4-27

Scores over 3 were considered above average. Interestingly, stakeholder scores ranged from 3.89 to 4.39, while TM's scores varied from 3.79 to 4.90, indicating that all issues were material to a larger or lesser degree. A scale of medium, high or very high was adopted.

Results of the analysis were then used to develop a materiality matrix, with the level of importance to TM plotted along the X axis and importance to stakeholders on the Y axis. The matrix is presented in the following diagram.

Mapping of TM Materiality Survey 2014

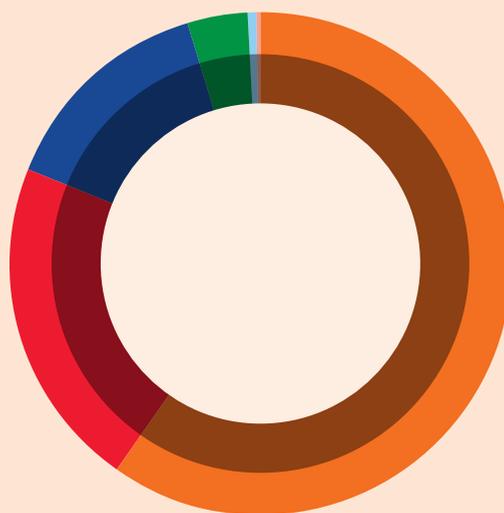


TM Employee Sustainability Survey

The TM Employee Sustainability Survey was conducted to gauge employees' perception of sustainability initiatives in the workplace. As with the Stakeholders Materiality Survey, this was conducted anonymously by independent consultants in the last quarter of 2014. A total of 3,327 employees responded to the survey, from the non-executive level to top management, as summarised in the diagram opposite.

As with the Stakeholders Materiality Survey, a five-level Likert scale was used, allowing respondents to indicate how important each criterion was, from 'Less important' at (1) to 'More important' at (5). Again, the survey could be completed in either English or Bahasa Malaysia.

Breakdown of TM Employee Sustainability Survey 2014 Respondents by Grade



- Band 0 : Non-Executive
59.1%
- Band 1 : Assistant Manager
21.6%
- Band 2 : Manager
14.7%
- Band 3 : AGM
3.8%
- Band 4 : GM
0.5%
- Band 5 : Top Management
0.3%



TM Career Fair Day 2014



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.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REMAINS INGRAINED IN EVERY ASPECT OF TM. COUPLED WITH STRONG ETHICAL AND UNCOMPROMISING INTEGRITY AS THE FOUNDATION FOR ITS PEOPLE, GOOD CORPORATE GOVERNANCE PRACTICE CONTINUES TO RESONATE THROUGHOUT THE ORGANISATION.

TM's continuing commitment in ensuring transparency, accountability, disclosure and equality in its governance and stakeholder management is acknowledged by the industry. The Company is the recipient of multiple awards from 2014 National Annual Corporate Report Awards (NACRA) on 20 November 2014. The year 2014 marked TM's fourth Platinum Award in the Overall Excellence Awards for Most Outstanding Annual Report of the year. Meanwhile TM continues to retain its achievement in the Trading and Services category for the Industry Excellence Award for Main Board Companies for the 18th consecutive year; a Platinum Award for Best Corporate Social Responsibility Award, which is a step up from last year's Gold Award; and Platinum Award Best Annual Report in Bahasa Malaysia and improvement from the Silver Award last year. TM was also conferred the Gold Award for Best Designed Annual Report.

TM's achievements in corporate governance were again recognised when the Minority Shareholder Watchdog Group (MWSG) honoured TM with the awards for being among the best of the Malaysian corporation when it won Top Corporate Governance Recognition, Top Transparency Recognition, Industry Excellence Exemplary Environment, Social and Governance (ESG) Practices and Exemplary AGM Minutes at the Ceremony Award for MSWG-ASEAN CG Transparency Index, Findings and Recognition 2014 - The Malaysian Chapter on 9 December 2014.

Board of Directors

TM continues to be led and controlled by an active, engaged and experienced Board. TM Board maintains its healthy mix of Directors with varying backgrounds, ranging from multiple business principles, economics, financial, technical, regulatory, private and public service backgrounds and experiences in the telecommunications industry both locally and abroad. As at the financial year, three of our Directors, the foreign Director and two local Directors, are experienced in the telecommunications industry from the perspectives of consultants and regulators.

Throughout 2014, the Board of Directors continues to guide and effectively steer the Company with well-planned strategies and action plans through an involved and active engagement with the Management.

Board Charter

Since it was first adopted in January 2013, TM Board Charter (Board Charter) continues to serve as a guide for good corporate governance practices within the Company. Its content encompassing the Company's governance practices, board policies and guidelines subsisting throughout the Company based on the principles outlined in MCCG 2012 as well as the earlier codes on corporate governance and other international standards on corporate governance that are, in the Board's opinion, best practices which are aligned to the respective rules and requirements.

The Board Charter provides references for Directors in relation to the Board's role, powers, duties and functions. It outlines processes and procedures for the Board and its committees in discharging their stewardship effectively and efficiently.

The current Board Charter as well as The Memorandum and Articles of Association are accessible on TM's official website at www.tm.com.my

Roles and Responsibilities of the Board

The roles and responsibilities of the Board and that of the Management are clearly demarcated in the Board Charter. The respective principles, roles and responsibilities of the Chairman, Executive Directors (EDs) and Non-Executive Directors (NEDs) are segregated. Nevertheless, their respective functions remain mutually co-dependent 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.

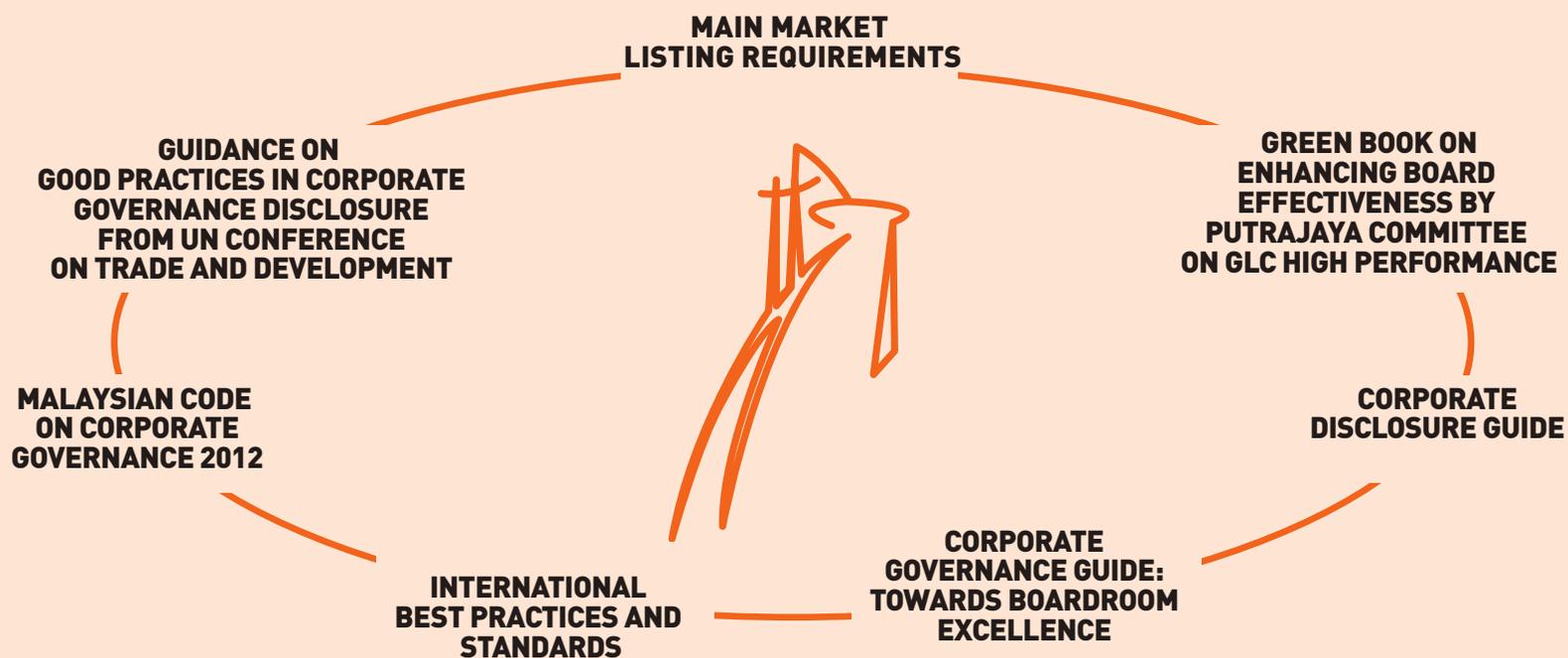
The following six core responsibilities are the guiding principles for the Board in discharging its duties:

- Review and approve a strategic and annual operating plan (AOP) 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.

Testimony to Corporate Governance

TM's corporate governance model is developed based on the following requirements and guidelines:





TM Board Composition

Separation of Power between the Board and Management

TM has a clear policy for identifying the separate functions between the Board and Management and the Chairman and Executive Directors (EDs) in ensuring the smooth running of the Company's business and operations. The division of roles and responsibilities ensures that no one individual or group could dominate the decision-making process thus safeguarding the equilibrium of power in the Company.

Board Composition and Balance

Article 96 of TM's Articles of Association (AA) provides that there should not be more than 12 members of the Board. Currently the Board membership stands at maximum membership, and comprises a Non-Independent Non-Executive (NINE) Chairman, two EDs designated as the MD/Group CEO and the ED/Group CFO, two Non-Independent Non-Executive Directors (NINED) with each having their respective alternate directors designated as NINE Alternate Directors, and seven Independent Non-Executive Directors (INEDs), inclusive of one foreign Director. The current Board members have the requisite skill sets and experience in providing guidance to TM's strategic plans and future aspirations.

With a NINE Chairman, the seven INEDs formed the majority on the board of 12 directors, assuring effective checks and balances in the functioning of the Board. It also complies with paragraph 15.02 of the Main Market Listing Requirements (Main LR) whereby currently 58.0% of our Board members are Independent Directors.

Independence

TM determines the independence of the Directors in accordance with the criteria stipulated in paragraph 1.01 of the Main LR, whereby a director needs to be independent from Management and free from any business or other relationship which could interfere with his independent judgement or the ability to act in the best interests of the Company. All seven INEDs satisfy the criteria of independence as defined under the Main LR.

The INEDs are not involved in the day-to-day operation of the Company. Business transactions handled by the Company are free from any involvement of the INEDs other than for the final approval when 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 judgement and avoids any possible conflict of interest situations.

In addition, all directors are required to declare their interest or any possible conflicts on any matter tabled prior to the commencement of the board meetings. With the proposal disseminated to directors five days before the meeting, directors are able to ascertain their involvement (if any) and when required to recuse themselves and abstain from deliberation to allow unbiased and free discussion and decision making.

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 NEDs are reviewed against market practices by the Board Nomination and Remuneration Committee (NRC), following which recommendations are submitted to the Board for approval.

A holistic review of the Non-Executive Directors' (NEDs') remuneration package was undertaken in 2013. A revised Directors' fees for the NINE Chairman, Senior Independent Director (SID) and NEDs was approved by the shareholders at the 28th AGM of 7 May 2013. This approval is still subsisting to-date as there is no revision to the

Directors' fees for the financial year ended 31 December 2014 and financial year ending 31 December 2015. Pursuant to Article 99(3) of the Company's AA, such fees cannot be increased except pursuant to an ordinary resolution passed at the Company's general meeting.

Board Committees

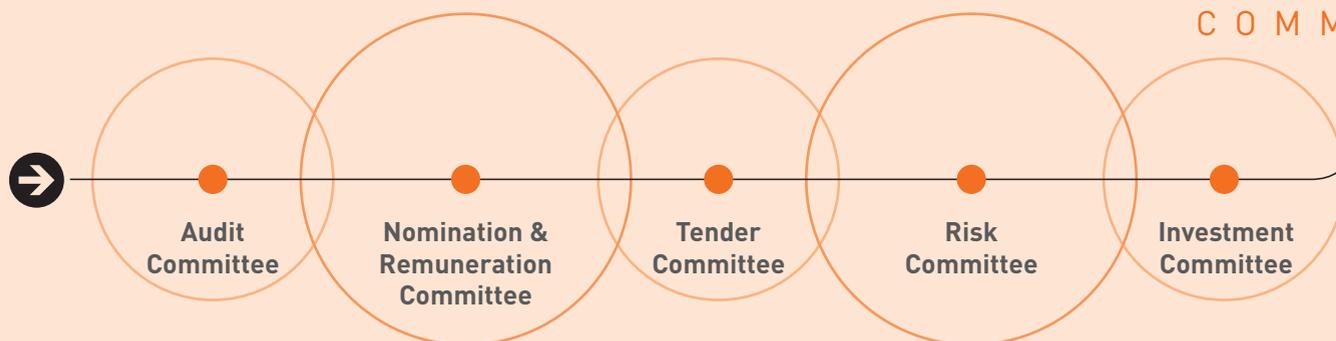
Article 118 of the Company's AA provides the Board the discretion to delegate its powers to its Committees. All of these Committees have specific ToR, operating procedures and their respective authority parameters approved by the Board. The Committees' modes of operation are reviewed from time to time to ensure they are relevant and up-to-date. The ToRs of the Board Committees are detailed in the Board Charter which is available in the Company's official website.

TM has established the following five main Board Committees which are entrusted to carry out the Board's delegated tasks:

- Audit Committee
- Nomination and Remuneration Committee
- Tender Committee
- Risk Committee
- Investment Committee



TM BOARD COMMITTEES



Access to Management

In an industry where technology is ever evolving, it is imperative that the Board has easy access to the Senior Management to seek clarification and understanding for efficient decision making.

The Board thus, has direct access to the Senior Management and unrestricted and immediate access to information relating to the Group's business affairs. Relying on the integrity of the Company's Senior Management with access to the expertise in legal, accounting, financial and other advisors, the Directors are able to effectively discharge their duties effectively to arrive at informed decisions.

Relevant and material information is provided to the Board on average five calendar days prior to the meetings to enable the Board to have sufficient time to assess the proposals or information. In 2014, an average of six calendar days was recorded for distributions of Board papers save for Special Board Meetings of which a shorter time frame has been agreed with the Board.

Conflict Management

TM Board recognises the importance of conflicts within the Board to be addressed sensibly, fairly and efficiently within the Company irrespective of the parties involved. If any issues of concern or sensitive matters arise between the Board members, the Chairman and SID have a tacit role to act as the intermediary to resolve the issue to its conclusion.

In instances where there are conflicts or issues between Board members and employees involving unethical conducts of any member of the Board of Directors, TM has established a grievance procedure whereby aggrieved employee may escalate complaints against the Board member via a formal channel through the SID and/or the Company Secretary.

The SID and/or the Company Secretary shall evaluate and if required, stream the complaint to the NRC Chairman for consultation to decide on the next course of action. If the complaint is substantiated which warrants further investigation, an independent ad hoc body, the Board Ethics Committee shall be established to review and investigate the complaint and recommend the next course of action to the NRC and ultimately, TM Board shall decide the appropriate actions to be taken against the Director, as the case may be.

Promoting Sustainability

TM continues to focus on organic growth by building business models that create enduring consumer and employee values. The economic, social and environmental aspects of its operations continue to be managed to ensure long-term viability of the Company's business.

TM's Sustainability Report illustrates the Company's programmes towards these endeavours and also its sustainability initiatives. The Annual Report highlights the financial aspects of the business and together with the Sustainability Report, provide a clear, comprehensive and transparent representation of the Company's performance annually.

The Sustainability Report is available to the public through the Company's official website and e-book.

***FULL DISCLOSURE OF OUR CORPORATE GOVERNANCE STATEMENT CAN BE FOUND IN THE TM ANNUAL REPORT 2014, ON PAGES 109 TO 128 INCLUSIVE.**

Our Workplace Re-energised

Our success is made possible thanks to our talented people, excellent teamwork and committed leaders driving our organisation. It is the way we engage and function as one team, with a common understanding of our purpose and goals that allows us to create an innovative work environment.





FACTS AT A GLANCE

90.0%

SCORE IN MY1TM

(TM GROUP EMPLOYEE ENGAGEMENT) SURVEY
THE FORTH, CONSECUTIVE YEAR - 4.0%
HIGHER THAN GLOBAL HIGH PERFORMING
COMPANIES NORM.

CLOSE TO
RM3.0
MILLION

SPENT ON EMPLOYEES' TRAINING IN 2014

200

TM INTEGRITY FELLOWS RECRUITED

A SAFE AND
HEALTHY WORK
ENVIRONMENT

WORKING
TOGETHER

AN INCLUSIVE
AND DIVERSE
CULTURE

PROVIDING
TRAINING &
DEVELOPMENT
OPPORTUNITIES

REWARDING
OUR PEOPLE

TM People Strategy

G4-DMA

TM recognises that its success and sustainability depend on more than 28,000 employees nationwide. Not only do they perform routine activities required to serve customers, they also drive innovations that maintains TM as the market leader. In order to inspire a high performance level, TM engages extensively with its employees to create a sense of belonging and ownership. In 2014, key focus areas for employee engagement included connecting employees at all levels of the organisation; communicating the unique role of every employee; and giving back to local communities.

A CULTURE OF INNOVATION IS CENTRAL TO EVERYTHING TM DOES – FROM RUNNING OPERATIONS TO DEVELOPING AND DELIVERING NEW PRODUCTS AND SERVICES. FORWARD THINKING HELPS US REDEFINE HOW ISSUES ARE SOLVED, AND IS VITAL FOR DELIVERING INNOVATIVE SOLUTIONS TODAY THAT ANTICIPATE THE NEEDS OF TOMORROW.

TM Among the Nation's and Region's Best and Preferred Employers

On top of winning at the Asia Corporate Excellence and Sustainability Awards 2014, TM was named one of the Top 5 Companies to Work For in Asia 2014.

On 25 August 2014, TM was recognised with two human capital-related awards: Top 10 Preferred Employer in Malaysia and No. 1 Preferred Employer in Telecommunications. These validate our commitment to enhancing the well-being of our employees, providing a conducive working environment and maintaining a productive relationship with them. Our recognition as an Employer of Choice reflects the priority we place on our employees' professional development and well-being.

The award was based on the votes of more than 10,000 young graduates who attended the GRADUAN@ ASPIRE 2013: Career and Postgraduate Fair. Over 70 companies and 25,000 graduates from Malaysia and overseas participated in the event.

TM also won the Asia's Best Employer Brand Awards 2014 organised by Employer Branding Institute, World HRD Congress and Stars of the Industry Group. This award acknowledges more than 100 organisations across Asia that demonstrate excellence in building their brands as employers of choice through their human resources practices, policies and strategies. This was the second time TM won this award, the first being in 2011.

Teaming With Passion

G4-56

Teaming with Passion (TWP), introduced in 2009, creates a culture of excellence through a strong leadership that inspires positive change in the entire organisation. It promotes positivity in leadership and team-playing to achieve our 1TM business aspiration. The fundamentals of TWP are supported by our corporate values of KRISTAL and COOL, which aim to drive high-performing organisational behaviour.



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
1Team, 1Mindset, 1TM



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

Inclusivity at The Workplace

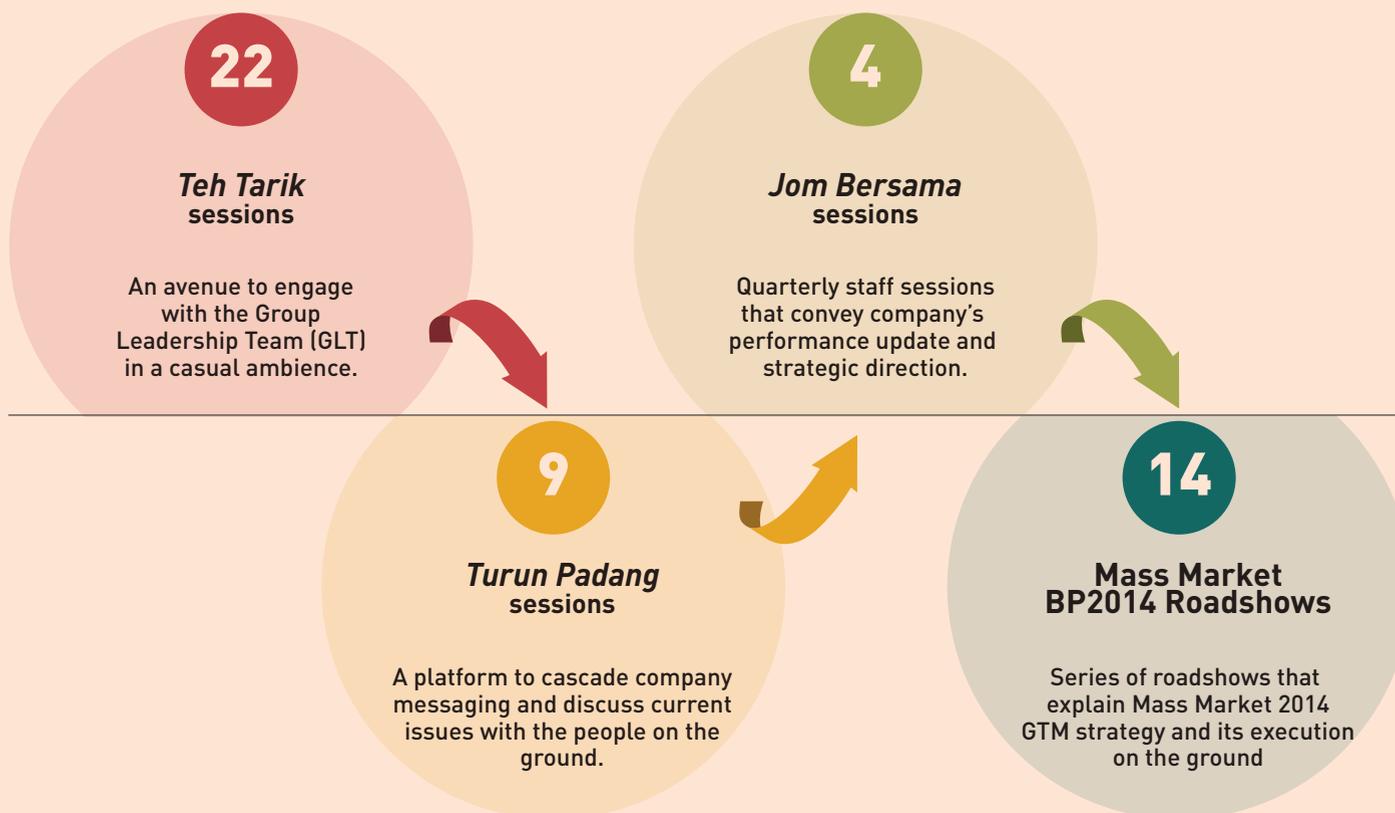
TM is committed to building an internal community that includes all levels and roles within the Company. This is driven by our Top Management, who aspire to build connections across the organisation and enhance transparency through high levels of communication and collaboration.

Employee engagement forms a fundamental building block of TM's sustainability. Engaged employees are more involved in their work and more likely to innovate. They make TM a better environmental steward and contributor to society, and are more satisfied, productive and loyal.

We have been measuring the level of our employee engagement via the annual My1TM Survey since 2009. The survey is conducted on

all employees other than those who have tendered their resignations or who joined the Company after the cut-off date. The findings of the survey are conveyed to the Top Management, in order to address engagement issues. The results are also communicated to the respective divisions for the deployment of action plans. Over the last three years, inclusive of 2014, TM has consistently scored 90.0% in this survey.

Harnessing Passion Through Engagement



Teh Tarik Sessions

Teh Tarik sessions form an integral of our employee engagement programme. At these sessions, employees get to know and interact with the Top Management and gain insight into the Company's Vision. Held since 2007, these sessions enhance employees' commitment and morale and help to foster greater teamwork and the spirit of 1TM in Warga TM.

A total of 22 *Teh Tarik* sessions were held in 2014 – six with the Group CEO, three with the Group CFO and 13 with the Group Leadership Team. At the end of each session, the participants were given evaluation forms. From these, we have discerned a high level of satisfaction with the sessions, as reflected by the rating of four and above for four out of five questions. Most employees say they benefit from listening to the Group CEO, Group CFO and GLT explain current business developments.



Teh Tarik Sessions are one of TM's employee engagement programmes

The Average Rating for Teh Tarik Sessions Conducted in 2014

CRITERIA	1 BEING THE LOWEST AND 5 BEING THE HIGHEST AVERAGE RATING
The extent to which the session met your expectations	4.5
Are you satisfied with the explanation/discussion of topics raised at the session?	4.7
How would you rate the understanding of the Group's direction and your role?	4.4
How do you find the session with the Group Human Capital Management representative?	4.4
Invitation email – enough notice for you to prepare?	4.2
Infopack – enough information?	4.3
Follow-up call from Group Human Capital Management/Group Brand and Communication representative	4.3
Hotel accommodation	4.7
Transportation	4.3
Breakfast and lunch venue, seating arrangement	4.6
Food served	4.5
Overall programme arranged for you	4.6
Overall smooth running of the programme	4.6
Personalised letter from GCEO	4.7
Tour of Menara TM	4.8
Total Average	4.5

Jom Bersama GCEO 2014

At the *Jom Bersama GCEO*, Tan Sri Dato' Sri Zamzamairani Mohd Isa personally shares the Company's performance and strategic direction with all employees. The event is held every quarter at Menara TM, and is video-streamed to our other offices nationwide. At these sessions, our GCEO also delivers key messages to engage and motivate staff at the ground level.

Attendance for *Jom Bersama* session in 2014

DATE	NO. OF ATTENDEES	LIVE STREAMING HITS (AVERAGE)	VIEWS IN 1INTRA (RECORDING)		
			PART 1	PART 2	AVERAGE
3 March 2014	650	445	84	132	108
29 May 2014	650	205	72	46	59
28 August 2014	650	98	28	20	24
27 November 2014	650	147	99	63	81

Turun Padang 2014

Via *Turun Padang*, our Management travel to the different states where they engage with all levels of staff. A typical itinerary includes: meeting with the state management team; holding a *Sesi Teh Tarik*; presenting talks on cable theft, OSHE, Personal Data Protection Act (PDPA) and conducting a Townhall session with at least 200 employees.

STATE	GROUP CEO	GROUP CFO
Negeri Sembilan		9 April 2014
Sabah	17 April 2014	
Sarawak		24 June 2014
Selangor		13 August 2014
Kuala Lumpur	14 August 2014	
Pahang	13 October 2014	
Penang		16 October 2014
MSC		5 November 2014
Kedah/Perlis	11 December 2014	

2014 National Annual Operating Plan (AOP) Communication

This communication programme was organised to convey the Company's direction from 2014 onwards so it can be executed at the ground level. It was divided into two parts, beginning with a National Voice Conference themed 'TM 2014 And Beyond – Game Changers', followed by series of roadshows to the states – Mass Market BP2014 Roadshow.

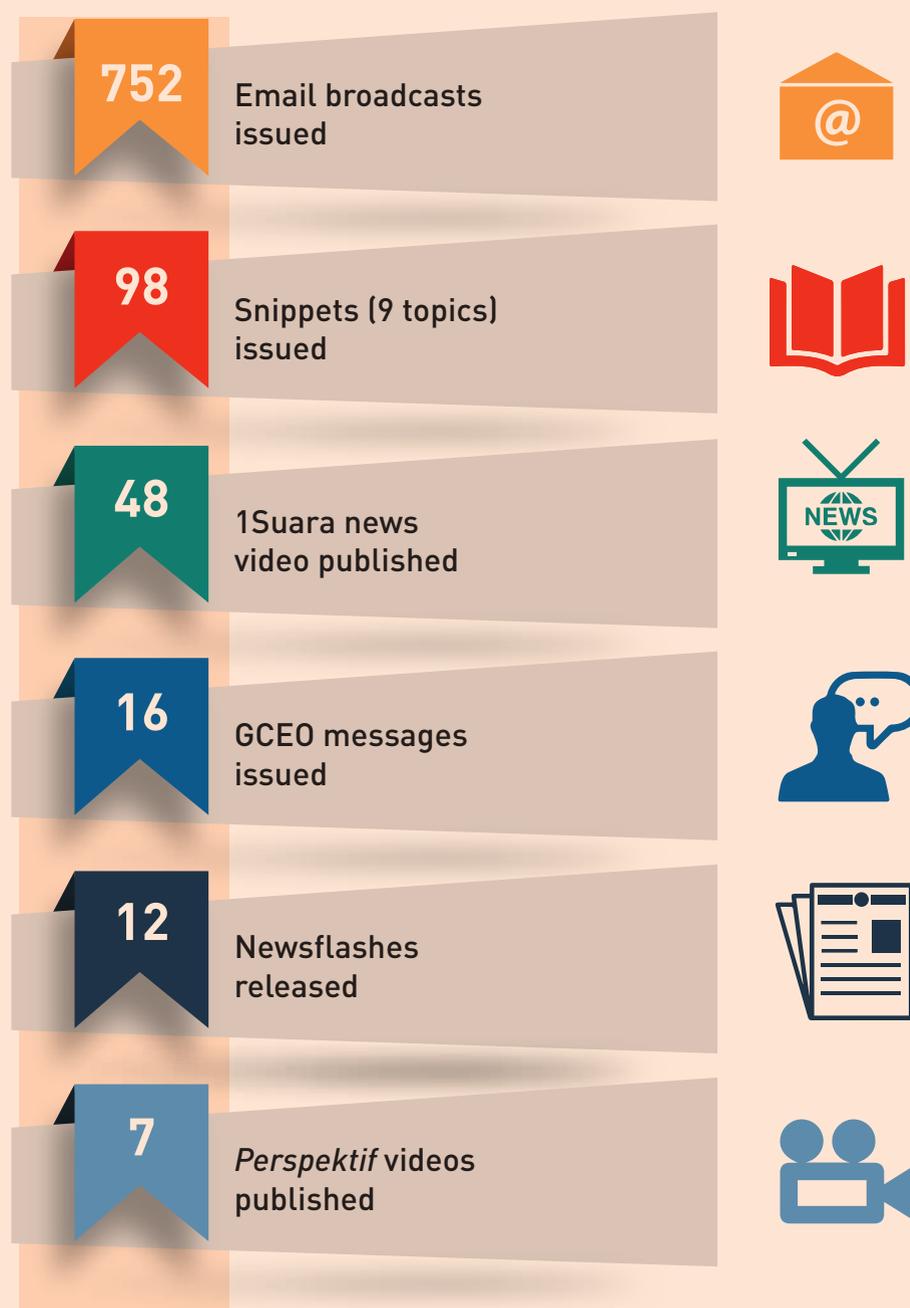
During the National Voice Conference, both the Mass Market and Managed Accounts clusters presented their business direction and go-to-market strategies. Representatives from Mass Market then toured the states to cascade down their messages.

STATE	DATE
National VC @ HQ – TM 2014 And Beyond – Game Changers	7 January 2014
Kuala Lumpur	8 January 2014
MSC	9 January 2014
Melaka	16 January 2014
Selangor	20 January 2014
Johor	21 January 2014
Negeri Sembilan	29 January 2014
Kedah/Perlis	4 February 2014
Penang	5 February 2014
Perak	13 February 2014
Kelantan	16 February 2014
Terengganu	17 February 2014
Pahang	18 February 2014
Sarawak	21 February 2014
Sabah	24 February 2014

2014 National AOP Communication Sessions Conducted in Malaysia

A survey was conducted at the end of each session to gauge participants' experience in three key areas. Participants were required to answer each question with a rating from 1 (lowest) to 5 (highest). The average scores for the three questions are presented in the table below.

QUESTION	AVERAGE SCORE
Message delivery in this session can be easily understood?	4.5
The extent to which the session met your expectations?	4.4
How would you rate your understanding of the Group's direction for 2014 and your role in it now?	4.5



Recruiting for Diversity

G4-DMA, G4-LA13, G4-HR1, G4-HR4, G4-HR5

TM strives to recruit the most innovative minds from diverse backgrounds as it values the creativity that different perspectives bring to the organisation. Nurturing a culture of inclusion and diversity over the years has strengthened our intellectual capital.

Our people make us who we are, and we work hard to ensure that all our employees are treated fairly, equally, honestly and with the respect that they deserve. As an equal opportunities employer, we offer the same recognition, rewards and treatment to all potential and existing employees regardless of race, religion, sex, age, gender, marital status, sexual orientation or disability. We do not tolerate any form of discrimination or harassment under any circumstances.

DEDICATED
PARKING LOTS
WERE ALLOCATED
FOR EXPECTING
EMPLOYEES.

We have a stated ambition to attract, recruit and retain the most talented individuals, and are committed to helping those people develop and learn by supporting them through a programme of continual improvement.

TM has allocated ten parking lots at Level LG2 of Menara TM for pregnant women. These parking spaces provide safety and are conveniently located close to the entrance. During the year, a nursing room was also made available for nursing mothers on the 18th floor of Menara TM. The spacious room can accommodate nine mothers and is designed with women's privacy in mind.

To make life easier for its expecting employees, TM has allocated 10 parking lots at Level LG2 of Menara TM for expecting mothers. These parking spaces provide safety and are conveniently located close to the entrance. During the year, a nursing room was also made available for nursing mothers and is designed with women's privacy in mind.

Employee Career Development

G4-DMA, G4-LA10

In the recent sustainability survey, 65.3% of employees said they believe TM has good training programmes and cares about employees' career development.

We offer various programmes that guide employees at TM and beyond. Individuals are empowered to develop their own careers, while task managers assist them to hone their skills and seek opportunities to achieve their professional goals. Each employee at every level within the organisation has a tailor-made learning path, supported by a customised portfolio of courses in the areas of strategy, business and leadership.

Building a Leadership Bench: Innovate the Mindset and Behaviour

G4-DMA

TM has outlined a development roadmap which identifies, builds and sustains leaders at all levels. High-achieving young executives are enrolled in a rigorous Fast Track Programme (FTP) through which they receive intense training and mentoring while also engaging with the leadership. Participants undergo several job rotations and assignments within the Group over a period of three years to develop their functional, interpersonal and customer-centric skills.

In 2014, talents across the organisation were involved in a 'needle moving' project, which enabled them to play more active and significant roles to reveal their leadership potential. Through this highly facilitative development programme, they were assigned positions in different divisions and trained to become versatile leaders.

We also introduced the Lead, Excel & Deliver (L.E.A.D) Programme, run by the Cranfield School of Management, to facilitate the transition of high-potential middle management to senior management. Cranfield School of Management ranks among the top 10 business schools worldwide for customised executive development.

During the year, more than 200 members of senior management attended the TM Business Leadership Programme. Some also attended executive programmes at top business schools and those organised by TalentCorp Malaysia. Executive business coaches were assigned to key leaders to further improve their performance. In addition, some employees were seconded to government agencies such as the Malaysian Communications & Multimedia Commission and TalentCorp.

Leadership development has become institutionalised at TM, with top and senior management collaborating closely with Group Human Capital Management in identifying, mentoring and developing potential leaders. Our leadership roadmap is based on a SUCCESS Leadership Competency Model which focuses on the following seven areas.



Five Dimensions of Lean Management



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

SUCCESS – TM Leadership Competency Model

Institutionalising Lean Management to Drive Productivity

TM has introduced the concept of a lean management to increase workplace productivity and efficiency. Employee productivity is focused on the five dimensions of performance management, organisation and skills, mindsets and behaviours, process efficiency, and the customer.

Several key initiatives have been implemented such as cross-skilling and up-skilling staff; performance management through the WayofWorking (WoW) Board; key process simplification, standardisation and automation; and the realignment of functions across divisions. This lean methodology has been customised for the different business functions to promote innovation, creativity and a solutions-driven mindset in employees. Lean Champions have been identified to spearhead and maintain the momentum of change across the organisation.

Accelerating Employees' Development to Face Technology Changes

TM's Technical Academy (TA) provides structured training in Access Networks, Internet Protocol/ Information Technology and Corporate Application System to ensure employees are familiar with the latest technologies. In 2014, TA delivered a Fixed Mobile Convergence (FMC) seminar. It also collaborated with Network Management & Operation and Total Optimisation of Manpower (TOP) Division to establish an External Plant Up-skilling Programme to:

- Establish a lean operating model that standardises all incoming work orders via a centralised monitoring and tracking system
- Align processes to assist zone field teams improve their fault rate and restoration cycle times
- Increase the external plant teams' productivity
- Improve the competency of the field team

Intensifying Customer Service Capabilities – A New Experience

TM's Customer Service Academy (CSA) continues to drive a customer-centric culture and harmonise the customer experience across all touch points in the Company. The Superb and Meaningful Interaction Leading to Excellence (SMILE) programme has been expanded to cover all TMpoint outlets nationwide. Equivalent programmes have been introduced for other customer-facing personnel such as installers, resellers and contact centre staff. Training programmes that improve frontliners' competency skills have also been accelerated for implementation.

Vertical Industry Seminars were organised to help managed account team employees appreciate the industries' ecosystems and their value chains to enable them to provide better and more focused customer service.

At the divisional level, TM Enterprise conducted various upskilling programmes to equip key personnel with consultative selling capabilities. Negotiation skills, value selling and TM ICT BPO Product Training modules were also covered.

TM Enterprise also conducted a number of vertical training programmes to enable its personnel to:

- Understand the business, opportunities and challenges of different industries
- Appreciate the roles and functions of each industry player
- Generate more business from the vertical business industry
- Provide innovative solutions based on customers' requirements, preferably end-to-end
- Appreciate how ICT can help the vertical industry
- Increase service delivery

Vertical Industry Training Programmes conducted in 2014

	DATE	NUMBER OF PARTICIPANTS
E&U Training: Overview of Oil & Gas Industry	27 – 28 March 2014	70
Overview of Health Industry (Lead by TM Government)	23 – 24 June 2014	80
ICT & Retail Training: Overview of Retail Industry	16 July 2014	70
Broadcast & Media Training: Overview of Broadcast & Media Industry	19 August 2014	70
Overview of Education Industry (Lead by TM Government)	25 September 2014	70
ICT & Retail Training: Overview of Manufacturing Industry	9 December 2014	70

Content line-up training module



Awareness on the latest offerings by HyppTV



Continuous efforts were also made to improve the customer experience by updating front-liners on the latest HyppTV offerings.

- HyppTV progressively adds new channels on an almost monthly basis. It is crucial that front-liners are informed of the new HyppTV channel line-up. Great care is taken to update TV channel content for public viewing as customer's viewing experience is of utmost concern.
- Front-liners are updated and trained by the targeted audience following their line of services. All front-liners including call centre (TMUC & Streamyx), TM Point, PTT, Reseller, RNO, Telemarketing, and LOB's are covered. Separate sessions are held with each line depending on their availability.
- USP for the new channels was focused on with emphasis on exclusive and signature programmes for that particular channel. HyppTV focused on USP for the new channels with emphasis on exclusive and signature programmes for each. Each channel's upcoming highlighted programme is updated as a refresher module for participants. An OAP (On Air Promo) and other video material are shared during each training session.

Competitive Benefits G4-LA3

As we operate in a competitive marketplace, we offer attractive remuneration and benefits packages with structured career opportunities to attract and retain the best talents. 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 the benefits package. According to a comparative analysis, TM offers some of the most attractive benefits in the industry.

Employees' pension liabilities are fully covered through the EPF scheme, while insurance coverage is also provided to all full-time employees. Benefits include allowances and reimbursements, company vehicle and related benefits, club membership, flexible employment conditions, leave, loans, medical and retirement benefits.

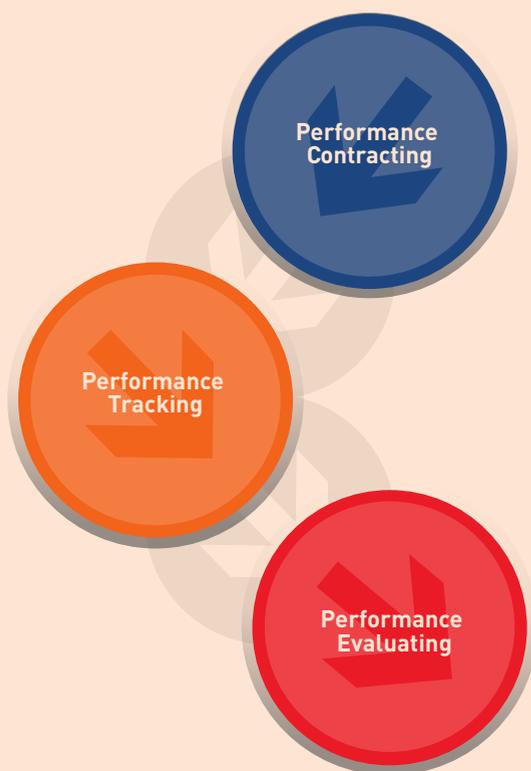
SKIM MESRA IS INDICATIVE OF THE RESPECT WE SHOW OUR EMPLOYEES AND THE PRIORITY WE PLACE ON THEIR WELFARE.

Skim MESRA

In line with the Minimum Retirement Age Act 2012, TM Group increased the retirement age of its employees to 60 effective from 1 July 2013. On 13 October 2014, however, we announced an optional retirement scheme, *Skim MESRA*, for employees aged 55 and above. The scheme was introduced in response to requests from employees.

'In the run-up to and the implementation of the Minimum Retirement Age Act 2012, TM's Management engaged continuously with employees, or Warga TM, to assess the impact of the new legislation not only from the perspective of TM as the employer, but also from our employees' perspective. During this time, we received requests and suggestions relating to early retirement. In formulating this scheme, we have been working closely with our employee unions - the National Union of Telecommunications Employees (NUTE), the Union of Telecoms Employees Sarawak (UTES), Sabah Union of Telecom Employees (SUTE) and Sabah Union of Telecommunication Employees (SUTEN).'

Tan Sri Dato' Sri Zamzamzairani Mohd Isa
Group Chief Executive Officer



Empowerment via TM Flexi Plan

A Flexi Plan comprising core and optional benefits was introduced in April 2014 to cater for employees with different needs and expectations. In addition to core benefits that meet statutory requirements, we are offering 25 optional benefits employees can choose from depending on the number of Flexi Points they have accumulated in their Flexible Spending Account (FSA). These benefits fall under the categories of Lifestyle, Health and Wellness, and Technology – and include vacations, childcare, medical coverage for parents, and the purchase of computers or tablet PCs.

Performance Management

Performance Management is about establishing a clear vision of what is to be achieved. It aligns employees’ skills, competency requirements, development plans and the delivery of results with TM’s objectives. Performance Management comprises three performance cycles: performance contracting, performance tracking and performance evaluating. These three components take place continuously throughout the year.

Performance appraisals are based on two key elements:

- i. **MAPS (Individual/Shared KPIs)** in which employees are evaluated based on their individual Key Performance Indicators (KPIs) that 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 while expectations are explained and KPIs mutually agreed. Performance is monitored during the tracking period, two-way feedback is gathered and an improvement plan established. The final performance evaluation by supervisors is for gaining and receiving feedback, and agreeing on the final assessment. Each stage is conducted through face-to-face sessions.

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.

TM’s appraisal system is continuous throughout the year. All TM’s permanent and contract employees who have served more than three months are reviewed by their supervisors.

Occupational Safety and Health G4-DMA, G4-LA7, G4-LA8

Providing a secure workplace that promotes the health and safety of every employee across all business units is among the most valuable commitments we make to our people.

Effective safety and health management depends on the involvement of both management and employees. Accordingly, all employees are required to comply with provisions of our Occupational Safety and Health Manual, and to report accidents, injuries and unsafe equipment, practices or conditions immediately.

The OSHE Framework contains provisions for worksite safety analysis, stringent prevention and control measures, and rigorous training programmes.

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, representatives from

TM and employees. According to regulations, a minimum of four employers and employee representatives are required in an OSHE committee in a workplace of 100 or more employees. An estimated 8.0% of TM employees have been appointed as OSHE committee members. In general, the committees' roles and responsibilities include:

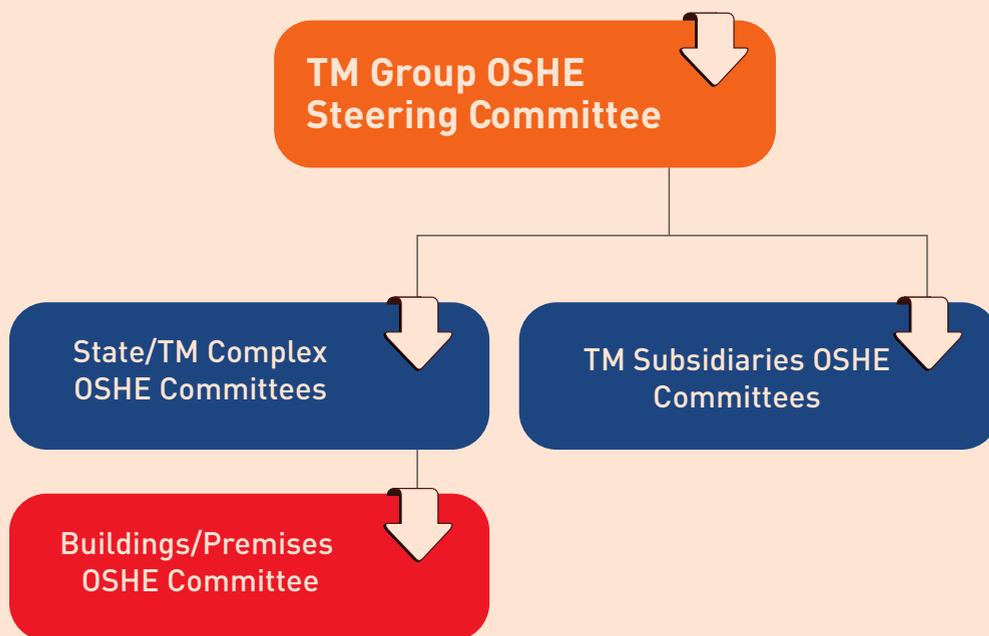
- Assisting in the development of safety and health methods, and a safe work system
- Assessing the effectiveness of safety and health programmes
- Analysing incident trends, near misses, dangerous occurrences, occupational poisoning and diseases occurring in the workplace
- Notifying the Management of any unsafe or unhealthy conditions and acts in the workplace with recommendations for improvement.
- Reviewing the OSHE Policy and proposing any amendments to the Management
- Holding committee meetings and inspections at least once every quarter

TM adheres to the following Acts, regulations and guidelines for a safer work environment:

- 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
- Occupational Safety Health & Environment (OSHE) Management System

An OSH Management System was launched in March 2014 to help implement policies and procedures according to the standard of practice code OHSAS 18001 and MS1722. The system consists of a manual, 14 procedures, 12 safe work instructions and two guidelines.

OSHE Framework



Protection of Employees in High-Risk Categories

TM's OSHE guidelines contain special provisions for employees working in high-risk categories such as working at height and in confined spaces, working by road sides, and at electrical sources.

All employees working at height, including contractors' employees, must first attend special training. Special provisions are made for those working within two metres of an edge, or on any structure more than three metres from the ground.

Strict regulations for the installation, operation and maintenance of all masts and telecommunications towers by contractors are stipulated in the OSHE Management System. The Contractor Management Procedure requires contractors to submit an OSH Plan before work commences. Contractors working on masts or towers must have a valid competency certificate and use TM-approved fall protection devices. Job safety analysis is required for each activity. Proper and adequate control measures are submitted for review and approval by our OSHE Unit.

Approximately 5,000 employees and 45,000 contractors are estimated to be involved in high-risk work. All contractors and workers – including sub-contractors, sub-vendors and providers of machinery or equipment – are required to attend the National Institute of Occupational Safety & Health (NIOSH)'s TM Safety Passport Programme (NTMSP), and display their NTMSP cards when entering TM premises. The NTMSP was jointly developed by NIOSH and our OSH Team in 2006.

Reporting and Recording Incidents

- Notify respective personnel or agency of incidences of occupational poisoning and occupational disease as per notification matrix
- Log and verify incident
- Notify DOSH immediately as required by NADOPD Regulations 2004
- Form investigation team to investigate incident immediately



The investigation consist of the following stages:

- Access the area and cordon off the investigation area
- Evaluate the potential hazard at the investigation area
- Gather evidence and consider position, people, parts and paper as sources of evidence
- Prepare full investigation report within seven days to all TM employees and contractors;
- Determine immediate and basic causes of incidents and analyse underlying causes
- Recommend corrective and preventive action



Submit the full investigation report to the Head of Department for verification and further action

On 22 March 2014, an unfortunate incident occurred while one of TM's contractors was erecting a telegraph pole at KM59 Bau/Lundu, Kampung Pengkalan Bau, Sarawak. The contractor fatally touched the 33KV electric wire. During an investigation, TM's safety team discovered that the team had failed to follow the safety procedure while working in low/high voltage areas. No personnel were assigned to oversee this high risk work. To minimise the possibility of reoccurrence, TM:

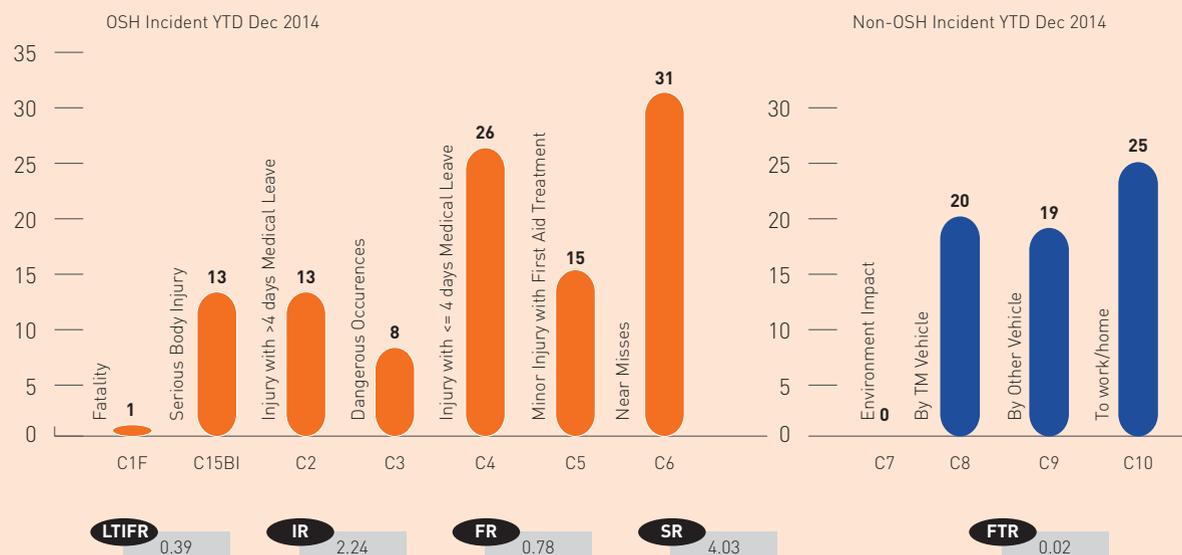
- Delivered hazard identification and risk management refresher training to all TM employees and contractors;

- Instructed all contractors to prepare a Job Safety Analysis (JSA) according to the identified hazards at the work locations;
- Required a supervisor to be assigned to any high risk jobs and be responsible for overseeing the whole work procedure;
- Conducts safety briefings for all workers and contractors before any work is performed; and
- Requires a limited access permit for work within high voltage areas to be obtained from TM management.

OSH Statistics 2014

OSH INDICATOR

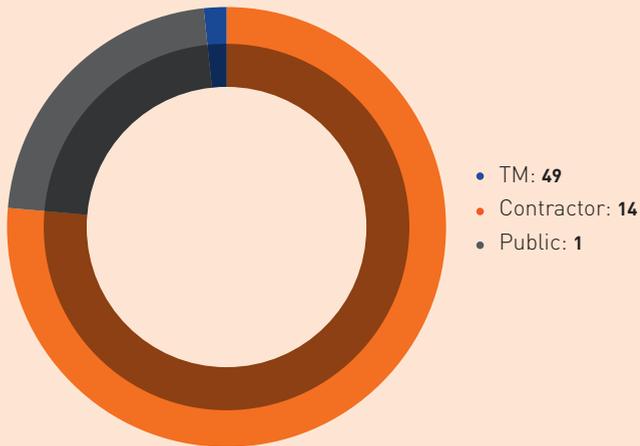
OSH INDICATOR	2012	2013	2014
Total recordable injury frequency rate (no. of cases)	58	56	68
Absenteeism rate (headcount)	68	32	53
Absenteeism rate (days)	794	360	554
Lost Time Injury frequency (no. of cases)	68	32	53
Fatality accidents (no. of cases) among contractors	4	0	1



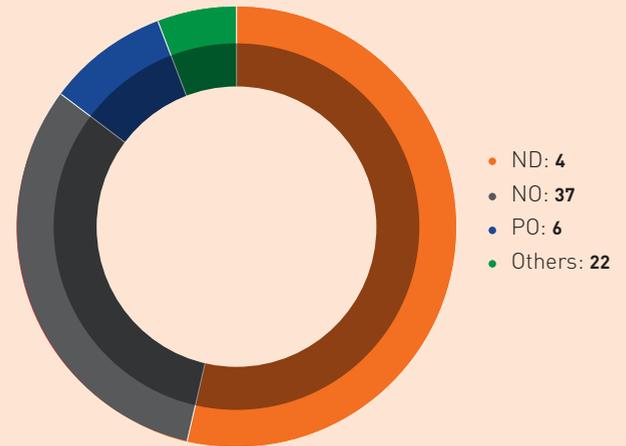
Cont'd: OSH Statistics 2014

4 th QTR	OSH Accident (LTI)	LTI	OSH INCIDENT	ENV IMPACT	COMMUTING INCIDENT	TOTAL INCIDENT
2014	53	554	107	0	64	171
2013	32	360	92	0	43	135
Variance	+66.0%	+54.0%	+16.0%	0.0%	+49.0%	+27.0%

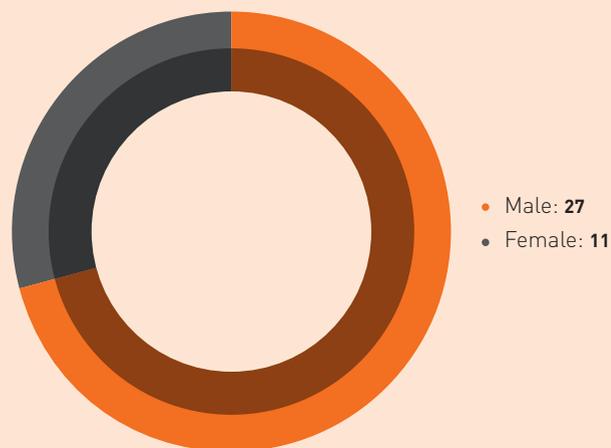
Accident by Group



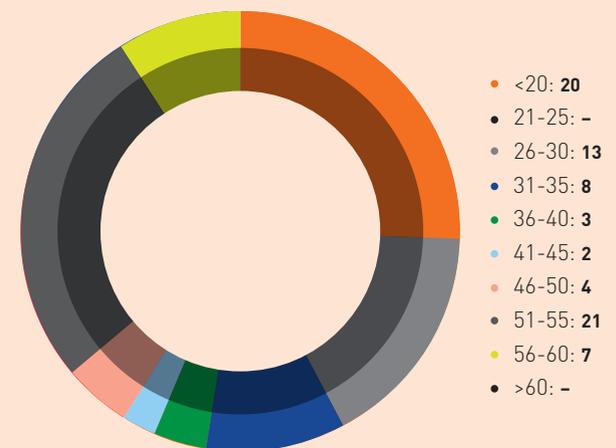
Accident by LOBs



Accident by Gender



Accident by Age



Health and Safety Training

We have developed comprehensive health and safety procedures that are updated regularly to comply with governmental regulations, standards and best business practices. Job safety analyses and risk assessments support these policies and procedures, while audits and inspections are conducted to determine the effectiveness of these measures. Employees continuously improve these programmes.

All states have appointed OSHE officers who are responsible for implementing and following the Occupational Health and Safety Act (OHSA) at all work levels, in all TM premises. The OHSA applies to all contractors in any field of employment related to TM's business operations. Ergo-Contacts are appointed by Heads of Department (HODs) to oversee ergonomic issues of small groups of employees by function or location. To date, we have a total of 442 Ergo-Contacts nationwide.

TM also collaborates with the National Institute of Occupational Safety and Health (NIOSH) to deliver training modules on employee safety and health. Training programmes such as the NTMSP and Authorised Entrant and Stand-by Person TM (AESP - TM) are now accessible as e-learning modules on the user-friendly and interactive OSHE portal.

Program Latihan Arahan Kerja Selamat (PLAKS, or Safe Work Instruction Training Programme)

PLAKS was introduced in 2014 for all TM employees involved in high-risk work. Workers are equipped with basic knowledge of OSH and safe work procedures to prevent incidents while working. In 2014, a total of 1,641 employees and contractors attended PLAKS programmes.

Safety and Our Contractors

We ensure our contractors comply with OSH requirements commensurate with the nature and extent of their work. Contractors must submit an OSH plan demonstrating that all their activities will be performed safely. Some vendors may be required to appoint a qualified and experienced person as an OSH officer or representative to train all the workmen, including sub-contractors, to comply with OSH requirements.

TM contractors must supply their workers personal protective clothing and equipment whenever required, at their own expense. Contractors' employees and sub-contractors are not allowed to carry out any work unless they have undergone the NTMSP Programme.

Contractors breaching TM's occupational safety, health and environment provisions will have their contracts terminated.

Compliance with Radiation Guidelines

In 2010, the Malaysia Nuclear Agency assessed the radiation risk at all our high power radio base stations (RBSs), and reported a safe radiation reading. In 2015, the agency will be appointed to re-assess all high power RBSs, such as those transmitting and broadcasting. Via these audits, we ensure that we comply with the International Commission on Non-Ionising Radiation Protection (ICNIRP) Guidelines.

An Inclusive Culture

Employee Volunteerism

TM fully supports employee volunteerism, especially in areas that develop society and the country. We are particularly supportive of volunteerism activities that are in line with our corporate responsibility (CR) values of community development, nation-building, education and environmental protection. Through TM Reaching Out Volunteers (ROVers), our employees can take part in various meaningful community outreach programmes. In 2014, more than 300 TM ROVers registered and participated in a flood relief mission in Terengganu.

Various activities were organised in 2014 to instill the spirit of volunteerism. These included a half-day training workshop with MERCY Malaysia on 2 December at TM Convention Centre, which saw the attendance of more than 20 TM ROVers along with participants from other GLCs. We plan to strengthen the foundation of TM ROVers by equipping them with adequate training and formalising a policy on volunteerism. Meanwhile, a line-up of activities has been planned for them in the coming months.

Breakdown of attendance at PLAKS Programmes Delivered in 2014

DIVISION	NO. OF PARTICIPANTS
Network Management Operation	1,150
Network Delivery	128
Security Management	263
Property Operations	100

Persatuan Eksekutif Telekom (PET)

G4-16

Among the activities conducted by PET in 2014

ROBO Junior Workshop

PET and Little Botz Academy collaborated to organise a robot building and programming workshop at TM Convention Centre. About 270 children enrolled for the programme, primarily children of TM employees.

Water Rafting

PET hosted a *Jom Water Rafting* session in Kg Ulu Slim on 21 June 2014.

TM CR Council

TM CR Council was established to support local and national enrichment based on TM's CR Pillars. Comprising TM volunteers, it acts as a platform bringing all TM's clubs and societies together under one umbrella to share resources, learning and best practices. TM CR Council's ultimate goal is to provide a framework to ensure all TM's CR activities are sustainable.

Kelab TM

Kelab TM is an active society with a membership of more than 13,000. It organises various national-level TM activities and participates in state government corporate events. In 2014, these included the TM Amazing Raze, TM Awards Night, 4x4 Charity Convoy of Malaysian NGOs, state level Family Days, *Program Gerak Gempur* and a sports championship.

Rejimen Semboyan Diraja Pakar Telekom (Pakar Semboyan)

G4-16

Pakar Semboyan is a Territorial Army regiment that protects the country's essential telecommunications services from disruption during any national emergency or natural disaster. The *Pakar Semboyan* team trains regularly to prepare for immediate mobilisation in times of crisis.

Activities organised by *Pakar Semboyan* in 2014 included:

- Mobilisation training for 'Black New Year'
- Hiking in Broga Hills in Semenyih and Gunung Datuk in Rembau, Negeri Sembilan
- TM FUN Walk 2014 with GHCM and Tiaranita
- Visit to Pusat Jagaan Siti Noraini at Rumah Jagaan Siti Noraini, Kajang during Ramadhan 2014 to distribute Aidilfitri aid. Rumah Jagaan Siti Noraini accommodates persons aged 40-70 years who are less fortunate, neglected and homeless
- *Gotong royong* (clean-up) at Sekolah Kebangsaan Bukit Raya, Hulu Langat, Selangor
- *Program Jiwa Murni* and *Gotong Royong Perdana* at Madrasah Ubudiyah Kg Teluk Kangar, Bongor Saga, Baling, Kedah
- *Gotong-royong* at TM's Exchange building in Sabah, employees' homes and also schools been damaged by floods, where the team also helped to repair the telecommunications infrastructure
- Four Annual Camp Training sessions involving 300 members
- Shooting training with Tan Sri Dato' Sri Zamzamzairani Mohd Isa

TM CR COUNCIL FRAMEWORK

TM CR Council Framework in an initiative committed to bringing local and national enrichment through the promotion of CSR and sustainability to:

- Become a reference for guidelines and frameworks for TM's CSR and sustainability efforts.
- Bring TM's clubs and societies together to learn, share and implement sustainable and effective CSR practices for better community outcomes.
- Nurture a TM volunteerism culture by involving members of TM clubs and societies, and employees.



TIARANITA

G4-16

TIARANITA is an organisation for female employees and wives of TM employees, 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 as of end 2014 had 3,227 members.

The organisation's objectives are to:

- Cultivate the spirit of muhibbah (harmony) in its members who come from different races and backgrounds
- Offer knowledge and skills-enhancing programmes, talks, seminars and courses
- Host activities for the benefit of members and their families
- Raise funds in aid of charitable organisations
- Network with other registered women's organisations and be a part of national women development programmes.

TIARANITA hosted 24 programmes covering sports and physical activities, religion, self-development and health in 2014.

Badan Kebajikan Islam TM (BAKIT)

G4-16

BAKIT, which was registered with the Registrar of Societies (ROS) on 17 December 1990, carries out various activities at 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 contributes to needy Muslims abroad.

Membership as at 31 December 2014 stood at 9,165, which was 5.0% higher than at end 2013. During the year, BAKIT together with the Islamic Relief Malaysia raised RM4,672 through the Tabung Perlarian Syria and Programme Show Your Care/Feed the Fasting. It also distributed RM94,512 worth of zakat to 22 Islamic institutions

and 45 individuals, organised an Ukhwah visit to Acheh, and Korban in various countries including Cambodia, Bangladesh and Indonesia.

Freedom of Association Through Unions

G4-DMA

Non-executive employees enjoy freedom of association and are able to join and leave TM's unions as they see fit. The three 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.

We finalised our Collective Agreements (CA) with Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia (NUTE) on 19 July 2013; Kesatuan Pekerja Telekom Malaysia Berhad Sarawak (UTES) on 23 July 2013; and Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah (SUTE) on 24 July 2013.

The CAs provided monetary and non-monetary benefits that were enjoyed by all 15,516 permanent non-executives employees nationwide. The CAs included terms and conditions of service, salary adjustments and annual increments. Other monetary and non-monetary benefits included productivity, training, minimum retirement age, medical benefits, allowances, leaves, loans, telephone rental and broadband Internet services.

Under health and safety, the CAs cover hazardous work with provisions to safeguard employees' safety, health and welfare, and to prevent ill-health, injuries or death at work.

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

In 2014, five grievances were filed and all were resolved internally within the CA's stipulated time frame. Harmonious industrial relationships between employees, unions, and Management helped solve these grievances at the lowest level.

The Management collaborated with the unions to take proactive measures to execute TM's Performance Improvement Programme (PIP) 3.0 via self-development, supervisory skills and career advancement initiatives.

TM Union Membership Breakdown from 2012 to 2014
G4-11

YEAR/UNION	NUTE	UTES	SUTE
2012	8,147	987	726
2013	9,347	1,092	761
2014	9,204	1,074	777

Notice Period for Relocation and Termination

A minimum of two weeks' notice is given for transfers that do not require a change of residence, while one month's notice is given for transfers that do. Subject to the provisions of the CA, a notice period of three months is required for termination of employment or resignation for confirmed employees. Otherwise, a payment of three months' salary in lieu will be made and notice given in writing.

Promoting Resource Efficiency

TM's Workforce Management System (WFMS)

WFMS is an IT-enabled solution that manages field forces. It is integrated with TM's databases and systems including ICP, NOVA, NIS, GRANITE, GEMS and CIPS.

TECHNICIAN	SUPERVISOR/MANAGER	DISPATCHER
<ul style="list-style-type: none"> Gets jobs with turn by turn direction to the job location Jobs are matched to skills, capacity and customer appointment Accepts and closes jobs on handheld Allows scheduled meetings and breaks Provides objective and fact-based performance data 	<ul style="list-style-type: none"> Generates daily productivity reports for each technician Views the daily, weekly and monthly dashboard by region Provides actionable performance management inputs (e.g. a technician that needs coaching) 	<ul style="list-style-type: none"> Able to track the technicians dynamically through schedule or map view Receive alerts on exceptions such as technicians taking more time Can manually override schedule in exceptional cases such as P1 tickets

WFMS improves performance along the four key dimensions below:

CAPACITY PLANNING	CUSTOMER EXPERIENCE	PERFORMANCE MANAGEMENT	PRODUCTIVITY
<ul style="list-style-type: none"> Estimate FTE required for long-term and day-to-day capacity planning Plan technician's time based on forecasted demand and scheduled appointments Provide accurate data source for more granular forecasting and capacity analysis 	<ul style="list-style-type: none"> Helps customer book a convenient appointment at call centre or point of sale Send alerts to the customer both a day and 30 minutes before technician arrives Updates the customer immediately upon completion Allows customer to log feedback 	<ul style="list-style-type: none"> Provide alerts to dispatcher for immediate actions such as technician being delayed by previous job Track technician's activity every minute Provide granular KPIs for technicians and supervisors to conduct coaching and performance dialogues 	<ul style="list-style-type: none"> Minimise travel time by optimally the routing of technicians Calculate metrics based on GPS data Determine standard productivity targets for all areas nationwide Track technician's compliance to standard time on task targets

Workplace Statistics 2012 - 2014

64-10

EMPLOYEES	2012	2013	2014
Total number	27,642	27,830	28,047
Executives	9,655	9,987	10,287
Non-Executives	17,987	17,843	17,760
Inside Malaysia	27,345	27,708	27,929
Outside Malaysia	297	122	118
Permanent staff	24,581	24,477	24,872
Non-permanent staff	3,061	3,353	3,175
Female	10,431	10,728	10,820
Male	17,211	17,102	17,227
Union members	9,937	11,200	11,055
% of union members out of total number of employees	36	40	39
% of union members out of total number of non-executives	55	63	62
Non-Union members	17,705	16,630	16,992
Age group			
<30	8,876	8,357	7,663
30-40	7,243	8,011	8,628
40-50	4,770	4,760	4,890
>50	6,753	6,702	6,866
Disabled staff (%)	0.05	0.06	0.04

DIVERSITY	2012	2013	2014
Malay	23,380	22,769	24,055
Chinese	1,201	1,167	1,202
Indian	1,046	925	1,027
Others	2,015	2,969	1,763

EMPLOYEE TURNOVER RATES

	2012	2013	2014
Total	1,528	1,465	723
In Malaysia	1,527	1,463	714
Outside Malaysia	1	2	9
Female	453	462	308
Male	1,075	1,003	415
Age Group			
<30	253	238	238
30-40	198	188	231
40-50	68	84	74
>50	1,009	955	180
% Women in Management	41%	42%	42%
% Women in Top Management	28%	24%	22%

TRAINING

	2012	2013	2014
Employee participation in training	76,185	72,073	38,415
Average attendance per training programme	17	30	16
Average training budget per employee (RM)	2,489	2,978	1,066
Average total hours of training per employee per year	46	32	22

PERFORMANCE REVIEW TOWARDS CAREER ENHANCEMENT

	2012	2013	2014
Employee Engagement Index (EEI)	90	90	90

OCCUPATIONAL SAFETY AND HEALTH (OSH)

	2012	2013	2014
Total recordable injury frequency rate	58	56	68
Absenteeism rate (head count)	68	32	53
Absenteeism rate (days)	794	360	554
Lost Time Injury frequency (no. of cases)	68	32	53
Fatal accidents (no. of cases)	4	0	1

Our Marketplace Recharged

We constantly innovate and refine our products and services to ensure sustainability in our offerings to customers. With this approach, we provide a marketplace that is alive with ideas and creativity.





FACTS AT A GLANCE

MORE THAN
72

SCORE IN TRI*M CUSTOMER
SATISFACTION INDEX (CSI)

318

TM OUTLETS AND PAYMENT KIOSKS
NATIONWIDE TO SERVE CUSTOMERS

24,542

CONTRACTORS RECEIVED NIOSH'S TM
SAFETY PASSPORT PROGRAMME (NTMSP)
TRAINING

TM IS COMMITTED TO BEING GUIDED BY HONESTY, INTEGRITY, PROFESSIONALISM AND EXCELLENCE IN EVERYTHING IT DOES. BUSINESS PARTNERS ARE ENCOURAGED TO ADOPT RESPONSIBLE PRACTICES. CUSTOMERS ARE SHOWN CARE; WHILE GOOD CORPORATE GOVERNANCE IS UPHeld TO MEET THE EXPECTATIONS OF INVESTORS. CONSTANT INNOVATION IN OUR PRODUCTS AND SERVICE DELIVERY MAKES A DIFFERENCE TO CUSTOMERS' LIVES.

Sustainable Procurement G4-DMA

Our Procurement Policy requires all procurement to maximise competition. Everyone involved in the procurement process is expected to uphold a high level of integrity, and adhere to strict governance and control procedures as established. Negotiations are conducted with suppliers to obtain the best pricing, delivery time, and other value added provisions as part of the contractual obligations.

Every year, we conduct a transparency index trading which involves conducting a survey to obtain feedback from TM supplier on the effectiveness and efficiency of the procurement process and activity. A score of 7.5 out of 10 was obtained in 2014 which indicates that supplies are generally happy with TM Procurement process and practices.

Workforce Management System (WFMS)

TM Procurement Department has introduced the WFMS to promote continuous improvement in customer service, operational excellence and efficiency. Through WFMS, installation teams or contractors receive online updates from TM. In addition to reducing management costs, paper-based activities are largely eliminated. We aim to minimise error-prone manual corrections and calculations which often occur during the procurement process.

Promoting Local Hiring G4-EC7

TM's vendors are encouraged to employ Malaysian citizens as workmen. If vendors cannot recruit a sufficient number of Malaysians in a particular trade or skill, they may employ foreign labour but are responsible for obtaining the work permits and complying with the relevant laws and regulations.

The ratio of Malaysian citizens employed by the vendor to execute a contract must reflect Malaysia's racial diversity.

Ethical Procurement

TM's vendors are expected to adhere to the same environmental and social responsibility principles that TM values. Various terms have been included in our corporate contracts to clarify our expectations. Vendors must adopt sound environmental, health and safety management practices. A total of 24,542 contractors received NIOSH's TM Safety Passport Programme (NTMSP) training in 2014. Some examples of these clauses ensure that:

- The vendors comply with all relevant environmental preservation laws, in particular the Environmental Quality Act 1974. This entails preserving water and air quality, soil, flora and fauna during works.
- The vendor must respect all workmen employed, and abide by established industrial rates and conditions of employment.
- The use of chemicals, substances or equipment that are potentially hazardous or injurious must be clearly indicated in writing. All such components or parts must be marked and labelled and any handling or disposal precautions must be clearly stated.
- No work can be performed on days of rest, public holidays or between the hours of 5.30pm and 8.30am without written permission.

Supplier Relationship Management (SRM)

SRM is a web-based purchasing platform that delivers sustainable savings and value generation for world-class supply management. It covers the full supply cycle including strategic sourcing, operational procurement and supplier enablement. SRM enables end-to-end procure-to-pay procurement business processes, reducing the time and cost to qualify suppliers.

The two main SRM modules related to suppliers are:

1. Registration of Suppliers [ROS]

Registration of Supplier [ROS] allows suppliers to self-register as approved suppliers. The online registration form is available on our corporate website. All suppliers who are interested to do business with TM must self-register online. Their registration is processed via an ROS module in the SRM system.

2. Supplier Self-Service [SUS]

Supplier Self-Service [SUS] is a fully web-based and hosted order management system launched in 2010 to provide our suppliers a single point of access to interact electronically with TM in performing business activities such as responding to purchase orders, submitting invoices and participating in bidding or auctions.

Suppliers Knowledge Day (K-Day)

On 9 October 2014, Group Procurement held a Suppliers Knowledge-Day (K-Day) at TM Convention Centre (TMCC). More than 350 representatives from over 150 contractors attended the event which served to:

- Ensure all contractors have a good understanding of TM's procurement processes
- Provide a platform for TM to share changes made to its procurement processes

- Help contractors raise any issues or opinions they may have for future improvements
- Create an environment in which both parties realise the importance of sustaining business relationships

Presentations were held on the Goods and Services Tax, supplier registration renewal process, changes to contracts, and payment related matters. Participants were given the opportunity to ask questions on any procurement issue. The event was supported by other functions at TM including Group IT, Group Finance and IT&NT.

Ensuring Quality

G4-DMA, G4-PR1, G4-12, G4-15

TM R&D's web-based Quality Management System (QMS), established in 2002, centralises a collection of business processes. It serves as a platform for TM R&D personnel to obtain full information for references and action regarding ISO 9001:2008. QMS promotes continuous improvement and effectiveness by ensuring sufficient availability of resources and information necessary to support operations.

TMR&D is strategising a collective effort to move beyond ISO 9001:2008. In the future, processes and productivity will be improved by upgrading to ISO 9001:2015.



Getting It Right First Time, Every Time

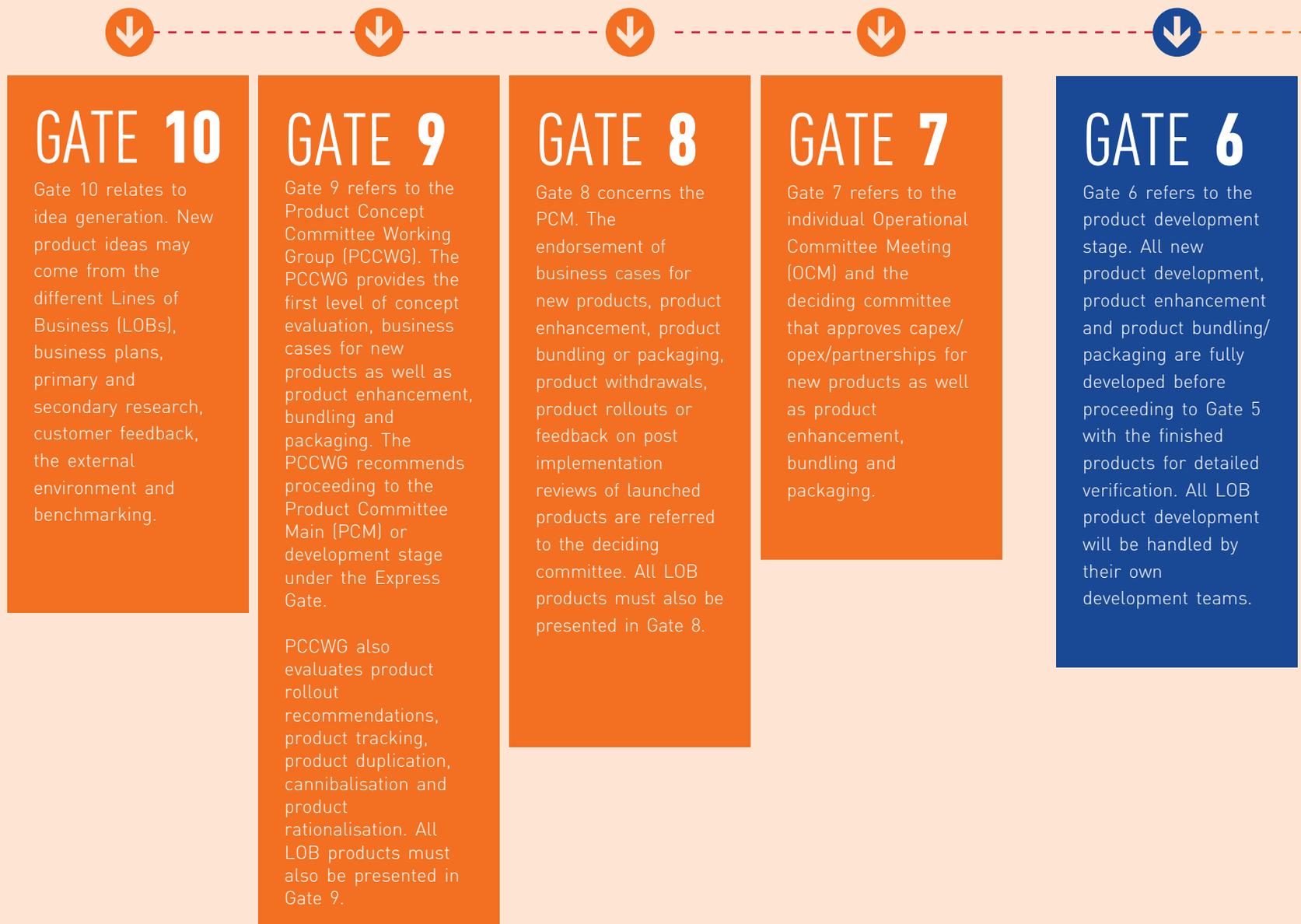
The Mass Market Marketing Operation (MMMO) Gated Process and Procedures provides guidelines, criteria and standards for product development and management. It covers new product development, product enhancement, product improvement, and product bundling and package. Systematic and consistent approaches are adopted to meet customer needs and expectations. The approach ensures all products and services developed are of the highest quality in order to support growth of our market share.

Details of the gated process are summarised in the following table.

G4-11

GROUP PRODUCT COMMITTEE (GPC) AS THE GOVERNING BODY & CONTROL FUNCTIONS BETWEEN LOBS

PHASE	PORTFOLIO PLANNING PHASE			PRODUCT DEVELOPMENT & READINESS PHASE	
Gate	Gate 10 Idea Generation (IG)	Gate 9 Business Case Recommendation	Gate 8 Business Case Approval	Gate 7 CAPEX/OPEX/Business Partnership Selection Approval	Gate 6 Product Development (PD)



GROUP PRODUCT COMMITTEE (GPC) AS THE GOVERNING BODY & CONTROL FUNCTIONS BETWEEN LOBS

PRODUCT DEVELOPMENT & READINESS PHASE

POST LAUNCH & PORTFOLIO MANAGEMENT

Gate 5
Launch Readiness

Gate 4
Launch Approval

Gate 3
Post Implementation Review

Gate 2
Product Portfolio Management

Gate 1
Product Exit



GATE 5

Gate 5 refers to the product launch readiness committee which evaluates the product launch readiness through checklists. All products that have met the Gate 5 checklist criteria will be recommended for launch approval to PCM via PCWG. All LOB products will also have to be presented in Gate 5.

GATE 4

Gate 4 refers to the PCM. The deciding committee approves all products that have been recommended by the Gate 5 committee/PCCWG for launch. All LOB products will also have to be presented in Gate 4.

GATE 3

Gate 3 refers to the individual Operational Committee Meeting (OCM) and the deciding committee that approves capex/opex/partnerships for new products as well as product enhancement, bundling and packaging.

GATE 2

Gate 2 concerns the Product Life Cycle Management (PLCM). The Product Life Cycle refers to various stages of a product from its development to introduction, growth, maturity and decline. The lifecycle of LOB products are handled by their own product management teams.

GATE 1

Gate 1 refers to the PCM and the committee that decides on product withdrawal and exit of non-profitable, non-viable or non-performing products. All LOB products will also have to be presented in Gate 1.

TM's commitment to innovation is reflected in the following Frost & Sullivan Malaysia Excellence awards:

- Telecom Service Provider of the Year
- Broadband Service Provider of the Year
- Data Communications Service Provider of the Year
- Telecommunication Wholesale Service Provider of the Year
- Managed Service Provider of the Year presented to VADS Berhad
- BPO Service Provider of the Year presented to VADS Berhad

Innovating Malaysia's First Virtual Private Cloud

Our wholly owned subsidiary VADS signed an agreement with IBM Malaysia Sdn Bhd to launch Malaysia's first Virtual Private Cloud (VPC) on 6 June 2014. The enterprise grade private cloud solution fulfils customers' requirements for flexible cloud computing solutions without needing high upfront investments and skilled resources to deliver on-demand computing flexibility in a secured environment.

The VPC can also serve as a secondary data centre for organisations with existing in-house IT infrastructure. The data centres and cloud service are both ISO 27001-certified (Information Security Management System). The network is powered by our high-speed IP network with domestic and global coverage.

TM Self Help Tool

In 2014, we have introduced TM Self Help tool which is a quick and simple troubleshooting guide for UniFi, Streamyx and Fixed Line. The TM Self Help troubleshooting guide is designed to be simple to understand and easy to use to offer great convenience to our customers on demand.

TMOfficialTube

We have also consolidated our YouTube content into one channel -- TMOfficialTube. The channel is an informative centralised repository of useful videos that help users understand TM's products and services better. The videos also guide customers on product installation and other product related information. YouTubers can also view HyppTV, broadband, sports, business, education and corporate clips.

Continuous Innovation to Meet Your Needs

Empowering SMEs with ICT

On 25 September 2014, Shop in A Box was launched to encourage Malaysian SMEs to adopt ICT. This complete retail solution helps retailers increase productivity and business profits through simple yet affordable bundled value-added services. As over 70.0% of SME customers are in retail, Shop in A Box caters to their payment and collection, market reach and customer experience needs. Other functionalities may be unveiled from time to time.

SurePay and SurePay Point of Sale (POS), launched concurrently, guarantee payment flexibility and convenience especially for small suburban businesses. Utilising an online payment system, TM Electronic Payment Gateway, and a mobile payment system, TM Mobile Payment System, they enable customers to pay via cash, debit or credit card. In other words, the solution empowers SMEs to increase their sales, improve productivity and attain wider market reach.

Broadband For All with TMgo

Continuing with our vision to provide broadband services to the nation across all segments and locations, we launched our 4G broadband offering, TMgo, in Alor Setar, Kedah on 8 August 2014 covering 17 sites in Kota Setar and Pendang. The service coverage will be expanded to provide high speed broadband to communities in more underserved areas in the country.

Staying Connected with HyppMe

HyppMe is the latest mobile communication application that provides voice over Internet Protocol (IP). The application was introduced on 25 June 2014, leveraging on our extensive connectivity, network infrastructure and collective expertise. HyppMe stands out from other Over-the-Top (OTT) products by offering a very competitive flat rate for voice services across all service providers with international calls capabilities, over and above its text, animated emoticons, group chat and photo sharing features.

HyppTV Everywhere and HyppTV Voucher

In 2014, New Media introduced two innovations: HyppTV Everywhere and HyppFlicks Plus Vouchers. HyppTV Everywhere is a stand-alone service for non-Unifi and non-Streamyx subscribers. Customers can view and subscribe to HyppTV content through multiple electronic devices, even without having the Set-up Box at home.

HyppFlicks Plus Voucher is a voucher redemption system for Video on Demand (VOD) content at HyppFlicks Plus channel. All UniFi and Streamyx subscribers with TM Rewards accounts can redeem RM10 worth of any titles from HyppFlicks Plus with every 1,000 points earned.

TM's E³ Infra - Efficient, Effective, Elastic

TM's E³ Infrastructure 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. Further enhancing TM's E³ 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.

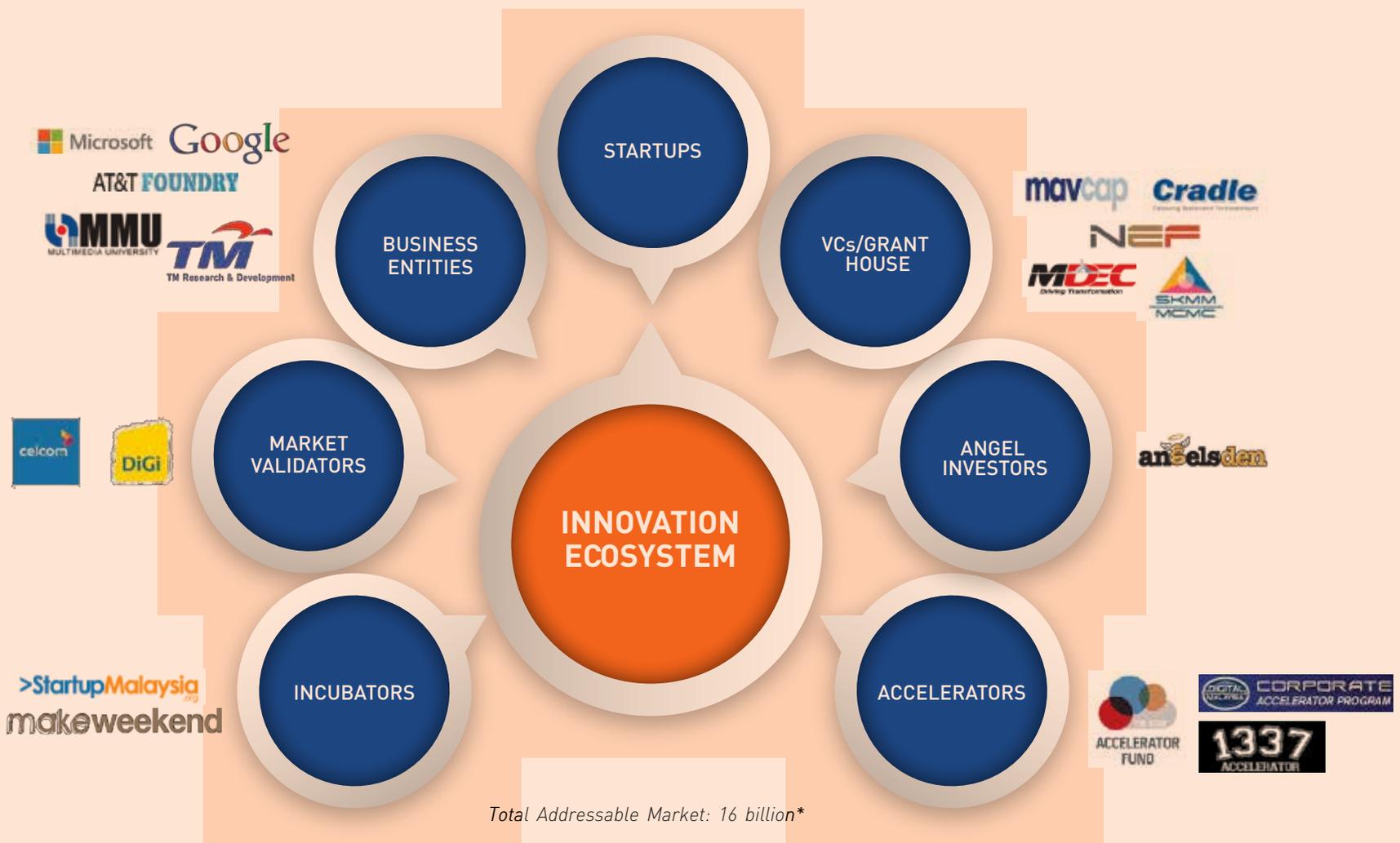
Among the operational and design best practices implemented are equipment layout remodelling, network platform consolidation and optimal temperature management. Among the initiatives that have been identified in 2014 are cloud-based infrastructure, network/IT platform migration, network/system infrastructure optimisation and security. IT&T plans to complete the current transformation to strengthen the E³ infrastructure and move towards service-centric operations.

Innovation Exchange (TM IX)

Our High Speed Broadband (HSBB) service enables us to evolve into an Information Exchange. This is the final phase of our overall strategy to stimulate data consumption via applications and services, and position ourselves as the platform of choice for content creators and developers to cater for this demand.

TM IX's two main objectives are to:

- 1 Stimulate and inculcate innovation, creativity and entrepreneurship within TM
- 2 Capitalise on market opportunities



Source: MDeC 2014

Accelerator Programme

The Malaysian Government supports the local innovation industry through financial and acceleration assistance such as seed funding, start-up camps and market validation platforms. Entities such as MDeC, Cradle and MaGiC share a common goal of nurturing potential start-up companies in the hope of replicating success stories similar to that of the Silicon Valley. Despite this assistance, start-ups often find launching and commercialising their products challenging due to a lack of infrastructure support and go-to-market channels.

Through TM IX, we are providing a solution to such start-ups. TM IX has developed an accelerator framework to drive innovation within the organisation itself as well as to benefit the general innovation ecosystem by providing market access to start-ups, ISVs and entrepreneurs seeking to launch and scale their products.

Enhancing Value to the Industry

Through TM Global & Wholesale (G&W), we fulfill the end-to-end connectivity and ICT requirements of customers domestically and in more than 50 countries. Supporting our innovation vision, G&W is continuously evolving its services to meet the needs of the industry.

Its Next-Gen Backhaul™ (NGBH) is a comprehensive mobile backhaul solution over Ethernet developed for Mobile Network Operators (MNOs) that complies with the technical specifications and industry standards for 3G and Long Term Evolution (LTE). NGBH enables MNOs to introduce LTE offerings at reduced long-term Total Cost of Ownership (TCO) from cost, quality, and operations and maintenance perspectives.

G&W's Wholesale Wireless Service (WWS), meanwhile, allows industry players to provide WiFi service to end customers to address congestion in MNOs' 3G networks. WWS is delivered through shared wireless infrastructure located at selected strategic sites. In 2014, TM upgraded the network to offer seamless authentication with enhanced features and a dedicated internet connectivity service. TM also enhanced the architecture with new features and upgraded the backhaul. The physical equipment was changed and coverage is expanding.

Expanding Our Global Reach

TM as A World-Class Data Centre Hub (My1Hub)

In 2014, TM deployed My1Hub, Malaysia's neutral one-stop hub solution. My1Hub offers seamless and reliable connectivity from Malaysia to the rest of the world via submarine cable investments such as our wholly-owned Cahaya Malaysia linking Malaysia – Hong Kong – Japan and the Batam-Dumai-Melaka system linking Malaysia with Indonesia.

My1Hub's open and supportive ICT platform offers holistic Internet, bandwidth and hosting services to facilitate the various needs of global and domestic players and partners.

Diversifying Connectivity via TM's Submarine Cable Systems

In April 2013, TM signed an agreement with five other regional telcos: Vodafone (UK) Group, UAE's Etisalat, Sri Lanka's Dialog Axiata, India's Reliance Jio Infocomm Limited and Omantel of Oman to provide diversified connectivity and improve the region's telecommunications efficiency. This consortium will establish the Bay of Bengal Gateway (BBG) submarine cable system.

The submarine cable system, initiated and spearheaded by TM and Vodafone, will link Malaysia (through Penang) and Singapore to the Middle East (Oman and United Arab Emirates) with connections reaching out to India (Mumbai and Chennai) and Sri Lanka. It will connect South East Asia, South Asia and the Middle East to Europe and Africa through other existing systems landing in India and the Middle East. Spanning approximately 8,000 km, BBG will provide TM's IP traffic with an alternative route to Europe, and is expected to carry commercial traffic by the third quarter of 2015.

Four main support pillars as start-ups in TM Innovation Exchange



COLLABORATION SPACES

- TM Innovation Centre
- MMU
- TMCC



INNOVATION LEADS

A team providing 1st level guidance to startups



DEVELOPER TOOLS

Open API management platform



STRATEGIC ALLIANCES

Partnership with Government and Business entities

In the first quarter of 2014, TM also formed an alliance with 15 leading global telcos to set up a consortium to establish another state-of-the-art submarine cable system, the South East Asia - Middle East - Western Europe 5 (SEA-ME-WE 5 or SMW5). Spanning approximately 20,000 km, SEA-ME-WE 5 will provide extensive connectivity to 17 countries in South East Asia, South Asia, Middle East and Europe: Indonesia, Singapore, Thailand, Myanmar, Bangladesh Sri Lanka, India, Pakistan, UAE, Oman, Djibouti, Yemen, Saudi Arabia, Egypt, Italy, France and Malaysia. Adopting 100Gbps technology, the cable system will be able to carry 24Tbps of capacity, which is equivalent to transmitting 4,800 high-definition movies every second. The submarine cable system is expected to carry commercial traffic in 2016.

TM OWNS
13 SUBMARINE
CABLE SYSTEMS
SPANNING MORE
THAN 100,000
FIBRE-ROUTE MILES
AROUND
THE WORLD.

Localising Global Content

On 22 January 2014, we signed an agreement with US-based global communications services provider Level 3 Communications to provide Internet localisation services that enable us to locally cache high demand content on our network. This will improve Internet connectivity, network efficiency, reliability and security. The service combines Level 3's Content Delivery Network (CDN) with deep edge caching and high-speed IP to efficiently route traffic to TM's network.

Shaping the Future TM through Social Media

Social media has been an undeniable force for increasing brand awareness and influencing purchasing decisions. TM Group Brand and Communication Department plays the role as 'gatekeeper' for information being sent out to the public. We ensure that information, including that communicated through the mass media, is precise and always reflects the positive image upheld by the Company. In order to achieve this, the following objectives have been set to maximise the use of social media:

- Amplify TM positive brand perception in social media to more users
- Monitor conversations about TM brands on social media to understand consumer sentiment
- Respond and engage with consumers on social media to improve perceptions and sentiment
- Achieve faster response time in managing requests, queries, comments, complaints and compliments

The diagram below shows the three key approaches to enhancing TM's image, reputation, customer perception and experience via social media. TM's key social media engagement channels include @TMCorp, @TMConnects, Team Malaysia and Everyone Connects, among others.

Through this approach, we ensure that our customers and the general public receive a delightful and rewarding social media experience that is unlike anything available in the country. Via social media, we also deliver accurate and up-to-date information which helps to guide our customers in making informed decisions.

Social media has played a critical role in helping us engage with our customers on a more personal level. In December 2013, 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. In 2014, we have extended the working hours of these agents so that they are available to our customers until midnight daily. Beginning next year, we hope to increase the number of super agents to deliver an even better experience to our customers via social media.

Customer expectations for service are constantly increasing. Now, customers expect more than an answer to their question. They want their problems solved quickly and desire personal interaction with a skilled agent. Our agents are trained to respond not only to all tweets mentioning @TMConnects but also, the agents proactively seek out conversations about TM where they can extend their help to, proactively. This is a first in Malaysia. The total number of tweets received and responded to in 2014 is presented in the table below.



Total Number of Tweets Received and Responded to 2014



19,156 number of customer service cases responded via @TMConnects, TM's official & customer service channels on twitter

Closer to You G4-DMA, G4-PR3

As part of our efforts to enhance our service delivery, we engage with our customers and the general public to understand their needs and shape our products and services accordingly. During the year, we organised various activities nationwide.

EVENT	LOCATION	DURATION	OBJECTIVES	TARGET MARKET
Life Made Easier Roadshows @ Shopping Malls	56 shopping malls nationwide	3-5 days	<ul style="list-style-type: none"> Awareness of broadband packages Promote new broadband subscriptions Promote HyppTV packages 	<ul style="list-style-type: none"> Medium-high income groups Families with children
Life Made Easier Roadshows @ Trade Events	100 IT and Non IT Trade Fairs	3 days	<ul style="list-style-type: none"> Awareness of broadband packages Promote new broadband subscriptions Promote HyppTV packages 	<ul style="list-style-type: none"> Medium-high income groups Professionals, Managers, Executives, Businessmen (PMEB) and Youths
Mini Life Made Easier Roadshows @ Supermarkets	105 Hyper/ Supermarkets	1 month	<ul style="list-style-type: none"> Awareness of broadband packages Promote new broadband subscription Promote HyppTV packages 	<ul style="list-style-type: none"> Medium income groups Families with children
Pejabat Telekom Tempatan (PTT) localised sales events	Nationwide	1-3 days, throughout the year	<ul style="list-style-type: none"> Awareness of broadband packages Promote new broadband subscription Promote HyppTV packages 	<ul style="list-style-type: none"> Medium income groups Families with children New and existing customers on 1Mbps and higher packages
TMgo & BBPC/BBPC USP experiential sales event @ Sub Urban and USP areas	Nationwide	4 days	<ul style="list-style-type: none"> Awareness of TMgo and BBPC/BBPC USP 	<ul style="list-style-type: none"> Low income groups and USP areas
Jelajah Hidup Lebih Mudah @ Sub Urban/ Urban/USP areas	24 districts	4 days	<ul style="list-style-type: none"> Bridging the digital divide targeting low income groups Awareness of Internet benefits to families TM's reaching out to villagers and Pusat Khidmat Masyarakat Increase broadband penetration rate 	<ul style="list-style-type: none"> Low-medium income groups Villagers New and existing customers to 1Mbps or higher packages

TM SME organised two nationwide programmes to connect with SME companies in 2014: SME BizFest™ and SME BizNet™. SME BizFest™ focused on accelerating SME's adoption of ICT. SME BizNet™ was held in all states for vertical SME companies such as retail, services and manufacturing. At these events, we shared our latest ICT solutions to improve business productivity and expand businesses.

In addition, 80 SME BizFiesta™ events were held throughout 2014 at all TMpoint outlets during which counters were available for product consultation and demonstrations as well as to showcase office devices by our SME solutions partners.

EVENT	LOCATION	TARGET MARKETS	COMPANIES & PARTNERS INVOLVED	ACTIVITIES
SME BizFest™ 2014	Petaling Jaya, Johor Bahru, Penang and Kuching	Mass SMEs – SoHos, Micro and Small businesses including e-Tailers	ICT partners such as VADS, Microsoft, Interbase Resource (Lelong) Lookatoo, Eminent.	Business seminars, exhibitions, tutorials, business networking, business solutions and product showcase, BizOn
SME BizNet™ 2014	15 <i>Pejabat Telekom Tempatan (PTTs)</i> nationwide	Medium SMEs according to industry especially retail, manufacturing and hospitality	Local partners invited by PTTs (50 – 100pax)	ICT and business solutions seminar, business solutions showcase, business networking and lucky draw
SME BizFiesta™ 2014	TMpoint nationwide. 80 events held throughout 2014	Mass SMEs	Microsoft, Samsung, Lelong, Aztech, Teledynamics, Telerank, Aglotel, Malaysia SME	Business solutions, product showcase, quizzes, consultancy and sales activities

To help customers familiarise themselves with HyppTV, we have developed video tutorials covering the video on demand (VOD) service, channel purchasing and interactive channel viewing. These videos are shared on:

- **HyppTV's integrated help section**
- **HyppTV's official website**
- **Youtube**
- **Social media platforms**

The New Media team promotes these products through point of sales materials (POSM) such as leaflets, brochures and buntings. They are also promoted on our corporate and HyppTV websites, and through social media, HyppTV's interactive platform, on-ground activation activities and via celebrity engagement.

Global and Wholesale (G&W) organises briefings on its products and services, mainly at international telco exhibitions and sales-based events such as the Capacity series in Bangkok, Dubai and Europe; and Communicasia in Singapore. Briefings are also conducted concurrently with product and service launches.

The following table highlights some of the other major product/service briefings conducted during the year.

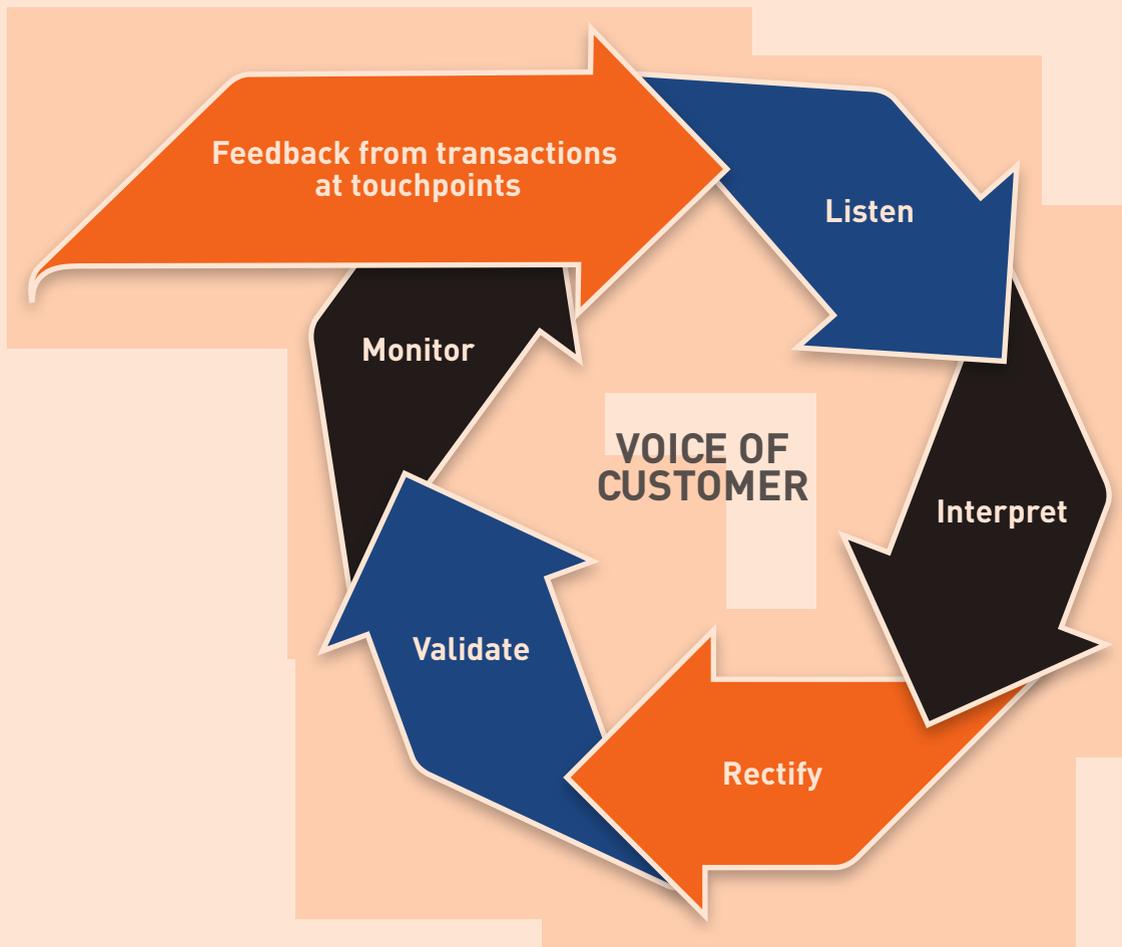
Major G&W product and services briefings:

DATE	EVENT	LOCATION	PRODUCT/SERVICES IN CONCERN
3-5 March 2014	Briefing and product awareness in the Middle East	Dubai	TM Media Delivery Service
8 May 2014	My1Hub awareness for key Malaysian data centre players	Kuala Lumpur Convention Centre	My1Hub and the products and services that support customers' needs; and ICT services which could leverage on VADS' expertise
27 – 30 October 2014	TM Media Delivery Services (TM MDS) demonstration to AAMRA customers at its open house	Dhaka, Bangladesh	Set top box displaying seamless and bufferless streaming

Embracing Our 'Life Made Easier' Proposition

We value customers' opinions. An initiative called Voice of Customer (VoC) has been implemented to capture customer feedback. This VoC provides a mechanism for immediate intervention and rectification of customer's dissatisfaction, turning bad experiences into good impressions. In September 2014, an SMS rating system was introduced allowing customers to rate their interaction with sales agents and TMpoint frontliners. Similar feedback systems will be introduced to other touch points such as call centres as well as installation and restoration teams in 2015.

We have increased our number of payment kiosks at TMpoint outlets to 149. Customers can pay their bills at their convenience 24/7. We have also increased the numbers of these outlets to 169 nationwide, to serve customer needs more efficiently..



Ensuring Satisfaction

G4-PR5

We have a strong legacy of offering the best choice and value to our customers. This is the result of a commitment to provide a comprehensive range of cutting-edge communications services and solutions in connectivity, data, infrastructure, voice and multimedia services that are relevant, cost effective and innovative in making our customers' businesses and lives easier.

While enabling our customers to keep up with the latest trends in communications, we ensure they can contact us in a way that is convenient for them and that we assist them quickly and effectively.

G&W engages external consultants to conduct an annual Customer Service Index (CSI) survey to gauge customers' satisfaction of TM products and services. The results are analysed and action plans are developed for areas that require improvement. Billing, bandwidth, traffic minutes and IP Transit are some of the assessed criteria. In 2014, the CSI was 79.

Customer Privacy

G4-DMA, G4-PR8

We endeavour to comply fully with the Personal Data Protection Act 2010 (PDPA) which came into force on 15 November 2013. Accordingly, we only use customers' personal information to:

- Assess applications or to continue providing our products and services
- Verify and process payment, billing and billing enquiries
- Deliver customised advertisements and content on our websites
- Respond to customer enquiries
- Research historical and statistical data and analysis
- Perform general operation and maintenance of products and services including audits
- Conduct general verification
- Periodically match customer data
- Provide customers with regular communication relating to products and services
- Investigate complaints, suspected suspicious transactions and research for service or product improvement
- Comply with regulatory, statutory or legal obligations such as the provisioning of Directory Assistance Service 103 as part of the Required Applications Services

TM ensures that customers' personal information is not disclosed to any unauthorised third parties. However, personal information may be disclosed in certain cases such as for legal reasons, litigation or requests from public and governmental authorities. Information may also be disclosed if it is needed for national security, law enforcement or other issues of public importance.

Anti-Corruption

G4-S04

TM is committed to conducting business openly, honestly and ethically and has adopted a zero tolerance approach to all forms of corruption. We do not offer monetary or in-kind political contributions to political party officials or candidates for public office without approval from the Board or Group CEO.

High-risk divisions have been identified based on their involvement with external parties, business partners and authorities. Various awareness sessions have been delivered to this high-risk group of employees to emphasise the importance of ethics and integrity. In 2014, we conducted more than 30 sessions covering our Lines of Business, state operations and subsidiaries, which were attended by approximately 39.0% of Management and 10.0% of non-Management.

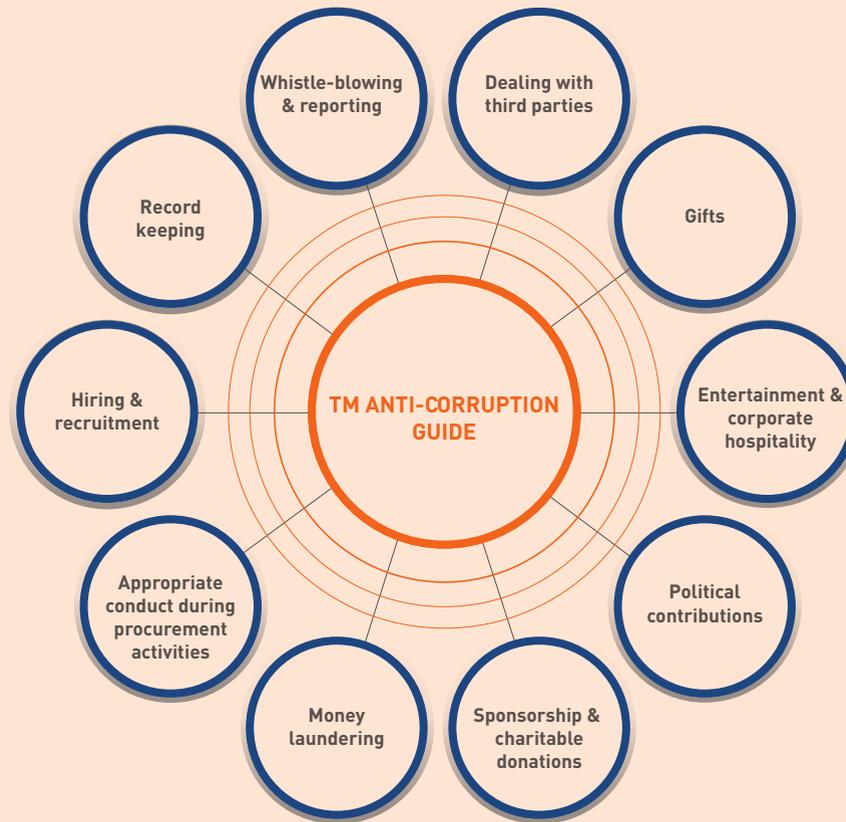
G4-56

The reaching out sessions covered internalising our Kristal Values: Uncompromising Integrity, which is one of TM Core KRISTAL values. Components of the session included:

- The meaning and principles of ethics and integrity;
- What is integrity and uncompromising integrity from TM's perspectives from the scope of Kristal Values and Code of Business Ethics
- TM's journey in the enhancement of integrity;
- Integrity in the workplace and stories related to ethical conduct and integrity practices.

TM Anti-Corruption Guide

We introduced an Anti-Corruption Guide in the fourth quarter of 2014 for our employees and business partners to prevent any form of bribery or corruption in the course of business.



TM Integrity Fellows Programme

Further enhancing our corporate governance and business ethics, we initiated an exclusive programme - TM Integrity Fellows – aligned with the following:

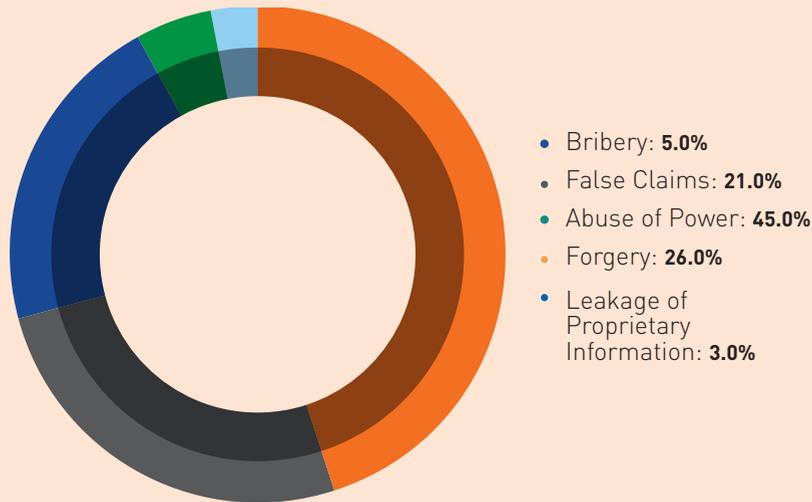


The programme aims to create a group of people with in depth knowledge of ethics and integrity who will:

- Disseminate information on ethics and integrity at the different divisions
- Serve as a resource centre or contact point on ethics and integrity matters
- Be the conduit between employees on the ground and the Management to ensure TM's policies and guidelines are aligned with business needs

To obtain the required knowledge and understanding of the principles of ethics and integrity, the Integrity Fellows will attend compulsory interactive training sessions organised by EEIU. They will also organise programmes that ignite a passion for ethics and integrity.

Breakdown of Reported Offences by Type in 2014



Whistle-blowing

Employees have a confidential and anonymous channel through which they can complain about any issue concerning ethics in relation to the business, environmental sustainability and social responsibility. These complaints are reviewed and subject to corrective improvement plans. The results are assessed and monitored. In cases of obvious violation of existing codes of conduct, disciplinary actions are taken with legal implications.

TM Integrity Day

TM organised its first ever Integrity Day on 12 February 2014 to emphasise the duty of employees and business partners to act in the best interests of the organisation; and to maintain the highest degree of integrity, transparency and accountability in all actions and operations. We have also been working closely with the Malaysian Anti-Corruption Commission (MACC) and Malaysian Institute of Integrity (MII) to establish a business environment with a high degree of ethics and integrity. We signed a Corporate Integrity Pledge (CIP) and became an Integrity Partner of the MII in 2012.

Public Policy Development and Lobbying

G4-DMA, G4-S05

TM Group Corporate and Regulatory (GCR) engages regularly with the Ministry of Communications and Multimedia Malaysia (MCMM) and Malaysian Communications and Multimedia Commission (MCMC). Such dialogue minimises possible regulatory risks in accordance with the Communications and Multimedia Act 1998 (CMA 98). GCR also answers questions raised in Parliamentary sessions and industry dialogue, and clarifies TM's position to the MCMM.

TM is involved in a number of lobbying activities, some of which are summarised below.

Competition Regulation

G4-DMA, G4-S07

GCR has helped the MCMC develop relevant competition policies. In 2014, the MCMC's review identified the dominant licensee in the communications market and issued the Commission Determination on Dominant Position in a Communications Market [Determination No. 1 of 2014].

TM supports MCMC's initiative to reassess market dominance so it can effectively monitor and manage the level of competition in the market for the well-being of consumers.

As a licensee under the governance of CMA 98, we are bound to comply with the standard license conditions, and with the provision that deals with anti-competitive behaviour, namely Part VI Economic Regulation: Chapter 2 – General Competition Practices (Section 133-144). We have included this requirement in Chapter 8 of our Code of Business Ethics which is a mandatory read for all employees. The relevant section reads: 'all TM's employees must fully adhere to the Malaysian competition rules and domestic rules of the countries where TM operates'.

Licensing

TM began to engage with MCMC early when renewing its license, to discuss all relevant information needed prior to the submission of this application. The application process was smooth, without many queries from MCMC, and approval was granted before the expiry date.

Ongoing Issues

TM engages regularly with the Government to bring clarity to charges and tariffs. Our Public Switched Telephone Network (PSTN) fixed service is regulated by the Communications and Multimedia (Rates) Rules 2002, and our rates have not been revised since then. Should MCMC wish to review the rates, the standard process would apply which includes consultation and a feedback gathering exercise, as provided under Part V of the CMA 98.

Our Community Revitalised

We believe our unique role in nation-building starts with the communities we serve. We intend to deliver on our promise of 'Life Made Easier' – to enrich, improve and impact the lives of all Malaysians – going beyond technology and products to truly giving our services with heart.





FACTS AT A GLANCE

49,137

**GRADUATES AND DIPLOMA HOLDERS
FROM MMU AND MMC IN THE MALAYSIA
WORKFORCE**

**RM2.0
MILLION**

**SPENT ON 12 SCHOOLS UNDER THE
SCHOOL ADOPTION PROGRAMME
SINCE 2013**

5,500

**UNIVERSAL SERVICE PROVISION (USP)
PROJECTS AWARDED AND DEPLOYED
NATIONWIDE IN COLLABORATION
WITH MCMC**

Yayasan Telekom Malaysia (YTM)

G4-DMA

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 TM's 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 causes supported by YTM and TM

The Board of Trustees of YTM

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' IR DR WAN ABDUL RAHMAN YAACOB
6. DATO' IR DR ABDUL RAHIM DAUD
7. DATO' DR MOHD YAHYA NORDIN
8. DATO' SHARIF ZAIMI ABU HASHIM (SECRETARY)

As at 2014, RM462.0 million of tax-exempted funds have been entrusted to the YTM management team since its inception in 1994. This money has benefited 13,557 students mainly through scholarships and financial assistance. YTM also develops TM's talents and future leaders by providing selective tertiary education scholarships in various institutions nationwide. Overseas scholarships are awarded for study in the United Kingdom, France, Germany and Australia.

In 2014, YTM's scholars development programmes covered 1,207 active scholars. Our foundation also contributed RM644,233 towards zakat (tithes) distribution and donations, and RM1.5 million to Muzium Telekom, TM's own telecommunications museum which is one of its kind in Southeast Asia.

During the YTM-MMU Mudball Project 2014, YTM Board of Trustees engaged with students by participating in throwing mudballs into MMU Cyber lake.

YTM Scholars' Development Programmes

In 2014, YTM adopted a different approach to its scholars' development programmes. The scholars were directly involved in organising community outreach initiatives with funding from YTM. We believe the experience helps train our scholars to become effective game changers by improving their soft skills and building leadership capabilities. YTM considers character development to be as vital as academic excellence to prepare the scholars for future leadership roles.

During the year, the 406 scholars reached out and impacted the lives of about 1,000 people. Some of their activities are highlighted below:

- **Broadband Brigade**

The Broadband Brigade, consisting of YTM scholars, planned, organised and coordinated entire community programmes with advice and guidance from the YTM team. Working in groups they organised projects related to the arts, culture and heritage, sports, community service or technopreneurship in several different locations. Historical elements, knowledge and getting closer to nature were also embedded in some activities.

- **Engagement with YTM Board of Trustees and TM Top Management**

These engagement sessions generated real interest in TM and provided a platform for them to be updated on TM's business.

- **Scholars' Seminar**

The year saw the first Scholars' Seminar organised, themed 'One Team One Dream,

YTM Facts

The total amount allocated as per budget warrant for 2014 was

rm 18.7 million

Since 1994, a total 13,642 students have benefitted from this educational sponsorship involving

rm 462.0 million

Soaring To Excellence'. It addressed core areas of personal development from academics to motivational and spiritual development, team building, loyalty, gratitude and comradeship. Counsellors and student affairs officers from both MMU and MMC were present to engage and guide the scholars. Our scholars established an 'esprit de corps' and networking opportunities at the event.

- **YTM CSR and Donation Activities**

YTM delivered examination seminars and coaching programmes for minor scholarship holders in preparation for the SPM 2014 examination. Donations to address education-related needs were prioritised to promote upward mobility through education.

100 minor scholarships

were awarded to deserving Form 4 students nationwide in 2014

23 scholarships

were awarded to students for tertiary education in 2014

Outstanding Achievements of YTM Scholars

- Anugerah Pelajaran Diraja (Pingat Jaya Cemerlang) was awarded to YTM scholar, Muhammad Naguib Bin Khaidzir (Bachelor of Business Administration (Hons) Finance) from Universiti Teknologi MARA.
- Zakwan Buang, from Universiti Malaya, won the Global Startup Youth Competition in 2013.
- Farhan Nasri, Bachelor of Business Administration (Honours) (International Business) from Multimedia University, was listed as one of the top 10 Grand Winners of the Axiata Leadership Challenge during the Malaysian Student Leadership Symposium 2013.

Appreciating Culture and Heritage through YTM

In conjunction with World Telecommunications and Information Society Day 2014, YTM in collaboration with Group Human Capital Management and Menara Kuala Lumpur organised a Visit Telekom Museum Campaign with the theme 'Broadband for Sustainable Development' targeting the younger generation. The museum houses TM's legacy and depicts the evolution of telecommunications in Malaysia.

TM School Adoption Programme G4-S01, G4-S09

TM has been collaborating with PINTAR Foundation on its school adoption programme since 2003. The programme aims to improve socio-economic standards through educational achievement. This initiative is in line with the Government's call under the Tenth Malaysia Plan (10MP) to achieve a high-income nation.

To date, TM has allocated more than RM2.0 million to 12 schools under the programme since 2013, touching the lives of more than 19,526 students, teachers, parents and local community members. In 2014 itself, more than RM186,000 was spent on four adopted schools.

Details of the four schools currently adopted under TM School Adoption programme

SCHOOL	TEACHERS	STUDENTS
SMK Munshi Abdullah, Sg. Air Tawar, Selangor	85 teachers and 18 support staff	821
SMK Orang Kaya Haji, Kuala Lipis, Pahang	46 teachers and 13 support staff	515
SMK Chenderiang, Tapah, Perak	60 teachers and 10 staff	693
SK Pendidikan Khas Pekan Tuaran, Tuaran, Sabah	21 teachers and 20 staff	37

Students of TM Adopted Schools have improved not trust academically but also in sports, arts and extra co-curricular activities



Pertandingan merekacipta Laman Web & Blog Sekolah TM conducted in May 2014

Some of the more significant activities organised for the adopted schools are summarised below.

TM Robotics Programme 2014

We collaborated with Sasbadi Sdn Bhd to organise the Program Robotik TM which aims to inspire an interest in science and technology. Three of our adopted schools - SMK Chenderiang, Perak; SMK Orang Kaya Haji, Pahang; and SMK Munshi Abdullah, Selangor - were enrolled in the First Lego League (FLL) Malaysia held on 25-27 April.

The competition encouraged students to be more critical which falls under the Higher Order of Thinking Skills (HOTS), and supports the Government's efforts to transform the education system as outlined in the Malaysia Education Blueprint 2013 - 2025.

Munshian Excellence Camp 2014

Munshian Excellence Camp 2014 was held by SMK Munshi Abdullah, Sabak Bernam from 8-10 October 2014 to help its students prepare for their SPM examinations. A series of workshops, coaching, motivation and self-confidence exercises were delivered by teachers, principal trainers, facilitators and speakers. Seminars on key subjects such as Bahasa Melayu, English, Science, Economics, Mathematics and Accounting were also conducted.

Pertandingan Merekacipta Laman Web & Blog Sekolah-Sekolah TM

TM organised a website and blog competition in its four active adopted schools to encourage greater use of IT by the students, teachers and local communities in their daily lives as well as to build a digital platform for these schools to share knowledge and information with other schools. As part of the programme, we provided an overview of the scientific configurations needed to safeguard network security, and prevent data loss to the students and teachers.

TM English Camp 2014

To help students in our PINTAR schools perform well in their SPM English Language papers, we have engaged Langkasuka Training Centre (LCT) to manage the English Language component of our academic programme in our adopted schools. On 21 June 2014, LCT held an informative and fun-filled workshop that provided the students an opportunity to practise their diction.

Multimedia University

MMU, belonging to TM, is consistently rated as one of Malaysia's top private universities. A tracer study compiled in 2014 by the MMU Alumni Office found that over 96.4% of its graduates secured employment within six months of graduation.

Its outstanding record of excellence in education attracts an increasingly diverse student population. In 2014, the university had 1,724 international students from 68 countries – with Kuwait and Namibia sending students for the first time. International students constitute 9.5% of the total student population of 18,130. Under its student exchange programme, 54 of its undergraduates spent time overseas while 53 students from universities across the globe experienced MMU's advanced learning and teaching.

Since its inception, 42,070 graduates have passed through its doors, with 3,826 of them graduating in 2014.

MMU 2.0 Transformation Programme

MMU is undergoing phase 2.0 of a Transformation Programme, themed 'Growth & Execution'. Four drivers enabling growth and execution have been identified: market perception enhancement; operational excellence; enhancement of quality of academic programme and teaching delivery; and innovation excellence and post graduate.



MMU and MMC Convocation Day 2014

In terms of achieving growth, the university aims to increase its student population. Revenue enhancement is also being promoted by more efficient systems such as the new campus-wide enterprise management system. For better execution, MMU is focusing on improved stakeholder management, especially with key parties such as the Ministry of Education Malaysia, sponsorship bodies, government agencies and international governments or authorities.

MMU as an i-University

Leveraging on the same four drivers, and especially 'enhancement of the quality of academic programme and teaching delivery', MMU is working towards becoming an i-University. Among others, it will place more emphasis on entrepreneurship and soft skills in class activities.

Part of MMU's long-term i-Teaching and Learning initiatives is to blend conventional and digital content delivery. Towards this end, more digital content is being developed. Commencing in 2014, four faculties have been identified to build intelligent teaching labs in their respective faculties. A mobile friendly Multimedia Learning System was also launched.



EduCity Sport Complex at Educity Iskandar, Johor



MMU won first place in Liga Bolasepak IPT 2014 – Piala Kementerian Pendidikan Malaysia

'Innovation Excellence and Post Graduate' improves the quantity and quality of MMU's R&D output. It creates a mentoring system that nurtures young researchers; conducts more industry and institutional collaborations; commercialises R&D output; and attracts more external grants. As at August 2014, RM6.5 million in external grants had been secured, which represented 54.0% of the target. MMU's Graduate School of Management (GSM) also secured a number of international collaborations with the GSM Association, Cranfield University and the Canadian University of Dubai.

TM Graduate Employability Outreach Programme (GEOP)

The Graduate Employability Outreach Programme (GEOP) is an intensive programme delivered by MMU lecturers at the Melaka campus to increase the marketability of unemployed graduates. It consists of two months of soft skills and six months of on-the-job training. The soft skills course comprises six modules that groom the participants in effective communication, information management and business etiquette. During their stint at TM Group companies and subsidiaries, they manage real-life projects, individually or in groups, using newly acquired soft skills. In 2014, a total of 206 graduates took part in the programme.

MMU: Significant Awards and Recognition 2014

- Top 200 QS World University Rankings by subject in Computer Science & Information System 2014
- One of Asia's Best Private Education Institutes by World Consulting & Research Corporation (WCRC)
- Six gold and six silver awards for 12 products showcased at the 25th International Invention, Innovation and Technology Exhibition (ITEX) 2014
- Champion of the FA Cup
- Melaka campus football team won the *Bolasepak Sukan IPT Zon Selatan*
- Students and alumni won one of the world's largest hackathon competitions, AngelHack, held in Cyberjaya
- Students won six out of nine main categories including best overall film; and 10 out of 13 supporting award categories at the 11th Student Film Festival, held from 20-22 November 2014



Multimedia College

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

Reflecting industry needs, MMC's academic offerings continuously evolve. 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

In 2014, the Malaysian Qualification Agency (MQA) approved three new programmes: Diploma in Information Technology, Diploma in Electronic Engineering and Diploma in Business Information System. MQA's main role is implementing the Malaysian Qualifications Framework (MQF) for higher education quality assurance. These new programmes have also been granted approval by the Ministry of Education (MOE).

MMC had a total of 1,895 students at its five regional colleges as at 31 December 2014. Of these, 727 students were from the 2014 cohort, representing 38.4% of the total student population. To date, 7,067 diploma holders have graduated since MMC's inception.

MMC has an active Corporate Social Responsibility (CSR) agenda. On 16 August 2014, its Kuala Lumpur Diploma in Management and Multimedia students organised a Program Jalinan Ukhwah Aidilfitri Bersama Warga Rumah Anak-Anak Yatim dan Asnaf As – Solihin Kg. Morib, Banting. This was followed by a number of activities held at the orphanage throughout the Aidilfitri celebrations. Festive dishes were cooked, the home and surrounding areas were cleaned, and many fun activities were organised for the children.

A culture of sharing and caring has always been nurtured in MMC students. When a final semester student who is deaf and mute and his paralysed mother were made homeless, MMC management temporarily housed them in their staff quarters. Students and staff worked together to clean the place and donated furniture, kitchen appliances as well as basic necessities. The students' counsellor visited the family regularly to extend support and encouragement.

Community and Nation-Building Initiatives

G4-S010

Program Sejahtera

Program Sejahtera helps adopted single-mothers provide for their families, be financially independent and improve their lives. The single mothers receive basic skills training and attend entrepreneurship workshops that introduce networking and business opportunities. TM provides small grants that 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). With the education received, these students are well positioned to contribute financially to their families in the future. In 2014, academic assistance was provided to three children who are studying at MMC and one child at MMU.

TM recognises that micro businesses alleviate poverty and improve the economic social well-being of the poor. TM is committed to continue its

support for these single mothers. The women's business activities include groceries, tailoring, household retails and banking. These women received prior skills training on equipment related to their businesses such as computers, over lock sewing machines and bread mixers.

Although their businesses generate satisfactory income, improved management skills helps them grow and remain sustainable. All women were given one-on-one business coaching to improve their management, finance and marketing skills. The coaching focuses on business operations, experience, business potentials and enhancement required to improve their businesses and livelihood.

TM appointed Yayasan Pendidikan & Vokasional Wanita Malaysia (YPVWM) to deliver training, business coaching and motivational encouragement to provide the necessary support required for business growth.

The five single mothers benefiting from this programme and the help they received are summarised in the table below.

TM: An Exemplary Corporate Citizen

Enhancing MERS 999

Following the Government's mandate for TM to operate the Emergency Response Centre 999, we keep enhancing the quality of service delivered to the public. In May 2010, we were ISO 9001:2008 certified; now we are pursuing recognition from the international Accredited Centre of Excellence (ACE) for our Fire Protocol at the 999 Response Centre. In 2014, the location identification for mobile calls was also improved, which will shorten the time for emergency assistance to arrive at the site of the emergency. We also began to expand the MERS 999 service to five additional states: Kedah, Perlis, Perak, Terengganu and Kelantan.

Cable Theft Prevention

Cable theft is a serious issue with wider reaching implications than merely disrupting telecommunications services. The safety of communities is compromised without telecommunications in emergency situations. The performance of businesses is also affected, impacting the nation's growth and reputation. One of our corporate initiatives is to curb cable theft by involving local communities in prevention efforts.

In 2014, TM Pahang intensified its community engagement on cable theft, specifically in the housing areas around Temerloh and Mentakab. A *Program Kesedaran Pencegahan Kecurian Kabel* held on 14 March drew the participation of 200 members of *Skim Rondaan Sukarela* (SRS).

NAME	BUSINESS AREA
Noor Rizan Mat Amin	Groceries and household goods
Hasnah Che Ismail	Clothing, cushion, curtains and household decor
Syarifah Nor Suzana Sayed Abdullah	Tailoring
Rodiah Ismail	Tailoring
Siti Kartini Ismail	Selling food stuff and catering

At the same time, the i-Watch alarm system was installed on all telecommunications cable routes in Pahang, which warns TM employees of any attempts to steal or cut the cables via SMS. Other initiatives included replacing copper cables with fibre optic cables and migrating theft-prone areas to wireless services. Overhead cables have either been buried or raised. Poles have been greased to make climbing more difficult and there is more protection of manholes for underground cables. TM patrols cable theft hotspots with local communities.

For its part, our Security Management (SM) delivers talks and distributes cable theft prevention leaflets at sales promotions, security awareness campaigns, TM cable theft campaigns and meetings with *Jawatankuasa Kemajuan & Keselamatan Kampung* (JKKK or Village Development and Security Committee), *Pasukan Sukarelawan Malaysia* (RELA or Team Volunteer Corps) and SRS. Its efforts have helped to reduce the incidence of cable theft from 10,489 cases in 2013 to 10,083 in 2014. SM will continue to work with relevant stakeholders to further minimise cable crimes.

Helping Victims of Natural Disasters

TM plays a significant role in helping victims of natural disasters. At the national level, we are part of the GLC Disaster Response and Relief Network (GDRRN) comprising a grouping of Government-Linked Investment Companies (GLICs) and Government-Linked Companies (GLCs), known as G20, which has committed to providing timely and coordinated disaster relief to affected communities when natural disasters strike.

We also work with Mercy Malaysia in flood relief distribution activities and provide ad-hoc support whenever needed. In 2014, we donated RM200,000 to the Mercy Malaysia Flood Relief Fund.

As an organisation, our TM ROvers which include our *Rejimen Semboyan Diraja Pakar Telekom (Pakar Semboyan)* have personally gone to flood-hit zones in Kelantan, Pahang and Terengganu, to support relief missions.

In addition, we encourage our business partners to contribute to victims of natural disasters. Donations were welcomed and distributed to relief centres affected by the floods via the Ministry of Communications and Multimedia Malaysia. TM also contributed 2,000 sleeping bags worth RM86,000 to MCMC, and back-to-school items to five schools in Kelantan benefiting 1,895 primary and secondary students.

AT THE NATIONAL LEVEL, WE ARE PART OF THE GLC DISASTER RESPONSE AND RELIEF NETWORK (GDRRN) COMPRISING A GROUP OF GOVERNMENT-LINKED INVESTMENT COMPANIES (GLICs) AND GOVERNMENT-LINKED COMPANIES (GLCs), KNOWN AS G20, WHICH HAS COMMITTED TO PROVIDING TIMELY AND COORDINATED DISASTER RELIEF TO AFFECTED COMMUNITIES WHEN NATURAL DISASTERS STRIKE.



TM ROvers providing immediate supplies to flood-hit areas

Promoting Patriotism

TM takes it upon itself to inculcate the spirit of patriotism in employees and the general public. Collaborating again with the Ministry of Communications and Multimedia to celebrate our 57th Merdeka Day and Malaysia Day, we produced a special Merdeka themed documentary, *Ceritera Tanah Airku 2014*, which promotes national unity, patriotism and love for Malaysia.

From 5 August to 16 September 2014, we established a gallery at the lobby of Menara TM called Bumi Perwira Malaysia – Di Sini Lahirnya Sebuah Cinta as a tribute to all the nation's Prime Ministers who have contributed to Malaysia becoming a developed country through their sacrifices in expression of their love for the country.

In addition, we hosted a wealth of activities in conjunction with the Merdeka celebration including sharing experiences with Malaysian icons, a Merdeka tweet contest and patriotic performances. We also encouraged our employees to submit creative works of graffiti.

Working Closely with the Government

Through TM Government, we are developing products and services to meet the Malaysian Government's needs. Since 2009, the division has been offering data, Internet and voice connectivity to the Government. These core services are being integrated with ICT and business process outsourcing products towards 'Government Made Easier', in line with our mission to be a game changer with a focus on the Innovation Exchange.

As the Government is preparing a roadmap to spur the nation's development from 2016 to 2020 under the 11th Malaysia Plan, we expect to increase our investments in integrated ICT programmes to meet various goals that form part of the country's Vision 2020.

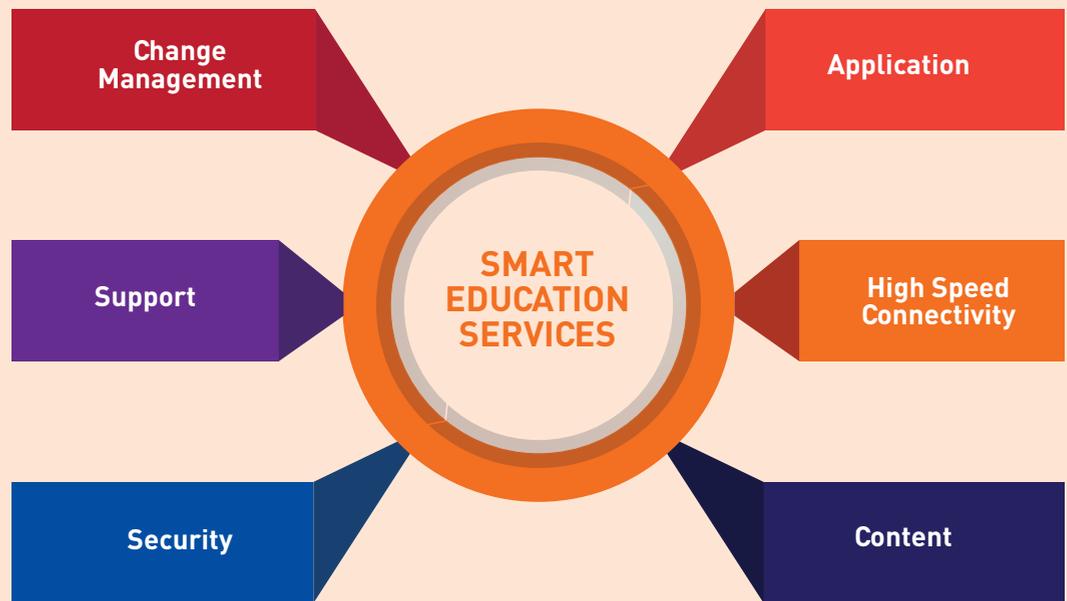
DID YOU KNOW?

TM laid a foundation connecting over 12,000 government agencies via Intranet and Internet, under the 1Gov*Net network. TM Government has developed and expanded the Government Unified Communications Service (1GovUC), which today connects 250,000 user email accounts. It has also provided the Government's call centre (1MOCC) and emergency response service MERS999. Plans are in the pipeline to expand the service scope of these two call centres in the near future.

Our Continuous Journey with the Government

In 2014, TM Government began building on the strong ICT foundations it has laid for the Government. It provided a series of vertical services in the areas of education, e-Government, public safety and healthcare. The ultimate aim is to leverage on the Group's capabilities as an Innovation Exchange to enable a 'SMART' government which entails building its Social, Mobility and Analytics functions while creating Radical openness and Trust.

MARA Smart Education



In November 2014, TM Government signed a contract with Majlis Amanah Rakyat (MARA) to provide an integrated 21st Century Learning Solution comprising a Learning Management System, Content Management System, e-Teaching, Microsoft 365, security and blended learning pedagogy.

High-speed fibre connects the system with 1Gov*Net, with more bandwidth than previous ICT-based educational systems used by MARA. It is currently being applied by 12 MARA Junior Colleges (MRSM) and will be extended to more MARA learning institutions (IPMA). The programme's content is developed by individual teachers, but all teachers connected to the system can access each other's work. Students can also access classroom sessions and other support learning materials. Working with educationists, the same solution will be offered to all public and private schools in the country.

OP Selamat Safety Campaign

On 17 July 2014, TM collaborated with Polis DiRaja Malaysia (PDRM) to launch the annual safety campaign, Op Selamat, in conjunction with Hari Raya celebrations. The Op Selamat 5/2014 campaign delivered an enhanced safety message for residents to protect their homes from burglary while away for the festive period. Aptly themed Rumah Selamat & Selamat Sampai ke Destinasi, the campaign ran from 21 July until 3 August 2014.

The campaign also encouraged road users to adopt proper and courteous driving etiquette. In addition, PDRM unveiled the Op Selamat toll-free number, 1 800 88 1412, courtesy of TM, to report traffic congestion and road accidents, request assistance, obtain traffic reports and report attempted break-ins. This service was made available 24 hours a day throughout the campaign period.

Further promoting safety, TM is developing a smart phone application, SaveME 999 POLIS, which can be used to request for emergency assistance by simply pressing the Panic Button or Preset Location. This is a progression of the SaveME 999 smart phone application launched in September 2013 for People with Disabilities (PWD), particularly those with hearing and speech impairments. SaveME 999 POLIS is undergoing final testing before being rolled out nationwide.

2014 was the 17th consecutive year of our involvement in the *Op Selamat* campaign, reflecting our unwavering support of the Government's initiatives.

Universal Connectivity

Widespread Availability and Usage of Network Services

The Universal Service Provision (USP) promotes the widespread availability and use of network and application services throughout Malaysia by encouraging the installation of network facilities and provision of services in underserved areas or for underserved groups within the community.

Beyond rural areas, USP investments are being made in telecommunications infrastructure, submarine cables, WiFi hotspots, wireless broadband, payphones and community broadband centres. These projects are undertaken by TM with the Malaysian Communications & Multimedia Commission (MCMC). USP projects carried out by us from 2012 to 2014 are summarised below.

USP PROJECT AWARDED TO TM

	NO. OF SITES AWARDED
<i>Pusat Internet 1Malaysia (PI1M)</i>	355
Payphone	2,714
LTE	307
<i>Kampung Tanpa Wayar (KTW)</i>	1,837
DEL	59,000 DEL lines
<i>Sistem Kabel Rakyat 1Malaysia (SKR1M)</i>	3,500km
Community Broadband Library (CBL)	43
WiFi 1Malaysia (W11M)	286
Mini Community Broadband Centre (Mini CBC)	56

A proposed Sub Urban Broadband (SUBB) project to extend Internet bandwidth availability to suburban areas is awaiting government approval. Under the proposed project, Internet bandwidth will be upgraded to between 4 and 10Mbps in 400 exchanges areas covering over 430,000 Internet ports. This is expected to benefit 2 million people in suburban areas.

Broadband for General Public (BBGP) in East Malaysia

The Government has introduced the National Broadband Implementation Strategy, better known as National Broadband Initiative (NBI), to bring broadband to the whole nation. TM plays an important role in facilitating the rollout of broadband infrastructure and access with the target of 75.0% household penetration by the end of 2015. The nation will benefit from:

- A tangible impact on Gross Domestic Product (GDP)
- Increased national competitiveness and attracting Foreign Direct Investment (FDI)
- 135,000 new high-value jobs in the ICT sector
- Multiple spin-off effects in other sectors such as engineering, local content development and broadcasting

TM has been entrusted to enhance backhaul coverage and capacity within sparsely populated areas in rural Sabah and Sarawak. Cost-effective Carrier Ethernet was employed which provides flexibility, scalability and reliability for both fixed and mobile backhaul solutions. TM stands committed to providing open access to all MCMC-licensed service providers hence strengthening its position as a neutral service provider. Leveraging on our infrastructure, operators can provide attractive and affordable broadband services in public areas, thus increasing broadband penetration in Malaysia.

'Jelajah Hidup Lebih Mudah'

In 2014, TM organised a nationwide roadshow, called 'Jelajah Hidup Lebih Mudah' (Life Made Easier) roadshow, to explain how the lives of local community members can be enriched through broadband connectivity. Travelling through 18 districts, we stopped for four days at a time in different villages to share the experience of how broadband can enhance business and access to educational sites. The villagers also saw how broadband allows them to stay connected via TMgo and Streamyx.

Other Community Initiatives

Promoting Sports Development

In collaboration with various parties, such as the National Sports Council (NSC), Football Association Malaysia (FAM) and even Manchester United Football Club (MUFC), TM through its TM Team Malaysia initiative, plays a pivotal role in supporting the nation's sports development. We unearth football talents at the grassroots level through programmes such as Mencari Ramli. We are the main sponsor for the national football team, Harimau Malaya. We rally Malaysians to support the national team. We also collaborate with Manchester United to enhance the performance of our football talents via technique and skills-sharing by bringing the coaches from Manchester United Soccer School (MUSS) all the way to Malaysia.

This year, we revealed six 'Ramli's' or winners of the third season of our football talent search television show, *Mencari Ramli '3'* (MR3). These winners are taken on a VIP trip to the UK where they experience the lifestyle of a Manchester United player – dining at team player Rio Ferdinand's Russo restaurant, staying at their hotel, and playing with the 1st team players like Rio Ferdinand, Marouane Fellaini, Ashley Young and Danny Welbeck. This is in addition to undergoing intensive coaching at the world-famous Manchester United Soccer School (MUSS) and witnessing Manchester United in action at Old Trafford.

At the organisational level, we organise an annual Sports Carnival, also known as Karnival Sukan TM (KASTEL). In 2014, the carnival was held from 25-28 September, attracting more than 1,500 employees from all over Malaysia including Sabah and Sarawak.

KL Rat Race 2014

The KL Rat Race (KLRR) is regarded as a must-attend event for the business world as part of its effort to help the country's needy. Half the proceeds from this year's run was channelled to 12 beneficiaries for their education and training programmes, while the remainder went to The Edge Education Foundation's education programme to promote English and financial literacy among disadvantaged children. There are two major categories in the race, the CEO Race and the Main Race. TM won second place in the CEO Race with Mohd Ansahari Abd Kudus representing the Company.



KL Rat Race 2014

Giving to People Throughout the World

We do not restrict our community programmes to Malaysia but also provide aid when we can to people throughout the globe suffering in the midst of war, famine or poverty. In October 2014, we donated RM300,000 to Aman Palestin, Aqsa Syarif and *Tabung Kemanusiaan Palestin Media Prima* towards their humanitarian efforts targeted at people in Gaza. The collection was made through *Tabung Save 4 Gaza*, which was opened from 20 August to 16 September 2014. The fund received contributions from *Warga TM* all over the country, including our subsidiaries.

During the year, TM also contributed RM100,00 to the Flood Disaster Relief 2014 via the Ministry of Communication and Multimedia; and more than RM600,000 to the Malaysia Nature Society (MNS) for environmental protection and conservation.



TM donates to 'Tabung Save 4 Gaza' in October 2014

TM FLOOD RELIEF EFFORTS

TM pledged
RM500,000
in cash as a contribution to the
affected states

Financial Assistance disbursed to
affected employees –
more than **RM96,000.**

RM135,000
collected from *Tabung Kemanusiaan
Mangsa Banjir*

More than
1,045 TM ROVers
deployed in flood relief missions (including Pakar
Semboyan volunteers)



TM showed solidarity in coming to the aid of the East Coast flood victims, particularly in the worst-hit state Kelantan. Deployed under the name TM Reaching Out Volunteers or known as 'TM ROVers', employees from headquarters as well as TM State employees braved the flood to distribute basic necessities to the victims in Kelantan, Terengganu and Pahang. The TM flood relief team consists of Warga TM across the Group and its subsidiaries.

In the spirit of fellowship and humanity, the volunteers assisted in aid efforts for fellow TM employees and Malaysians, as well as attending to the telecommunication exchanges and other infrastructures affected by the flood.



TMpoint on Wheels providing service in Kelantan

Reaching out to our customers

- 2,000 sleeping bags worth RM86,000 and more than 1,000 cartons of mineral water (together with the Ministry of Communications and Multimedia [KKMM])
- 60 sets CDMA phones to facilitate communication between mobilised volunteers, including MERCY Malaysia, and relief centres, District Health Centres in Kuala Krai, Gua Musang, Tanah Merah, Jeli, Pasir Mas, Tumpat and Kota Bharu.
- TMpoint On Wheel (TMOW) stationed in the vicinity of National Safety Council (MKN or Majlis Keselamatan Negara) operations centres as well as near the affected TMpoint outlets in Kota Bharu, Tanah Merah, Pasir Mas and Kuala Krai in Kelantan to provide telephone service, address customer enquiries and complaints, and service applications. Free Internet connectivity is being provided for the public to access the Internet. Customer service representatives will be on duty to attend to customers daily from 10am until 5pm.
- In view of the tragedy which led to service unavailability, TM provided affected customers with half-month rebate on their December 2014 monthly rental/subscription.
- TM will hold off their January 2015 bills as we continue to restore our telecommunications infrastructure and services at the flood-hit areas. Customer billing will resume in stages as and when their services are restored.
- We replaced all Customer Premise Equipment (CPE) sets; affected customers received new sets in stages as they started returning to or rebuilding their homes.
- TM Customer service representatives were on duty to attend to customer enquiries, complaints and service applications daily from 10.00 am until 5.00 pm.

Restoring our network

- TM dispatched several TMpoint On Wheels (TMOW) to support the affected outlets in Kota Bharu, Tanah Merah, Pasir Mas and Kuala Krai in Kelantan and provided free relief services for the victims to make telephone calls and access TM WiFi.
- TM worked hand-in-hand with the Ministry of Communication and Multimedia (KKMM), Malaysian Communications and Multimedia Commission (MCMC) and other stakeholders to ensure communications services will be up and running in affected areas.
- *Pakar Semboyan* is working round the clock to restore telecommunications services and ensure security of affected telecommunication exchanges.
- We activated our National Operations Centre in Cyberjaya and State Operations Centres in Kelantan, Terengganu, Pahang, Johor and Perak on 24 December 2014 to monitor, coordinate and address the impact of the flood on our infrastructure and services. This includes 70 members of *Pakar Semboyan*.
- Our Network Management Operation and Network Development members worked hard to safeguard our network assets.
- The Network team has been vigorous in strategising and coordinating all network recovery efforts throughout the eastern region.



United we stand

- 306 employees were affected nationwide – 168 in Kelantan, 107 in Pahang, 25 in Terengganu and six in Perak.
- More than 1,000 TM ROvers went to the aid of fellow colleagues and Malaysians in need. Disregarding personal comfort, they braved the flood waters to distribute basic necessities to victims in Kelantan, Terengganu and Pahang, and worked tirelessly to clear out rubble, hose down muddy surfaces and move furniture and heavy objects. Their efforts demonstrate the strength of 1TM solidarity.



TM ROvers, including *Pakar Semboyan* in various flood relief missions

Our Environment Rebalanced

The choices we make and the actions we take reflect our commitment to making our planet a better place to live in. From managing our emissions, replanting new trees and educating our future green warriors, we continue to preserve our environment for a sustainable future.





FACTS AT A GLANCE

23.7
GWh

REDUCED AS RESULTED FROM FIVE ENERGY SAVINGS INTRODUCED IN 2014

3,327

EMPLOYEES RESPONDED IN TM EMPLOYEE COMMUTING SURVEY CONDUCTED 2014

6,383

PARTICIPANTS OF TM EARTH CAMP SINCE 2010

Being in the telecommunications and ICT industry, TM has a role to play in reducing emissions. While the telecommunications sector can cause environmental damage, it can also be a key enabler for other sectors to reduce their environmental impact. Innovative technologies contribute to a greener environment as they help reduce dependencies on natural resources.

We are committed to managing the environmental footprint of all our operations and take full responsibility for continuously improving our energy efficiency, reducing emissions and conserving resources.

Environmental Management System

We have in place an environmental management system (EMS) that reduces our environmental impact in a comprehensive, systematic and planned manner. The EMS provides a structure 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. Its ultimate objective is to improve our environmental performance.

Energy Management GM-DMA, G4-EN3, G4-EN4

TM's electricity consumption can be divided into two main categories: telecommunications network including data centres, telecom exchanges and access infrastructures; and non-network infrastructure such as commercial and office administration buildings.

The buildings under Commercial Building Central were monitored in terms of energy management. The energy consumed at these sites from 2012 to 2014 is presented below.

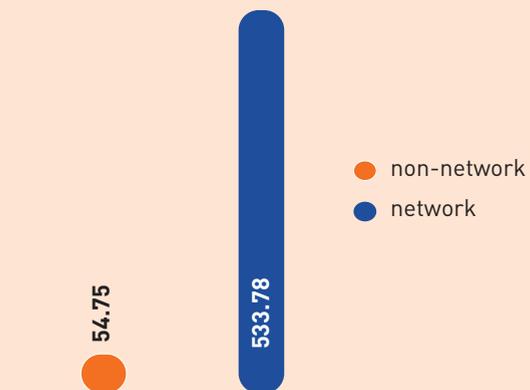
Electricity Consumption from 2012 to 2014* (MWh)



**Note: Data was obtained from all Commercial Building Central buildings namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan Exchange and Kompleks TM Alor Setar.*

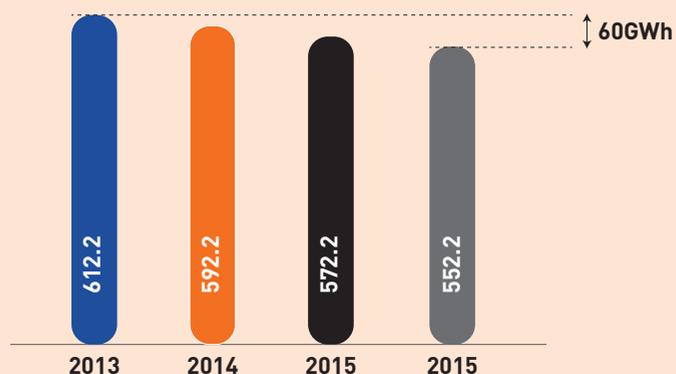
In 2014, our network infrastructure consumed 90.7% (533.78GWh/year) of our total electricity consumption of 588.53 GWh/year while non-network consumed the remaining 9.3% (54.75GWh/year).

Total electricity consumption by network and non-network in 2014 (GWh/year)



During the year, we established a new electricity consumption baseline of 612.2GWh for year 2013, and set three-year targets (2014 to 2016) based on a 20GWh/year reduction per year, leading to a total reduction of 60GWh by 2016.

TM's 2013 baseline and target setting for 2014 to 2016 (GWh)



In 2014, Property Operations and the Support Business introduced five energy saving initiatives at our commercial buildings, telecom exchanges and cabins nationwide:

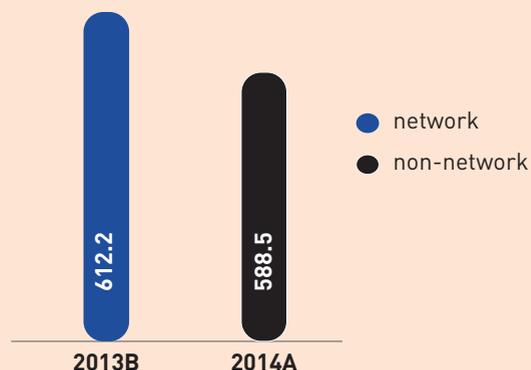
- 1) Electricity savings from PSTN migration
- 2) Improving cooling system efficiency at all TM's sites
- 3) Temperature adjustment
- 4) Air conditioner replacement with inverter type
- 5) Other initiatives in commercial buildings

As a result of these initiatives, TM saved approximately 23.7GWh of energy in 2014, which is equivalent to a reduction of over 17,681 metric tonnes (MT) of CO₂ (at a conversion factor of 1kWh = 0.747kgCO₂).

Total Electricity Consumption by Year

INFRASTRUCTURE	2013 (GWH)	2014 (GWH)
Non-network	56.13	54.7
Network	556.07	533.8
TOTAL	612.20	588.5

Total electricity consumption by year (GWh)



Telecommunications electricity consumption depends on network growth. As networks serve more subscribers with higher bandwidth traffic, consumption will increase.

In 2014, a green project management office was established to embark on a sustainable green framework which includes a new baseline, energy efficiency metrics and carbon reduction plan.

In 2015, TM will establish new energy efficiency metrics for baseline and benchmarking for:

- Power usage effectiveness (PUE) for network buildings
- Building energy Index (BEI) for non-network buildings
- Network efficiency in terms of consumption per subscriber, for networks

Managing Ozone Depletion

Air-conditioning system – use of R-410A & R-407C Refrigerants

R-410A & R-407C refrigerants were developed to replace R-22 (Freon) as they are more environmentally friendly and efficient. These refrigerants do not deplete the ozone layer the way R-22 does. R-410A 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 and R-407C refrigerants: TM JRC, TM Kelana Jaya, TM Brickfields, TM Cyberjaya and TM Cyberjaya 2. In 2013, the refrigerant replacement programme was extended to TM buildings nationwide with the approval of SOR Air-Conditioners Installation, and saw refrigerant replacement in 180 air-conditioners. In 2014, the refrigerants in 275 air-conditioners were replaced with R-410. Details of the replacement programme are summarised in the table below.

TM IS DEVELOPING NEW ENERGY EFFICIENCY METRICS OR BASELINE AND BENCHMARKING

Installation of Air-Conditioners using Green Gas in 2014

REGION	TYPE OF GREEN REFRIGERANT	NO. OF AIRCOND INSTALLED
Central	R-410A	56
Northern	R-410A	20
Southern	R-410A	49
Eastern	R-410A	68
Sarawak	R-410A	67
Sabah	R-410A	15
TOTAL	R-410A	275



Earth Hour 2014.

Fire-Fighting system – use of Novec

Property Operations (PO) has been replacing Halon 1301, which damages the ozone layer, with a more environmentally-friendly media system based on a new-generation gas, Novec 1230. Currently, TM has 15,848.70 kg of Halon 1301. Details of the Halon 1301 replacement programme in 2014 are summarised in the table below.

Halon 1301 Replacement Programme in 2014

STATE/REGION	QUANTITY REPLACED (KG)
Eastern	500.0
Sarawak	Nil
Central	3,741.0
Southern	3,035.0
Northern	2,000.0
Sabah	Nil
TOTAL	9,276

Waste Management

Property Operations (PO) introduced a programme to reduce the large daily quantities of solid waste generated in Menara TM. Typical waste consists of paper, tissue papers, old newspapers, used boxes and food.

The two main categories of waste identified at TM are:

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

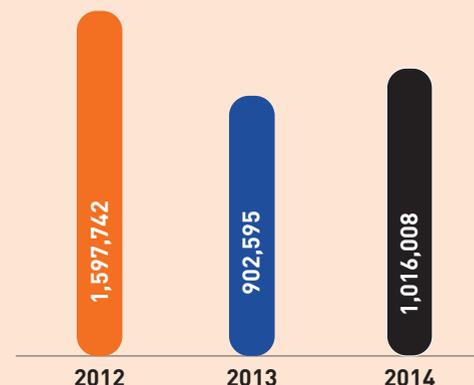
We have an ongoing awareness programme to reduce waste through which monthly emails are sent to all Menara TM employees and tenants, urging them to:

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

TM promotes green initiatives to sustain a workable and liveable environment. Since 1 January 2012, all housekeeping contractors in Malaysia have been required to use biodegradable cleaning chemicals.

TM promotes green initiatives to sustain a workable and liveable environment. Data on solid waste generated and scheduled waste disposed for the past three years is presented in the following tables.

Solid Waste Generated from 2012 to 2014* (kg)



*Note: Data was obtained from all Commercial Building Central buildings namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan Exchange and Kompleks TM Alor Setar.

Scheduled Waste Disposed from 2012 to 2014* (kg)



*Note: Data was obtained from all Commercial Building Central buildings namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan Exchange and Kompleks TM Alor Setar.

Scheduled waste initiatives and targets at Menara TM in 2014

DESCRIPTION	OBJECTIVE	TARGET	ACHIEVEMENT
Hygiene waste generated must be managed and disposed of according to the designated licensed premises	To manage and ensure proper hygiene waste disposal	Less than 2 complaints received, resolved within 24 hours	No complaints received
Odour from solid waste at refuse compactors can cause unpleasantness and be a nuisance	To reduce and prevent odour from solid waste in Menara TM	Less than 2 complaints received, resolved within 24 hours	No complaints received
Scheduled waste must be managed and disposed of according to DOE requirements*	To manage and dispose of scheduled waste according to DOE requirements	No penalties	No penalties

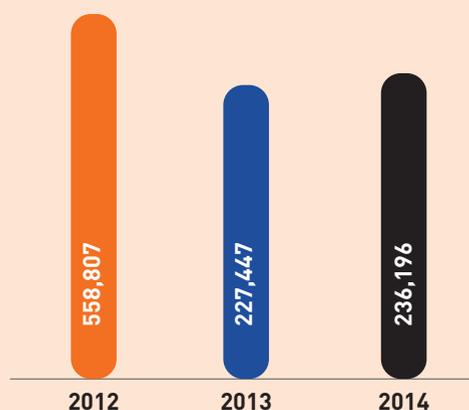
Water Management

The majority of water consumed by TM is used for daily operations. Freshwater is a scarce resource; its annual availability is limited and demand is growing. A considerable amount of energy is consumed in the process of bringing water to the taps. TM is therefore committed to reducing, reusing and recycling this valuable commodity.

Environmental awareness programmes are delivered to educate TM employees and contractors on more efficient use of water. Various initiatives are also being implemented to manage water use. A water control and monitoring programme has been introduced and dual flow rate controllers have been installed in the taps.

In 2014, we are continued with our project to recycle water for watering the plants surrounding Menara TM. This decreases the diversion of water from sensitive ecosystems.

Water Consumption at Commercial Building Central from 2012 to 2014* (m³)



*Note: Data was obtained from all Commercial Building Central buildings namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan Exchange and Kompleks TM Alor Setar.

We reduced our yearly water usage by 2.7% or 6,438 cubic metres (m³) compared to 2013. The volume of water recycled in 2014 increased by 70.3% from 1,87m³ in 2013 to 3,213m³ in 2014.

Noise Monitoring

TM conducted a noise level measurement at the boundary of its premises on Jalan Pantai Jaya off Jalan Pantai Bharu, Kuala Lumpur for 24 hours continuously. Noise level recordings were carried out at 15 minutes interval at each measurement location. The recorded noise levels for each interval were systematically and automatically integrated by the in-built electronic system.

LOCATION	AVERAGE NOISE LEVELS (DBA)		MAXIMUM PERMISSIBLE SOUND LEVEL	
	DAYTIME	NIGHTTIME	DAYTIME	NIGHTTIME
N1 – At an open space, entrance to TM Tower	66.1	66.1*		
N2 – At an open space, near the multipurpose hall	70.9**	69.9**		
N3 – At an open space, near the auditorium	62.4	55.5	68.8*	65.0*
N4 – At an open space, entrance to the hawker centre	65.2	57.9		

*Daytime and nighttime maximum permissible sound level is derived based on the average LAeq readings obtained in the baseline monitoring (November 2008) in accordance with Schedule 3 of the Planning Guidelines of Environmental Noise Limits and Control.

** Noise sources observed at these locations were generally from vehicular movement.

Dust Monitoring

Determination of dust particulate concentration in stack flue gas by isokinetic sampling is performed according to procedures outlined in MS 1596:2003, 'Determination of Concentration and Mass Flow of Particulate Matter in Flue Gas for Stationary Source Emissions.'

STACK	SOURCE DESCRIPTION	AVERAGE DUST CONCENTRATION (Gm/Nm ³)	ENVIRONMENTAL QUALITY (CLEAN AIR) REGULATIONS 1978
Stack 1	Generator Set No 1	0.0107	0.4 gm/Nm ³
Stack 2	Generator Set No 2	0.0008	

The concentration of dust in both stacks was lower than the limit of 0.4 gm/Nm³ stipulated in the Environmental Quality (Clean Air) Regulations, 1978. Dark smoke observation carried out for the two stacks showed that the shade of emissions from these stacks did not exceed the Ringlemann Chart No.1, thus complied with the requirements under the Environmental Quality (Clean Air) Regulations, 1978.

Climate Change and GHG Emissions

TM continues to manage and measure its carbon emissions as part of its Carbon Management Plan. This is the fourth year that we are reporting on carbon emissions.

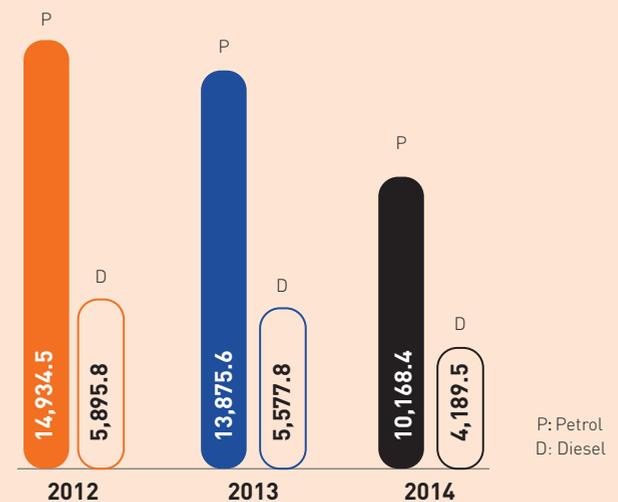
We have adopted the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI). Emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

EMISSIONS SCOPE	CATEGORY	INDICATORS MEASURED
Scope 1	Direct GHG Emissions	Company-owned vehicles
Scope 2	Indirect GHG Emissions	Electricity
Scope 3	Other Indirect GHG Emissions	Air travel Employee Commuting

Scope 1

TM reports on GHG emissions from all company owned vehicles. Consumption is calculated from fuel purchases for cars, motorcycles, 4-wheel drives, vans and trucks. Fuel volume is derived from the cost of purchase. The volume of CO₂ emissions from the consumption of fuel, meanwhile, is derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

CO₂ Emissions (MT) by fuel type from 2012 to 2014



CO₂ emissions from petrol and diesel consumption reduced by 26.2% in 2014 from 2013, and by 31.8% against the benchmark set in 2011.

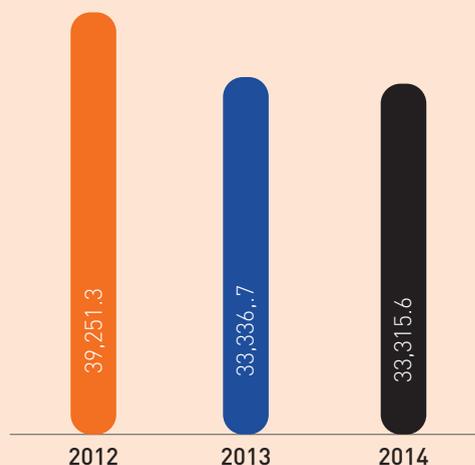
CO₂ emissions from petrol consumption reduced by 26.7% in 2014 compared to 2013 and 33.2% compared to the 2011 benchmark. CO₂ emissions from diesel reduced by 24.9% compared to 2013 and 28.4% compared to the 2011 benchmark.

Scope 2

TM calculated emissions resulting from electricity consumption at Commercial Building Central to ensure consistency and a fair performance comparison with the 2011 baseline. The volume of CO₂ 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 decreased by 0.07% from 33,336.7 MT in 2013 to 33,315.6 MT in 2014. TM takes all possible steps to keep electricity usage to a minimum.

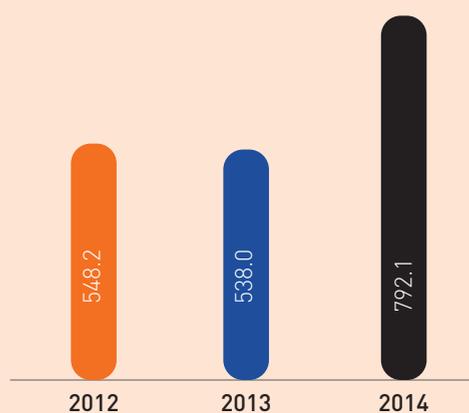
CO₂ emissions (MT) from electricity usage at TM Commercial Building Central from 2012 to 2014



Scope 3 Air Travel

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 CO₂ emissions from air travel.

CO₂ emissions (MT) from 2012 to 2014



The emissions produced from our air travel increased by 47.2% from 538 MT in 2013 to 792.1 MT in 2014.

TM Employees' Daily Commute to Work

TM understands that significant CO₂ emissions result from employees travelling to and from their place of work. In 2014, we embarked on an ambitious project to estimate the total yearly emissions produced by our entire workforce's daily commute.

Method

We conducted a survey during the last quarter of 2014. Questions were presented to estimate the:

- Most common method of travelling, such as bicycle, bus, car pooling, the KTM Komuter, LRT, overground train, own vehicle, taxi and walking
- Approximate total daily distance travelled each day to work and back
- The type, make, model, age, engine size and type of fuel used if employees used their own vehicles

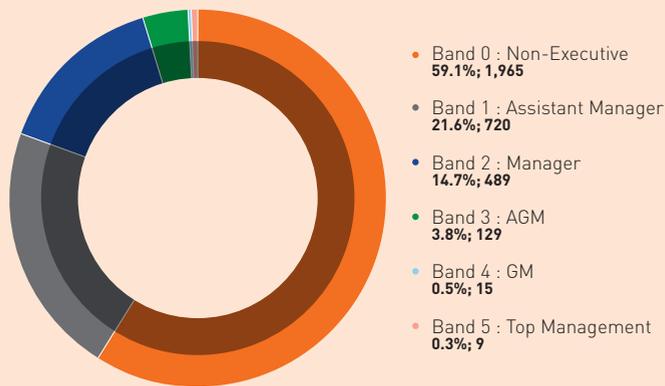
The survey was conducted online by an external consultant over a period of three months. The survey was available online in both English and Bahasa Malaysia. All employees were encouraged to respond.

A Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative was used to calculate the emissions of each respondent. At TM, 27,642 employees work an average of 209 days a year. Using this information, it was possible to estimate the yearly emissions for the Group.

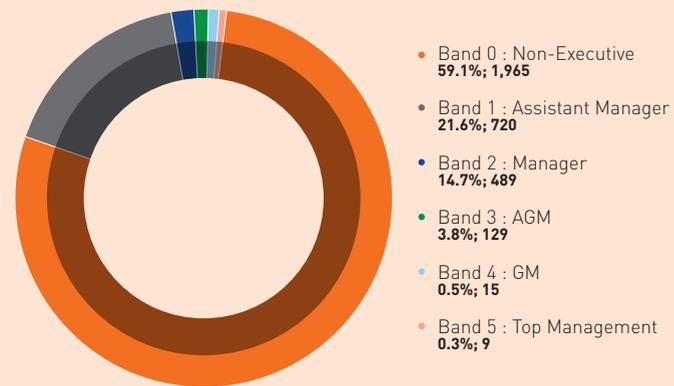
RESULTS

The survey amassed 3,503 responses, of which 3,327 responses were usable as 176 were incomplete. The responses included a good representation of TM employees from all employment grades and there was no obvious skew in the data.

TM employees commuting survey respondents by employment grade



Breakdown of employees' own vehicles used in daily commuting



The table below shows the commuting practices of our employees. Most employees travelled to work using their own vehicles. Employees using public transport made up approximately 10.0% of the sample.

Breakdown of commuting methods in 2014

METHOD OF TRANSPORT	NUMBER OF EMPLOYEES IN SAMPLE	ESTIMATED TOTAL NUMBER OF EMPLOYEES IN TM	PERCENTAGE OF EMPLOYEES
Bicycle	2	17	0.1%
Bus	74	615	2.2%
Car Pool	9	75	0.3%
KTM Komuter	57	473	1.7%
LRT	202	1,678	6.0%
Overground train	3	25	0.1%
Own Vehicle	2,956	24,560	88.8%
Taxi	5	41	0.2%
Walking	19	158	0.6%
TOTAL	3,327	27,642	100.0%

Of those travelling to work in their own vehicles, 78.3% drive cars. The second most common type of vehicle used was the motorcycle, with 16.8% favouring this method of transport. Collectively, 4X4s, MPVs and SUVs accounted for 4.3% and only 0.6% used vans in their daily commute.

In 2014, TM employees travelled an estimated 236,084,631km to and from work. The total estimated yearly CO₂ emission for employees commuting in 2014 was 48,580.1 MT.

METHOD OF TRANSPORT	TOTAL YEARLY DISTANCE OF SAMPLE (KM)	ESTIMATED TOTAL YEAR DISTANCE (KM) OF TM	TOTAL YEARLY EMISSIONS (MT CO _{2E}) OF SAMPLE	ESTIMATED TOTAL YEARLY EMISSIONS (MT CO _{2E}) OF TM
Bicycle	1,672	13,892	0	0
Bus	933,812	7,758,470	62.2	516.6
Car Pool	70,851	588,657	5.6	46.6
KTM Komuter	806,531	6,700,971	92.9	771.8
LRT	1,357,873	11,281,733	138.1	1,147.5
Overground train	89,870	746,675	10.4	86.0
Own Vehicle	25,105,707	208,587,903	5,528.9	45,936.1
Taxi	38,247	317,771	9.1	75.5
Walking	10,659	88,559	0	0
TOTAL	28,415,222	236,084,631	5,847.2	48,580.1

TM Embarks on MYCarbon Reporting

During the United Nations Climate Change Conference held in December 2009 in Copenhagen, Denmark, the Prime Minister of Malaysia announced a voluntary initiative to reduce the country's CO₂ emissions per GDP by 40% from the 2005 level, with technology transfer and financial support from developed countries.

Supporting this national agenda, TM has been reporting its carbon footprint in sustainability reports since 2011. More recently, we have enrolled in a two-year MYCarbon Reporting programme initiated by the Ministry of Natural Resources (NRE) and UNDP Malaysia. Such reporting will contribute to the ministry's efforts to measure progress made in terms of the nation's emissions reduction. At the same time, this reporting portal will guide us towards our goal of reporting our environmental performance nationwide.

Other Environmental Initiatives

G4-DMA

Acoustic treatment of generator sets

In 2014, 12 standby generator sets were replaced nationwide to strengthen the reliability of backup power supply and sustainability of the environment. The new generator sets comply with DOSH guidelines and conform to the EQA 1974 and Regulations on dark smoke, air impurities, clean air, noise limit and control. The replacement of generator sets by region is presented in the table below.

Replacement of Generator Sets by Region in 2014

REGION	GENERATOR SET						TOTAL
	60KVA	100KVA	150KVA	250KVA	500 KVA	750 KVA	
Eastern				2			2
Northern	1	1	1	1		1	5
Southern			1		1		2
Sabah	3	1					4
TOTAL	4	2	1	3	1	1	13

Environmental Awareness at TM G4-EN26

BumiKu Tropical Wilderness Camp 2014

The BumiKu Tropical Wilderness Camp 2014, held from 14-16 November, was attended by nearly 150 TM ROvers. The three-day activity was held at Endau-Rompin National Park, Johor themed 'Experience Splashing Thrills and Rainforest Adventure'. This was the fifth BumiKu Camp to be organised in collaboration with the Malaysian Nature Society (MNS).

The aim of our annual BumiKu Camps is to promote the importance of preserving the environment among employees of TM and its subsidiaries. We also make the most of the opportunity presented by these events to contribute to communities in need. During the 2014 camp, TM ROvers organised a *gotong-royong* programme at the *Orang Asli* village in Kampung Peta, which saw them install lights, fans and a basic audio system in the community

hall. They also painted and refurbished the hall and repaired the public toilets. In addition, they helped to paint a mural in the kindergarten, planted fruit trees and gave stationery to students of Sekolah Kebangsaan Peta. Supplementing their activities, TM donated clothes, books and a mower to the local community.

Earth Hour 2014

Earth Hour and Earth Day help to generate awareness, interest and concern over the global threat of climate change. During Earth Hour from 8.30 to 9.30 pm on 29 March 2014, TM premises nationwide switched off their lights and all electrical appliances. Adding to this, TM Support Business organised a Earth Day Campaign from 21-25 April 2014 during which all TM premises across Malaysia increased their air conditioner temperatures by one degree Celsius from their normal settings. No plastic bags were handed out. We also held a selfie competition with the coolest Earth Day pledge entries winning awards.

TM-MMU Mudball Project 2014

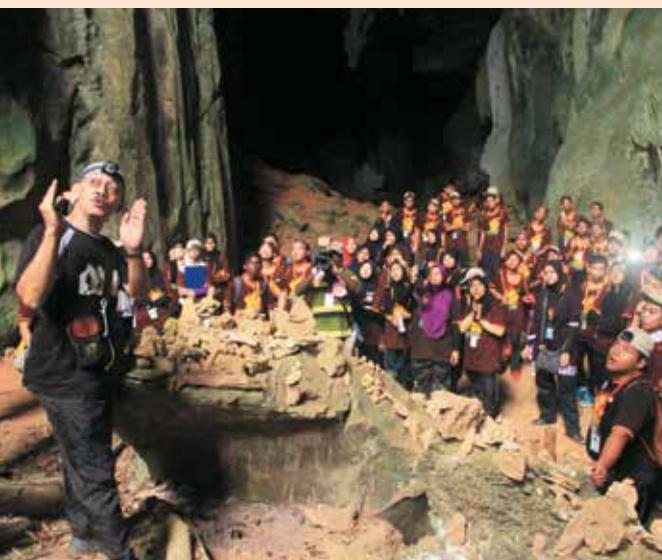
TM-MMU Mudball Project 2014 was held at MMU Cyber Lake on 20 August, attracting the participation of TM and MMU employees and students. During the event, more than 5,000 mudballs known as EM (for effective micro-organisms) were thrown into the lake. Composed of a variety of microbes including lactic acid bacteria, yeast and phototrophic bacteria as well as a mixture of molasses, dried dirt and rice, the balls re-establish populations of beneficial micro-organisms in water that prevent the growth of bad microbes.

The biometrics in MMU Cyber Lake improved significantly following the Mudball Project as presented in the table below.

PARAMETER	RESULT BEFORE T-MMU MUDBALL PROJECT	RESULT AFTER TM-MMU MUDBALL PROJECT
pH	6.90	7.70
Dissolved Oxygen Biochemical	9 mg/l	4.3 mg/l
Oxygen Demand (BOD5)	12 mg/l	10 mg/l
Chemical Oxygen Demand (COD)	35 mg/l	39 mg/l
Suspended Solids	54 mg/l	33 mg/l
Ammoniacal-Nitrogen	6.8 mg/l	2.62 mg/l
Coliform (A54276.4-1 995)	1,460	2,300
Faecal coliform	1,220	700
Phosphorus	0.01 mg/l	<0.1 mg/l
Nitrate-Nitrogen	0.11 mg/l	0.53 mg/l
Turbidity	32.7 NTU	46.7 NTU



Mudball throwing activity at Cyber Lake, MMU



TM Earth Camp 2014, Northern Zone held at Gunung Stong State Park, Kelantan

Environmental Compliance

TM subscribes to the following environmental related regulations:

- Environmental Quality Act 1974 (Act 127)
- Environmental Quality (Clean Air) Regulations, 1978/Environmental Quality (Clean Air) Regulations, 2014
- Environmental Quality (Industrial Effluent) Regulations 2009
- 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)

We strive to ensure compliance with all aspects of these regulations.

TM Earth Camp

The three-day TM Earth Camp was launched in 2010 in partnership with the Malaysian Nature Society (MNS), targeting students who are members of their schools' nature clubs. The aim is to increase their awareness of Malaysia's rich biodiversity in the hope they will share their knowledge among their peers. Each camp features a theme highlighting the unique elements of the respective camp locations.

ZONE	THEME	DATE	LOCATION	ACTIVITIES	REACH
Borneo Zone (Sabah)	Energy	25-27 April 2014	Danum Valley, Lahad Datu	Forest trail, rhino pool visit, and a competition to make the tallest and strongest tower from newspapers	Total reach was 126: 31 teachers and 95 students from 17 schools
Southern Zone	Biodiversity	2-4 May 2014	Agrotek Garden Resort, Hulu Langat Selangor	Biodiversity introduction, nature game, nature walk, forest introduction and jungle trekking	Total reach was 123: 16 teachers and 107 students from 21 schools
Eastern Zone	Water	23-25 May 2014	Tanjung Piai Resort, Tanjung Piai National Park and Pulau Kukup National Park, Johor	Tasting raw honey extracted directly from the beehive; making keropok lekor; exploring mangrove and nocturnal living creatures; and craft activities	Total reach was 146: 36 teachers and 110 students from 29 schools
Central Zone	Earth, Human & Water	22-24 August 2014	Perlis State Park, Perlis	Caving, jungle trekking, waste audit at Pasar Wang Kelian, water monitoring, water ecology and nature walk	Total reach was 150: 50 teachers and 100 students from 37 schools
Northern Zone	Human	5-7 September 2014	Gunung Stong State Park, Kelantan	Night walk, mural painting, <i>gotong-royong</i> and tree planting	Total reach was 135: 50 teachers and 85 students from 35 schools
Borneo Zone (Sarawak)	Air	17-19 October 2014	Similajau National Park, Bintulu, Sarawak	Night walk, nature talk, tree planting, beach clean-up, painting facilities in the park, and maintenance work including repairing benches	Total reach was 134: 48 teachers and 86 students from 12 schools

GRI G4 CONTENT INDEX FOR 'IN ACCORDANCE' – CORE



GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURE	DESCRIPTION	PAGE REFERENCE (OR DIRECT RESPONSE IN CASE OF OMISSION)	EXTERNAL ASSURANCE
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organisation	4	Yes
Organisational Profile			
G4-3	Organisation's name	Front Cover	Yes
G4-4	Primary brands, products and services	17	Yes
G4-5	Location of the organisation's headquarters	3	Yes
G4-6	Counties of major operation	24	Yes
G4-7	Nature of ownership and legal form	17	Yes
G4-8	Market served	24	Yes
G4-9	Scale of the organisation	24	Yes
G4-10	Total number of employees	64	Yes
G4-11	Percentage of total employees covered by collective bargaining agreements	62	Yes
G4-12	Organisation's supply chain	70	Yes
G4-13	Significant changes during the reporting period	8	Yes
G4-14	Implementation of the precautionary approach	32	Yes
G4-15	Endorsement of external economic, environmental and social characters and initiatives	70	Yes
G4-16	Membership in national/international associations	61	Yes

GENERAL STANDARD DISCLOSURE	DESCRIPTION	PAGE REFERENCE (OR DIRECT RESPONSE IN CASE OF OMISSION)	EXTERNAL ASSURANCE
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated Financial Statements	19	Yes
G4-18	Process for defining the report content and the aspect boundaries	32	Yes
G4-19	Material aspects identified in the process for defining report content	32	Yes
G4-20	Aspect boundary within the organisation	32	Yes
G4-21	Aspect boundary outside the organisation	32	Yes
G4-22	Effect of any restatements	8	Yes
G4-23	Significant changes during the reporting period	8	Yes
Stakeholder Engagement			
G4-24	Stakeholder groups engaged by the organisation	30, 32	Yes
G4-25	Basis for identification of stakeholders	30, 32	Yes
G4-26	Approach to stakeholder engagement	30, 32	Yes
G4-27	Key topics and concerns raised by stakeholders	34	Yes
Report Profile			
G4-28	Reporting period	3	Yes
G4-29	Date of most recent previous report	3	Yes
G4-30	Reporting cycle	3	Yes
G4-31	Contact point for questions regarding the report	3	Yes
G4-32	Chosen 'in accordance' option including reference to the GRI Content Index and the External Assurance Report	3	Yes
G4-33	Organisation's policy and practice with regard to seeking external assurance	3	Yes
Governance			
G4-34	Organisation's governance structure	20	Yes
Ethics and Integrity			
G4-56	Organisation's codes of conduct and codes of ethics	45	Yes

SPECIFIC STANDARD DISCLOSURES

DMA AND INDICATORS	PAGE NUMBER (OR LINK)	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
ECONOMIC					
Economic Performance					
G4-DMA	19				Yes
G4-EC1	19				Yes
ENVIRONMENT					
Energy					
G4-DMA	103				Yes
G4-EN3	103				Yes
G4-EN4	103				Yes
Effluents And Waste					
G4-DMA	111				Yes
G4-EN26	112				Yes
SOCIAL					
Employment					
G4-DMA	45				Yes
G4-LA3	54				Yes
Health and Safety					
G4-DMA	56				Yes
G4-LA7	56				Yes
G4-LA8	56				Yes
Training and Education					
G4-DMA	51				Yes
G4-LA10	51				Yes
Equal Remuneration for Women and Men					
G4-DMA	51				Yes
G4-LA13	51				Yes
HUMAN RIGHTS					
Investment					
G4-DMA	51				Yes
G4-HR1	51				Yes

DMA AND INDICATORS	PAGE NUMBER (OR LINK)	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
Freedom of Association and Collective Bargaining					
G4-DMA	62				Yes
G4-HR4	51				Yes
Child Labour					
G4-DMA	51				Yes
G4-HR5	51				Yes
SOCIETY					
Local Communities					
G4-DMA	87				Yes
G4-S01	89				Yes
Anti-corruption					
G4-DMA	83				Yes
G4-S04	81				Yes
G4-S05	83				Yes
Anti-competitive Behaviour					
G4-DMA	83				Yes
G4-S07	83				Yes
Supplier Assessment for Impact on Society					
G4-DMA	69				Yes
G4-S09	89				Yes
PRODUCT RESPONSIBILITY					
Customer Health and Safety					
G4-DMA	70				Yes
G4-PR1	70				Yes
Product and Service Labelling					
G4-DMA	78				Yes
G4-PR3	78				Yes
G4-PR5	81				Yes
Customer Privacy					
G4-DMA	81				Yes
G4-PR8	81				Yes

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 2014. The main objective of the verification process was 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 2014.

The management of Telekom Malaysia 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 2014.

Verification team:

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aminah Ang : Team Leader
- 2) Mr. Shaiful Azmir A. Rahman : Team Member

Methodology

The verification process was carried out by SIRIM QAS International in February and March 2015. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;



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- Reviewing of internal and external documentation and displays such as awards, reports, media publications, newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of Telekom Malaysia and its overall presentation against the GRI G4.0 requirements

During the verification process, issues were raised and clarifications were sought from the management of Telekom Malaysia relating to the accuracy of some of the data and statements contained in the report. The report was subsequently reviewed and revised by Telekom Malaysia 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 information reported in the Telekom Malaysia Berhad Annual Report 2014;
- 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 in Menara TM and the TM Annex Building at Jalan Pantai Baharu was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Telekom Malaysia's operating assets;
- Only the electricity consumption at the Menara TM, Cyberjaya Admin Complex & IDC, Bukit Timbalan Exchange and Kompleks TM Alor Setar were verified with the bills; and
- The verification team did not review any contractor or third party data.

Observations and areas for improvement:

The following observations should be considered as areas for improvement in future reporting:

- Enhancement in the reporting of environmental performance especially issues pertaining to regulatory compliance and expansion of the sites to be included in environmental chapter of the report; and

- Enhancement in the data collection methodology to ensure data reporting errors are minimized.

These observations however do not affect our conclusions on the current report.

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 2014 is fair and acceptable;
- The Sustainability Report was prepared following the GRI G4.0 'In accordance with the Core' Requirements of the 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:



AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 19 March 2015

Approved by:



PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date : 19 March 2015