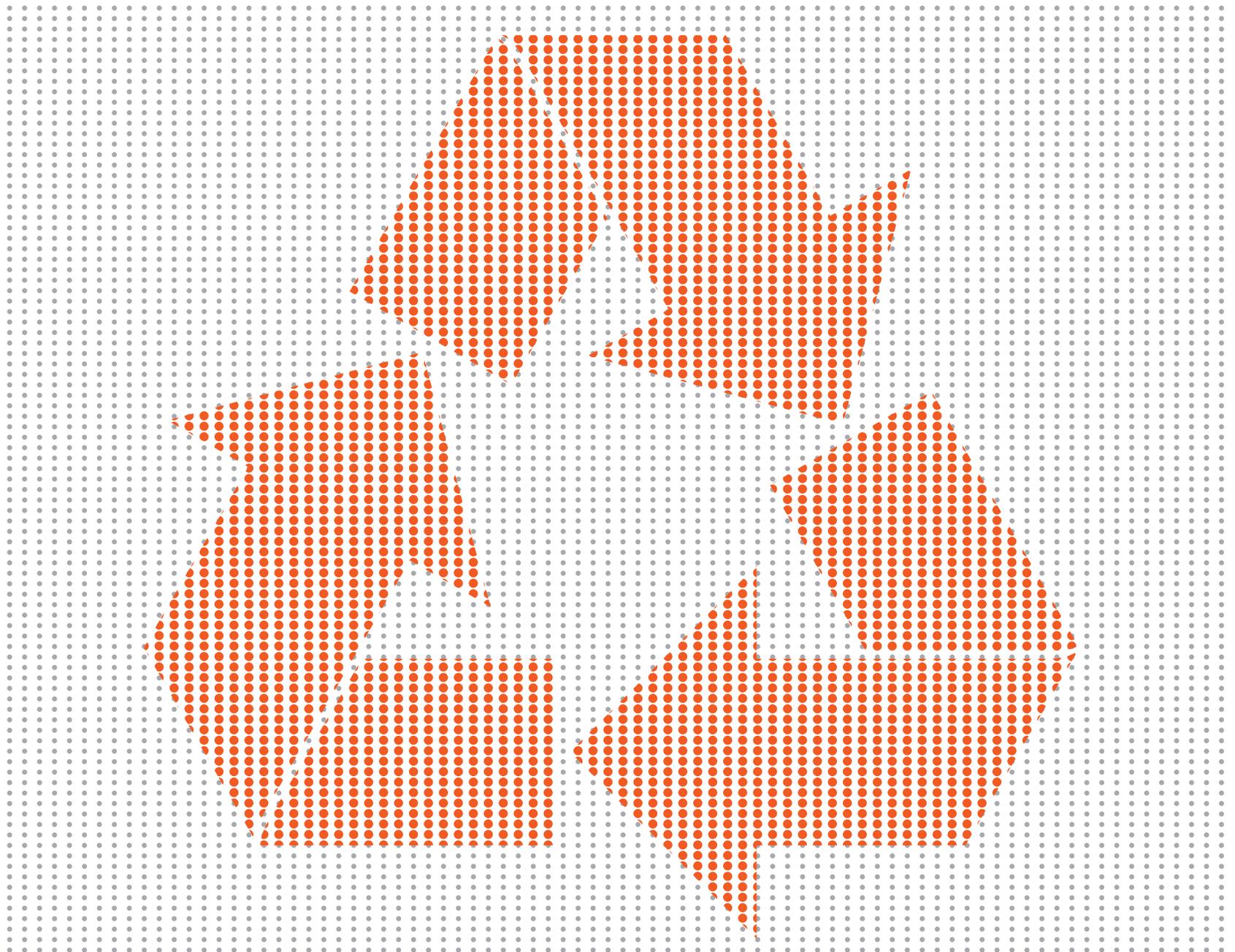


TELEKOM MALAYSIA BERHAD

Life Made Easier™



# CHAMPIONING SUSTAINABILITY





This TM Sustainability Report is enhanced with TM AURA, an augmented reality app developed by TM Research & Development (TM R&D). The app allows you to scan selected pages and images from the report to access extended rich content.

Download TM AURA on your phone or tablet (iOS and Android) for a converged augmented reality experience!

Search for 'TM AURA' in the Apple App Store or Google Play Store to download.



▶ Total contracts worth **RM7.50 billion** worth of contracts awarded to Companies under BVDP

▶ More than **RM2.4 million** spent on TM School Adoption Programme since 2003

▶ More than **52,927** graduates and diploma holders from MMU and MMC in the Malaysian workforce

▶ **28,008** employees, TM's most valuable asset

more than **3,000** Bumiputera Companies awarded network projects

▶ More than **1,000** TM ROvers deployed for disaster relief missions

▶ **91.0 GWh/year** saved by PSTN Migration

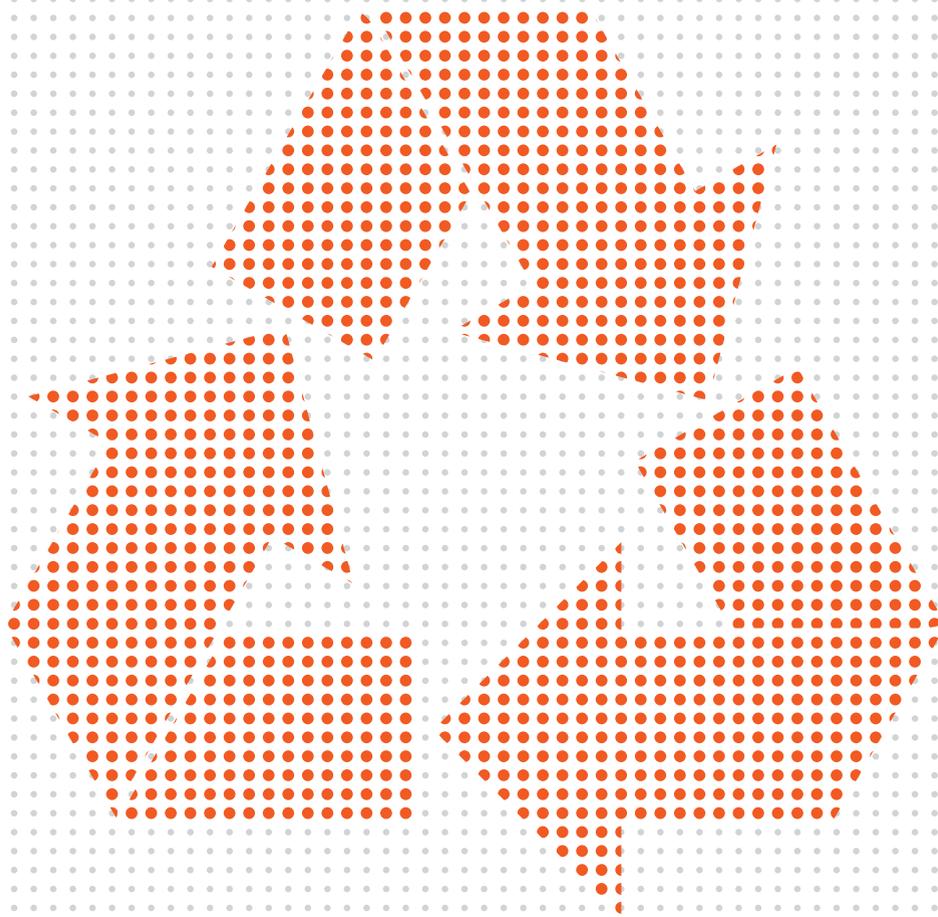
# 2015

# CEO

Life Made Easier™



T E L E K O M M A L A Y S I A B E R H A D



# Year Twenty Fifteen

# NINETEENTHS

CHAMPIONING SUSTAINABILITY

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050  ECONOMIC

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062  ENVIRONMENTAL

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072  SOCIAL

# ABOUT OUR REPORTING

## TM SUSTAINABILITY REPORT 2015

G4-18, G4-29, G4-30, G4-31

TELEKOM MALAYSIA BERHAD (TM)'s ANNUAL SUSTAINABILITY REPORT PROVIDES A SUMMARY OF THE GROUP'S OPERATING PERFORMANCE INCLUDING FINANCIAL AND NON-FINANCIAL MEASURES AND PERFORMANCE AGAINST OUR SUSTAINABILITY STRATEGY. DETAILED INFORMATION ON THE SCOPE AND CRITERIA USED WHEN PREPARING THIS REPORT IS PRESENTED IN THE FOLLOWING TABLE.

 SCOPE OF REPORT  
G4-28

 REPORTING CYCLE

 COVERAGE

 REFERENCES AND GUIDELINES

 REPORTING CONTENT

 RELIABILITY AND RELEVANCE OF INFORMATION DISCLOSED  
G4-32

 ASSURANCE AND VERIFICATION

 FEEDBACK

1 January to 31 December 2015 (unless specified)

Annually

TM and our 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 2015. It is aligned with the Annual Report 2015 for the 'Message from our Chairman', 'Message from our Group Chief Executive Officer' and 'Corporate Profile' sections in this report, unless stated otherwise.

**Principal Guideline**

- Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

**Additional Guidelines**

- Integrated Reporting <IR> Framework
- Bursa Malaysia's Corporate Social Responsibility (CSR) Framework
- Silver Book: The Putrajaya Committee Government-Linked Companies (GLC) Transformation Manual
- ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- ISO 26000:2010 Guidance on Social Responsibility
- Judges' feedback from various CSR awards

- This report adopts a multi-stakeholder approach in line with GRI G4 recommendations and other sustainability ratings and rankings.
- The report shares TM's initiatives in a transparent manner. It highlights key goals and policies adopted in the value chain to achieve long-term business and societal sustainability.
- 2015 achievements have been compared against those of previous years; and form the benchmark for 2016 targets.
- 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 2015.

The report has undergone the GRI Content Index Service In Accordance Option Core.

We engaged an independent external assurance provider, SIRIM QAS International Sdn Bhd, to undertake external assurance of some of our material sustainability Key Performance Indicators (KPIs).

This report is available to all stakeholders in hard copy on request or can be downloaded from our corporate website, [www.tm.com.my](http://www.tm.com.my). An eBook of this report can be downloaded from:



SCAN TO DOWNLOAD THE APP  
[www.tm.com.my/annualreport/2015](http://www.tm.com.my/annualreport/2015)

**G4-5**

For further enquiries, please contact:

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 Email : [gbc@tm.com.my](mailto:gbc@tm.com.my)  
 Website : [www.tm.com.my](http://www.tm.com.my)

# A MESSAGE FROM OUR

64-1

# U

# CHAIRMAN



TM AURA



**TAN SRI DATO' SERI DR SULAIMAN MAHBOB**

Chairman

# 2015

## DEAR STAKEHOLDERS,

FOLLOWING OUR *GAME CHANGER* THEME IN 2014, THE THEME THIS YEAR – CONVERGENCE CHAMPION – APTLY REFLECTS TM'S CONTINUOUS EFFORTS TO CHAMPION AND INTEGRATE SUSTAINABILITY IN ALL ASPECTS OF OUR BUSINESS AND OPERATIONS. INDEED WE EXTEND THIS BEYOND OUR PRODUCTS AND SERVICES, TOWARDS THE OVERALL IMPACT TO MALAYSIAN LIVES AND NATION-BUILDING, IN WHICH TM IS UNIFIED TO SERVE. FOR US, SUSTAINABILITY MEANS CREATING BOTH ECONOMIC AND SOCIAL VALUES AS LONG-TERM ECONOMIC DEVELOPMENT CANNOT BE ACHIEVED UNLESS GREATER SOCIAL IMPACT AND THE PROTECTION OF NATURAL RESOURCES ARE GUARANTEED AT THE SAME TIME.

TM intends to deliver convergence as a seamless experience beyond technology, products and services and devices via our comprehensive suite of offerings, to meet lifestyle and business communication needs; and ultimately to enrich, improve and impact the lives of Malaysians everywhere - in line with our vision of making "Life and Business Made Easier for a Better Malaysia".

On the technology front, we reaffirmed our position as the Convergence Champion with our commitment to bridge the digital divide by stimulating investment in and sustainable economic impact of high-speed broadband infrastructure in key economic as well as rural areas. This is in line with the Government's Economic Transformation Programme (ETP) for EPP10 – 'Extending the Regional Network' as well as National Key Economic Area (NKEA) for the Communications Content and Infrastructure (CCI) sector in improving communications infrastructure and the uptake of services.

To further increase broadband reach and adoption, we most recently inked two Public Private Partnership (PPP) agreements with the Government for the High Speed Broadband Project Phase 2 (HSBB 2) and the Sub-Urban Broadband Project (SUBB). Both projects will see TM roll out last mile access network to homes and businesses utilising fibre-to-the-home (FTTH), Ethernet-to-the-home (ETTH) and Very-high Digital Subscriber Line or VDSL2 technologies. We are also developing the Sistem Kabel Rakyat 1Malaysia (SKR1M), which links Peninsular Malaysia with Sabah and Sarawak.

TM is the largest contributor to the Universal Service Provision (USP) Fund and have been solely responsible for the installation of infrastructure and service in underserved areas as well as to underserved communities, under this scheme. As

an example of our contributions to USP, just in 2015 TM was involved in the development of 399 Pusat Internet 1Malaysia (PI1M), 1,719 WiFi Komuniti (WK) and 286 WiFi 1Malaysia (W1M).

Not only are we bridging the digital divide, we are also bringing the nation closer together, uniting them via our flagship sports movement, Team Malaysia. Since 2011, Team Malaysia has been supporting the Malaysian contingent in international games, such as the SEA Games, London Olympics and the Commonwealth Games, Glasgow. This year, we continued to unite Malaysians as they cheered on our team at the Singapore SEA Games.

Meanwhile, our volunteer movement, TM Reaching Out Volunteers (TM ROvers), brings young students together at our TM Earth Camps to increase environmental awareness; and bring us, as Warga TM, closer to local communities by lending a hand to people in need.

TM truly touches lives through our actions at various levels. At the national level, we connect Malaysia to the rest of the world. Within Malaysia, we connect Malaysians with each other. And in society, we ourselves connect at a personal level with those who are underprivileged or marginalised through programmes aimed at helping communities at risk. Program Sejahtera, which supports single mothers, and our adoption of Sekolah Kebangsaan Pendidikan Khas Tuaran, Sabah – a school for visually impaired children – are testament to this commitment.

We demonstrate our commitment to conducting business in a responsible way by adhering to the highest standards of Corporate Governance and transparency, winning multiple accolades at the National Annual Corporate Report Awards (NACRA), Malaysia-ASEAN Corporate Governance

Transparency Index, Findings And Recognition (The Malaysian Chapter) 2015 organised by the Minority Shareholder Watchdog Group (MSWG), as well as inaugural PriceWaterhouseCoopers (PWC) Building Trust Awards Malaysia Chapter. Whilst supporting national development through various platforms including education, innovation, sports, expanding connectivity locally and internationally, we also develop the Bumiputera and SME market as well as supporting public sector initiatives in general, leveraging on our competencies as Malaysia's Convergence Champion.

Moving forward, we will continue to grow through our core competencies – communication and innovation. We believe telecommunications is set to play an increasing role in every aspect of our lives, from the way our nation is administered to the way we live, and we intend to be an integral part of enabling this future. Like our nation, we see ourselves in the midst of an exciting transformation and will continue to capitalise on opportunities to build a resilient business, through the convergence of fair governance and sustainability practices.

On behalf of the Board of Directors, management and Warga TM, I would like to conclude by expressing my gratitude to our stakeholders for their constant support, collaboration and dialogue. Your thoughts have helped us, year after year, to shape a more sustainable TM. We are excited by the opportunities that our continuous reviews have identified, and we remain committed to building a sustainable business while growing with you.



**Tan Sri Dato' Seri Dr Sulaiman Mahbob**  
Chairman

# A MESSAGE FROM OUR

G4-1, G4-13, G4-22, G4-23

# G

ROUP  
CHIEF  
EXECUTIVE  
OFFICER



TM AURA



**TAN SRI DATO' SRI ZAMZAMAIRANI MOHD ISA**

Group Chief Executive Officer

# 2015

## DEAR STAKEHOLDERS,

IT IS A PLEASURE TO ONCE AGAIN INTRODUCE TM'S ANNUAL SUSTAINABILITY REPORT, OUR EIGHTH EDITION, WHICH WE PUBLISH TO UNDERLINE OUR CONTINUOUS COMMITMENT TO TRANSPARENCY AND CORPORATE RESPONSIBILITY TO ALL OUR STAKEHOLDERS.

Because we hold true to our higher purpose of nation-building via the positive impact that ICT brings to the everyday lives of Malaysians, there is a conscious need to ensure our sustainability. This we do by developing innovative, relevant and commercially viable solutions that improve the quality of life of our customers and businesses, while also strengthening our contributions within the realms of the economy, society and the environment.

This commitment to sustainability is guided by our vision 'to make life and business easier, for a better Malaysia' as the nation's Convergence Champion, and allows us to take advantage of the opportunities offered to us by new technologies and innovations in products and services, to reduce the digital divide. Similarly we are also leveraging on innovative technologies to protect the environment and generate more sustainable products and services for our customers.

For economic impact, we continue to support the Government's call to develop entrepreneurs in particular the Bumiputera, and increase their market competitiveness. On 17 September 2015, we launched a Vendor Transformation Programme as part of our existing Bumiputera Vendor Development Programme (BVDP), creating Strategic Partnerships with our Bumiputera vendors. Since launching our BVDP in 1993, we have awarded network projects to over 3,000 Bumiputera companies, which form 75% of our total of 4,000 vendors. We have also provided on-the-job and soft skills training to 355 Bumiputera vendors under the BVDP, as well as quality certification, capacity and capability building, business matching and awareness programmes.

TM continued to strengthen our unique position in the Malaysian innovation ecosystem, leveraging on TM R&D, Multimedia University (MMU) and our strategic industry alliances, with the formal launch of its business accelerator programme, with the brand name "RE:"

Within our social contract, our responsibility to our customers is our highest priority, and we are driven to leverage on our creative and digital expertise to keep enhancing their experience with us and via our products, making everything easier and simpler for them.

We recently formalised a multi-year Customer Experience Management and Transformation (CEMT) programme to improve the level of professionalism of our personnel who, supported by the relevant systems and processes, are able to ensure our customers are continuously delighted by our service delivery. This transformation involves redesigning the customer journey, digitalisation, enhancing touch point efficiency and effectiveness as well as nurturing a customer-centric mindset at the workplace.

We continue with our community and nation building initiatives via our adopted schools and Earth Camps programmes, as well as the initiatives by our volunteer movement, TM ROVERS.

Within the organisation, we are committed to our KRISTAL values, especially in the aspect of integrity, respect and care of each member of TM and valuing the diverse perspectives that they are able to offer. We empower our employees with responsibility, motivate them with our passion, and encourage them to participate as much possible in serving our stakeholders, and ultimately our nation. Our culture is encapsulated in our 'COOL' approach which emphasise a one-company mindset as well as being customer-centric and innovative to achieve commercial leadership and operational excellence. We practise 'Engagement for Collaboration' by which we place high priority on employee communication. This includes updating our employees regularly on the Company's performance and development through online and offline channels.

These efforts have culminated in an overwhelming outcome of our 2015 My1TM employee engagement survey which reached its highest peak of 90% for employee participation and a Sustainable Engagement Score of 91%, which is on average 7 points higher than National Companies, 6 points higher than Global Telco and 5 points higher than High Performing Global Telcos.

Because we truly value our employees, we also have achieved outstanding health and safety standards at work. Occupational health and safety concerns in telecommunications largely revolve around electrical safety, electromagnetic fields, optical fibre safety, elevated and overhead work, fall protection and confined space entry. We have measures in place to minimise the risk of injury of our employees and contractors/partners while performing high-risk jobs.

In relation to the environment, TM has been working for years to reduce the impact of our activities to the environment by harnessing digital technology where possible. In 2015, we established a baseline and benchmark for electricity usage of our network exchanges and commercial buildings using Power Usage Effectiveness (PUE) by Green Grid and Building Energy Intensity (BEI) by GreenTech Malaysia. We are also expediting our PSTN migration to the Next Generation Network (NGN) which, including the cooling system, consumes about 16% less energy, potentially reducing our energy consumption by 91 GWh/year. When we started the PSTN migration, we had set ourselves a 10-year goal to complete it, but I am pleased to report that we managed to do so, three years in advance, in 2015. A total of 4 million PSTN subscribers have been migrated. Currently, the switching equipment is being decommissioned and replaced by NGN equipment.

Convergence is our key competitive edge. Our unique and high-value convergence offerings, products and services have received a strong market response whilst fulfilling consumers' dynamic lifestyles and demands. We believe that providing mobility solutions to our customers is a natural progression in TM's continuing transformation journey, and is in line with industry evolution towards true convergence.

In this regard, P1 is progressing well as TM Group's mobile arm and centre of excellence for mobility with the development of TM's overall LTE network roll-out being managed and planned for future growth. We look forward to 2016 being the Year of Convergence for TM, and towards our future sustainable growth.

On behalf of the Management team, I would like to thank all Warga TM for their tremendous effort, passion and resilience in delivering results. It is your commitment and focus that ensure we remain on track to achieve our aspiration. I would also like to thank all our stakeholders for their continuous support and trust in us, to deliver on our promise of "Life and Business Made Easier".



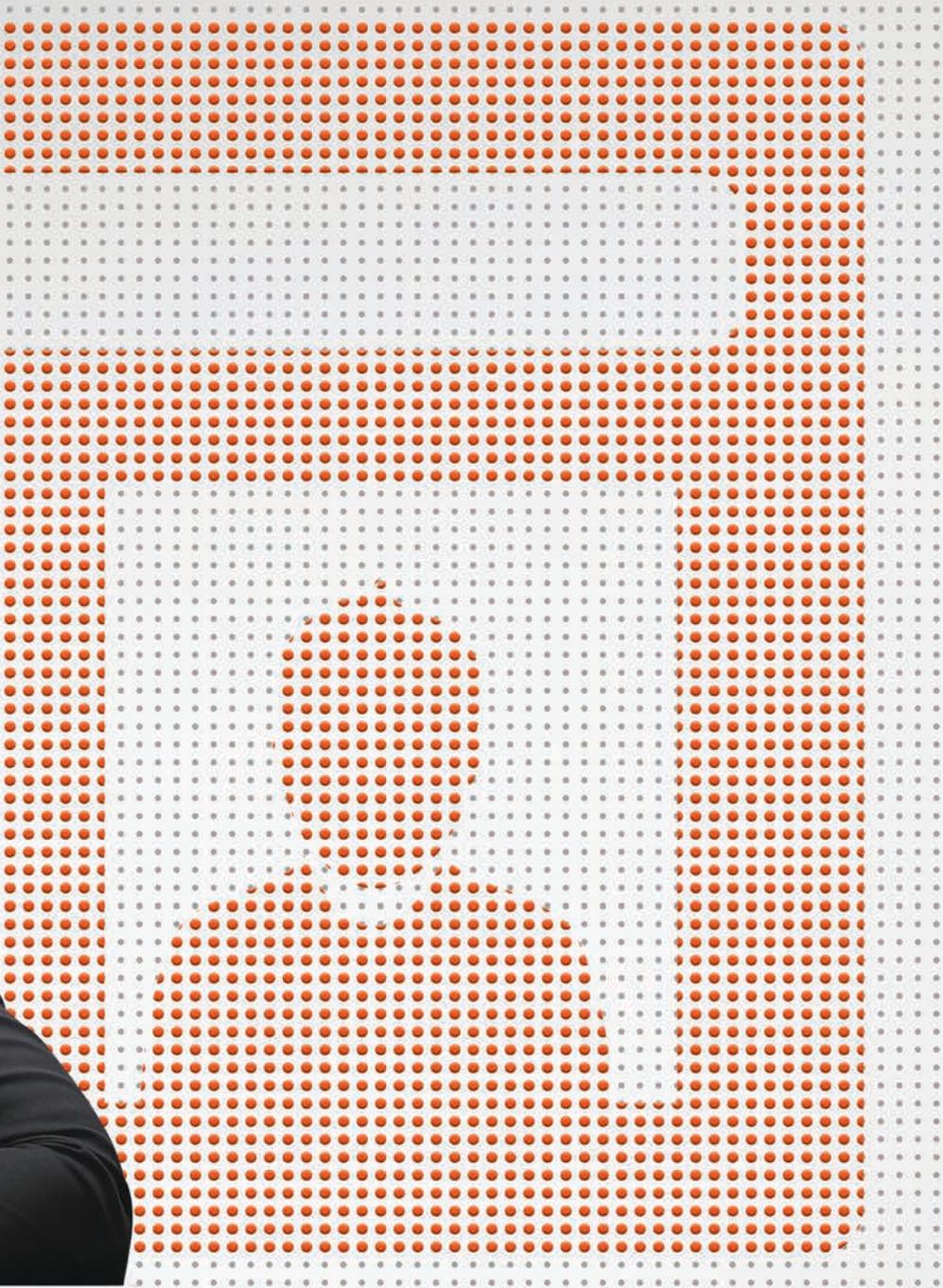
Tan Sri Dato' Sri Zamzamzairani Mohd Isa  
Group Chief Executive Officer



CORPORATE

**P**ROFESSIONAL

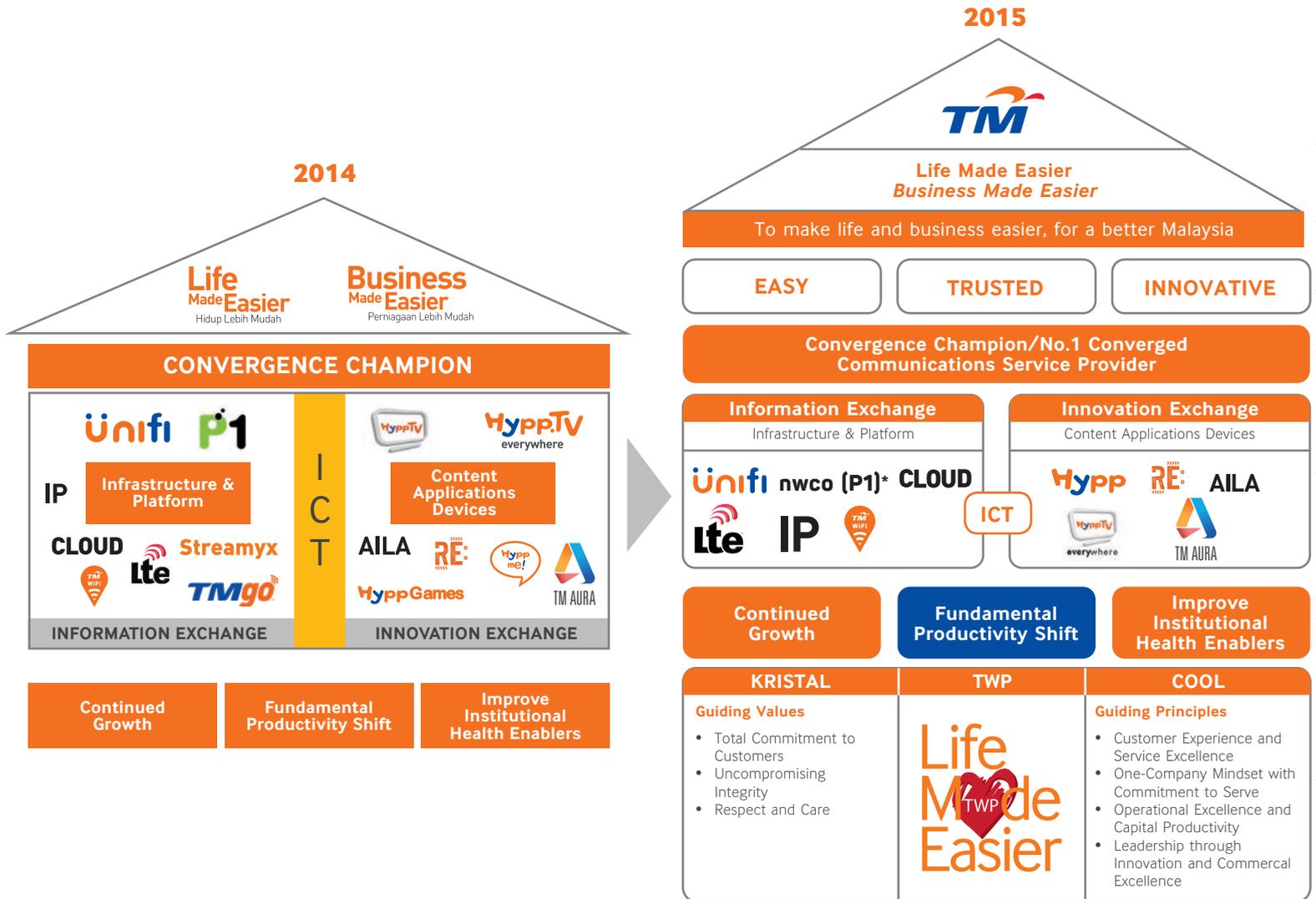
Life Made Easier™



E

# Strategy at a Glance

Anchoring our strategies on the Information and Innovation Exchange, our overall vision has been realigned to realise TM's new brand promise of 'Life and Business Made Easier' while shaping our position as the No. 1 Converged Communications Service Provider. With the ultimate objective of becoming a Convergence Champion to make life easier for our customers, we are focused on two key strategic thrusts of Delivering Convergence and Going Digital, which will continue to guide us moving forward.



\* nwcO (P1) = newco, as P1 will be rebranding in 2016

## SUPPORTING OUR OVERALL STRATEGY FRAMEWORK

### GOVERNANCE

Promoting transparency, accountability, disclosure and equality in governance and stakeholder management, our Corporate Governance Framework comprises:

- Effective Interactions with Stakeholders
- Adequate Risk Management and Internal Control
- Integrity and Ethical Values
- A Strong, Effective and Involved Board
- Clear Management Roles

### SUSTAINABILITY

Sustainability is embedded in every aspect of what the Group does, underpinned by a purpose-driven business model rooted in innovation. We aim to contribute in a meaningful way to local communities and minimise our environmental impact, by leveraging on innovation and technology.

Our Promise

Our Vision

Brand Values

Brand Positioning

Our brand promise, **Life Made Easier (LME)** and **Business Made Easier (BME)**, forms the basis of our transformation towards a more customer-centric organisation with our vision to make life and business easier, for a better Malaysia. The delivery of this promise encapsulates our brand values of **easy, trusted** and **innovative**, and is translated at the product and services/solutions and ground level, across all touch points including network, customer service and distribution, as well as central and support functions and extending to our larger partner/vendor network.

Business Strategy

Our key strategic thrusts, **Delivering Convergence** and **Going Digital**, are fully aligned to our Information and Innovation Exchange business strategies, enabling seamless connectivity to cater for fully integrated high quality Internet, data and application services anytime, anywhere and on any device. Going Digital will redefine our interaction with customers, thus reshaping the customer experience journey.

PIP 3.0

Performance Improvement Programme 3.0 (PIP 3.0) is the execution cornerstone of our overall strategic framework. It is divided into three broad categories with detailed initiatives under each bucket.

Guiding Values and Principles

Supporting the execution of the key strategic thrusts are continuous efforts to internalise a **Productivity** and **Innovation** culture, embedding LME vision and values, to form the ethos in all that we do to serve customers and work together more effectively.

At the foundation of this strategy house is the heart and DNA of TM, comprising our guiding values and principles of KRISTAL and COOL, which are kept energised by the 1TM spirit of Teaming With Passion (TWP).

**RISK MANAGEMENT**

Risk management forms part of TM's overall strategies to chart positive growth. The Group's Board Risk Committee (BRC) oversees the development and review of TM's risk management policy and plan, as well as the effectiveness of the risk management organisation structure and framework in mitigating risks.

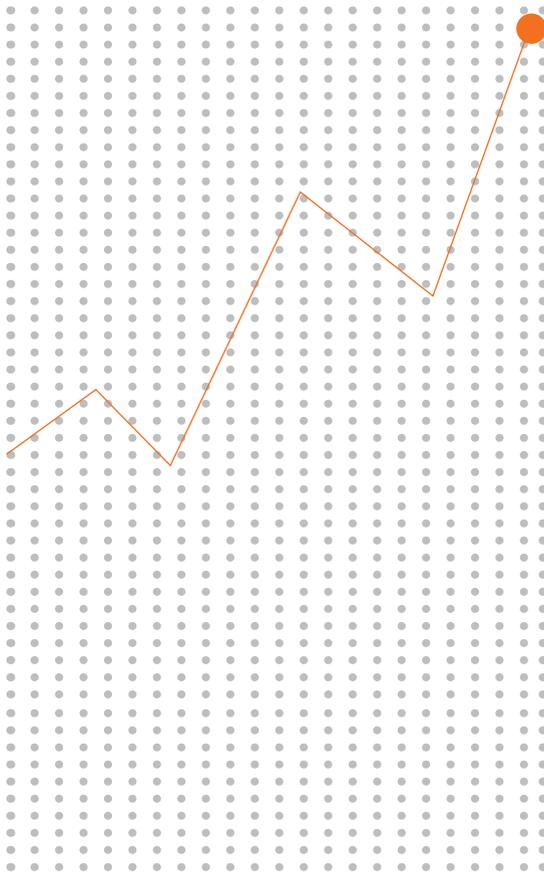
**PERFORMANCE MANAGEMENT**

Performance Management is about establishing a clear vision of what is to be achieved and ensuring alignment of the execution of our strategies with our goals. Divisions in TM contribute to the Group's realisation of our vision through their scorecards.



VISION  
&  
KRISTAL  
VALUES

“ TO MAKE LIFE AND  
BUSINESS EASIER,  
FOR A BETTER  
MALAYSIA ”



- Total Commitment to Customers
- Uncompromising Integrity
- Respect and Care

**Kristal Song\***

Always committed to our customers  
Always making every effort  
Working with an innovative approach  
Keeping an open mind at all time

Honest, sincere and trusted  
With our friends, customers and  
everyone  
Internalising respect and care  
Always demonstrating our high  
empathy

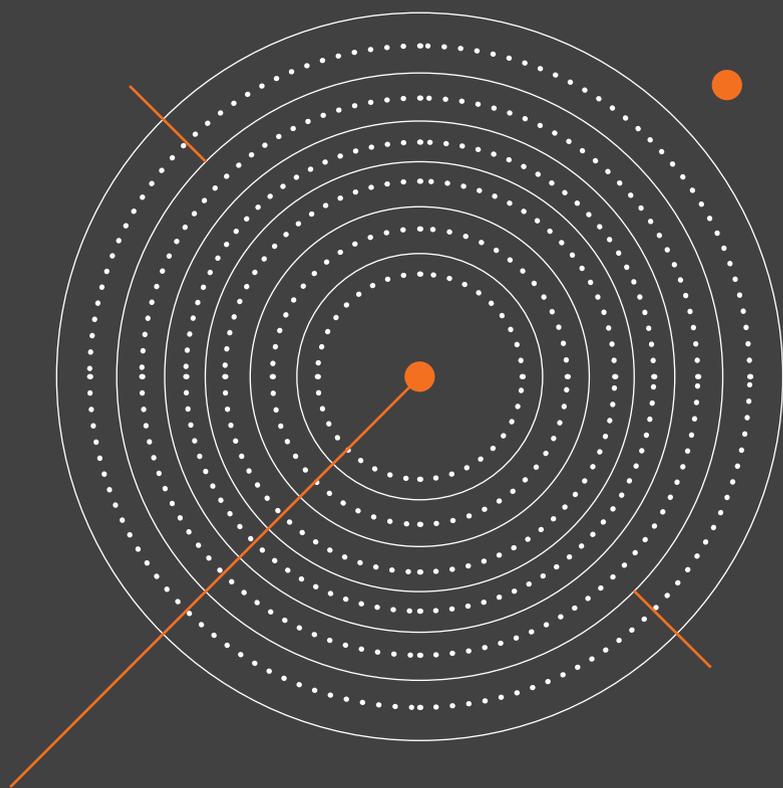
Chorus:

Let us move forward united  
Carrying the spirit of a champion  
Overcoming all obstacles  
We will always be no. 1!  
May TM continue to succeed  
Under visionary leadership  
With our promise of Life Made Easier  
For the betterment of the nation

*\* (translated from the original Bahasa  
Melayu's lyrics)*



# MISSION



## TO ACHIEVE OUR VISION, WE ARE DETERMINED TO:

- 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

# A B O U T

G4-4

TELEKOM MALAYSIA BERHAD (TM) IS MALAYSIA'S CONVERGENCE CHAMPION AND NO. 1 CONVERGED COMMUNICATIONS SERVICES PROVIDER, OFFERING A COMPREHENSIVE RANGE OF COMMUNICATIONS SERVICES AND FULLY INTEGRATED BUSINESS SOLUTIONS IN BROADBAND, FIXED LINE, DATA, INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) AND BUSINESS PROCESS OUTSOURCING (BPO) SERVICES.

Established as the Telecommunications Department of Malaya in 1946, TM has been continuously developing and improving the country's telecommunications infrastructure over the years.

It arrived at an influx point when the Group underwent a demerger in 2008, separating its mobile operations from the fixed line business. In the same year, TM signed a Public-Private Partnership (PPP) with the Government of Malaysia to build the infrastructure and deliver High Speed Broadband (HSBB) to Malaysians. In less than two years, TM launched the nation's first HSBB service – UniFi – which received

multiple global recognition, including being one of the fastest and lowest-cost high speed broadband roll-outs in the world.

Guided by its 'Information and Innovation Exchange' aspirations, 2014 witnessed the acquisition of Packet One Networks (Malaysia) Sdn Bhd (P1) and the Group's entrance into the Long Term Evolution (LTE) space with the launch of TMgo, its first 4G broadband offering. The Group has since continued along its transformation journey to become the nation's true Convergence Champion and the No. 1 Converged

Communications Service Provider. The provision of mobility solutions to customers is seen as a natural progression for TM, in line with the industry's evolution towards true convergence, not just from a technology or device perspective, but more importantly from a customer experience point of view, in the delivery of end-to-end broadband and data services.

P1 is progressing well as TM Group's mobile arm and centre of excellence for mobility with the development of TM's overall LTE network roll-out being managed and planned for future growth.

# NO. 1

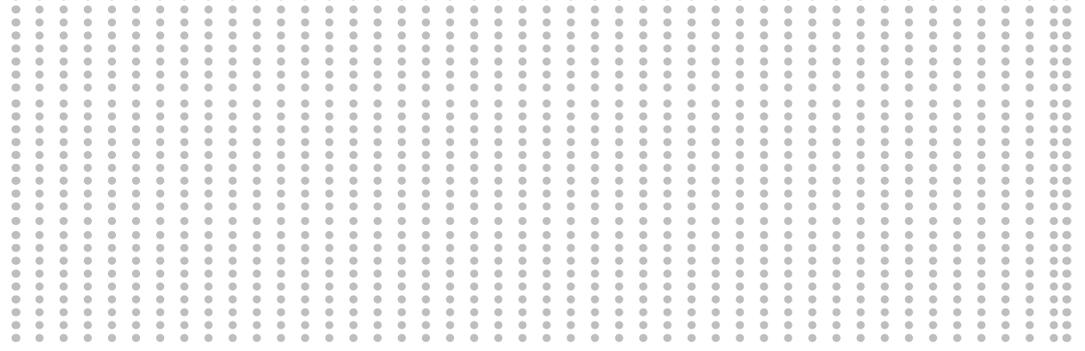
Converged  
Communications  
Services Provider

# P1

is progressing well  
as TM Group's  
mobile arm and  
centre of excellence  
for mobility



# US



Under HSBB 2,

95

additional exchanges will be HSBB-ready covering

390,000

premises by 2017

In December 2015, TM signed two new Public-Private Partnership (PPP) agreements with the Government for the implementation of High Speed Broadband Phase 2 (HSBB 2) and Sub-Urban Broadband (SUBB). These projects expand the previous HSBB infrastructure to cover other priority economic areas as well as sub-urban and rural areas thus provide high quality broadband to more Malaysians. Under HSBB 2, 95 additional exchanges will be HSBB-ready covering 390,000 premises by 2017, while SUBB involves delivering high speed broadband access up to 20Mbps through copper line upgrades and up to 100Mbps for areas deployed with Fibre-to-the-Home technology.

TM SIGNED TWO NEW PUBLIC-PRIVATE PARTNERSHIP (PPP) AGREEMENTS WITH THE GOVERNMENT FOR THE IMPLEMENTATION OF HIGH SPEED BROADBAND PHASE 2 (HSBB 2) AND SUB-URBAN BROADBAND (SUBB). THESE PROJECTS EXPAND THE PREVIOUS HSBB INFRASTRUCTURE TO COVER OTHER PRIORITY ECONOMIC AREAS AS WELL AS SUB-URBAN AND RURAL AREAS THUS PROVIDE HIGH QUALITY BROADBAND TO MORE MALAYSIANS.

As TM moves towards the mobility space, it is actively preparing for 2016 being the Year of Convergence. The Group is executing plans to develop the necessary ecosystem for convergence, by leveraging on its assets and capabilities throughout the entire TM service delivery chain.

In doing so, it will be able to deliver a seamless digital experience to its 2.34 million broadband customers, as well as thousands of enterprises and the public sector nationwide to meet their lifestyle and business communication needs – true to its promise of 'Life and Business Made Easier for a better Malaysia'.



For further information on TM, visit

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

# GROUP FINANCIAL HIGHLIGHTS

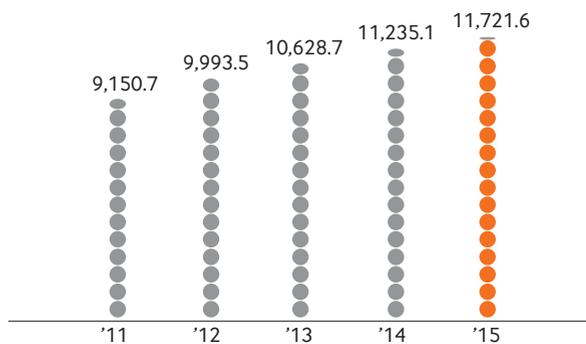
G4-17, G4-EC1

In RM Million

	2011	2012	2013	2014	2015
<b>OPERATING RESULTS</b>					
1. Operating revenue	9,150.7	9,993.5	10,628.7	11,235.1	<b>11,721.6</b>
2. Profit before taxation and zakat	1,001.2	1,069.6	1,046.0	1,105.5	<b>911.8</b>
3. Profit for the financial year	1,237.1	1,305.9	1,047.8	842.5	<b>591.8</b>
4. Profit attributable to equity holders of the Company	1,191.0	1,263.7	1,012.2	831.8	<b>700.3</b>
<b>KEY DATA OF FINANCIAL POSITION</b>					
1. Total shareholders' equity	7,424.0	6,894.8	7,136.7	7,571.1	<b>7,780.6</b>
2. Total assets	22,252.3	22,195.9	21,146.5	22,623.2	<b>24,413.1</b>
3. Total borrowings	6,410.4	7,140.4	6,455.2	6,448.4	<b>7,583.7</b>
<b>SHARE INFORMATION</b>					
1. Per share					
Earnings (basic)	33.3 sen	35.3 sen	28.3 sen	22.9 sen	<b>18.7 sen</b>
Gross dividend	19.6 sen	22.0 sen	26.1 sen	22.9 sen	<b>21.4 sen</b>
Net assets	207.5 sen	192.7 sen	199.5 sen	203.6 sen	<b>207.0 sen</b>
2. Share price information					
High	RM5.09	RM6.40	RM6.00	RM7.57	<b>RM7.79</b>
Low	RM3.50	RM4.71	RM5.05	RM5.28	<b>RM6.00</b>
<b>FINANCIAL RATIOS</b>					
1. Return on shareholders' equity	15.8%	17.7%	14.4%	11.3%	<b>9.1%</b>
2. Return on total assets	5.6%	5.9%	5.0%	3.7%	<b>2.4%</b>
3. Debt equity ratio	0.9	1.0	0.9	0.9	<b>1.0</b>
4. Dividend cover	1.7	1.6	1.1	1.0	<b>0.9</b>

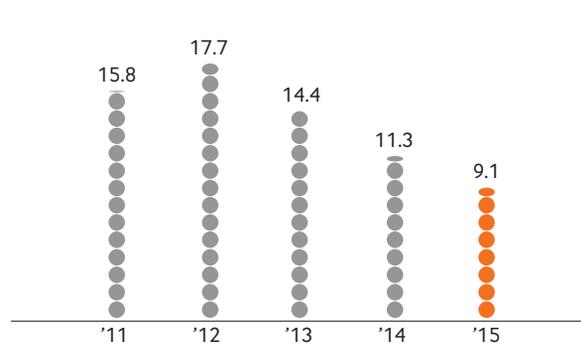
### Operating Revenue

(RM Million)



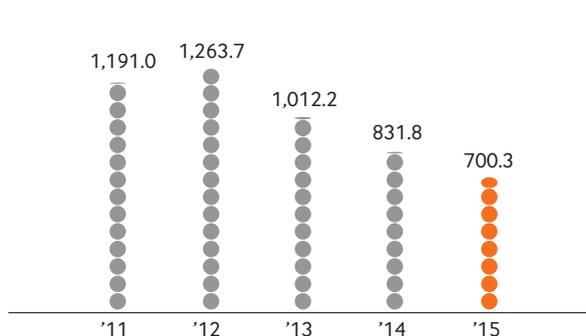
### Return on Shareholders' Equity

(%)



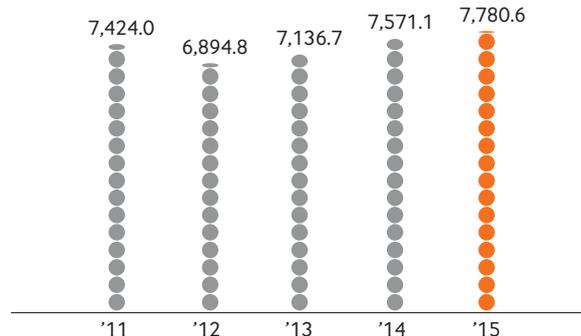
### Profit Attributable to Equity Holders of the Company

(RM Million)



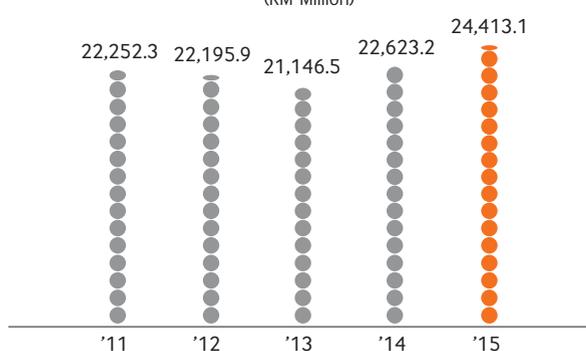
### Total Shareholders' Equity

(RM Million)



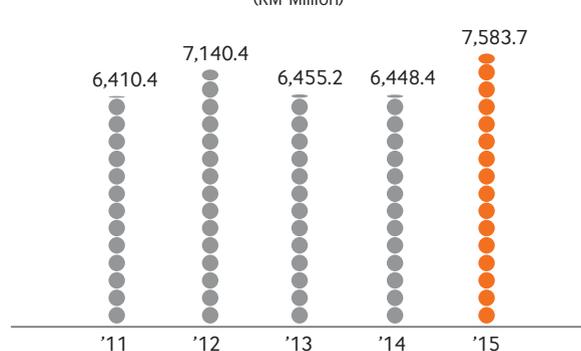
### Total Assets

(RM Million)



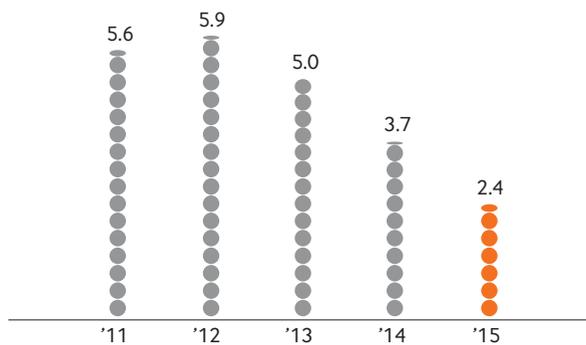
### Total Borrowings

(RM Million)

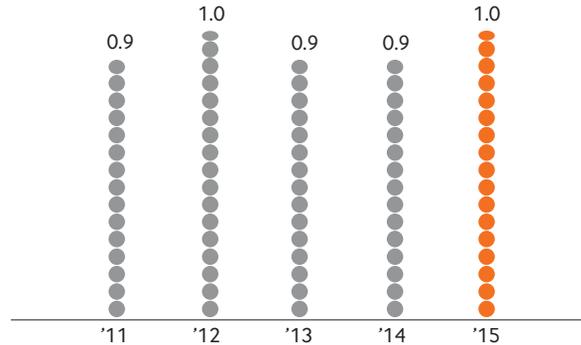


### Return on Total Assets

(%)

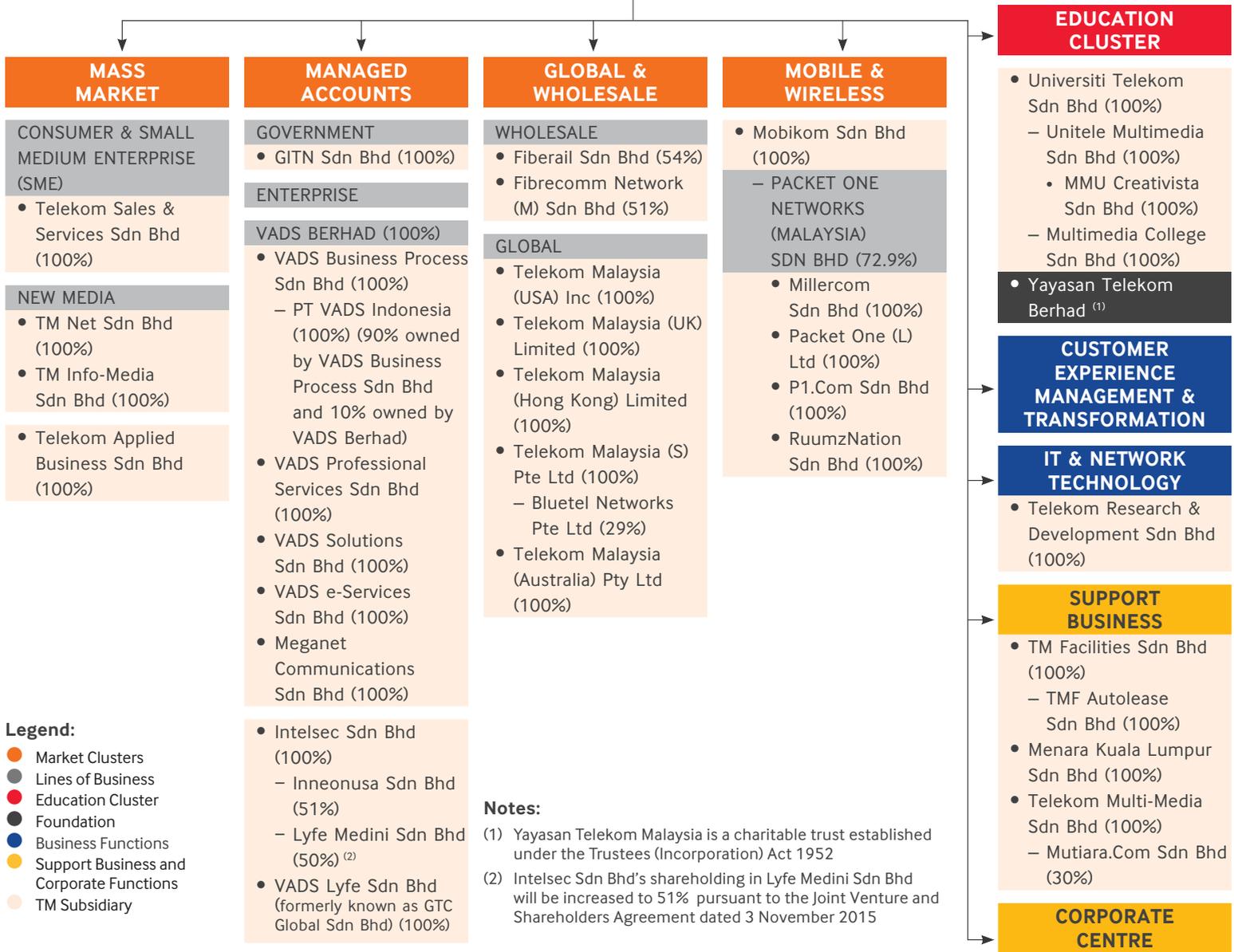


### Debt Equity Ratio



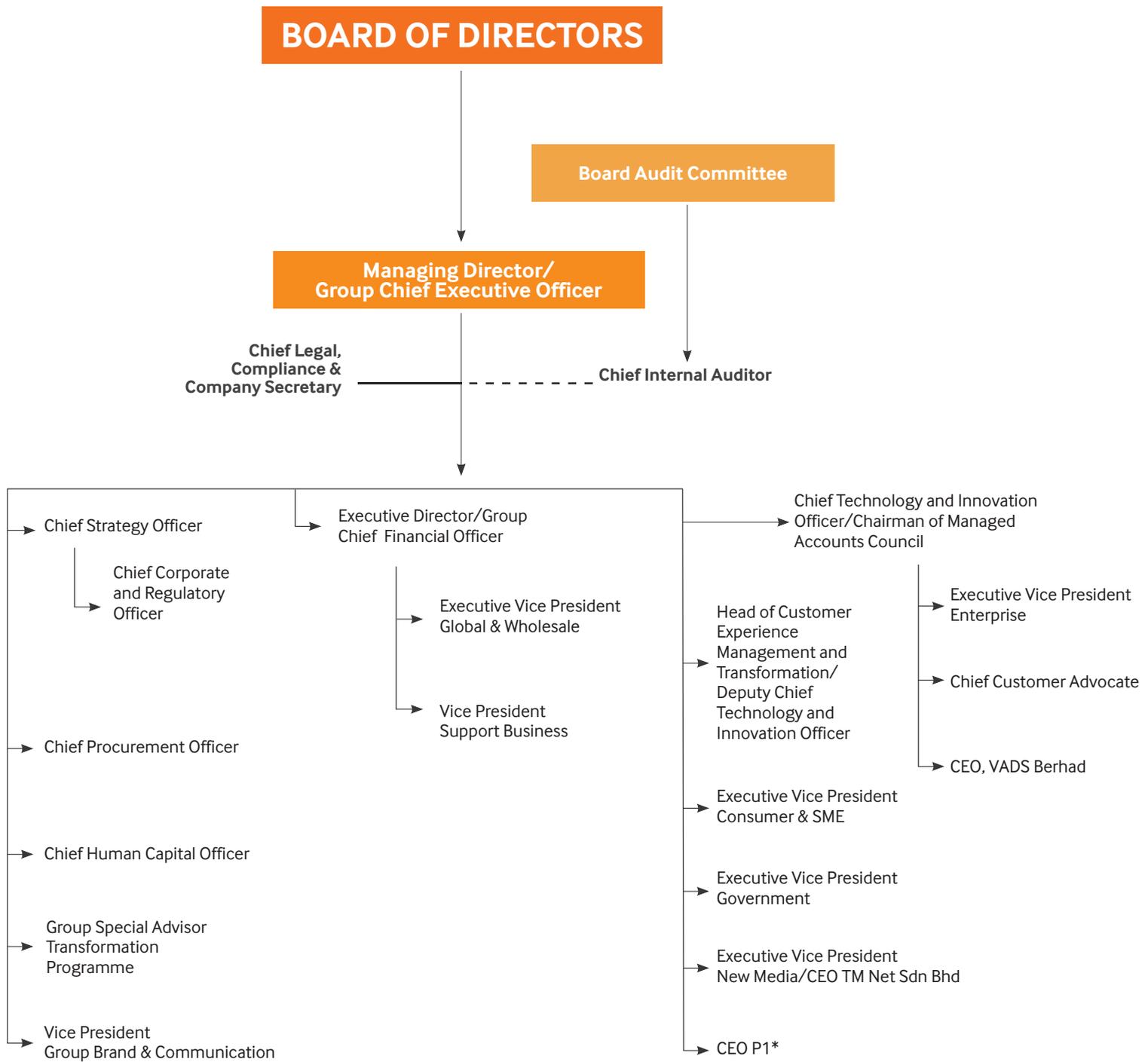
# Group Corporate Structure

G4-7, G4-34



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

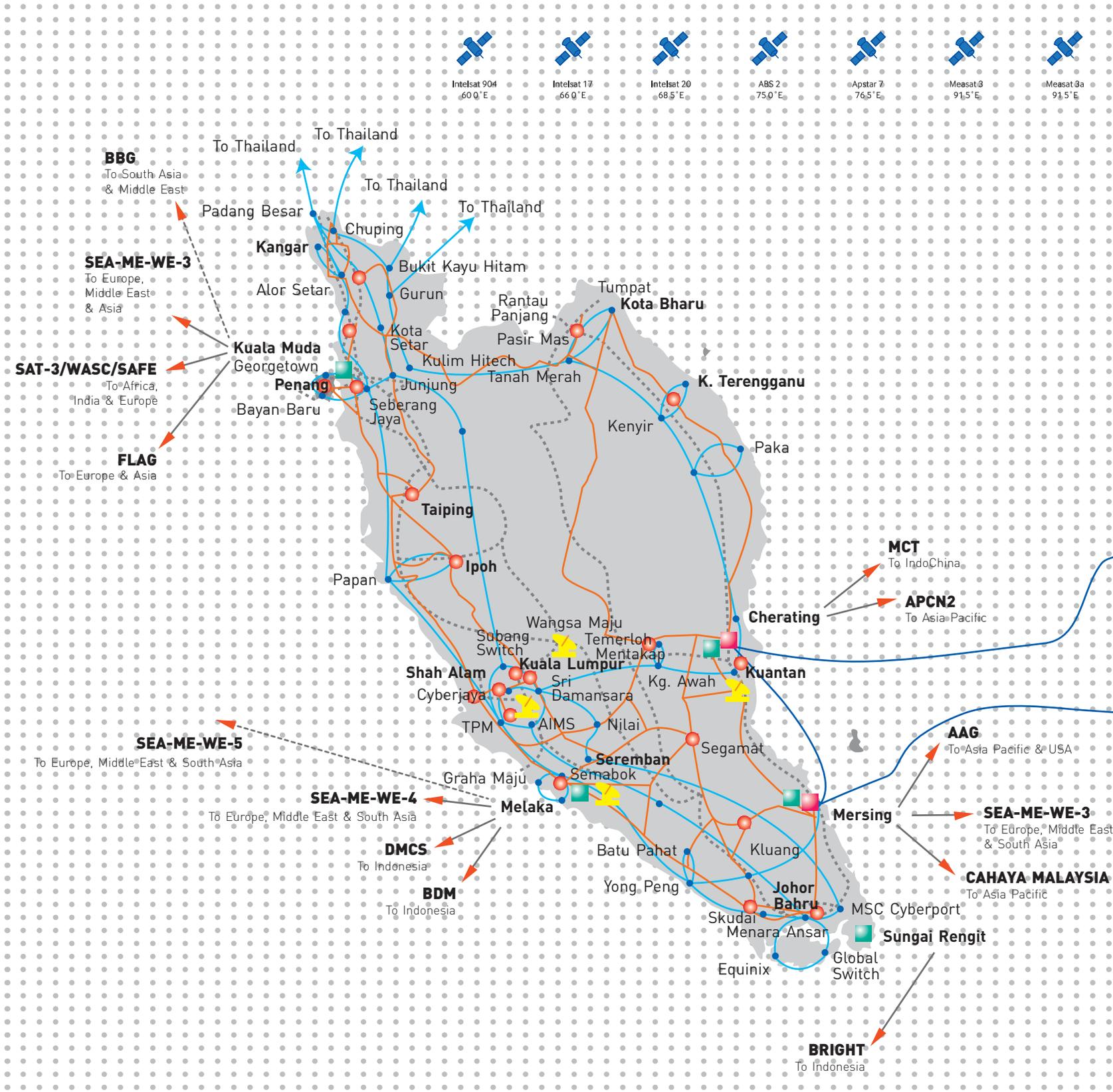
# Group Organisation Structure



**Note:**

\* Non GLT member

# International & Domestic Infrastructure & Trunk Fibre Optic Network

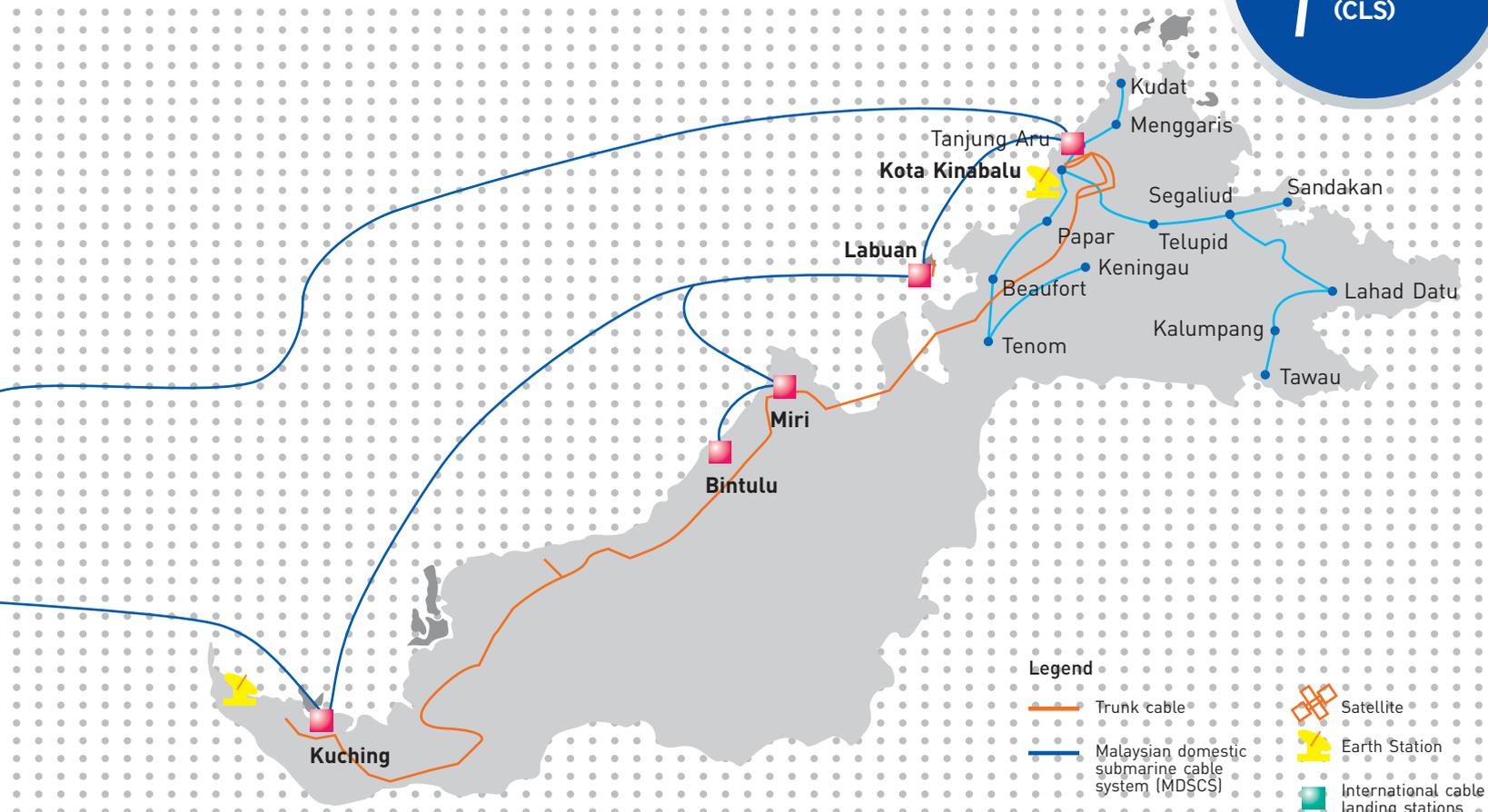




**5** international Cable Landing Stations (CLS)

More than **3,200,000** kilometres domestic fibre core trunk and junction

**7** domestic Cable Landing Stations (CLS)



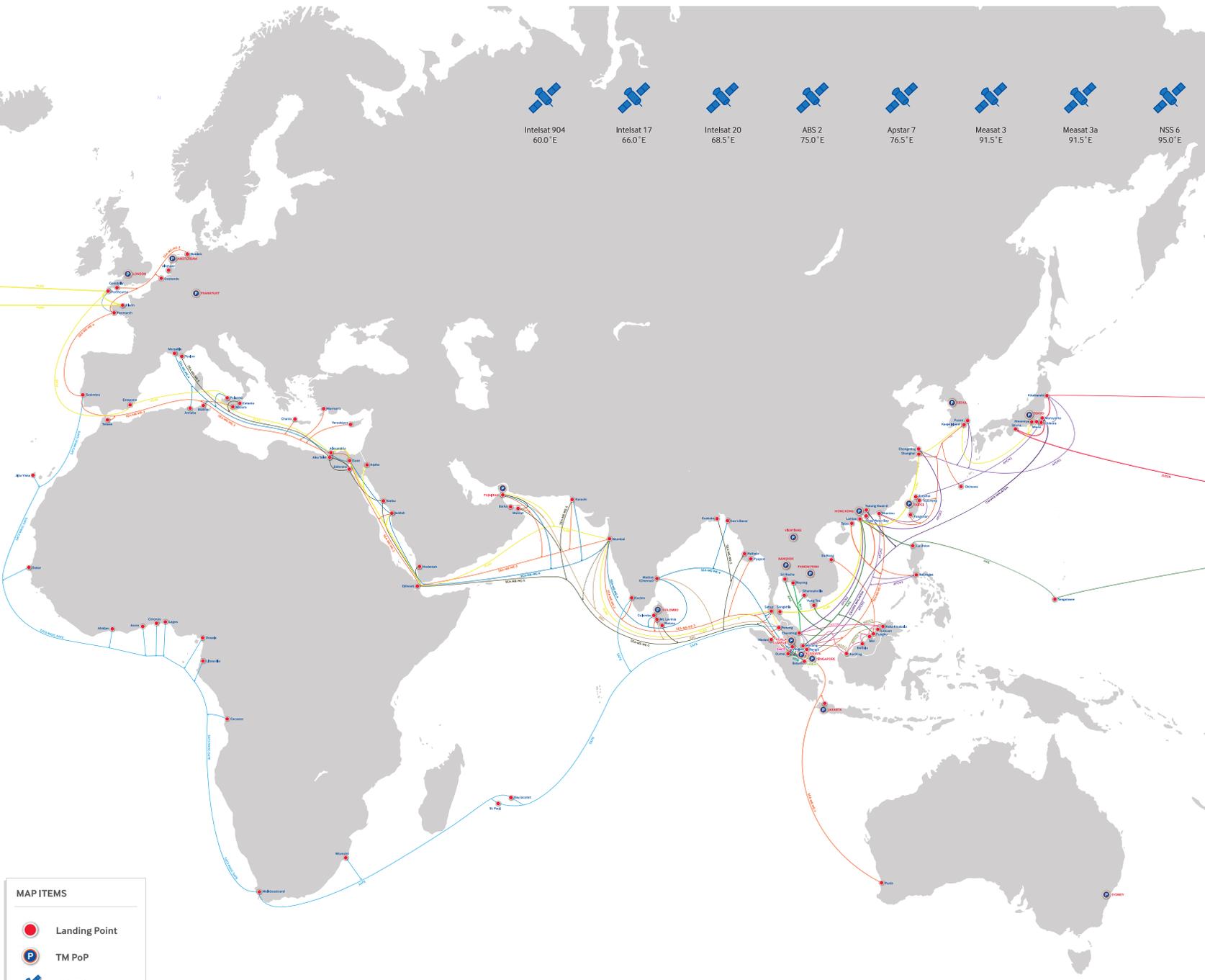
- Legend**
- Trunk cable
  - Malaysian domestic submarine cable system (MDSCS)
  - Fibrecomm
  - Fiberrail
  - International Submarine Cable System
  - Satellite
  - Earth Station
  - International cable landing stations
  - Domestic cable landing stations
  - Trunk nodes

# TM Worldwide Coverage

G4-6, G4-8, G4-9

SUSTAINABILITY REPORT TWENTY FIFTEEN

TELEKOM MALAYSIA BERHAD

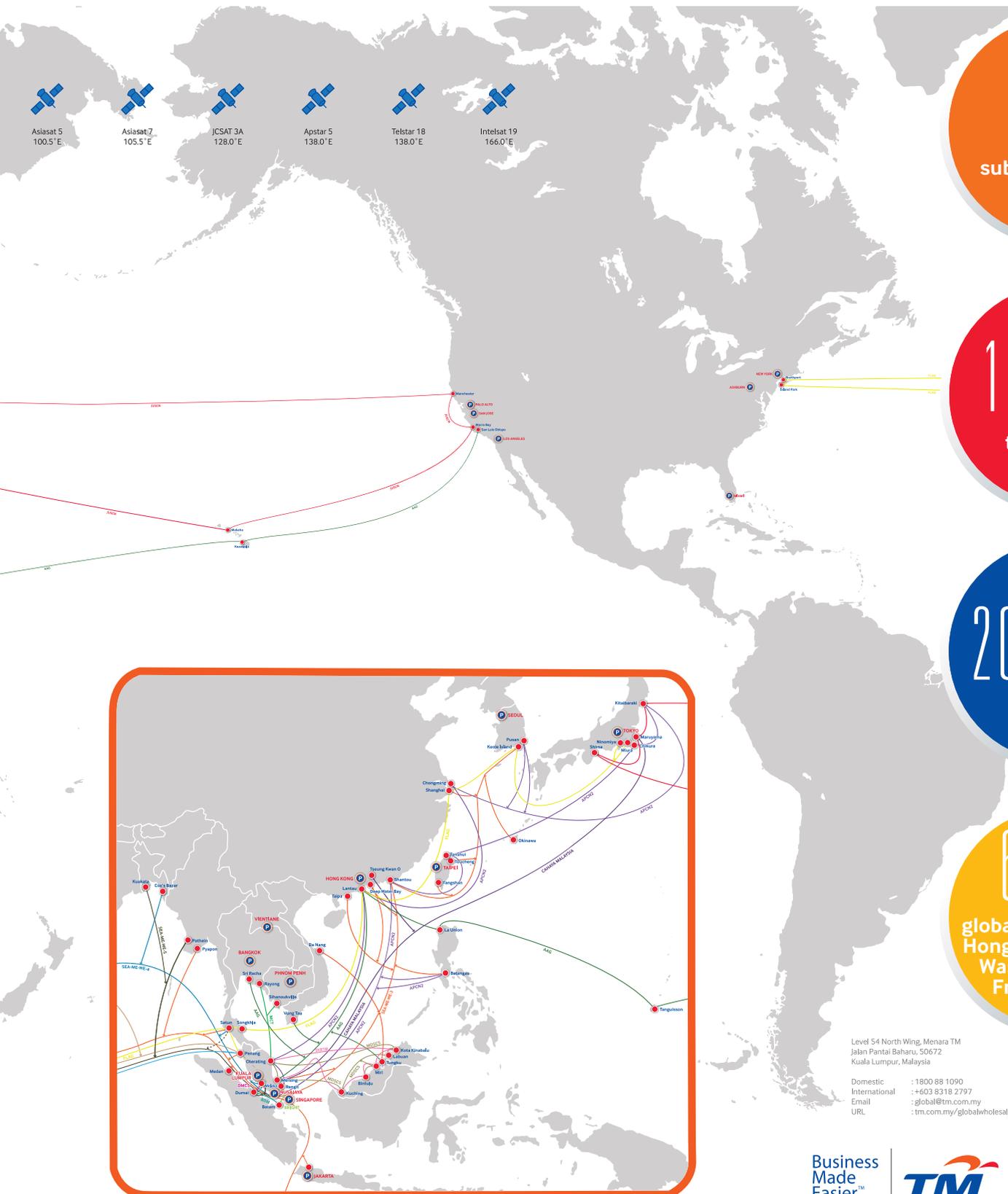


**MAP ITEMS**

- Landing Point
- TM PoP
- Satellite

REGION	SUBMARINE CABLES SYSTEM														
South East Asia	AAG	APCN2	BRIGHT	MDSCS	DMCS	FLAG	BDM	SAT3-WASC-SAFE	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5	BBG	CAHAYA MALAYSIA	NCT (RFS: Dec 2016)	SKR1M (RFS: June 2017)
Asia Pacific	AAG	APCN2	FLAG	JUSCN	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5								
Europe	FLAG	SAT3-WASC-SAFE	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5										
North America	FLAG	AAG	JUSCN												
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														

**TM WORLDWIDE COVERAGE**  
 TELEKOM MALAYSIA BERHAD (128740-P)



Asiasat 5 100.5°E    Asiasat 7 105.5°E    JCSAT 3A 128.0°E    Apstar 5 138.0°E    Telstar 18 138.0°E    Intelsat 19 166.0°E

More than  
**15**  
submarine cable systems

**19** (POP)  
Points-of-Presence  
throughout the globe

More than  
**200,000**  
fibre-route kilometres worldwide

**6** (RO)  
Regional Offices  
globally - Singapore, Hong Kong, Sydney, Washington, San Francisco and London

Level 54 North Wing, Menara TM  
Jalan Pantai Bharu, 50672  
Kuala Lumpur, Malaysia  
  
Domestic : 1800 88 1090  
International : +603 8318 2797  
Email : global@tm.com.my  
URL : tm.com.my/globalwholesale



# AWARDS & RECOGNITIONS



## 1. National Annual Corporate Report Awards (NACRA) 2015

- Overall Excellence Award – Gold
- Trading & Services Sector – Gold
- Best Design – Platinum
- Best CSR – Gold

## 2. Malaysia-ASEAN Corporate Governance Transparency Index, Findings and Recognition (The Malaysian Chapter) 2015

- CEO of the Year – Tan Sri Dato' Sri Zamzamairani Mohd Isa
- Top 10 CG Disclosure Merit Recognition
- Top CG Overall Recognition
- Long-term value creation (10 years)
- Exemplary AGM Conduct & Minutes
- Industry Excellence – Telecommunications & Media

## 3. National Center for Sustainability Reporting (NCSR)'s Sustainability Reporting Award 2015

- Best Sustainability Report 2014 (Overseas Category) – 2<sup>nd</sup> Runner Up

10 FEB

**ASIA'S BEST COMPANIES 2015**

- No. 2 Most Committed to Paying Good Dividend
- Best CEO – Tan Sri Dato' Sri Zamzamzairani Mohd Isa

15 APR

**FROST & SULLIVAN MALAYSIA EXCELLENCE AWARDS**

- **TM Awards**
  1. Telecom Service Provider of the Year
  2. Champion for Excellence in Customer Experience for the Telecommunication Industry in Malaysia – Self Service Experience Category
  3. Telecom Wholesale Service Provider of the Year
  4. Data Communications Service Provider of the Year
  5. Fixed Broadband Service Provider of the Year
- **VADS Awards**
  1. Data Centre Service Provider of the Year

1 MAY

**ANUGERAH MAJIKAN 1MALAYSIA 2015**

- GLC category

10 MAY

**GRADUATES BRAND AWARDS 2014**

- Top 10 Most Preferred Employer
- Top 3 Most Preferred Employer by Industry

21 MAY

**2015 FROST & SULLIVAN EXCELLENCE IN CUSTOMER EXPERIENCE**

- Excellence in Customer Experience

11 JUNE

**COMPUTERWORLD MALAYSIA CUSTOMER CARE AWARDS (CCA) 2015**

- VOIP/IP Telephony Systems

14 JUNE

**EUROPEAN SOCIETY FOR QUALITY RESEARCH (ESQR) AWARDS 2015**

- Quality Achievements Award 2015

25 JUNE

**FROST & SULLIVAN ASIA PACIFIC ICT AWARDS**

- Fixed Broadband Service Provider of the Year

11 AUG

**THE BRANDLAUREATE SPECIAL EDITION WORLD AWARDS 2015**

- Excellence in Integrated Telcos

12 AUG

**6<sup>TH</sup> ASIA'S BEST EMPLOYER BRAND AWARDS, SINGAPORE**

- Asia's Best Employer

15 AUG

**CMO ASIA'S WORLD BRAND AWARDS**

- Brand Excellence – Telecommunication Service Sector

21 AUG

**PUTRA BRAND AWARDS**

- Silver Category

4 OCT

**THE 11<sup>TH</sup> ASIAN ACADEMY OF MANAGEMENT INTERNATIONAL CONFERENCE 2015**

- Business Person of the Year – Tan Sri Dato' Sri Zamzamzairani Mohd Isa

14 NOV

**ASEAN CORPORATE GOVERNANCE AWARDS**

- Top 50 Publicly Listed Company from ASEAN
- Top 3 Publicly Listed Company from Malaysia

29 OCT

**MARKETING EXCELLENCE AWARDS 2015 (BRAND: TM SME BIZFEST 2015)**

- Excellence in B2B Marketing – Silver
- Excellence in Government Sector Marketing – Silver

24 NOV

**NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2015**

- Overall Excellence Award – Gold
- Trading & Services Sector Gold
- Best Design – Platinum
- Best CSR – Gold

30 NOV

**PWC'S BUILDING TRUST AWARDS 2015**

- Top 20

4 DEC

**SME RECOGNITION AWARD BY SME ASSOCIATION OF MALAYSIA (SME MALAYSIA)**

- Sahabat Negara Award 2015

10 DEC

**MALAYSIA-ASEAN CORPORATE GOVERNANCE TRANSPARENCY INDEX, FINDINGS AND RECOGNITION (THE MALAYSIAN CHAPTER) 2015**

- Tan Sri Dato' Sri Zamzamzairani Mohd Isa – CEO of the Year
- Top 10 CG Disclosure Merit Recognition
- Top CG Overall Recognition
- Long-term value creation (10 years)
- Exemplary AGM Conduct & Minutes
- Industry Excellence – Telecommunications & Media

15 DEC

**NATIONAL CENTER FOR SUSTAINABLE REPORTING (NCSR)'S SUSTAINABILITY REPORTING AWARD 2015**

- 2<sup>nd</sup> Runner Up, Best Sustainability Report 2014 (Overseas Category)

*For our full list of past awards and recognitions please refer to [www.tm.com.my/AboutTM/AwardsandMilestones](http://www.tm.com.my/AboutTM/AwardsandMilestones)*

# Our Sustainability Journey

Driven by to our responsibility to our stakeholders, TM is refocusing our business and moving with a faster cadence of action. Our commitment to bolder decision-making, customer-centric innovation and renewed emphasis on the fundamentals extends to our sustainability efforts. We are making progress on those things that contribute to our position as Malaysia's convergence champion.

## SUSTAINABILITY COMMITMENT

## HOW THIS CREATES VALUE TO OUR STAKEHOLDERS



**Innovation at the heart of our business**

At TM, our starting point is always to understand our stakeholders' needs and identify any gaps in the industry. Based on these insights, our talented people apply our innovation capabilities and convergence ideas to deliver solutions that meet these needs.



**Minimising our environmental footprint through technology and improved processes**

We are strengthening our environmental strategy to focus more comprehensively on our supply chain to ensure our company thrives in a rapidly evolving business environment.



**Transforming communities through impactful initiatives**

We embrace community development by addressing social issues and, where possible, bridging gaps in areas where we can create the most value to their lives.



**Growing together with our employees**

We nurture the spirit of 1TM as part of our people strategy. We create an engaged workforce that delivers on TM's key drivers.

**PROGRESS IN 2015**

**MOVING FORWARD**

- TM embarked on Vendor Transformation Programme to support Bumiputera contractors
- Customer Journey Experience was launched which includes new market facing initiatives
- Converged network transformation by providing integrated ICT, high speed connectivity and mobility solutions throughout various verticals
- Connectivity was expanded via Universal Service Provision (USP), TM High Speed Offshore Network and other submarine cable systems

We will continue to deliver value through our brand, our people and responsible business practices. Our continued focus is to grow our position as Malaysia's convergence champion through continued improvement and commitment to excellence. We will continue to employ innovative and creative technologies in our process development.

- Establishment of a State Energy Management Team
- Finalised a baseline and benchmark for electricity usage of telco network exchange and commercial building using Power Usage Effectiveness (PUE) and Building Energy Intensity (BEI)
- Public Switched Telephone Network (PSTN) migration to the new Next Generation Network (NGN) architecture
- Detailed analysis of direct and indirect emissions
- Enhancing environmental awareness through its TM Earth Camp series and BumiKu Campaign

We take our responsibility to reduce our environmental footprint seriously by positioning environmental sustainability at the core of our business. TM is committed to managing our business in ways that are energy efficient and continuously create awareness on saving the environment to its stakeholders.

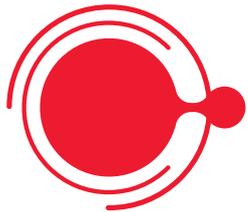
- 14,007 students benefited from RM472.0 million in Yayasan TM (YTM) sponsorship to date
- More than RM2.4 million allocated to 12 schools under the TM School Adoption Programme
- SK Pendidikan Khas Tuaran, Sabah has achieved significant successes in various competitions and co-curriculum activities at state and national levels
- SMK Chenderiang, Perak was the tenth school to complete the TM School Adoption Programme with improvements in academic performance
- Completion of MMU 2.0 transformation, with 18.6% revenue growth, 80% students graduating on time (up from 56%), among other achievements
- Malaysia Qualifications Agency (MQA) audited all MMU campuses in 2015
- Innovations in MMC, including Academic Evaluation (AE), One-off Student Satisfaction Survey (SSS) and Operation Policy and Procedure (OPP)
- TM's Team Malaysia champions national pride through sports, gathering support from 29 million Malaysians
- Program Sejahtera, is an initiative with the single mothers in Kelantan, came to an end with all five mothers successfully running their own businesses, improving their living standards
- TM ROvers were deployed for humanitarian relief missions during disasters such as East Coast Flood and Ranau Earthquake

Recognising that our communities are instrumental to our success, we strive to make a positive and noticeable impact on them. TM will continue to act as a good corporate citizen by participating in the development of local economies by leveraging our strength as Malaysia's Convergence Champion.

- Skim MESRA was reviewed and is open to employees who reach 55 years in 2015
- TM Flexi Plan for employees' benefit was once again introduced with more options
- Significant decrease in injury rate, absenteeism rate and lost time injury rate in 2015
- Upgrading skills through various career development programmes such as Customer Service Academy (CSA), Technical Academy (TA) and Skim Latihan 1Malaysia (SL1M)
- Connecting our workforce through personal touch via Jom Bersama GCEO, Sesi Teh Tarik, Intranet, newsletters and departmental events

We value our employees and are dedicated to hiring, engaging and retaining a talented and diverse workforce. We provide competitive salary and benefits packages relative to the industry and local markets in which we operate. We support and uphold the spirit of inclusivity. We promise employees more than a job; we promise them a career.

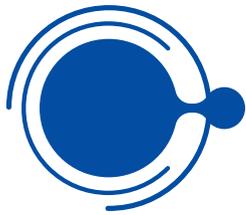
# TM'S CONTRIBUTIONS TO THE TELECOMMUNICATIONS SECTOR IN MALAYSIA



GDP growth of

## 5.25%

in 2015



Our broadband infrastructure covers

## 53%

of Malaysian households with approximately

## 2.3 million

broadband subscribers



Malaysian household broadband penetration rate has reached

## 72.2%

an increase from

## 67.2%

in 2014

- HyppTV Everywhere app extended to non-UniFi or Streamyx customers; and collaborated with DiGi to offer HyppTV packages
- Introduced a refreshed UniFi brand and proposition, UniFi ADVANCE PLAN, offering speeds of 30Mbps to 50Mbps together with HyppTV Value Packs
- Collaborated with iFlix, Southeast Asia's leading Internet TV service
- Signed Public-Private Partnership (PPP) agreements with the Government on the High Speed Broadband Project Phase 2 (HSBB 2) and the Sub-Urban Broadband Project (SUBB)
- Partnership with Bank Simpanan Nasional (BSN) to manage its Converged Network Transformation Project



- Joint venture company with Medini Iskandar Malaysia Sdn Bhd to provide ICT services in Medini, Nusajaya, Johor
- Established a new cable system, spanning approximately 1,300km linking Malaysia to Cambodia and Thailand, called Malaysia – Cambodia – Thailand (MCT) submarine cable system – with further access to Laos, Myanmar and Vietnam via terrestrial links
- Partnership with MekongNet, a leading Internet Service Provider (ISP) and Internet Exchange Provider (IXP) in Cambodia to host our Point-of-Presence (POP) in Cambodia
- TM and Nusajaya Tech Park Sdn Bhd ink three agreements towards developing a flagship tech park in Iskandar Malaysia, Johor covering the provision of connectivity, data centre and cloud services, as well as smart services
- Citizens of Wilayah Persekutuan are set to enjoy free premium WiFi service following a collaboration between TM and Wilayah Persekutuan Infrastructure Sdn Bhd (WPI)
- TM and Microsoft sign a landmark joint effort to deliver cloud-based digital experiences, enabling Malaysians to meet the converging demands of life and work
- TM introduces two new broadband packages with speeds of 1Mbps and 10Mbps at very affordable prices

## MILESTONES IN 2015

- TM seals a collaborative deal with Celcom Axiata Berhad for Phase 2 of provisioning of additional Long-Term Evolution (LTE) sites through TM's Next-Gen Backhaul™ services to support Celcom's transmission requirements
- TM extends partnership agreements with four state-backed companies (SBCs) - D'Harmoni Telco Infra Sdn Bhd (Johor), Perak Integrated Network Services Sdn Bhd (Perak), Perlis Comm Sdn Bhd (Perlis) and Yiked Bina Sdn Bhd (Kedah) - for the provision of high-speed connectivity to network operators residing in telecommunications tower facilities owned by the SBCs
- TM introduces a High-Speed Offshore Network (HSON) at the 15<sup>th</sup> Asian Oil, Gas & Petrochemical Engineering Exhibition (OGA)
- TM signs a Construction and Maintenance Agreement (C&MA) with TT dotcom Sdn Bhd (TTdC) for the development of a new submarine cable system, Sistem Kabel Rakyat 1Malaysia (SKR1M), which will link Peninsular Malaysia with Sabah and Sarawak
- VADS announces the construction of a purpose-built VADS Nusajaya Data Centre in Nusajaya Tech Park, Johor
- Telekom Sales and Services Sdn Bhd (TSSSB) enters into a distribution partnership with BSN, leveraging on BSN's agents nationwide



# Stakeholder Analysis

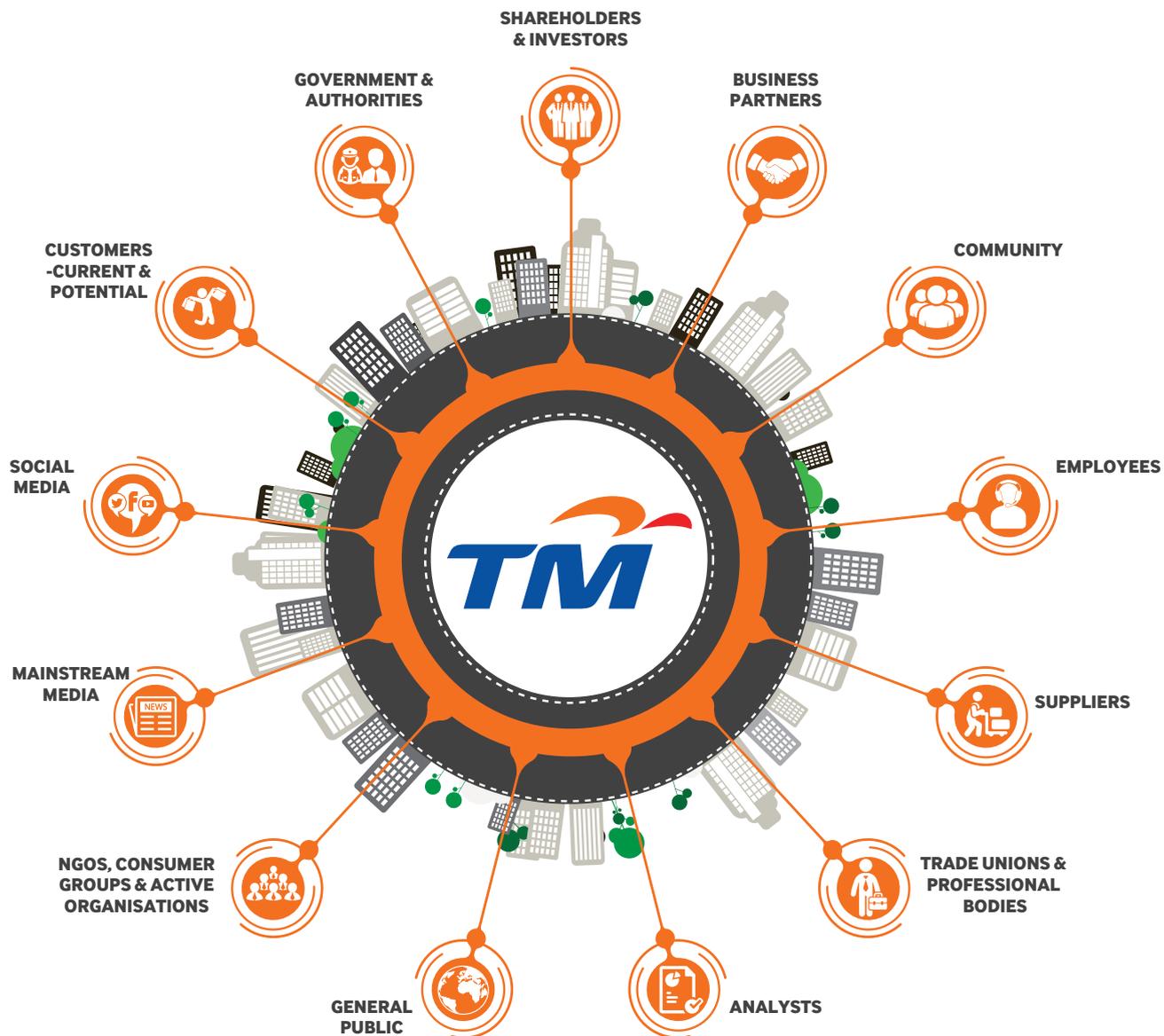
G4-24, G4-25, G4-26, G4-27

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 or secondary stakeholders.

## IDENTIFICATION OF STAKEHOLDERS

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'S STAKEHOLDERS: THOSE WHO MATTER MOST TO US



TM engages actively with our stakeholders to improve our performance in all areas, including sustainability. We believe it is critical to maintain a close dialogue with the various stakeholder groups to deliver the Company's strategy and achieve our vision, as it would help to improve our financial, social and economic performance. Stakeholders are engaged through various channels, and can reach us easily through our website, TMpoint outlets, social media and our customer support centre. Face-to-face meetings are made possible at events and roadshows.



The table below presents our promise to each stakeholder group and describes our engagement methods with them.

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
<b>CUSTOMERS</b> 	We communicate honestly, offer simple and relevant products and deliver on our promises to the customer with speed and consistency.	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
<b>GOVERNMENT &amp; AUTHORITIES</b> 	We build constructive, respectful, open and transparent relationships with all regulators. While being compliant with all regulations and applicable laws, we adopt a firm approach on issues that may be detrimental to industry growth.	Formal meetings Performance reports Discussions on government initiatives	Ad-hoc Regular Ad-hoc
<b>SHAREHOLDERS &amp; INVESTORS</b> 	We enhance shareholder value by adherence to the highest standards of corporate governance and world-class management practice. Our shareholders can expect timely and accurate information and the opportunity to engage with us through various forums.	Investor Relations engagement – One-on-one meetings, conference calls and investor conferences Annual and sustainability reports Annual general meetings Extraordinary general meetings Shareholder updates Quarterly reports	Ad-hoc Annually Annually Ad-hoc Regular Quarterly

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
<b>BUSINESS PARTNERS</b> 	<p>We engage in mutually beneficial and sustainable relationships with all business partners in an environment of equity, mutual respect and honesty. We are committed to growing Malaysia's telecommunications businesses and offer preferential support to innovative local businesses.</p>	<p>Progress reports</p> <p>Annual and sustainability reports</p> <p>Corporate presentations</p> <p>Signing ceremonies</p>	<p>Regular</p> <p>Annually</p> <p>Ad-hoc</p> <p>Ad-hoc</p>
<b>COMMUNITY</b> 	<p>We work closely with local communities to be a respected and empowering contributor to society. While we participate as an integral part in the upliftment of society, our relationship is built on the principles of partnership, humility, openness and professionalism.</p>	<p>Website and service catalogues</p> <p>Annual and sustainability reports</p> <p>Visits, seminars and joint activities</p> <p>Community engagement activities</p>	<p>Daily</p> <p>Annually</p> <p>Ad-hoc</p> <p>Regular</p>
<b>EMPLOYEES</b> 	<p>We provide a great place to work and grow, where both individual accomplishments and team effort are rewarded. We provide opportunities for personal empowerment and career growth in an atmosphere of trust, honesty and openness.</p>	<p>Employee satisfaction survey</p> <p>Dialogue and engagement</p> <p>Top management messages</p> <p>Intranet, internal social media, departmental meetings and newsletters</p> <p>Employee engagement programmes</p> <p>TM's Society and Club Activities</p>	<p>Annually</p> <p>Regular</p> <p>Regular</p> <p>Regular</p> <p>Regular</p> <p>Regular</p>
<b>SUPPLIERS</b> 	<p>We are committed to developing and maintaining effective professional relationships with our suppliers to provide quality service to our customers.</p>	<p>Transparency survey</p> <p>Supplier training programmes</p> <p>Supplier relationship management</p>	<p>Annually</p> <p>Regular</p> <p>Regular</p>
<b>TRADE UNION &amp; PROFESSIONAL BODIES</b> 	<p>We work together with our trade unions to ensure their members' needs are met.</p>	<p>Dialogue and engagement</p> <p>Joint activities</p> <p>Consultations and negotiation</p>	<p>Regular</p> <p>Regular</p> <p>Ad-hoc</p>

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
<b>ANALYSTS</b> 	<p>We provide accurate and up-to-date results to facilitate ongoing analyses.</p>	<p>Analyst briefings                      Site visits                      Seminars, question and answer sessions                      Performance reports</p>	<p>Regular                      Regular                      Regular                      Quarterly</p>
<b>GENERAL PUBLIC</b> 	<p>To be Malaysia's Convergence Champion, providing integrated information and communications services.</p>	<p>TM website and social media presence                      TM touchpoints such as TMpoint outlets                      Media                      Annual and sustainability reports                      Campaigns and roadshows</p>	<p>Daily                      Daily                      Regular                      Annually                      Regular</p>
<b>NON-GOVERNMENTAL ORGANISATIONS (NGOs), CONSUMER GROUPS &amp; ACTIVE ORGANISATIONS</b> 	<p>We work together with relevant NGOs for the benefit of society at large.</p>	<p>Dialogue and engagement                      Collaboration                      Sponsorships and donations</p>	<p>Regular                      Regular                      Ad-hoc</p>
<b>MEDIA</b> 	<p>We engage proactively with the media in a factual, timely and honest way, in order to shape informed public opinion. We assume a lead role in building industry knowledge among various media groups and hold them accountable for responsible reporting.</p>	<p>Press releases                      Press conferences, question and answer sessions                      Media coverage                      Media luncheons</p>	<p>Regular                      Regular                      Regular                      Regular</p>
<b>SOCIAL MEDIA</b> 	<p>Social media enables us to interact with our customers in a way that traditional websites cannot. We use social media as part of our commitment to transparency and to provide timely information to our customers and stakeholders.</p>	<p>Engagement sessions with social media practitioners                      TM corporate and customer service Twitter, Facebook and Youtube accounts                      Other online channels</p>	<p>Regular                      Daily                      Daily</p>

# Determining Material Matters

G4-14, G4-19, G4-20, G4-21

We are faced with a wide range of topics on which we could report. In the past, we tried to report extensively on all topics. It is now clear that some areas of sustainability are more much more important to TM than others. Similarly, our stakeholders are more interested in certain areas than others.

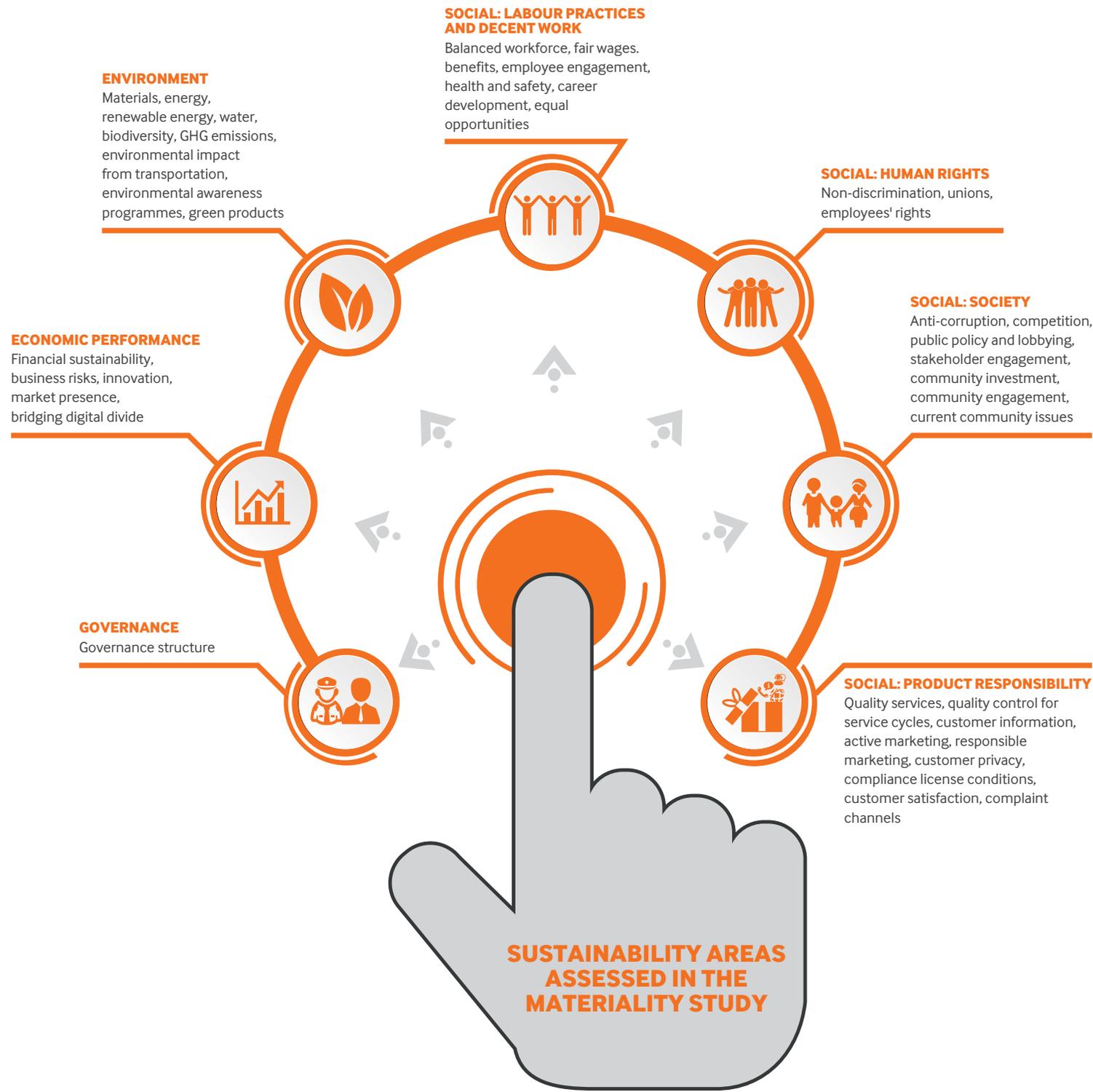
## THE METHODOLOGY

We believe the best way of prioritising sustainability aspects for inclusion in our report is to consult our stakeholders. A wide range of engagement methods was considered including focus groups and dialogue sessions. However, these groups are affected by herd behaviour and we were concerned that the more vocal and passionate individuals might dominate the proceedings.

In 2014, we performed our first materiality survey to obtain the views of both stakeholders and decision makers within TM. The online survey was performed by an external consultant to guarantee complete objectivity. The process was repeated in 2015. A total of 2,541 responses were obtained, of which 1,954 were complete and used. Although fewer stakeholders completed the survey than in 2014, the sample was less skewed, leading us to believe the survey provides a reasonably accurate representation of our stakeholders' opinions. A five-point Likert scale was employed, 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 Melayu.



Respondents were asked to rate the importance they placed on 41 issues related to governance, economic performance, the environment and social issues pertaining to labour practices and decent work, human rights, society and product responsibility.

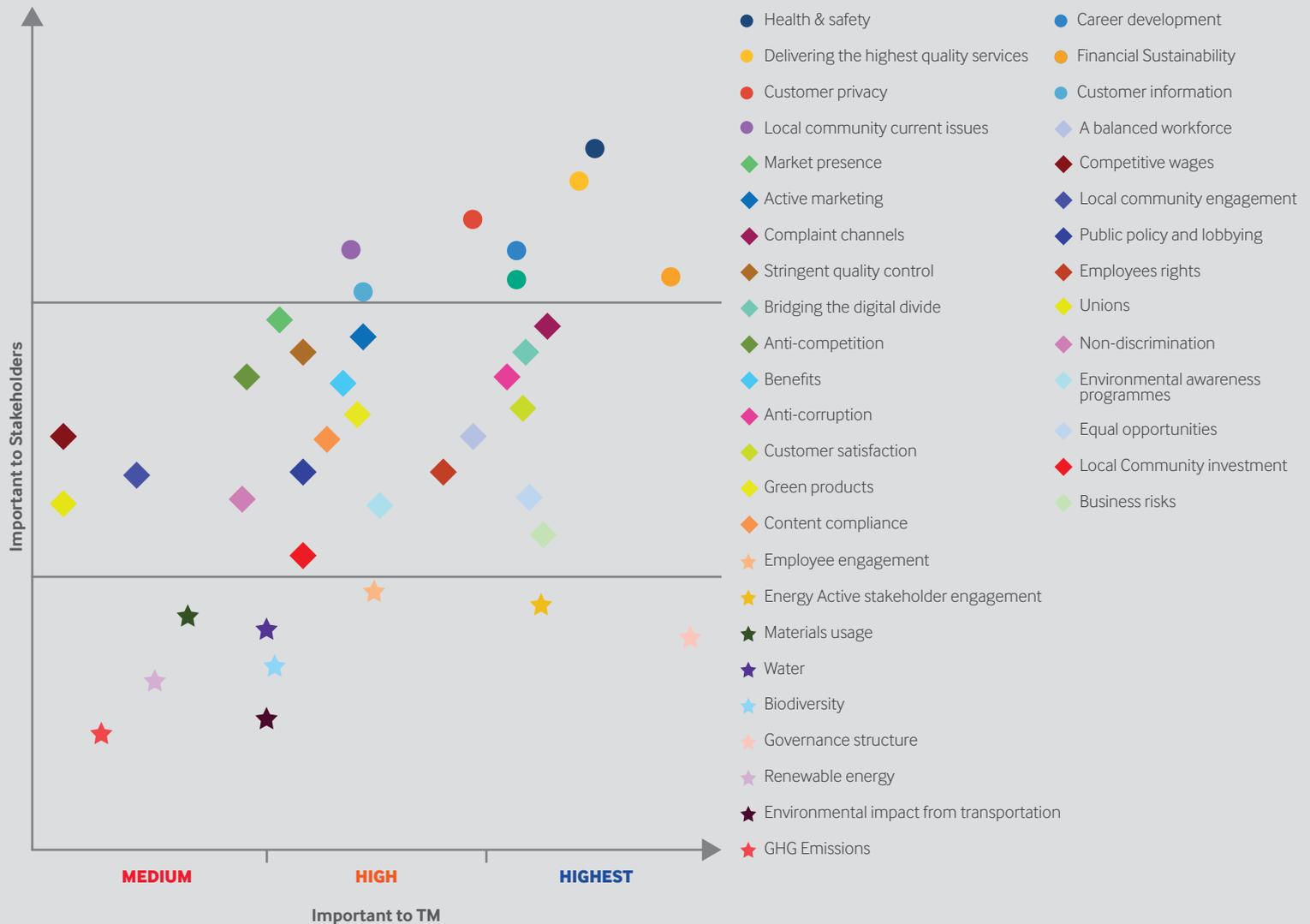


Employees were the most represented in the survey, while the mainstream and social media groups were the least represented. To help redress the imbalance, a separate average score was calculated for each of the 41 areas within each stakeholder group, following which an average from all 10 stakeholder 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**

As in 2014, scores over 3 were considered above average. Stakeholder scores ranged from 3.8 to 4.27, while TM’s scores varied from 3.80 to 4.95. As all issues were material to a greater or lesser degree, a scale of medium to highest 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.



<b>MATERIAL ISSUES</b>	<b>TOPICS MOST RELEVANT FOR</b>	<b>WHERE ARE THEY ADDRESSED IN THIS REPORT</b>	<b>LOOKING AHEAD</b>
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<p><b>GOVERNANCE STRUCTURE</b></p> <hr/> <p><b>FINANCIAL SUSTAINABILITY</b></p> <hr/> <p><b>BUSINESS RISKS</b></p> <hr/> <p><b>INNOVATION</b></p> <hr/> <p><b>MARKET PRESENCE</b></p> <hr/> <p><b>BRIDGING THE DIGITAL DIVIDE</b></p> <hr/> <p><b>MATERIALS</b></p> <hr/> <p><b>ENERGY</b></p> <hr/> <p><b>RENEWABLE ENERGY</b></p> <hr/> <p><b>WATER</b></p> <hr/> <p><b>BIODIVERSITY</b></p> <hr/> <p><b>GHG EMISSIONS</b></p> <hr/> <p><b>ENVIRONMENTAL IMPACT FROM TRANSPORTATION</b></p> <hr/> <p><b>ENVIRONMENTAL AWARENESS PROGRAMMES</b></p> <hr/> <p><b>GREEN PRODUCTS</b></p> <hr/> <p><b>BALANCED WORKFORCE</b></p> <hr/> <p><b>FAIR WAGES</b></p> <hr/> <p><b>BENEFITS</b></p> <hr/> <p><b>EMPLOYEE ENGAGEMENT</b></p> <hr/> <p><b>HEALTH AND SAFETY</b></p> <hr/> <p><b>CAREER DEVELOPMENT</b></p> <hr/> <p><b>EQUAL OPPORTUNITIES</b></p> <hr/> <p><b>NON-DISCRIMINATION</b></p> <hr/> <p><b>UNIONS</b></p> <hr/> <p><b>EMPLOYEE RIGHTS</b></p>	<p>TM GA SI</p> <hr/> <p>TM BP SI</p> <hr/> <p>TM BP EM</p> <hr/> <p>TM BP NG</p> <hr/> <p>TM BP NG</p> <hr/> <p>ME TM NG</p> <hr/> <p>ME TM NG</p> <hr/> <p>TM ME BP</p> <hr/> <p>TM BP GP</p> <hr/> <p>ME TM BP</p> <hr/> <p>ME TM BP</p> <hr/> <p>ME TM SI</p> <hr/> <p>EM TM BP</p> <hr/> <p>ME TM SI</p> <hr/> <p>TM BP TU</p> <hr/> <p>TM NG EM</p> <hr/> <p>GA SI EM</p> <hr/> <p>TM EM TU</p> <hr/> <p>TM TU BP</p> <hr/> <p>TM BP EM</p> <hr/> <p>BP TM NG</p> <hr/> <p>BP TM NG</p> <hr/> <p>TM BP NG</p> <hr/> <p>EM SI TU</p> <hr/> <p>TM ME BP</p>	<p>Corporate Governance</p>  <hr/> <p>Economic</p>  <hr/> <p>Environment</p>  <hr/> <p>Social: Labour Practices and Decent Work</p>  <hr/> <p>Social: Human Rights</p> 	<p>Good corporate governance at TM means committing to best practices. We are committed to ethical practices and upholding the highest standard of integrity</p> <hr/> <ul style="list-style-type: none"> <li>To include social elements in suppliers' screening process</li> <li>Reach out to more demographic groups and geographical areas in making TM relevant to them</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Assess the long-term energy impact of technologies within our operations</li> <li>Establish e-waste recycling capability</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Maintain at least 20 hours of training per employee per year</li> <li>Continue to promote inclusivity and empowerment through internal engagement activities championed by our clubs and societies as well as TM ROvers</li> <li>Improve employee health and well-being, and reduce workplace injury and accidents</li> </ul> <hr/> <p>Treating employees with honesty and respect, free of discrimination and providing avenues for employees to stand up for their rights</p>
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## MATERIAL ISSUES

## TOPICS MOST RELEVANT FOR

## WHERE ARE THEY ADDRESSED IN THIS REPORT

## LOOKING AHEAD

## ANTI-CORRUPTION

TM NG BP

## PUBLIC POLICY AND LOBBYING

ME NG GA

## COMPETITION

TM BP NG

## STAKEHOLDER ENGAGEMENT

TM NG ME

## COMMUNITY INVESTMENT

BP TM NG

## COMMUNITY ENGAGEMENT

BP TM NG

## CURRENT COMMUNITY ISSUES

TM NG BP

## QUALITY SERVICE

TM BP TU

## QUALITY CONTROL FOR SERVICE CYCLES

TM BP TU

## CUSTOMER INFORMATION

TM BP EM

## ACTIVE MARKETING

TM BP TU

## RESPONSIBLE MARKETING

TM BP NG

## CUSTOMER PRIVACY

TM BP NG

## COMPLIANCE LICENSE CONDITIONS

TM BP NG

## CUSTOMER SATISFACTION

TM BP NG

## COMPLAINT CHANNELS

BP TM NG

Social: Society



- Continue with our community support programmes
- Create value from every community initiative, whether to the people or to the nation

Social: Product Responsibility



- Invest in our networks to achieve targeted network quality standards
- Maintain 100.0% compliance with RF radiation levels and safety guidelines set by local regulators and ICNIRP
- Continue to enhance the 'customer journey experience'
- Strengthen internal controls to ensure we uphold the highest standards of professional values and integrity

## Legend:

BP : Business Partners and Suppliers

EM : Employees

GA : Government and Authorities

ME : Mainstream and Social Media

NG : Non-Governmental Bodies, Consumer Groups and Active Organisations

SI : Shareholders, Investors and Analysts

TM : Telekom Malaysia Berhad

TU : Trade Unions and Professional Bodies

## STAKEHOLDERS' PERCEPTION OF TM'S SUSTAINABILITY

The TM Sustainability Perceptions Survey was conducted alongside the Materiality Survey to gauge stakeholders' perceptions of sustainability initiatives in TM. The survey was conducted anonymously by independent consultants in the last quarter of 2015, obtaining responses from 1,954 stakeholders.

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 Melayu. Highlights of the results can be found throughout the report in the relevant sections.

# Our Stakeholders Charters



# Holistic Measures to Monitor Corporate Reputation and Brand Health

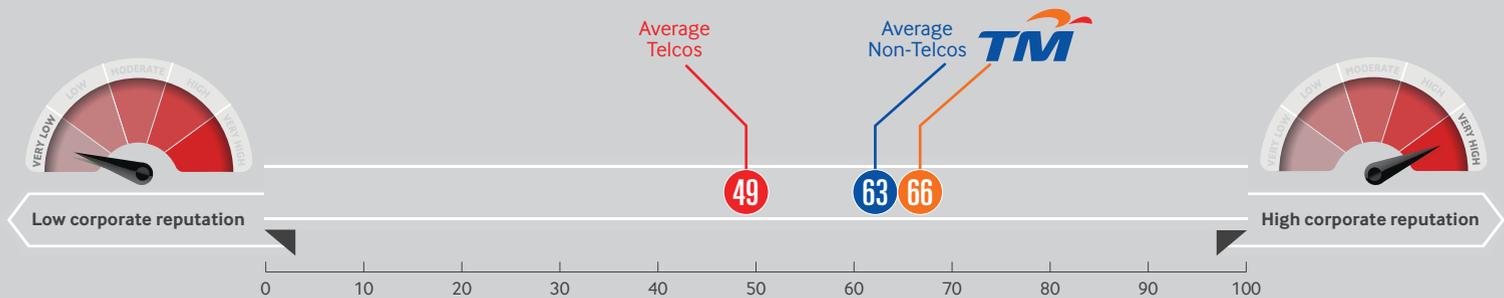
## CORPORATE REPUTATION

Towards continuously safeguarding and enhancing TM's overall reputation, our inaugural Corporate Reputation Index was conducted in 2015 to help us gauge where we stand among other key Corporate brands. The TM Corporate Reputation Index spans a wide range of stakeholders: customers, internal talents, partners/peers, capital/investors, media/influencers and society.

The Corporate Reputation Index covers:

- Our reputation and image in the market
- Our role in Corporate Responsibility
- How our customers see us
- How our employees feel about us
- Overall satisfaction towards our products and services

For the 2015 Corporate Reputation Index, TM is top-ranked among all Telco brands and at par with the Non-Telco brands; proving that TM is a highly reputable and balanced organisation in our role as a service provides and in contributing to nation-building – very much aligned to TM's vision of 'Making Life and Business Easier, for a better Malaysia'.



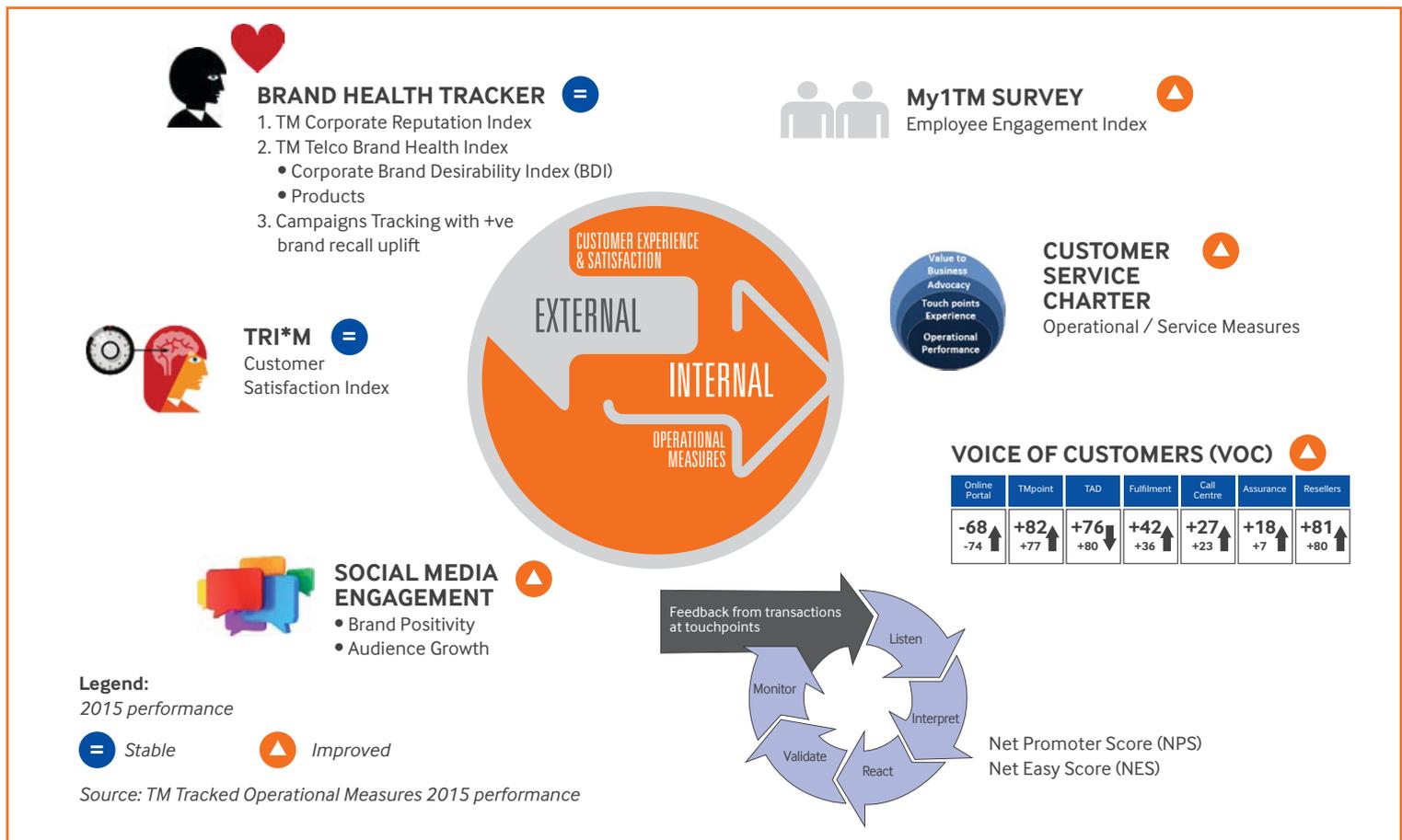
We are now being seen as delivering 'Life Made Easier' by meeting customer expectations and providing good value; a key differentiator in building an indispensable customer relationship to further strengthen the TM brand at the corporate level.

As we now have established a new TM vision and purpose, internalisation of 'Life Made Easier' (LME) as an organising principle takes priority. This encapsulates all that we do, where each TM employee and our extended family of frontliners and partners are more focused on customer experience and business objectives.

## BRAND HEALTH

We take the delivery of our brand promise of Life/Business Made Easier to our stakeholders seriously. This has been clearly articulated and simplified embedded in TM's organisational culture to be understood and lived by all our employees. We have established meaningful operational measures in monitoring the translation of LME and track its impact holistically - externally and internally, in the areas of:

- Brand Health Trackers amongst TM customers and non-TM customers, covering Corporate Reputation, Telco Brand Health, Brand Desirability Index and Campaigns Tracking.
- Customer Satisfaction Index or TRI\*M measuring overall Customer Satisfaction of our products, service delivery and touch points experience amongst TM customers.
- Social Media Engagement looking at TM's brand positivity and audience growth over our social media platforms.
- Voice of Customers via Net Easy Score (NES) and Net Promoter Score (NPS) amongst our customers. NES is measuring the 'easiness' experience when dealing with TM, whilst NPS measures the tendency of customers to promote TM to others.
- Internal Operational Service Measures via Customer Service Charter, from both market-facing and service-facing elements.
- Employee Engagement Index amongst Warga TM via My1TM Survey.

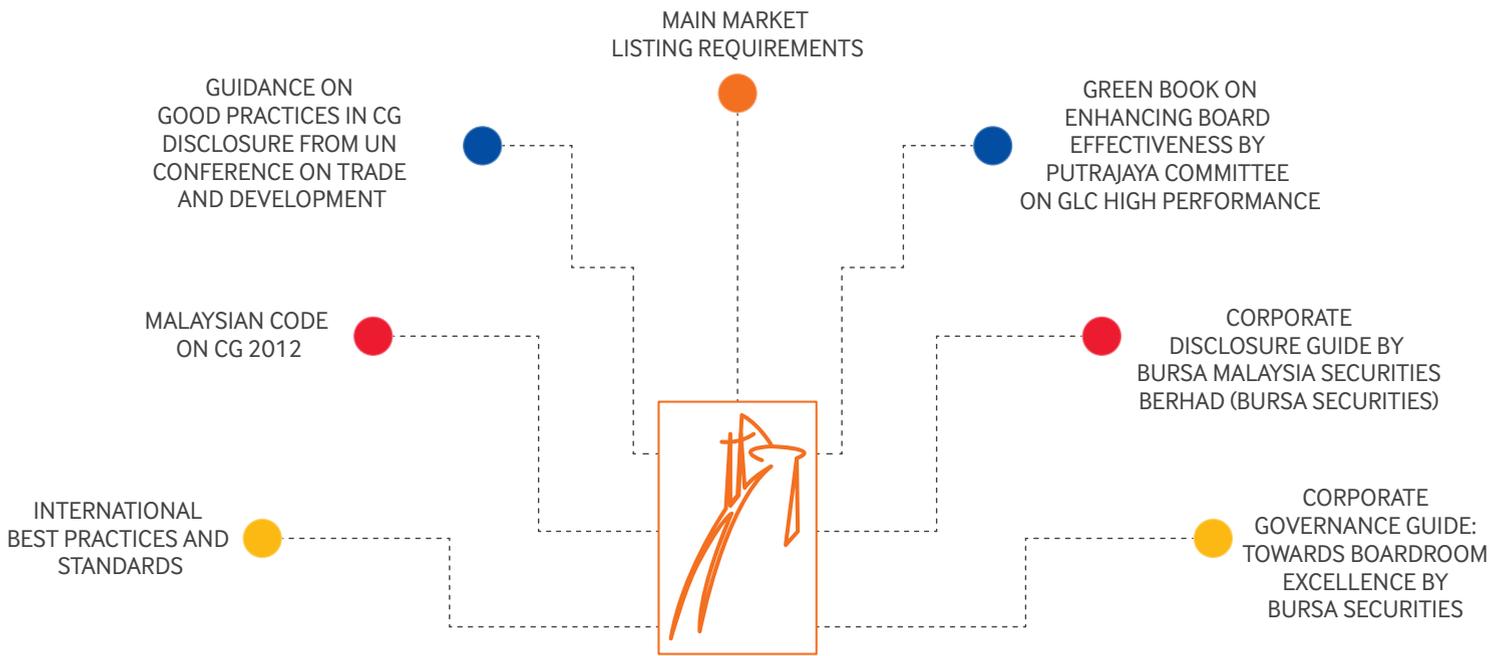


TM continues to make good progress in all our tracked operational measures as depicted above. From our recent Brand Health Trackers, the TM brand is consistently seen as making customers' life easier with our offerings, being innovative, modern and up-to-date. Our key product brand Unifi is perceived as a trusted brand and being innovative. This is very well aligned to TM's brand promise of Easy, Trusted and Innovative.

# Statement on Corporate Governance



TM HAS A STRONG FOUNDATION BASED ON THE PRINCIPLES OF CORPORATE GOVERNANCE (CG), OPENNESS, INTEGRITY AND ACCOUNTABILITY. ETHICS AND INTEGRITY CONTINUE TO PLAY IMPORTANT ROLES IN SUSTAINING AND SHAPING OUR PEOPLE AND, IN TURN, THE ORGANISATION.



We also benchmark our corporate governance against the ASEAN Corporate Governance Scorecard (ASEAN CG).

TM's CG Framework is best illustrated as follows:



**BOARD OF DIRECTORS**

TM continues to be led and controlled by an active, engaged and experienced Board. The Board comprises a healthy mix of Directors with varying backgrounds encompassing economics, finance, technology and regulatory from both the private and public sectors, along with experience in the telecommunications industry both locally and abroad. Two of our Directors are experienced in the local and foreign telecommunications industry from the perspectives of consultants and regulators.

Throughout the year, the Board of Directors continued to guide and effectively steer the Company with well-planned strategies through active engagement with the Management.

**Board Charter**

Since its adoption in January 2013, TM's Board Charter (Board Charter) serves as a guide for good corporate governance practices within the Company. It embodies our governance practices, Board policies and guidelines upon considering the principles and recommendations of MCCG 2012 and its predecessors as well as international standards on corporate governance.

The Board Charter provides reference for the 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 Board Charter is reviewed annually and updated from time to time to maintain its relevance and accuracy to current rules and regulations. This review forms part of the annual Board Performance Improvement Programme (BPIP), which includes an assessment of the Board's objectives, roles and responsibilities to ensure consistency of governance practices and adherence to the relevant rules and regulations.

**Roles and Responsibilities of the Board**

The roles and responsibilities of the Board and Management are clearly demarcated in the Board Charter. Although the respective principles, roles and responsibilities of the Chairman, Executive Directors (EDs) and Non-Executive Directors (NEDs) are segregated, their functions are mutually co-dependent, ensuring efficient and effective execution of their duties and responsibilities.

The following six core responsibilities serve as 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. In discharging its roles and responsibilities, the Board is mindful of the need to safeguard the interests of all stakeholders. Dedicated Board Committees have been established with clear terms of reference (ToR), and comprise Directors who have committed their time and effort as members to facilitate the effective discharge of these responsibilities.

**Separation of Power between the Board and Management**

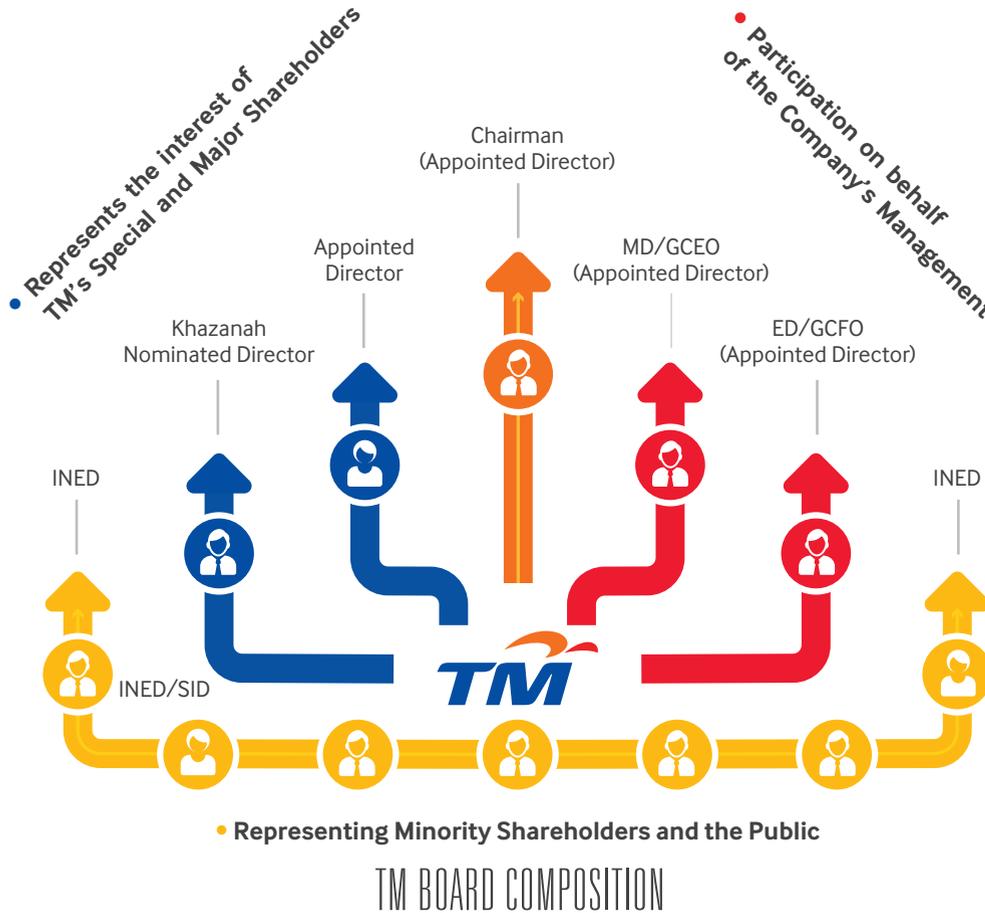
The functions of the Board and Management, and the Chairman and EDs are distinguished to ensure the smooth running of the Company's business and operations. The separation of power ensures that no one individual or group can dominate the decision-making process, thus safeguarding the equilibrium of power in the Company.

The roles and responsibilities of the Non-Independent Non-Executive (NINE) Chairman, and the Managing Director/Group Chief Executive Officer (MD/Group CEO), are clearly separated. The demarcation accords a balance of power and authority in the Board and is adhered to, in line with best governance practice. This ensures appropriate supervision and increased accountability of the Company's management.

TM's Chairman, Tan Sri Dato' Seri Dr Sulaiman Mahbob, has never held the position of CEO of the Company nor has he ever been a part of TM Management, thus undue influence from past association is not an issue.

### Board Composition and Balance

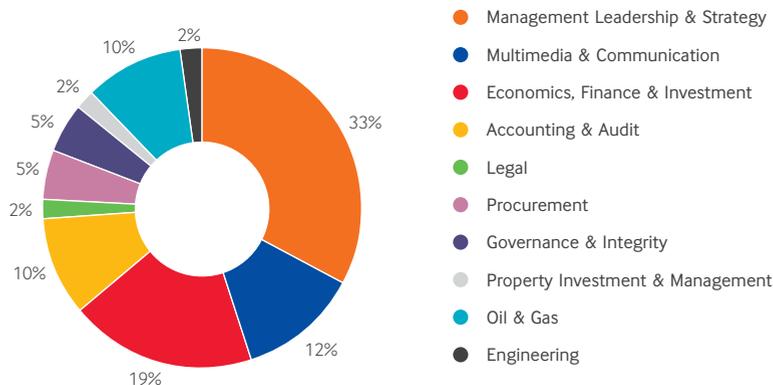
Article 96 of TM's Articles of Association (AA) limits the number of TM Board members to not more than 12. The two Non-Independent Non-Executive Directors (NINED) representing the interest of the Special and Major Shareholders have also appointed their respective alternate Directors on the Board. Membership of the Board is currently at maximum as follows:



TM BOARD COMPOSITION

The current Board members have the requisite skill sets and experience to guide TM to achieve its strategic plans and aspirations.

### Director Skill Set



With a NINE Chairman, the seven INEDs form a majority on the Board, assuring effective checks and balances in its functioning. Currently 58% of our Board members are Independent Directors, complying with paragraph 15.02 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities).

### INDEPENDENCE

All of our Independent Non-Executive Directors (INEDs) satisfy the following independence criteria:

- Independence from Management and free from any business or other relationship which could interfere with independent judgement or the ability to act in the best interests of the Company
- Not involved in the day-to-day operations of the Company other than when collective Board approval is required.
- Declare their interest or any possible conflict on any matter tabled prior to the commencement of Board meetings.

The Board Effectiveness Evaluation (BEE) 2015 indicates healthy Boardroom dynamics with good working relationships not only among the Board members but also between the Board and Management.

The independence of all TM Directors, including the NEDs, is assessed annually through the BEE.

The NRC, as part of its ToR, undertakes the annual review of INEDs' independence status and tables its findings and recommendations to the Board. The Directors' skills, experience and contributions as well as their backgrounds, economic and family relationships are considered. In ascertaining the independence status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors as promulgated in the Companies Act, 1965 (CA 1965) are the primary concern of all Directors, regardless of their status.

## BOARD DIVERSITY

TM Board recognises the benefits of Board diversity, viewing it to be essential in ensuring the Board remains functional, with continuous productivity and enhanced performance. It also recognises that creating a diverse Board involves a myriad of critical elements not limited to gender and/or age, but including experience and skills-sets as well as the members' background – education and personality, ethnicity/race, nationality, religious beliefs and cultural or socio-economic personal histories.

In support of the Corporate Governance Blueprint which targets 30% of women participation on Boards by year 2016, TM periodically selects qualified women from the Senior Management to undergo training to equip them with relevant knowledge to serve as Directors on the Boards of TM's subsidiaries and associate companies. To date, there are 11 women serving as nominee Directors on the Boards of TM Group.

## BOARD COMMITTEES

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

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

- Board Audit Committee (BAC)
- Board Nomination and Remuneration Committee (NRC)
- Board Tender Committee (BTC)
- Board Risk Committee (BRC)
- Board Investment Committee (BIC)

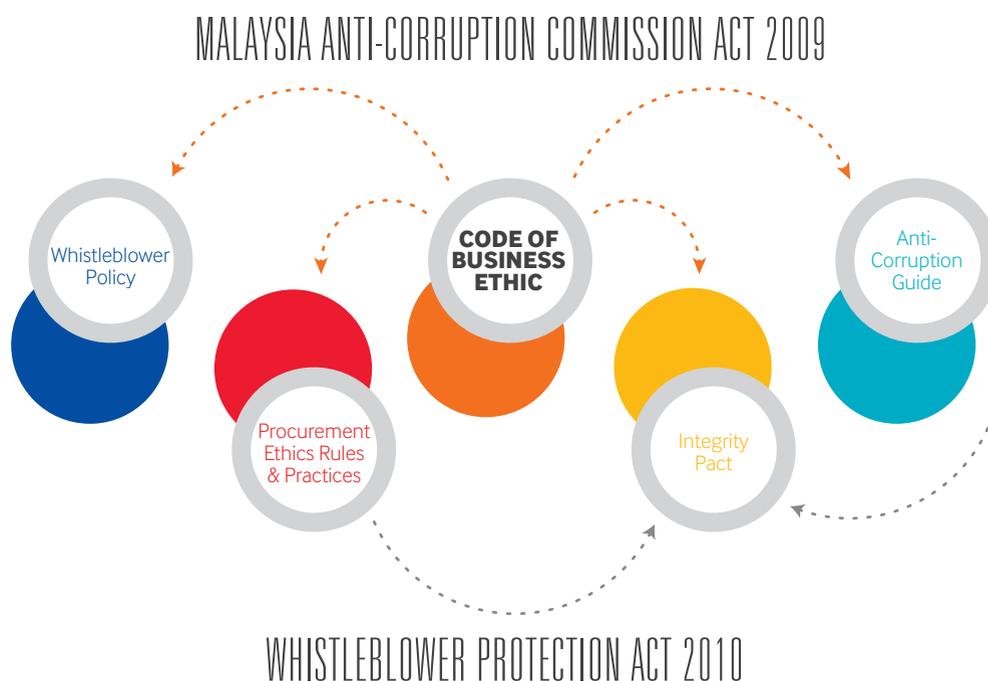
There is also a provision for the establishment of an ad-hoc Board Sub-Committee (BSC) as and when required based on specialisation required and the nature of the issue/case raised. TM is pleased to report that, during the year, no major issue was raised that merited the formation of a BSC.

## CORPORATE INTEGRITY

The Company Directors' Code of Ethics issued by the Companies Commission of Malaysia is internalised in TM as a tenet for

proper comportment of the Board of Directors. Through disclosure of interest at every meeting, Directors have implemented the principle relating to sincerity, integrity and responsibility.

Apart from the above, the conduct of TM Board, Management, employees and all stakeholders of the Group is governed by the Code of Business Ethics (CBE), Procurement Ethics Rules and Practices, Integrity Pact, TM Anti-Corruption Guide and Whistleblower Policy. These policies and guidelines aim to uphold the value of Uncompromising Integrity.



For suppliers, the declaration under CBE is an annual occurrence, which provides a constant reminder of the Group's policy towards integrity.

Employees, Board members and suppliers involved at any level of procurement activity in TM are required to sign an Integrity Pact, first introduced on 13 August 2012, which is a declaration made against corrupt practices. The Integrity Pact is an initiative adopted from the Government to curb corruption in public contracting. It is a directive by the Board and Management to enhance governance in the Company. Its implementation is in line with the provision relating to procurement in the CBE and policy against corruption and conflict of interest as laid out in the Procurement Ethics Rules and Practices. The declaration signifies the Group's commitment to creating a business environment that is free from corruption in its interactions with business partners and the Government.

*\*Full disclosure of our Corporate Governance Statement can be found in the TM's 2015 Annual Report*



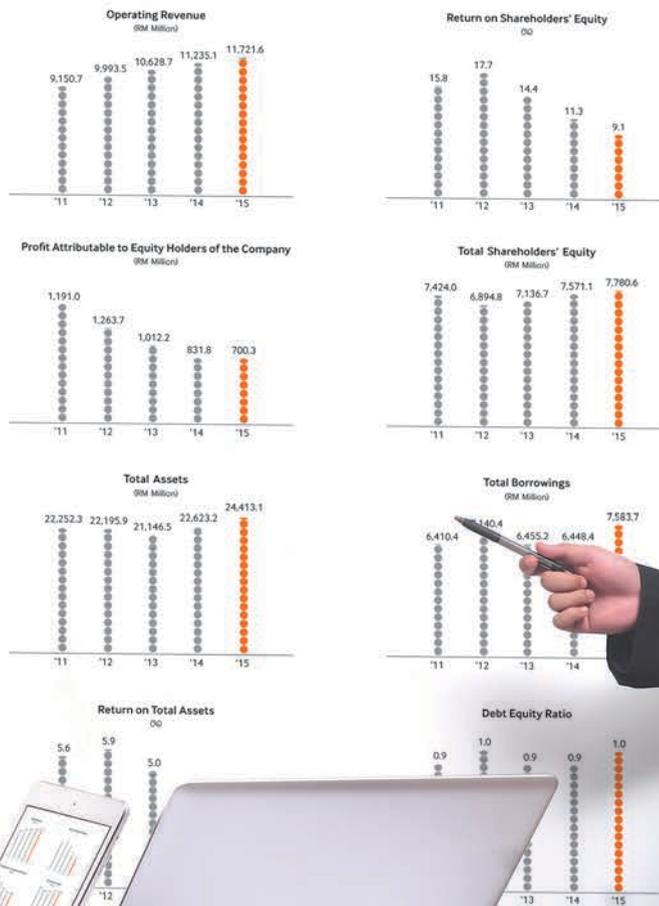
ENABLING  
ECONOMIC  
PROGRESS



Life Made Easier™



TM AURA



# Economic

G4-12

## ABOUT OUR SUPPLY CHAIN

100%

of requests to use new suppliers are channelled through a screening process

Approximately

6,864

active suppliers in 2015

Almost

99%

were local suppliers

WE ARE COMMITTED TO PROMOTING SUSTAINABILITY THROUGHOUT OUR SUPPLY CHAIN, PARTICULARLY THIRD-PARTY SUPPLIERS THAT PROVIDE COMPONENTS, PRODUCTS, SOFTWARE, SUPPORT OR SERVICES. OUR COMPREHENSIVE APPROACH TO RESPONSIBLE PURCHASING STANDS ON THREE PILLARS.

## INTEGRATING SUSTAINABILITY INTO OUR SUPPLY CHAIN

As a mandatory element of all agreements, TM requires suppliers to comply with clearly defined principles based on international and sector standards. Our key references are the United Nations Global Compact's Ten Principles. We encourage suppliers to meet international standards on environment, safety and sustainability measures,

including ISO 14001 and OHSAS 18001. We track supplier compliance with these standards as part of our risk analysis and assessment processes.

We have introduced 'Green-Production' elements in our supplier assessment. We take note of our suppliers' standards and certifications. We also examine their use of recycling materials and other environmental initiatives such as energy efficiency and green packaging.

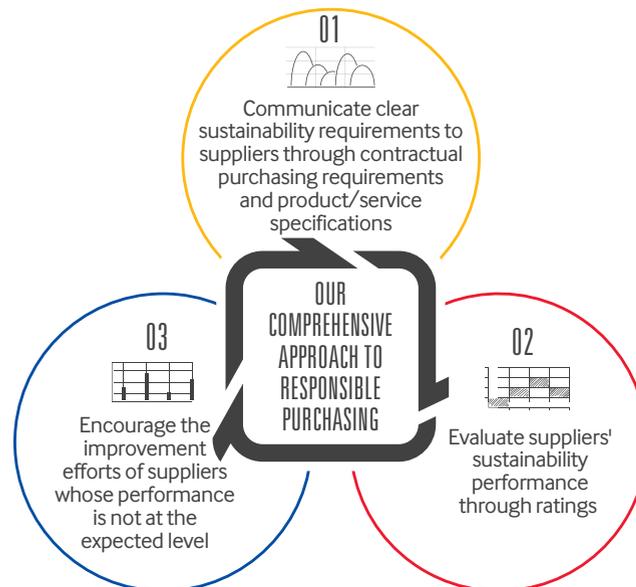


## SUPPORTING THE LOCAL ECONOMY

G4-DMA, G4-EC9

TM's products and services are made of high-technology electronic and electromechanical components that can only be sourced from a limited number of suppliers around the world. In 2015, we had approximately 6,864 active suppliers and sourced products and services worth RM5.18 billion from them. Almost 99% of these were local suppliers. TM continues to support local procurement by increasing what we spend locally. We hope to boost the local economy by supporting job creation and skills development.

In 2015, 614 purchasing vendors were registered, all of whom fulfilled TM Health, Safety, Environment (HSE) requirements. Our HSE vendor questionnaire ensures our vendors adopt health, safety and environmental practices while providing service to us. This is one of the most crucial requirements to be eligible for contract award.

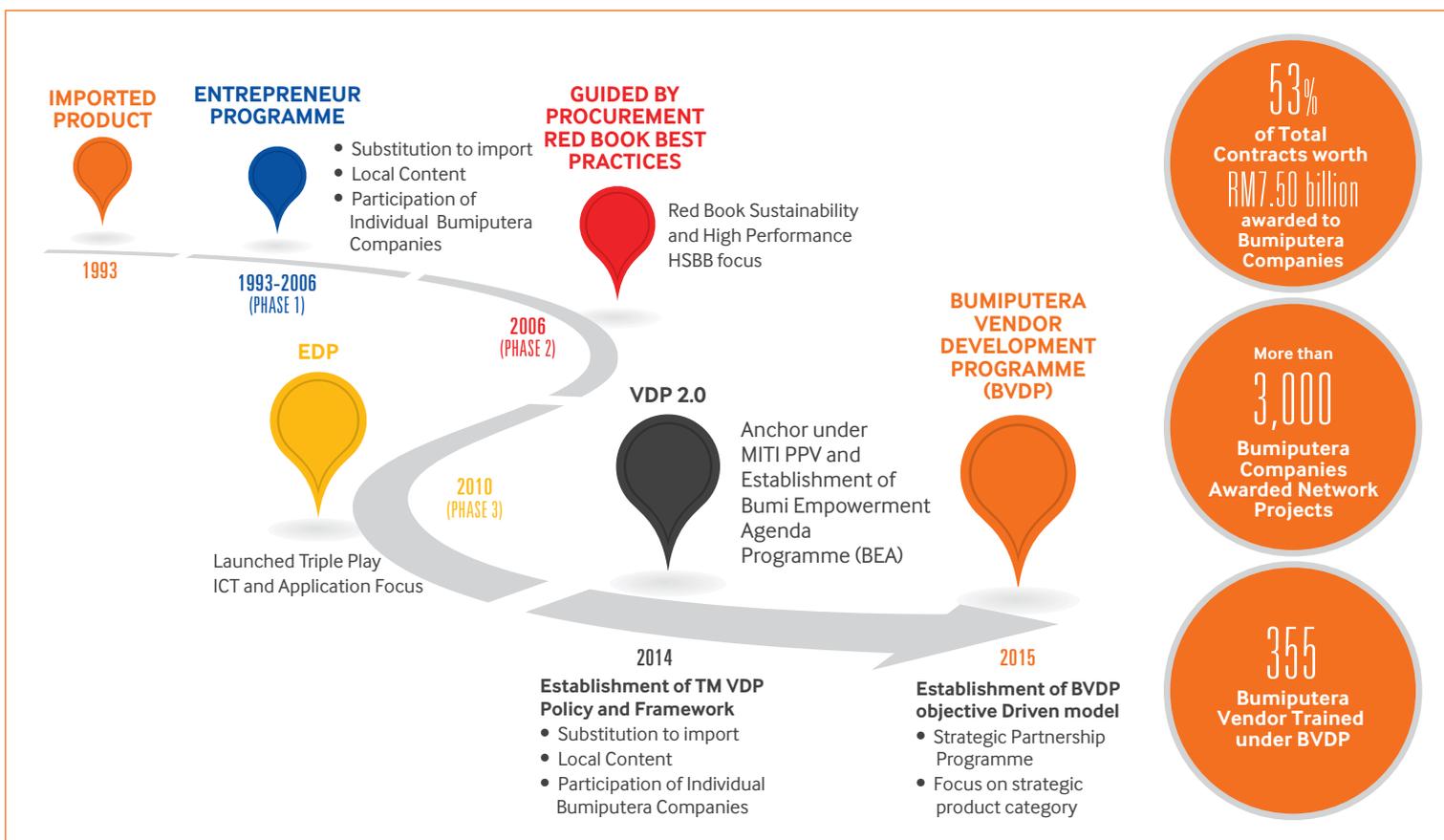


**TM EMBARKS ON VENDOR TRANSFORMATION PROGRAMME TO SUPPORT BUMIPUTERA CONTRACTORS**

Small and Medium enterprises and businesses form the backbone of Malaysia’s economic growth, contributing to more than 35.9% of Malaysia’s Gross Domestic Product, or GDP in 2014. TM enables this large market by creating a conducive economic platform, not only through its products and services, but also with nationwide programmes such as the SME BizNet and BizFest Roadshows.

TM has always been supportive of the development and growth of local entrepreneurs and SMEs, including Bumiputera entrepreneurs. As one of Malaysia’s leading Government linked Companies (GLCs), TM has long been a supporter of the Bumiputera Empowerment agenda to create more corporate champions among Bumiputera Business Community. Since 1993, TM has implemented the Vendor Development Programme, or VDP which focuses on supporting high quality, value-added and sustainable development of TM vendors. After 20 years of its implementation, the programme has seen 4,000 Bumiputera vendors benefitted from this programme.

In 2015, TM has embarked on a transformation journey with its partners to realise the aspiration of becoming Malaysia’s No.1 Converged Communications Services Provider in supporting with the National Agenda. The transformation will look into the sustainability of the vendors’ businesses by exploring business opportunities with other GLCs.



In response to the current increasing business challenges, we are embarking on a transformation programme, specifically for our Schedule of Rates (*Jadual Kadar Harga (JKH)*) contractors to further enhance the JKH business model.

TM has awarded network projects to over 3,000 Bumiputera companies out of its 4,000 total vendors to date. We are committed to improving the competitiveness and upscaling the capacity and capability of our vendors. Currently, we have trained 355 Bumiputera vendors under the BVDP which includes on the job and soft skills training, quality certification, capacity and capability building, business matching and awareness programmes.

The following is the list of narrow-based training conducted in 2015 for BVDP Strategic Partner and High Performing Contractor Services to fill competency gaps. The expected outcome from the training programme will be measured based on performance in year 2016 onwards.

**BVDP Programmes**

<b>PROGRAMME</b>	<b>OBJECTIVES</b>	<b>EXPECTED IMPACT</b>
<b>HERO TO SUPER HERO</b>	Produce highly capable companies that move up the vendor tiers	Vendors with transformed mind-sets as well as enhanced capacity and capabilities from 2-star rated companies to 3-star and above
<b>COMMERCIALISATION KICK-OFF</b>	Encourage vendors to begin R&D while enhancing and diversifying their product lines	Manufacturing-based vendors with interest in R&D and product development are trained in design, technology and market access
<b>APPLICATION OF QUALITY CONTROL (QC) TOOLS IN QUALITY MANAGEMENT SYSTEMS (QMS)</b>	Improve vendor management and technical capabilities	Enhanced performance in technical know-how which can be applied to their quality assurance (QA) and manufacturing processes
<b>UNDERSTANDING FAILURE MODE AND EFFECT ANALYSIS (FMEA)</b>	Identify failure modes, their causes and effects in the product development process	Increased level of understanding of the product development process
<b>ENTERPRISE INNOVATION INTERVENTION PROGRAMME (EIIP)</b>	Build enterprise innovation competence	Improved performance resulting in increased sales, productivity growth and reduced operational performance
<b>VENDOR ENHANCEMENT PROGRAMME BY SIRIM</b>	Inculcate 5S, innovation, creative thinking, project and change management	Improved vendor efficiency and innovation resulting in product and service enhancement

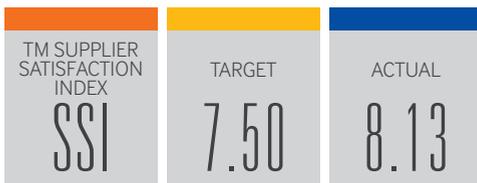
**PROTECTING SUPPLIERS' RIGHTS**

TM has a mechanism for identifying and resolving actual or perceived unfair treatment during a procurement process. This allows TM to continually improve the mandate of its procurement programme and provide open and fair opportunities to qualified vendors.

Any complaint received is presented to the management committee for deliberation. The management committee has approved the establishment of Supplier Performance Committee (SPC) with the chairmanship entrusted to the Chief Procurement Officer. The SPC is responsible for holistically assessing and deciding on contractual penalties. He also recognises and rewards performing suppliers.

**TM SUPPLIER SATISFACTION INDEX (SSI)**

TM Supplier Satisfaction Survey gathers feedback on our supplier's satisfaction level for TM's current procurement processes and practices. The overall rating for Group Procurement is 8.13 compared to the target of 7.50. The survey is carried out annually and is conducted via an online survey platform. Areas being measured in this survey include professionalism, tender exercise, RFQ/RFX, Contract management, inventory management, payment process, SRM system, benchmarking with other GLCs, ethics and integrity as well as information management.



**TM PROCUREMENT MATURITY INDEX (PMI)**

TM Procurement Maturity Survey gauges customer perceptions on procurement process and practices while assessing the extent of functional procurement maturity based on the recent procurement transformation. Overall rating for Group Procurement is 8.23 compared to the target of 8.26. The survey was conducted via insight, an online survey platform.



**SUPPLIER RELATIONSHIP MANAGEMENT**

We are committed to developing the right relationships with our suppliers. With key suppliers, this requires:

- Close co-operation with them;
- Alignment with company objectives;
- Regular two-way dialogue to improve processes;
- Setting and raising standards throughout the entire supply chain; and
- Measuring and/or improving supplier performance.

Our benefits realisation plan contains a clear sense of the value that will be generated for both parties. TM focuses on capturing innovation from the supplier where necessary or valuable for a more efficient supply chain system. The supplier relationship management programme is planned and structured with appropriate governance and senior ownership. Customer organisation interfaces and relationships are planned and managed in line with overall business objectives. These objectives are:

- Additional reduction of costs;
- Ensuring a guaranteed supply;
- Improved quality of products and services as well as enhanced capabilities and processes;
- New innovations by developing new products and markets; and
- Fulfilling social responsibility and developing the nation.

**TM'S E-PROCUREMENT**

Our e-procurement system continues to improve our procurement efficiency. Up to 65% of our invoices are now processed online. This has helped us significantly reduce paper consumption for both TM and its suppliers. Other positive impact resulting from the use of e-procurement included reduced costs, transparent spending, increased productivity, increased transaction speed and reduced errors.

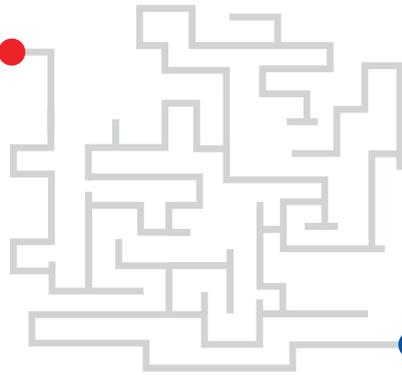


## TM AS A PARTNER IN ADVANCING MALAYSIA

### Supporting SMEs in Malaysia

#### THE ISSUE

According to SME Corp, about 73.0% of Malaysian SMEs are not ICT savvy and more than 8,200 SMEs have yet to fully embrace ICT in their operations. Of those firms that use ICT, two-thirds (67%) utilise the Internet, but only 12% have their own websites. These characteristics cut across all economic sectors of SMEs.



#### OUR SOLUTION

TM SME promotes the digitalisation of work processes that would enable SMEs to expand beyond borders, and especially into the open ASEAN market. In keeping with our role as Malaysia's No. 1 Converged Communications service provider, and to complement our nation-building initiatives, we positively encourage the growth of SMEs beyond connectivity, by providing ICT solutions and business tools to enhance their customer experience. We believe SMEs need to embrace innovation and technology in order to cater to today's connected society.

Productivity is vital for SMEs to be competitive. With our high speed connectivity and unlimited data quota, SMEs can be more focused on driving growth by improving competitiveness, both domestically and beyond Malaysia.

As Malaysia's one and only Convergence Champion, TM plays a key role in transforming the nation to become fully developed by 2020. SMEs contributed 35.9% to Malaysia's GDP in 2014, hence by supporting them we are bolstering the nation's development. One of our main objectives is to assist SMEs to move up the value chain; we therefore offer a wide range of Connectivity, Value Added Services (VAS) and ICT solutions which not only help to boost profitability at lower expenditure but also to expand their market reach, create more value, increase productivity and enrich the experience of our SME customers.

KABILAH HASSAN, WAS A RECIPIENT OF THE BROADBAND  
DIGITAL ICON AWARD IN 2013. SHE USED TO EARN ONLY A  
FEW HUNDRED RINGGIT A MONTH SELLING SEAWEED.  
HOWEVER, AFTER TRANSPORTING HER CONVENTIONAL  
SEAWEED BUSINESS INTO AN ONLINE VENTURE, SHE NOW  
EARNS CLOSE TO RM20,000 A MONTH

**KEY SME EVENTS IN 2015 INCLUDED:**

**Mass Events**

EVENT	LOCATION	OBJECTIVES	TARGET MARKET	ACTIVITIES
<b>SME BIZFEST 2015</b>	Four locations nationwide <ul style="list-style-type: none"> <li>• Petaling Jaya 6 May 2015</li> <li>• Johor Bahru 12 May 2015</li> <li>• Penang 19 May 2015</li> <li>• Sabah 16 June 2015</li> </ul>	<ul style="list-style-type: none"> <li>• To position TM as the No.1 Converged Service Provider in Malaysia and the preferred ICT partner for SMEs in Malaysia by 2016</li> <li>• To provide tangible business solutions and ideas to SOHO and small enterprises</li> </ul>	Mass SMEs	Business seminars, exhibitions, tutorials, business networking, business solutions and product showcase by TM and participating partners.
<b>SME BIZFIESTA</b>	Selected TMpoint & TAD nationwide No. of SME BizFiesta for 2015: 120 locations nationwide	<ul style="list-style-type: none"> <li>• To showcase the best of business solutions and ICT advancements offered by TM</li> <li>• Avenue for SMEs to empower their business through knowledge sharing and acquisition</li> </ul>		Business and ICT solutions, product showcase, quizzes, consultancy and sales activities
<b>MEGA SALES CARNIVAL</b>	<ol style="list-style-type: none"> <li>1. Mydin USJ, Kuala Lumpur</li> <li>2. Bandar Baru Nilai, Negeri Sembilan</li> <li>3. Central Market, Kuala Lumpur</li> <li>4. Perkarangan Majlis Perbandaran Tawau, Sabah</li> <li>5. AEON Mall Seri Manjung, Perak</li> </ol>	<ul style="list-style-type: none"> <li>• Platforms for SMEs to interact and establish network within SME community and TM</li> </ul>		Business coaching, business networking, special product promotions, product showcases and demonstration, sales activities, Lucky draw, meet and greet with business icons/celebrities, activities by participating partners/ vendors, quizzes, auctions and social media contest

## Business Trade & Collaborations

EVENT	LOCATION	OBJECTIVES	TARGET MARKET	ACTIVITIES
<b>ASEAN SME SHOWCASE AND CONFERENCE 2015</b>	Kuala Lumpur Convention Centre – 26-28 May 2015	<ul style="list-style-type: none"> <li>To strengthen TM's positioning as the No.1 Converged Service Provider in Malaysia and the preferred ICT partner for SMEs in Malaysia by 2016</li> </ul>	Mass SMEs	Product showcase and exhibitions, demonstrations, business networking and consultancy, pocket talks sessions and sales activities
<b>SME WEEK 2015</b>	12 locations nationwide 30 May-5 June 2015	<ul style="list-style-type: none"> <li>To support initiatives to build a high income nation</li> </ul>		Product showcase and exhibitions, demonstrations, business networking and consultancy, pocket talk sessions during MYCYBERSALE Roadshow and online sales activities
<b>MDeC #MYCYBERSALE</b>	5-day online sale 28 September-2 October 2015	<ul style="list-style-type: none"> <li>TM as an integral player to accelerate ICT adoption within SMEs and to boost penetration and growth of SMEs in Malaysia within the local market and abroad, especially the ASEAN region</li> </ul>		Product showcase and exhibitions, demonstrations, business networking and consultancy, pocket talk sessions during SMERA Roadshow and sales activities
<b>SME RECOGNITION AWARD</b>	<p>Four Roadshows nationwide:</p> <ol style="list-style-type: none"> <li>Johor 14 August 2015</li> <li>Penang 28 August 2015</li> <li>Selangor 20 August 2015</li> <li>Kuala Lumpur 15 September 2015</li> </ol> <p>SME Recognition Award Gala Dinner</p> <ol style="list-style-type: none"> <li>Sunway Pyramid Convention Centre 4 December 2015</li> </ol>	<ul style="list-style-type: none"> <li>Opportunity to develop good networking with key SME industrial players and develop close links with agencies and government bodies</li> </ul>		Product showcase and exhibitions, demonstrations, business networking and consultancy, pocket talk sessions during SMERA Roadshow and sales activities
<b>BUMIPRENEURS OF TOMORROW (BAHTERA)</b>	Kuala Lumpur Convention Centre 19-20 August 2015			Product showcase and exhibitions, demonstrations, business networking and consultancy, pocket talk sessions and sales activities
<b>1ASEAN ENTREPRENEURSHIP SUMMIT 2015 (1AES)</b>	Jalan Kia Peng, Kuala Lumpur 21-22 November 2015			
<b>KARNIVAL ONE SSM</b>	<ol style="list-style-type: none"> <li>Kompleks Pusat Bandar Pasir Gudang, Johor 2-3 October 2015</li> <li>Plaza Merdeka, Kuching, Sarawak 13-15 November 2015</li> </ol>			

**Business Made Easier (BME) Workshop**

EVENT	LOCATION	OBJECTIVES	TARGET MARKET	ACTIVITIES
<p><b>Business Made Easier – Tips and Tricks</b></p> <p>‘Simple shot, professional look’ Basic product photography techniques. Speaker 1: Faiz Naquiddin, freelance photographer</p> <p>‘One picture, thousand sales’ Basic picture editing using IOS applications. Speaker 2: Aisha Wong, Founder, Aisha Wong Accessories</p>	<p>TM Convention Centre – 21 November 2015</p>	<ul style="list-style-type: none"> <li>• To increase awareness of the importance of ICT adoption in managing business</li> <li>• To engage more closely with SMEs</li> <li>• Seeding programme for SMEs</li> </ul>	<p>Mass SMEs</p>	<p>Sharing session by business icons, demonstrations, business networking and consultancy</p>

**Feedback received from SMEs:**

*It is very good and informative.*

*Yasmin,  
IRDA*

*Such programmes really help small and medium enterprises as a learning platform for us in developing our businesses.*

*Khaidir,  
Brownie Connoisseur*

*Very good and inspiring. A good networking platform for us to get to know other SME operators and explore how we can help each other.*

*Zuhri,  
MYThree Organics*

*Selection of speakers are related to SME scope. Keep it up!*

*Mulyazam Bin Sabar,  
Muliart Design*

## CONNECTIVITY ACROSS THE COUNTRY

G4-EC7, G4-DMA

### Universal Service Provision (USP)

Universal Service Provision promotes the availability and use of network and application services throughout Malaysia. It encourages the installation of network facilities and provision of services in underserved areas or for underserved groups within the community.

USP projects were awarded pursuant to Sections 202 to 204 of the Communications and Multimedia Act 1998 (Act). The provision itself is regulated by the Communications and Multimedia (Universal Service Provision) Regulations 2002 (Regulations).

Beyond rural areas, USP investments are being made in telecommunications infrastructure such as SUBB, RBB, Towers and LTE, submarine cables, WiFi hotspots, wireless broadband, individual telephony lines, payphones and Pusat Internet 1Malaysia (PI1M). These projects are undertaken by TM with the Malaysian Communications & Multimedia Commission (MCMC).

### USP projects carried out by us from 2012 to 2015

USP Projects Awarded to TM		No. of Sites Awarded
	Pusat Internet 1Malaysia (PI1M)	396
	Community Broadband Library (CBL)	43
	WiFi Komuniti (WK)	1,786
	WiFi 1Malaysia (W1M)	286
	Payphone	2,714
	Long Term Evolution (LTE)	307
	Direct Exchange Line (DEL)	52,571 lines
	Sub Urban Broadband (SUBB)	37
	Sistem Kabel Rakyat 1Malaysia (SKR1M)	5 sectors (Cherating – Kota Kinabalu – Miri – Bintulu – Kuching – Mersing)
	Telecommunications Tower (East West Highway)	20
	Rural Broadband (RBB)	13,548 ports in 32 districts
	Mini Community Broadband Centre (Mini CBC)	56

## EXPANDING CONNECTIVITY AND NETWORK DIVERSITY

G4-EC8

### Content Localisation

TM has proven its status as Malaysia's leading integrated communications service provider when it has been establishing collaborations with several companies that provides global communications services to enterprise, government and carrier customers for Content Localisation Initiatives.

These collaborations enables TM to locally cache high demand contents on its network and further enhances Internet connectivity, network efficiency, reliability and security. TM's Enterprise and Consumers customers get to enjoy high-demand, bandwidth-intensive content such as high-definition video, readily accessible online contents by partner's Internet localisation service that further improves Internet connectivity and network efficiency.

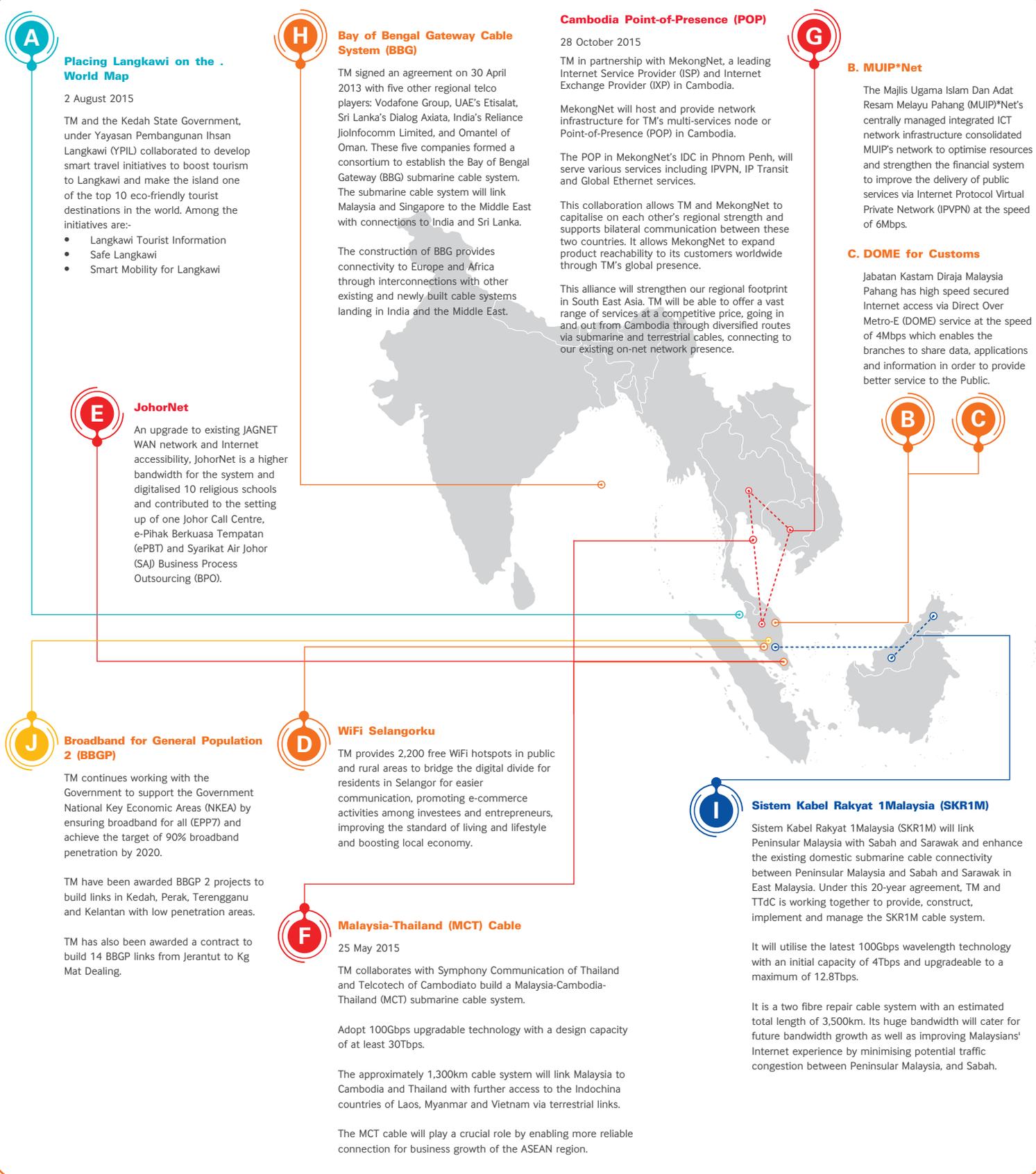
Content localisation reduces latency and provides better customer experience thus, reduces the internal requirement for international bandwidth, which helps optimise costs. Content Localisation Initiative is part of TM's plan in cost reduction initiative in terms of international bandwidth utilisation.

At the same time, having strategic international partners reside in TM's data centres help to uplift TM's status as Convergence Champion.

In 2015, there were ten Content Delivery Network (CDN) providers and content aggregators namely Google, Yahoo, Facebook, Microsoft to name a few, connecting with TM domestically with a total localised capacity of 913Gbps. The peak utilisation of these capacities is at 90%-100%.

In order to cater the growing demands for localised contents, the existing localised bandwidth capacity and infrastructure is to be renewed and/or upgraded. Upgrade of CLI capacity shall involve acquisition of co-location racks in datacenters, cabling and case-by-case requirements.

**EXPANDING CONNECTIVITY AND NETWORK DIVERSITY**



**A**  
**Placing Langkawi on the World Map**  
 2 August 2015  
 TM and the Kedah State Government, under Yayasan Pembangunan Ihsan Langkawi (YPIL) collaborated to develop smart travel initiatives to boost tourism to Langkawi and make the island one of the top 10 eco-friendly tourist destinations in the world. Among the initiatives are:-

- Langkawi Tourist Information
- Safe Langkawi
- Smart Mobility for Langkawi

**H**  
**Bay of Bengal Gateway Cable System (BBG)**  
 TM signed an agreement on 30 April 2013 with five other regional telco players: Vodafone Group, UAE's Etisalat, Sri Lanka's Dialog Axiata, India's Reliance JioInfocomm Limited, and Omantel of Oman. These five companies formed a consortium to establish the Bay of Bengal Gateway (BBG) submarine cable system. The submarine cable system will link Malaysia and Singapore to the Middle East with connections to India and Sri Lanka.

The construction of BBG provides connectivity to Europe and Africa through interconnections with other existing and newly built cable systems landing in India and the Middle East.

**Cambodia Point-of-Presence (POP)**  
 28 October 2015  
 TM in partnership with MekongNet, a leading Internet Service Provider (ISP) and Internet Exchange Provider (IXP) in Cambodia.

MekongNet will host and provide network infrastructure for TM's multi-services node or Point-of-Presence (POP) in Cambodia.

The POP in MekongNet's IDC in Phnom Penh, will serve various services including IPVPN, IP Transit and Global Ethernet services.

This collaboration allows TM and MekongNet to capitalise on each other's regional strength and supports bilateral communication between these two countries. It allows MekongNet to expand product reachability to its customers worldwide through TM's global presence.

This alliance will strengthen our regional footprint in South East Asia. TM will be able to offer a vast range of services at a competitive price, going in and out from Cambodia through diversified routes via submarine and terrestrial cables, connecting to our existing on-net network presence.

**G**  
**B. MUIP\*Net**  
 The Majlis Ugama Islam Dan Adat Resam Melayu Pahang (MUIP)\*Net's centrally managed integrated ICT network infrastructure consolidated MUIP's network to optimise resources and strengthen the financial system to improve the delivery of public services via Internet Protocol Virtual Private Network (IPVPN) at the speed of 6Mbps.

**C. DOME for Customs**  
 Jabatan Kastam Diraja Malaysia Pahang has high speed secured Internet access via Direct Over Metro-E (DOME) service at the speed of 4Mbps which enables the branches to share data, applications and information in order to provide better service to the Public.

**E**  
**JohorNet**  
 An upgrade to existing JAGNET WAN network and Internet accessibility, JohorNet is a higher bandwidth for the system and digitalised 10 religious schools and contributed to the setting up of one Johor Call Centre, e-Pihak Berkuasa Tempatan (ePBT) and Syarikat Air Johor (SAJ) Business Process Outsourcing (BPO).

**B**  
**C**

**J**  
**Broadband for General Population 2 (BBGP)**  
 TM continues working with the Government to support the Government National Key Economic Areas (NKEA) by ensuring broadband for all (EPP7) and achieve the target of 90% broadband penetration by 2020.

**D**  
**WiFi Selangorku**  
 TM provides 2,200 free WiFi hotspots in public and rural areas to bridge the digital divide for residents in Selangor for easier communication, promoting e-commerce activities among investees and entrepreneurs, improving the standard of living and lifestyle and boosting local economy.

**I**  
**Sistem Kabel Rakyat 1Malaysia (SKR1M)**  
 Sistem Kabel Rakyat 1Malaysia (SKR1M) will link Peninsular Malaysia with Sabah and Sarawak and enhance the existing domestic submarine cable connectivity between Peninsular Malaysia and Sabah and Sarawak in East Malaysia. Under this 20-year agreement, TM and TTDc is working together to provide, construct, implement and manage the SKR1M cable system.

It will utilise the latest 100Gbps wavelength technology with an initial capacity of 4Tbps and upgradeable to a maximum of 12.8Tbps.

It is a two fibre repair cable system with an estimated total length of 3,500km. Its huge bandwidth will cater for future bandwidth growth as well as improving Malaysians' Internet experience by minimising potential traffic congestion between Peninsular Malaysia, and Sabah.

**F**  
**Malaysia-Thailand (MCT) Cable**  
 25 May 2015  
 TM collaborates with Symphony Communication of Thailand and Telcotech of Cambodia to build a Malaysia-Cambodia-Thailand (MCT) submarine cable system.

Adopt 100Gbps upgradable technology with a design capacity of at least 30Tbps.

The approximately 1,300km cable system will link Malaysia to Cambodia and Thailand with further access to the Indochina countries of Laos, Myanmar and Vietnam via terrestrial links.

The MCT cable will play a crucial role by enabling more reliable connection for business growth of the ASEAN region.

TM have been awarded BBGP 2 projects to build links in Kedah, Perak, Terengganu and Kelantan with low penetration areas.

TM has also been awarded a contract to build 14 BBGP links from Jerantut to Kg Mat Dealing.



INVIGORATING  
OUR  
ENVIRONMENT

Life Made Easier™



TM AURA



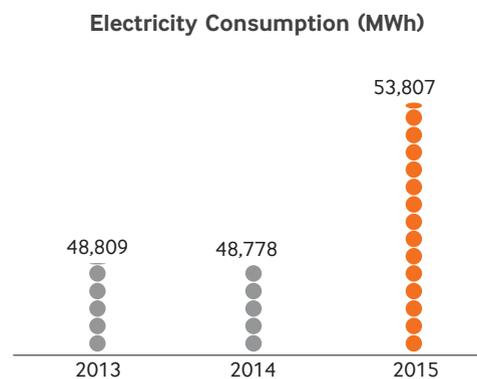
# Environmental

WE ARE CONCERNED ABOUT CLIMATE CHANGE AND OTHER ENVIRONMENTAL ISSUES, AND ARE COMMITTED TO PROTECTING OUR NATURAL SURROUNDINGS BY COMPLYING WITH ALL APPLICABLE ENVIRONMENTAL LAWS IN ALL COUNTRIES WHERE WE CONDUCT BUSINESS. BY MINIMISING THE IMPACT OF OUR OPERATIONS, WE BELIEVE WE CAN CONTRIBUTE TOWARDS SUSTAINABILITY OF THE WORLD'S NATURAL RESOURCES. EMPLOYEES SUPPORT THIS COMMITMENT BY COMPLYING WITH OUR ENVIRONMENTAL POLICIES AND PROGRAMMES.

## ENERGY EFFICIENCY AND MANAGEMENT

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

The graph below presents our energy usage for the past three years in all our Central Commercial Buildings, namely Menara TM, Cyberjaya (Admin Complex & IDC), Bukit Timbalan Exchange and Kompleks TM Alor Setar.



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

## ENERGY EFFICIENCY 2015

G4-DMA, G4-EN3, G4-EN5, G4-EN6, G4-EN7, G4-15

In 2015, TM introduced energy efficiency initiatives in our commercial buildings and telecommunications exchanges nationwide. These include:

- Establishing a State Energy Management Team, as prescribed by the ISO 50001 (Energy Management System);
- Establishing energy efficiency metrics for baseline and benchmark electricity usage for telecommunication network Exchanges and Commercial building using Power usage effectiveness (PUE) by Green Grid and Building Energy Intensity (BEI); and
- Progressing on the modernisation of our telecommunication network from Public Switching Telephone Networks (PSTN) to new architecture of Next Generation Networks (NGN). The new energy efficient telecommunication NGN equipment consumes less power and delivers higher traffic information exchanges.



**State Energy Management System**

In 2015, we adopted the State Energy Management System to help all TM organisations improve their energy performance, thus reduce their greenhouse gas emissions and other environmental impacts. The system requires each organisation to introduce an energy management system (EnMS) with the aim of establishing an energy policy complete with objectives, targets and action plans that conform to legal requirements.

**Electricity saving at migrated PSTN**

G4-DMA, G4-EN27, G4-EN30

In 2008, when we began the migration of our PSTN to the NGN, we had anticipated the process taking ten years. Instead, the migration of four million PSTN subscribers was completed by 2015, and currently switching equipment is being decommissioned and replaced by NGN equipment. This migration brings the potential of energy reduction of 91.0 GWh/year.

**OZONE-DEPLETING SUBSTANCES**

G4-EN20

Efforts to manage ozone depleting substances (ODS) include:

- Installing air conditioning that uses green refrigerant gas (R410a and R407c) since 2012. This has been achieved via a centralised air-conditioning contract with the R410a units as a main item. This contract is utilised nationwide.
- Replacing Halon 1301 in our fire-fighting system with the environment-friendly Novec 1230. A central contract for Novec 1230 has been established.

The quantity of halon replaced by this new generation gas in 2015 is as indicated in the table below:

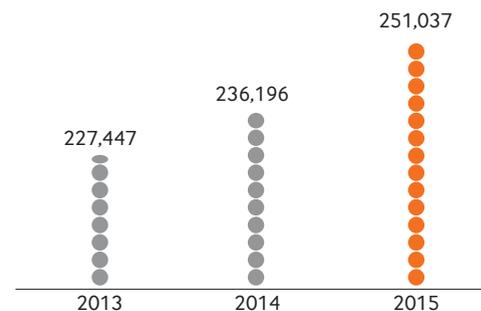
State/Region	Quantity Replaced (kg)
Eastern	250
Sarawak	Nil
Central	1,324
Southern	Nil
Northern	536.1
Sabah	Nil
<b>TOTAL</b>	<b>2,110.10</b>

**WATER MANAGEMENT**

TM is committed to reducing, reusing and recycling water, which is a scarce resource that requires a considerable amount of energy to deliver to premises. We educate both our employees and contractors on ways to use water more efficiently. Various initiatives are also being implemented to manage water use. A water control and monitor programme has been introduced and dual flow rate controllers have been installed in our taps.

In 2015, we continued with our project to recycle water for watering the plants surrounding Menara TM.

**Water Usage (m<sup>3</sup>)**



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

## WASTE MANAGEMENT

G4-DMA, G4-EN23

TM introduced a programme to reduce the large quantities of waste generated daily in Menara TM. There are two main categories of waste at TM:

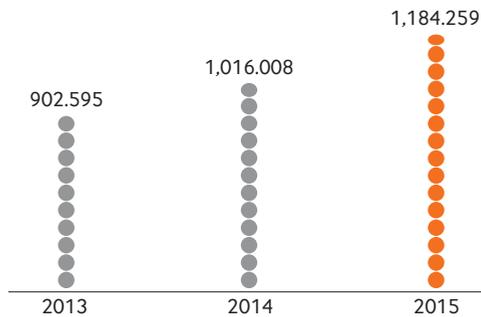
- i) Solid waste – paper and food waste
- ii) Scheduled waste resulting from maintenance and non-maintenance activities in accordance with First Schedule, Part 1 and 2, Environmental Quality Act (EQA) 1974 Regulations (Scheduled Waste) 2005. This includes fluorescent bulbs, oil waste, rags, discarded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

Monthly emails are sent to all Menara TM employees and tenants, urging them to:

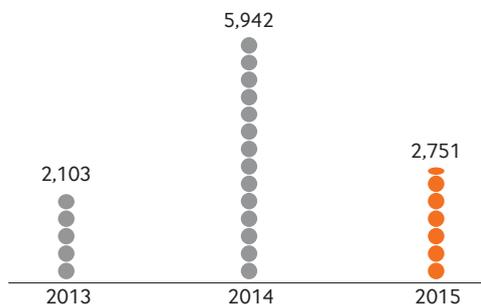
- Implement a 3R programme
- Reduce paper consumption by reusing paper
- Reuse used envelopes and other stationery
- Place recyclable waste in recycle bins provided

In addition, as of 1 January 2012, all TM's housekeeping contractors in Malaysia are required to use biodegradable cleaning chemicals.

**Solid Waste Generated (kg)\***



**Scheduled Waste Generated (kg)\***



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

## DUST MONITORING

The concentration of dust particulates in stack flue gas is determined by isokinetic sampling, as 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 <sup>3</sup> )	Environmental Quality (Clean Air) Regulations 1978
1	Generator Set No. 1	0.07	0.4 gm/Nm <sup>3</sup>
2	Generator Set No. 2	0.09	

## NOISE MONITORING

TM conducted a noise level measurement at the main entrance as well as IDC Complex and main road. Noise level recordings were carried out at 15-minute intervals at each measurement location. The recorded noise levels for each interval were systematically and automatically integrated by the in-built electronic system.

Stack	Average Noise Level (dBA)		Maximum Permissible Sound Level (dBA)	
	Day time	Night time	Day time	Night time
Main entrance	58.7	56.0	65.0	55.0
IDC Complex and main road	61.5	58.4	65.0	55.0

## CLIMATE CHANGE AND GREENHOUSE GASES EMISSIONS

G4-DMA, G4-EN15, G4-EN16, G4-EN17, G4-EN19

We continue to manage and measure our carbon emissions as part of our Carbon Management Plan. This is the fifth year that we are reporting on carbon emissions.

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

### Legend:

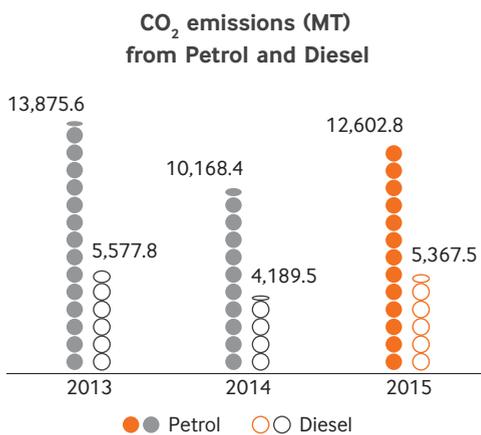
**C** : Category of Emission      **I** : Indicator Measured at TM

**Scope 1**

- C** Direct GHG Emissions
- I** Company-owned vehicles

### Scope 1

We report 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 CO<sub>2</sub> emissions from the consumption of fuel is derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.



**CO<sub>2</sub> Emissions from Electricity Consumption**

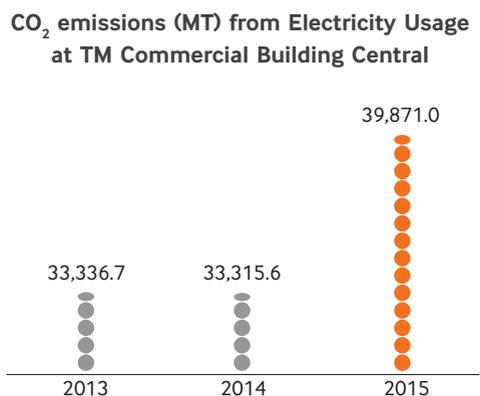
Category	Variance from Base year (2011)	Variance from previous year (2014)
Fuel	↓ 13.4%	↓ 22.1%
Petrol	↓ 17.2%	↑ 23.9%
Diesel	↓ 8.2%	↑ 28.9%

**Scope 2**

- C** Indirect GHG Emissions
- I** Electricity

### Scope 2

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



**CO<sub>2</sub> Emissions from Electricity Consumption**

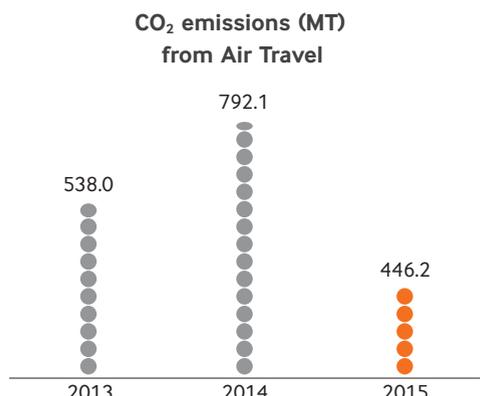
Variance from Base year (2011)	Variance from previous year (2014)
↓ 1.6%	↓ 19.7%

**Scope 3**

- C** Other Indirect GHG Emissions
- I** Air Travel  
Employee Commuting

### Scope 3

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



**CO<sub>2</sub> Emissions from Air Travel**

Variance from Base year (2011)	Variance from previous year (2014)
↓ 27.1%	↓ 43.7%

### TM EMPLOYEES' DAILY COMMUTE TO WORK

TM employs a large number of employees nationwide. Emissions result from these individuals travelling to and from their places of work. In 2015, we conducted an ambitious project to estimate the total yearly emissions produced by our entire workforce's daily commute for the second year.

An online survey was conducted throughout the last quarter of 2015. Several questions were presented to gauge:



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.

The emissions of each respondent were calculated using a Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative. More than 28,000 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 5,288 responses, of which 5,223 responses were usable as 49 were incomplete and 16 were incorrectly filled in. The responses included a good representation of TM employees from all employment grades and there was no obviously skew in the data.

	PERCENTAGE OF EMPLOYEES	TOTAL EMPLOYEES
4X4	2.0%	81
CAR	25.0%	3,111
MOTORCYCLE	4.0%	199
MPV	1.0%	64
SUV		

The commuting practices of our employees are presented in the table below. Most employees travelled to work using their own vehicles. Employees using public transport made up approximately 10.5% of the sample.

### Breakdown of commuting methods in 2015

Of those travelling to work in their own vehicles, 67.7% drive cars. The second most common type of vehicle used was the motorcycle, with 22.6% favouring this method of transport. Collectively, 4X4s, MPVs and SUVs accounted for 7.5% and only 0.2% used vans and trucks in their daily commute.

In 2015, TM employees travelled an estimated 222,751,104km to and from work. The total estimated yearly CO<sub>2</sub> emission for employees commuting in 2015 was 54,315.18 MT.

	PERCENTAGE OF EMPLOYEES	ESTIMATED TOTAL YEAR DISTANCE (KM) OF TM	ESTIMATED TOTAL YEARLY EMISSIONS (MT CO2E) OF TM
 BICYCLE	0.1%	251,085	0
 BUS	2.2%	6,580,209	0
 CAR POOL	0.3%	918,066	73
 KTM KOMUTER	1.7%	7,699,586	887
 LRT	6.1%	9,991,432	1,016
 OVERGROUND TRAIN	0.1%	2,617,041	301
 OWN VEHICLE	88.9%	190,717,665	40,116
 TAXI	0.2%	115,035	17
 WALKING	0.6%	950,143	0
<b>TOTAL</b>	<b>100.0%</b>	<b>219,840,261</b>	<b>42,409.96</b>

**TM'S ACTIVE CONTRIBUTIONS TO THE ENVIRONMENT**

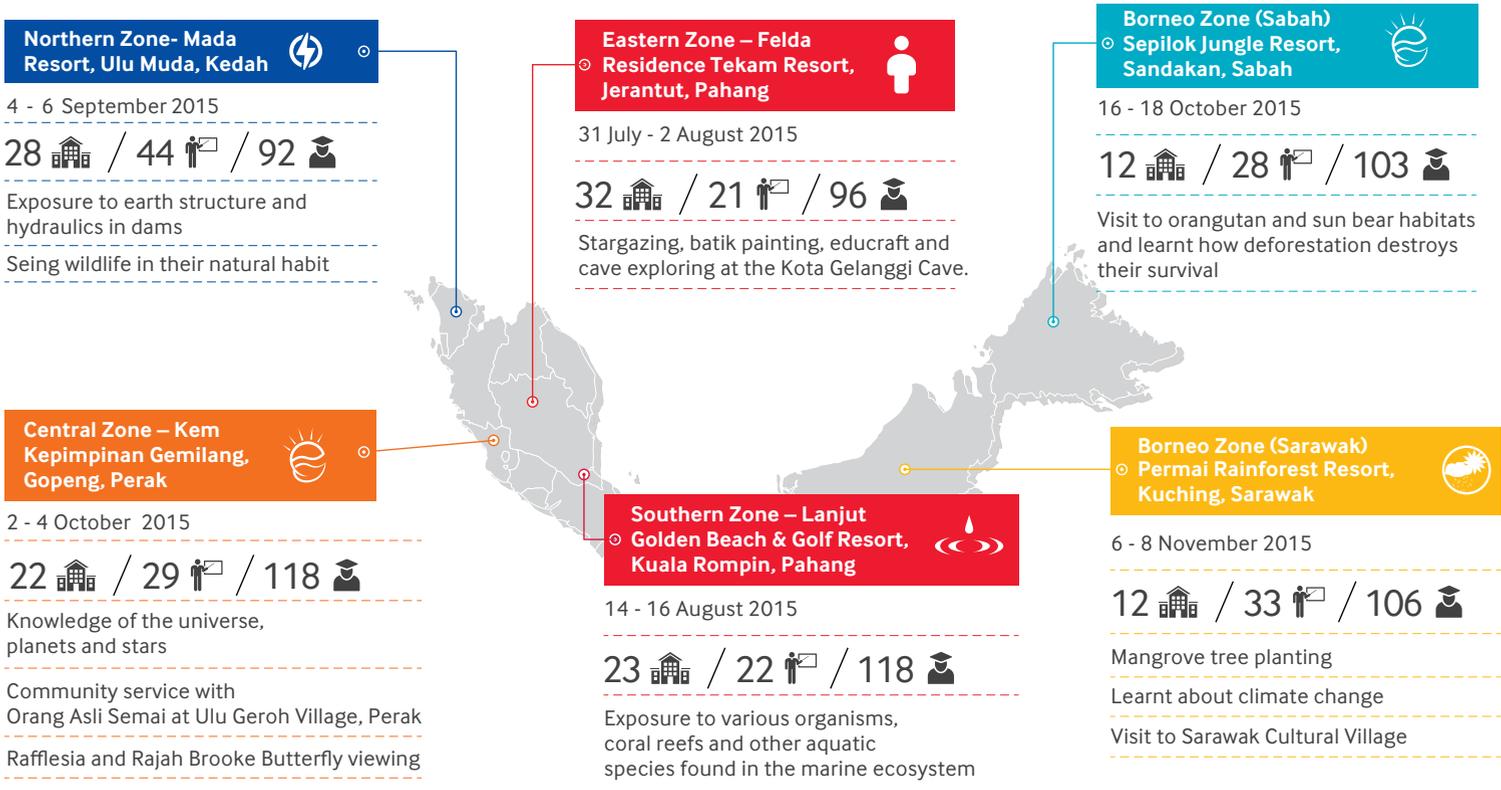
**TM Earth Camp 2015**



**believe TM actively generates environmental awareness through its campaigns**

TM AND THE MALAYSIAN NATURE SOCIETY (MNS) CONTINUE TO JOINTLY ORGANISE OUR ENVIRONMENTAL CAMPS, KNOWN AS TM EARTH CAMP. THESE THREE-DAY PROGRAMMES ARE DESIGNED TO INCREASE ENVIRONMENTAL AWARENESS AMONG KELAB PENCINTA ALAM (NATURE CLUB) MEMBERS IN SCHOOLS NATIONWIDE. SIX CAMPS ARE HELD A YEAR IN DIFFERENT ZONES, EACH WITH A PARTICULAR THEME SUCH AS HUMAN, AIR (CLIMATE CHANGE), WATER, ENERGY AND BIODIVERSITY (EARTH).

*Legend:*

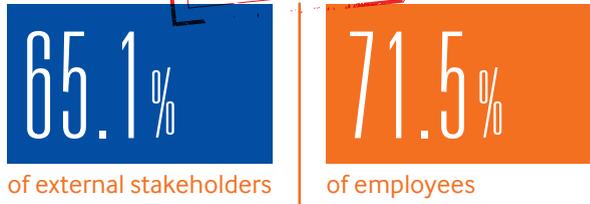


**BumiKu Camp 2015 – Disaster Preparedness**

The aim of our annual BumiKu Camp is to increase TM Group employees' appreciation of the environment. We also make the most of the opportunity presented by these events to contribute to the communities in need. This year, however, the camp focused on disaster relief programmes and aimed to prepare the 61 TM Reaching Out Volunteers (TM ROvers) who participated in it for emergencies. This was done in collaboration with Jabatan Pertahanan Awam Malaysia (JPAM) through the MERS 999 TM project. The three-day training began on 20 November 2015.

The preparedness training included Cardio Pulmonary Resuscitation technique (CPR), basic lifesaving skills, radio communication technique, midnight disaster simulation, rope tying and stretcher techniques. The participants were also thrown into the middle of the sea and required to swim back to shore using swimming techniques they had learnt earlier.

**MATERIAL ISSUE**



**believe TM conserves the environment**





CONTRIBUTING  
TO  
SOCIAL

Life Made Easier™



TM AURA



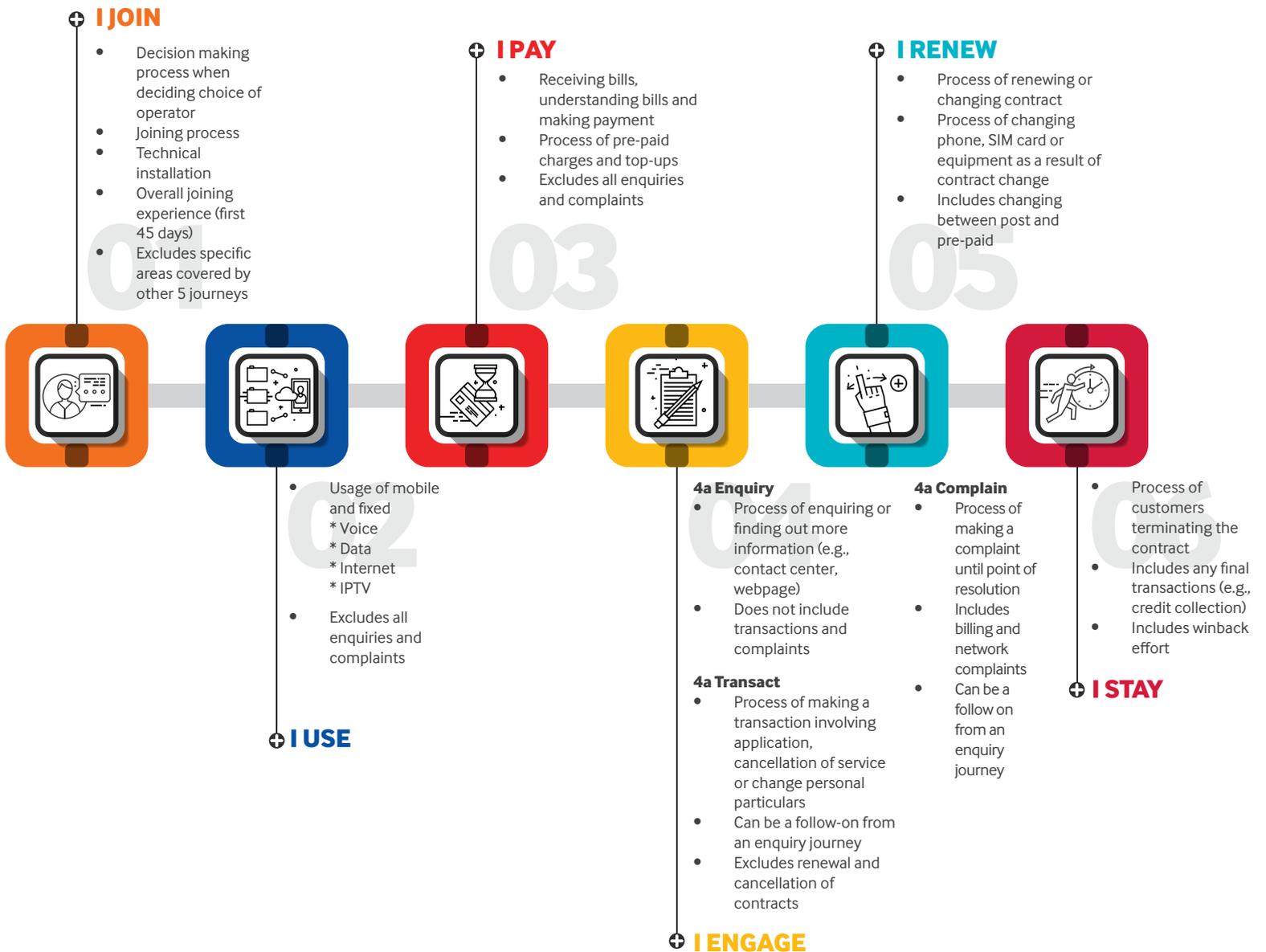
## SOCIAL: PRODUCT RESPONSIBILITY

### BRINGING CUSTOMER EXPERIENCE TO THE NEXT LEVEL

G4-DMA, G4-PR3, G4-PR7

Our customer experience journey commenced in 2011; in 2015 it was enhanced by the introduction of new Market Facing Initiatives. TM launched the first part of the Customer Journey experience on 4 November 2015, reducing the number of pages they have to fill to subscribe to UniFi online to six, from 19 previously. The online help page has also been rationalised, making it easier for customers to get help when navigating our website.

### CUSTOMER JOURNEY DEFINITION



NEW MARKET FACING INITIATIVES	OBJECTIVES	ACHIEVEMENTS
Customer Engagement via Customer Excellence Community	<ul style="list-style-type: none"> <li>Engage with customers to understand what they want</li> <li>Seek opinions through activity-based discussions at bi-monthly group gatherings</li> <li>Translate findings into offerings and channel execution</li> <li>Design and redesign the new business process</li> </ul>	<ul style="list-style-type: none"> <li>Five idea generation and input gathering sessions held</li> <li>Communication tools, convergence journey, collateral materials, TMpoint layout and Customer Promise were tested and are currently in the process of being redesigned</li> </ul>
Ensuring High Quality Service Experience via High Value Cabinet (HVC)	<ul style="list-style-type: none"> <li>To ensure improvements at cabinet level are driven by customer value</li> </ul>	<ul style="list-style-type: none"> <li>HVC achieved expected results in three key areas:               <ul style="list-style-type: none"> <li>67% drop in service interruption from baseline</li> <li>Service interruption complaints due to TM infrastructure decreased from 5.66 to 1.86 customers per 100 subscribers</li> <li>Churn ratio decreased from 0.15 to 0.08 customers per 100 subscribers – 43.8% average reduction from Q4 2014 baseline to July/August 2015</li> </ul> </li> </ul>
Standardisation of Communication to Customers through Customer Education & Awareness	<ul style="list-style-type: none"> <li>To 'humanise' the way our frontliners interact with customers</li> <li>To reduce unnecessary interaction with customers due to lack of knowledge of products and services</li> <li>To provide better info (printed info graphics) to customers upon subscription to TM services</li> <li>For customers to gain a better understanding of what to expect once they subscribe to our products – via information on installation appointment and procedure, monthly bills and tips to improve WiFi at home</li> <li>To ensure TM front liners communicate with customers proactively and manage expectations more effectively</li> </ul>	<ul style="list-style-type: none"> <li>Launch of short video clips on TM's website and YouTube</li> <li>Better reachability among touchpoints, i.e. the video can be accessed from TM installer SWIFT tablet device</li> <li>30% reduction in bill delivery complaints: customers are now more aware of TM's bill cycle and bill arrival</li> <li>5% reduction in sales return orders as customers are more aware of non-standard installation charges</li> <li>65% reduction in installer appointment times as customers are more aware of our installer appointment time range</li> </ul>
Transforming the Customer Journey on Digital Platform	<ul style="list-style-type: none"> <li>Improve customer experience by aligning to what customers want and what they expect from us</li> <li>Transition to digital enterprise to improve cost management and sales</li> </ul>	<ul style="list-style-type: none"> <li>The online help page has been rationalised making it easier for customers to get help when navigating our website</li> <li>Information simplified by pushing the most relevant information to the front</li> <li>Launch of IJoin on 4 November 2015 with following results:               <ul style="list-style-type: none"> <li>1% conversion rate</li> <li>62% NPS improvement since April</li> </ul> </li> <li>Introduction of the new look, more user-friendly MyTM Login page</li> </ul>
Net Promoter Score (NPS)/Net Easy Score – Transactional Satisfaction Measure	<ul style="list-style-type: none"> <li>Measures customer satisfaction with service at each touch point</li> <li>Formulates instant improvement action plan</li> <li>Monitors frontliners' real time treatment of customers to inculcate good customer service ethics</li> <li>Provide real-time dashboard for touchpoints, states, zones and at an individual level</li> </ul>	<ul style="list-style-type: none"> <li>From January to December 2015:               <ul style="list-style-type: none"> <li>Market Facing NPS score improved by 26% and Service Facing NES score by 26%</li> <li>Resellers: 21% increase</li> <li>TMpoint outlets: 36% increase</li> <li>Online: 62% increase from April</li> <li>Customer Telemarketing: 5% increase since July</li> </ul> </li> </ul>

In 2016, more communication tools and videos will be produced to provide useful information for customers to enjoy our service. Customers will have easier access to the content by making it available on both traditional and digital platforms.

## ENHANCING OUR CUSTOMER SERVICE

We are committed to providing quality service in an efficient, effective and timely manner to all our customers. Towards this end, we continuously educate our front-liners on new products and services. In 2015, the focus was on the latest HyppTV offerings.

As HyppTV adds news channels almost every month, it is important for front-liners to be kept updated on new products and content strategy. In 2015, we covered all front-liners from our call centres (TMUC and Streamyx), Tmpoint outlets and PTT, as well as resellers, telemarketers and LOBs. Separate sessions were held for each line, depending on the participants' availability.

### 01 CONTENT LINE-UP TRAINING MODULE

We shared our On Air Promo (OAP) and other video materials at the training sessions to help the participants gain in-depth knowledge of the content offering rather than relying on leaflets or printed material.

### 02 MARKETING & NEW PRODUCT CAMPAIGN MODULE

100 training hours were allocated to train front-liners on two new products: HyppTV Everywhere and HyppTV Voucher.

### 03 HYPPTV AWARENESS MODULE

Front-liners were also given refresher training on HyppTV products. We have created HyppTV video tutorials for VOD service, purchasing of channels, interactive channel viewing and HyppTVEverywhere. Customers can also view these videos in the help menu on HyppTV, on the official website, YouTube and social media platforms.

## CUSTOMER DATA PRIVACY AND PROTECTION

G4-DMA, G4-PR8

Due to the nature of our business and industry, we store a lot of customer information. However, this is kept secure as customer privacy and data protection are given top priority. We go beyond meeting regulatory and compliance requirements by embedding clear policies, systems, processes and checks across our operations and supply chain. We are also open and transparent about how we collect, use and disclose our customers' personal data.

Since the Personal Data Protection Act 2010 (PDPA) came into force in 2013, we ensure compliance with the Act, prohibiting disclosure of our customers' information to any unauthorised party. Personal information may be disclosed only for legal purposes or in response to requests from public and governmental authorities.



### Customer Management

In providing the best customer experience possible, we are guided by our Customer Service Charter that requires us to communicate honestly, offer simple and relevant products and deliver on our promises with speed and consistency.

Both our consumer and enterprise customers demand reliable and consistent service and expect us to respond to network failures swiftly. They also want to be informed of failures as well as planned maintenance and upgrades. All customers expect a smooth customer service experience when purchasing new or additional products and services.





**SAFE USE OF OUR PRODUCTS AND SERVICES**

G4-DMA, G4-PR1, G4-PR2, G4-PR5, G4-PR9

There are concerns regarding the potential health risk that may be posed by Electromagnetic Energy (ENE) emissions from mobile devices, base stations and tower infrastructure. We take these concerns seriously and have been keeping up to date on research that has accumulated on the subject since the 1990s.

Although we are heartened by a World Health Organisation (WHO) assurance that there is currently no conclusive evidence regarding adverse health effects caused by mobile phone usage, we continue to adopt a cautious stance and take all the necessary precautions to ensure compliance with local and global standards. We will also continue to monitor research findings on ENE risks, and abide by all the relevant standards and regulations in the markets where we operate.



**UPHOLDING INTEGRITY THROUGH INTEGRITY@HEART**

G4-56, G4-S04

Integrity@Heart is a programme to promote integrity to our staff and business partners. We invite all our business partners to attend the programme to familiarise them with the laws, governance principles, policies, practices and standards of ethics and integrity that guide our actions. We believe support from our business partners is important to our culture of integrity.

The programme begins with an Integrity Buddy Game in which participants are paired up to answer questions related to ethics and integrity based on TM policies and guidelines such as TM Code of Business Ethics, TM Anti-Corruption Guide, Integrity Pact and the law and other regulations. To assist them, the participants can refer to 25 posters prepared by the Enterprise Ethics & Integrity Unit (EEIU) containing information on TM's Integrity Journey, articles from the media involving corruption as well as educational information. Participants are also required to memorise 'Integrity Tool Cards' containing our Ethics Line number, types of corruption, etc. The highlight of these sessions was a talk by ex-magistrate En Mohd Firdaus Ramlan, who was convicted and imprisoned for bribery. Following his release, he has been sharing his experience of how he got embroiled in corruption, his time in prison and the stigma of being an ex-convict.



## PUBLIC POLICY DEVELOPMENT AND LOBBYING

64-S06, 64-16

TM operates in a highly regulated industry, making public policy affairs and regulatory compliance crucial for the Company. We participate actively in public policy discussions that are relevant to our operations and are fully transparent about our positions and activities. We are heavily involved with governments and regulators at the federal level through our regulatory offices and TM Government.

All interactions with officials and government employees are guided by our Business Conduct Policy which outlines appropriate lobbying activities. In 2015, we were actively involved in drafting the Personal Data Protection Code of Practice for the Telecommunications sector.



## ANTI-COMPETITIVE BEHAVIOUR

64-S07

Anti-competitive behaviour refers to business practices that prevent or reduce competition in a market. We advocate fair, free and open markets because we believe these are beneficial to all stakeholders. We compete strictly on the merits of our products and services and make no attempts to restrain or limit trade.

Along with rapid changes in the telecommunications sector, TM faces competition from domestic regulated operators and unregulated over-the-top providers. We believe that regulatory and public policy must keep up with technological change and consumer expectations.

TM advocates facilities-based competition for telecommunications services, which promotes technological innovation and competition. We support the Government of Malaysia's policy to rely on market forces and to increase investment incentives as far as possible.

To date, there have been no incidents or penalties imposed on TM for violations involving anti-competitive behaviour, anti-trust or monopoly practices.



## SOCIAL: SOCIETY

We were founded on the principle of adding value to all our stakeholders, especially the communities in which we operate. Today, we are involved in a number of projects and processes, as part of our evolving sustainability strategy. We will continue to focus on education – our number one priority – creating and implementing innovative new programmes that cultivate the skills needed to create tomorrow’s innovations.



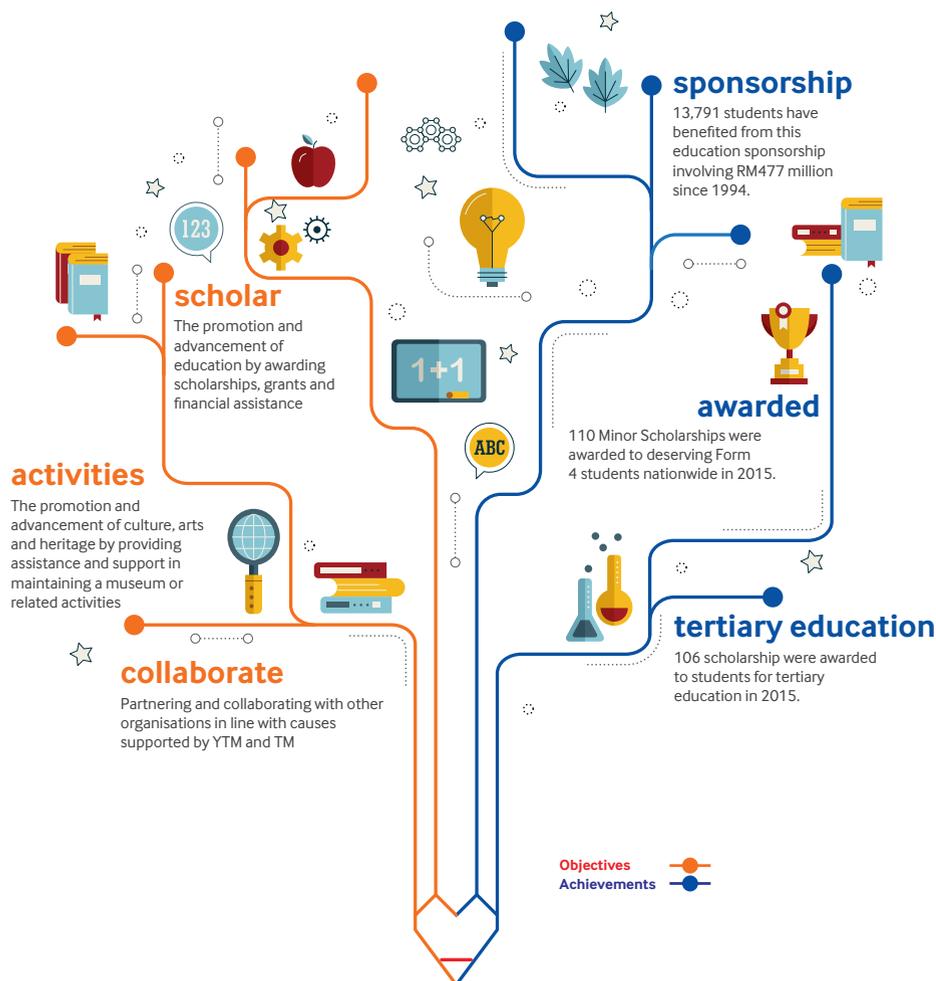
**believe TM helps society and builds the nation.**

## CAPACITY BUILDING THROUGH EDUCATION

G4-DMA, G4-S01

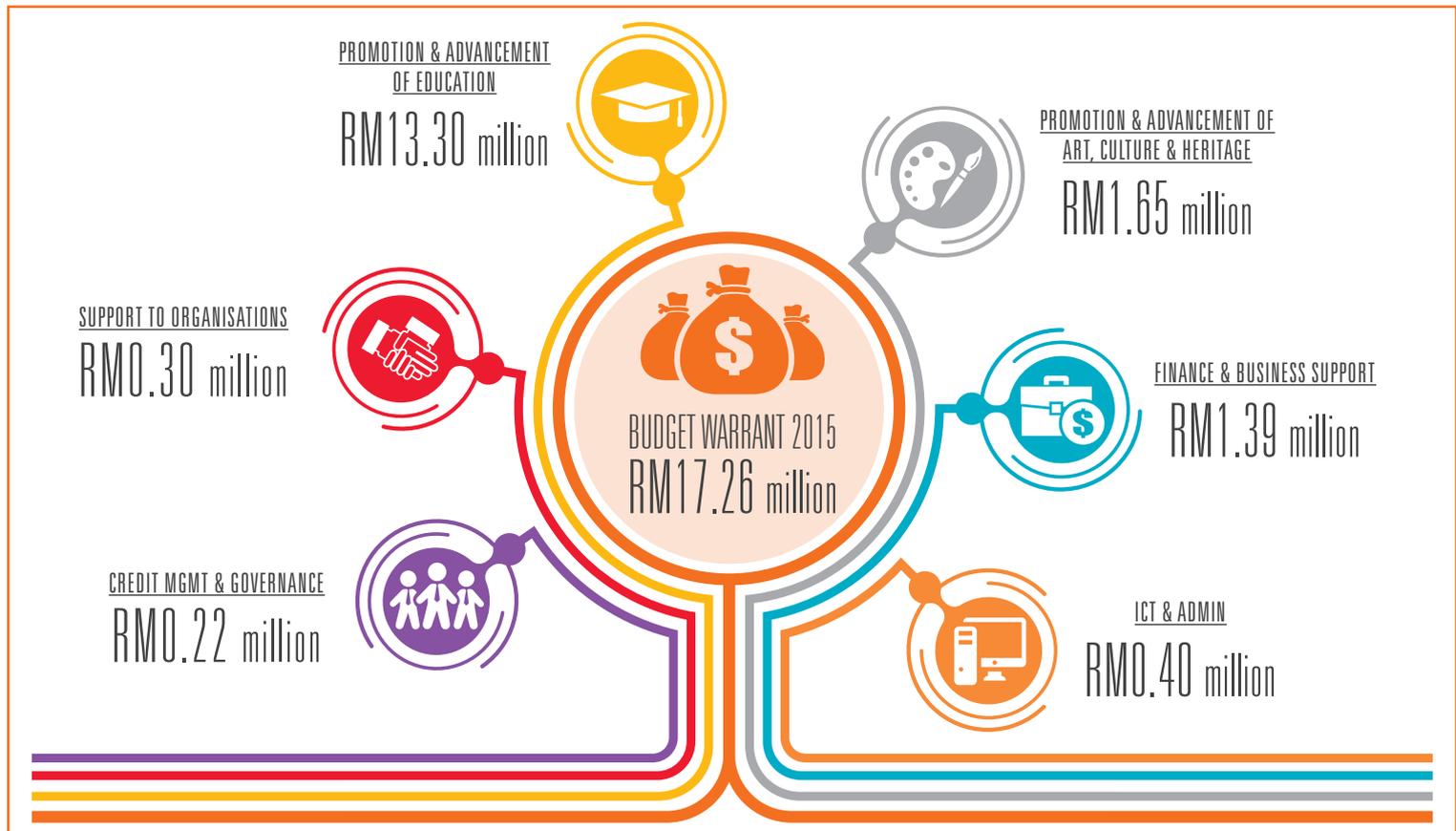
### Yayasan Telekom Malaysia (YTM)

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



## THE BOARD OF TRUSTEES OF YTM

- 01 **TAN SRI DATO’ SERI DR. SULAIMAN BIN MAHBOB**  
Chairman
- 02 **TAN SRI DATO’ SERI ZAMZAMZAIRANI MOHD ISA**  
Ex-officio Deputy Chairman
- 03 **DATO’ MOHD KHALIS ABDUL RAHIM**
- 04 **TAN SRI DATO’ SERI YAHAYA IBRAHIM**
- 05 **TAN SRI DATO’ IR DR WAN ABDUL RAHMAN YAACOB**
- 06 **DATO’ IR DR ABDUL RAHIM DAUD**
- 07 **DATO’ DR MOHD YAHYA NORDIN**
- 08 **DATO’ SHARIF ZAIMI ABU HASHIM**  
Secretary
- 09 **TAN SRI DATO’ ABD GHAFAR BIN MAHMUD**
- 10 **IZLYN RAMLI**



### The Board of Trustees of YTM

THIS YEAR, THE DEVELOPMENT PROGRAMME FOCUSED ON DEVELOPING THE SCHOLARS' SOFT SKILLS SUCH AS INNOVATION AND CREATIVITY WHICH INDIRECTLY CONTRIBUTE TO THE DEVELOPMENT OF LEADERSHIP CAPABILITIES, PRODUCTIVITY AND MORE EFFICIENT UTILISATION OF RESOURCES. YTM VIEWS CHARACTER DEVELOPMENT AS A VITAL COMPONENT OF NURTURING THE SCHOLARS IN PREPARATION FOR NATION BUILDING.

### YTM Scholars' Development Programme

#### Scholars' Seminar

The Scholars' Seminar - One Team One Dream, Soaring To Excellence – addressed core areas of personal development namely academic performance, staying motivated and spiritual, working in teams, loyalty, gratitude and comradeship. Multimedia University (MMU) counsellors and student affairs officers were also present to engage with and guide the scholars.

#### Engagement with YTM Board of Trustees and TM Top Management

Several sessions were organised for YTM scholars to engage with TM's Top Management and Yayasan TM's Board of Trustees. These sessions enable the scholars to get to know TM better and help to forge feelings of belonging in preparation for them eventually joining the Company.

### Self-Awareness Program Jatidiri

With the launch of a silat association at MMU on 13 June 2015, Program Jati diri has been made compulsory for all Malay YTM scholars to instil self-discipline and respect to all.

### Other Programmes conducted in 2015:

- Intensive English Programme
- ACE (Academic Excellence) Intervention Programme
- Induction for new scholars
- 1M4U voluntary programme – to inculcate volunteerism
- Nur YTM – to promote a better understanding of Islam
- Engagement with universities
- Visit to TM's offices including TM R&D, Stesen Kabel Dasar Laut (SKDL), etc
- BumiKu Camp
- CSR activities in Cambodia
- Event management, including TM The Musical and Warisan Kasih.

### CSR and Donation Activities

YTM organised 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.

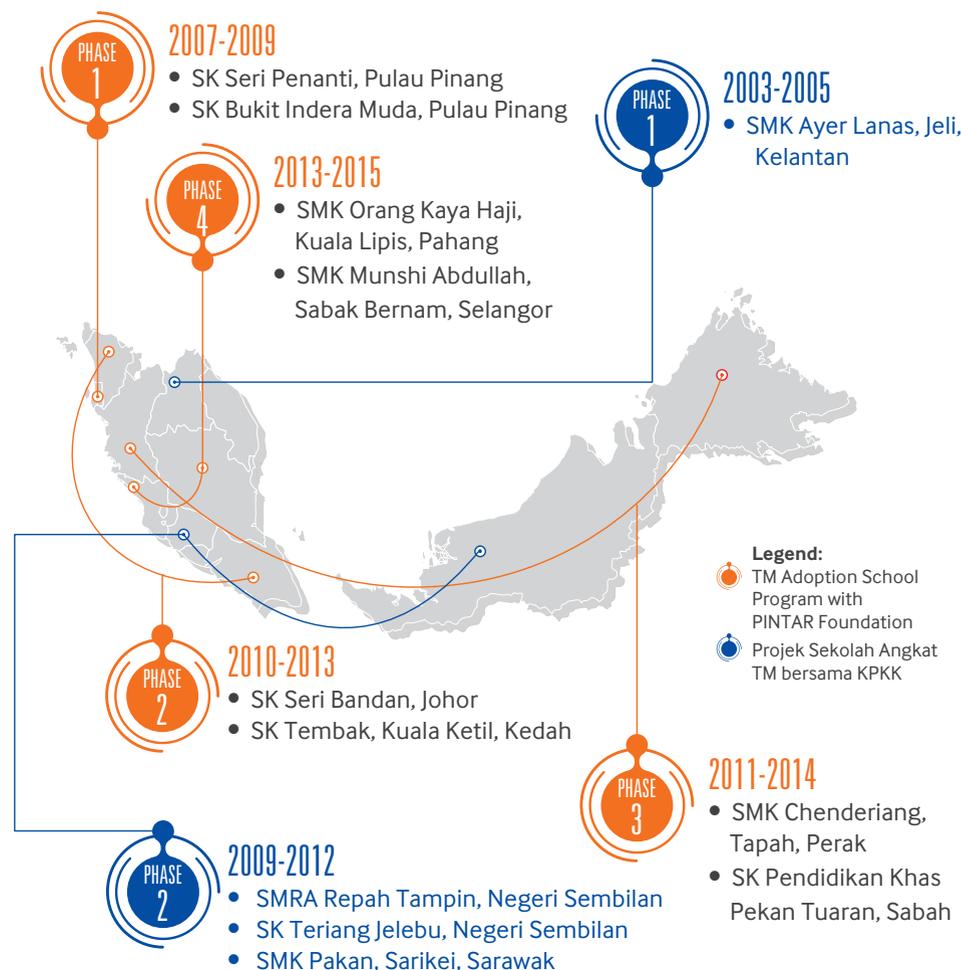


### TM School Adoption Programme

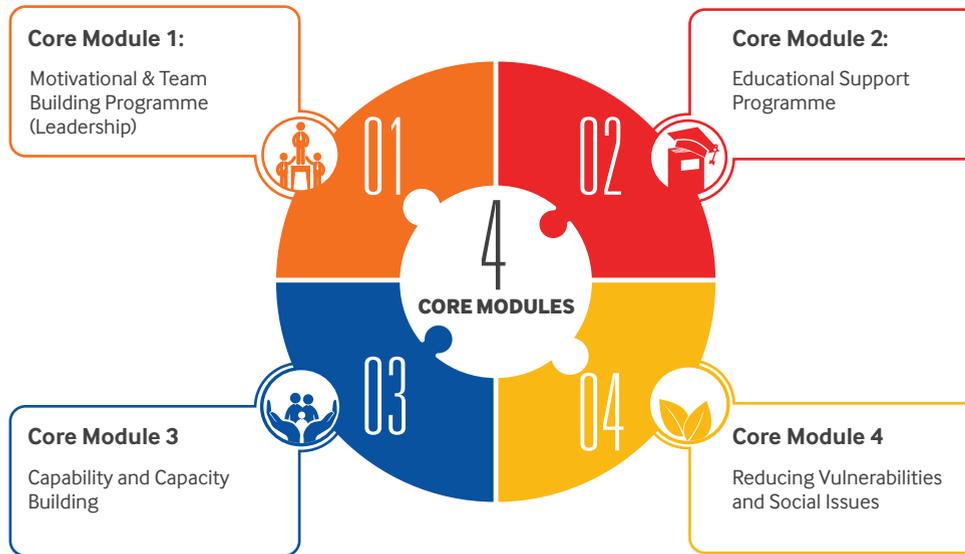
G4-S01, G4-DMA

In 2003, TM participated in the Program Sekolah Angkat with Kementerian Penerangan, Kebudayaan dan Komunikasi (KPKK) where TM adopted schools below.

Starting 2006, TM collaborates with PINTAR Foundation (PF) for the next phases of its school adoption programme, to promote greater socio-economic equity via educational achievement by transforming the underperforming schools. Another eight schools were adopted.



The programme provides a holistic education to develop a well-rounded, responsible and successful individual who is adequately prepared to meet the challenges of the 21<sup>st</sup> century. The approach is based on the four core modules by PF.



To date, TM has allocated more than RM2.4 million to 12 schools under the programme, touching the lives of more than 19,526 students, teachers, parents and local community members. The programme runs for three years, after which most of the 'graduating' schools continue to exhibit better student outcomes. In 2015, three schools were actively undergoing the programme: SK Pendidikan Khas Tuaran, SMK Orang Kaya Haji and SMK Munshi Abdullah. Another two schools will come on board in 2016.

With each new adopted school, we study the particular challenges they face and focus on addressing these while also improving their facilities, particularly their libraries and computer labs. We see potential in these schools, from their active participation in co-curricular activities and promising academic performance. Parental involvement in these schools is quite high which shows they care about their children's performance. We believe the additional support from upgrading the schools' facilities, and exposing the students to better infrastructure and funding, will help them do better.

#### TM Inspires Achievements of Special Students

SK Pendidikan Khas Tuaran, a school for visually impaired children, became a TM PINTAR adopted school in 2012. In 2015, we opened a gym and Bilik Sinar Harapan (mini convenience store) at the school. We also donated three Braille machines and four pieces of gym equipment worth RM15,000. The same year, SKPK Tuaran achieved significant success in the Karnival Ko-kurikulum Sekolah-Sekolah Pendidikan Khas Kebangsaan 2015 and Karnival Permainan Pendidikan Khas 1Malaysia Negeri Sabah.

#### TM Robotics Programme Enhances Learning Experience of Our Students

We collaborated with Sasbadi Sdn Bhd to organise the TM Robotic Programme, which inspires interest in science and technology. It comprises two major events, namely First Lego League (FLL) and the National Robotics Competition (NRC), which also enhance students' self-confidence, creativity, communication and leadership skills. The programme is supported by co-curricular activities which involve experiential learning to encourage students to use higher-order thinking skills. The Robotics programme is aligned with the Government's Education Development Plan 2013-2015 which seeks to transform education system to be comprehensive and systematic based. It is also aligned with TM's objective of promoting an innovative ICT ecosystem.

Programme participants are tasked with creating customisable and programmable robots using Lego Mindstorms. The robots are controlled by intelligent brick computers, a set of modular sensors and motors, and Lego parts. These robots are presented at regional tournaments.

To prepare the students for the competition, we also organised our first Robotics Camp 2015 in collaboration with Sasbadi.

TM Robotics Camp 2015 was held on 4-5 April 2015 and involved four schools. They were:

- SMK Munshi Abdullah, Sabak Bernam, Selangor
- SMK Orang Kaya Haji, Kuala Lipis, Pahang
- SMK Chenderiang, Temoh, Perak
- Sekolah Berasrama Penuh Integrasi Tun Abdul Razak, Pekan, Pahang

### TM Enhances SMK Chenderiang Academic and Non-Academic Performance

SMK Chenderiang was officially adopted under the TM School Adoption Programme in March 2011. TM held numerous activities, classes and programmes – inclusive of the TM Robotics Programme – many of which were ICT-oriented. These programmes increased students’ ICT awareness and helped to bridge the digital divide.

The school’s academic and co-curriculum performance improved significantly during the three-year programme, with a marked increase in its average grade (GPS) for the Sijil Pelajaran Malaysia (SPM).

The school also excelled in co-curriculum activities by winning numerous district-level competitions.



01

**Kejohanan Bola Keranjang Majlis Sukan Sekolah-Sekolah Perak (MSSPK) peringkat Daerah**

02

**Kejohanan Sepak Takraw Majlis Sukan Sekolah-Sekolah Daerah (MSSSD) Batang Padang**

03

**Kejohanan Merentas Desa MSSSD Batang Padang**

04

**Pertandingan Lontar Peluru Piala Kementerian Pelajaran Malaysia (KPM)**

“I am happy to see that SMK Chenderiang has benefited from this TM school adoption programme, reflected in the school’s improved performance, not only in terms of examination results, but also in co-curriculum activities. The school has also embraced ICT by attending the ICT training conducted by TM’s Training Centre (TMTC) and participating in the website design and blog competition in 2014, which further enhanced the teaching and learning process at the school. I laud such initiatives by TM in empowering educational institutions in Perak and I hope the completion of the TM school adoption programme at SMK Chenderiang will not put a stop to the efforts towards this end.”

**TUAN HAJI MAT LAZIM IDRIS,**  
 Head of Quality Assurance Sector,  
 State Education Department

### TM MARA Smart Education

In November 2014, TM Government signed a contract with Majlis Amanah Rakyat (MARA) to provide an integrated learning solution comprising a Learning Management System, Content Management System, e-Teaching, Microsoft 365, security and blended learning pedagogy. This was accompanied by training to help teachers from various Maktab Rendah Sains MARA (MRSMs) implement the package in their respective colleges. The teachers were also taught how to integrate the MARA Smart Education portal into classroom activities. Refresher training was also provided. The initiative is in line with the National Education Blueprint 2013-2025.

### Multimedia University (MMU)

MMU, a subsidiary of TM, is one of Malaysia's top private universities. A tracer study compiled in 2014 by the MMU Alumni Office in conjunction with the Ministry of Education discovered that over 97.6% of its graduates secured employment within six months of graduation.

Its outstanding record attracts a diverse student population. In 2015, the university had 1,519 international students from 68 countries who constituted 8.7% of the total student population of 17,402. Under its student exchange programme, 28 of its undergraduates spent time overseas while 51 students from universities across the globe experienced MMU's advanced learning and teaching.

### MMU Transformation Programme

Most leading institutes of higher education around the world are part of the widespread digital transformation, evolving their curriculums in line with 21<sup>st</sup> century demand and adopting a more student-centred learning approach. These are reflected in Malaysia's Higher Education Blueprint, released in April 2015.

In Malaysia, MMU is the first university to fully embrace this digital revolution by rolling out an i-University initiative. This forms part of its Transformation Programme, which it embarked on in 2012. The first phase of this, themed Fixing the Fundamentals, concluded in 2015.

MMU has since embarked on a new phase of its ongoing transformation (MMU3.0), focusing on three rationalised streams: (1) academic university, (2) customised programmes and (3) business school.

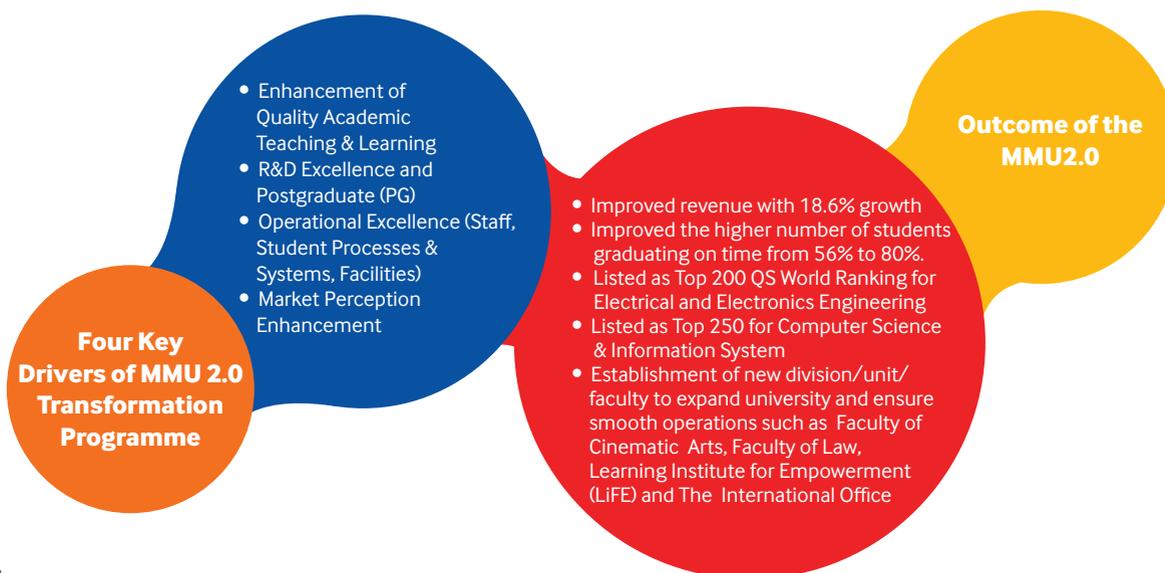
Since MMU's inception in 1997,

44,927

students have graduated,

3,968

of them in 2015



### New in MMU

MMU and nine other institutes of higher learning were recently invited by the Minister of Education to participate in an exercise to become self-accrediting. This is the first time that non-branch campus, private universities have been invited. A self-accrediting institution need not have its programmes accredited by Malaysian Qualifications Agency (MQA), but still needs accreditation by professional bodies for relevant courses. All MOE-approved programmes for the self-accrediting institutions will be automatically registered in the Malaysian Qualifications Register (MQR), and recognised by JPA.

MQA audited all MMU campuses in 2015: the Cyberjaya and Melaka campuses from 3-6 August; and the Nusajaya campus on 11 September. The report and results are expected soon.

**ISO 9001:2008 (Expansion of scope)**

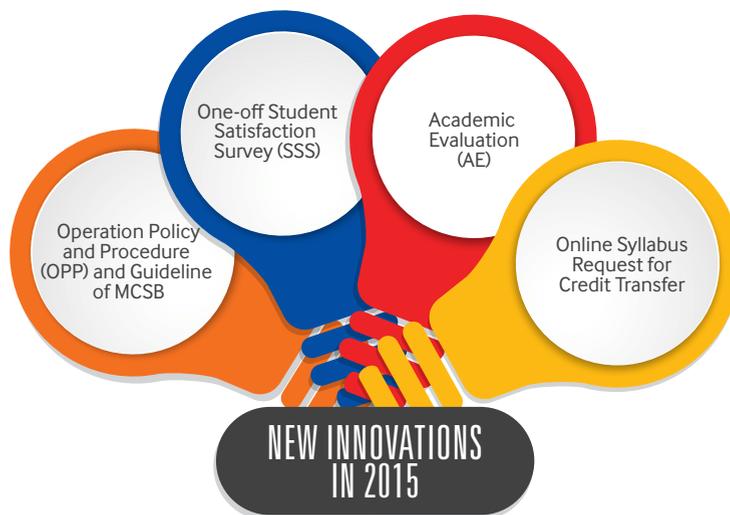
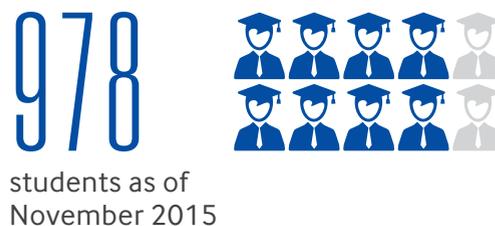
In preparation for self-accreditation, MMU is expanding the scope of its ISO 9001:2008 certification, which currently covers its Library Services, Examination Services and Students’ Records, Finance Services and Human Capital Management Services, to include its faculties and support departments. For teaching and learning, this will involve academic programmes at the undergraduate, diploma and foundation levels. The current scope for support services will be maintained but expanded to include other departments.

**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, continuously evolving its academic offerings to reflect industry needs.

**Eight Programmes Offered by MMC**

<p>01  <b>DIPLOMA IN TECHNOLOGY (TELECOMMUNICATIONS ENGINEERING)</b></p>	<p>05  <b>DIPLOMA IN MANAGEMENT WITH MULTIMEDIA</b></p>
<p>02  <b>DIPLOMA IN CREATIVE NEW MEDIA</b></p>	<p>06  <b>CERTIFICATION IN MULTIMEDIA DESIGNER ARTIST – VISUAL &amp; ANIMATION</b></p>
<p>03  <b>DIPLOMA IN SOFTWARE ENGINEERING</b></p>	<p>07  <b>DIPLOMA IN ACCOUNTING</b></p>
<p>04  <b>DIPLOMA IN INFORMATION TECHNOLOGY</b></p>	<p>08  <b>CERTIFICATION IN MULTIMEDIA ARTIST – VISUAL</b></p>



There was no MMC intake in 2015. Under TM’s direction, MMU will be the sole provider for Diploma Programmes under the umbrella of TM Education Group. All new students will be directed to MMU.

## UNITING MALAYSIA THROUGH SPORTS AND VOLUNTEERISM

### Team Malaysia

Team Malaysia is a platform that raises widespread national support for Malaysian athletes competing in national and international games. The initiative has been a great opportunity to use sports as a tool for community development, gender inclusion and social equity. Sports cuts through cultural differences and acts as a unifying force allowing all people to play and cheer together. Teamwork, good sportsmanship and the pride of watching our team play well, whether they win or lose, is universal. Team Malaysia has proven its potential to unite people.



### How Team Malaysia Has Evolved

2011	2012	2013	2014	2015
<ul style="list-style-type: none"> <li>Launched Team Malaysia</li> <li>Introduced the Team Malaysia Jersey</li> <li>Launched Gemuruh Suara song</li> <li>Presence in SEA Games, Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Participated in the Anugerah Sukan Negara</li> <li>Team Malaysia Fan Run, Dataran Merdeka in support for the Malaysian Contingent to the London Olympics</li> </ul>	<ul style="list-style-type: none"> <li>Participated in the Anugerah Sukan Negara</li> <li>Team Malaysia Fan Run, Dataran Putrajaya in support for the Malaysian Contingent to the SEA Games, Myanmar</li> </ul>	<ul style="list-style-type: none"> <li>Launched New Team Malaysia Jersey</li> <li>Team Malaysia Award at the Anugerah Sukan Negara</li> <li>Presence at Commonwealth Games, Glasgow</li> <li>Team Malaysia Fan Run, Dataran Merdeka, in support for the Malaysian Contingent to the Asian Games, Incheon</li> <li>Presence at the Asian Games, Incheon</li> <li>Presence at AFF Suzuki Cup, Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Team Malaysia Award at the Anugerah Sukan Negara</li> <li>Team Malaysia Fan Run, Dataran Putrajaya in support for the Malaysian Contingent to the SEA Games, Singapore</li> <li>Presence at the SEA Games Singapore</li> <li>National Sports Day on 10 October 2015</li> </ul>

Launched in April 2011, Team Malaysia is TM's most significant and unique sporting campaign. It champions national pride through sports, gathering support from 29 million Malaysians behind the national team to encourage it to perform better. TM hopes this effort will:

- Unite the passion of Malaysians to support the national squad
- Ignite the pursuit of excellence
- Firmly mark Malaysia on the world sports map

The campaign demonstrates TM's commitment to excellence in sporting events.

TM is pleased that some lesser-known sporting events are being given more prominence, as we are keen on unravelling the potential of Malaysian talents across the entire sporting spectrum. We have consistently played a leading role in identifying opportunities and providing platforms for the positive transformation of youth through sports.

Among the sporting events TM has supported are Le Tour de Langkawi, the Monsoon Cup, KL Towerthon and Sukan Malaysia (SUKMA). We have also made appearances at regional and international events such as the SEA Games and Commonwealth Games.

### Mencari Ramli

Mencari Ramli, TM's in-house football talent search TV show, entered its fourth season in 2015. The programme seeks six winners: two under-14 year olds, two under-16 year olds and two who are voted for by viewers.

Winners receive an intensive football coaching session at Manchester United Soccer School (MUSS), get to watch Manchester United at Old Trafford and to experience a typical match day as well as dine at the same restaurant as the football team, stay at their hotel and have a session on the field with the first team players. This is made possible through our designation as Manchester United's Official Integrated Telecommunications partner in Malaysia. The talent search sessions were held in 24 schools across the country.

Mencari Ramli 4 once again saw TM working closely with FAM, the Ministry of Education (MOE), NSC and MUFC as partners. They will bring in their technical expertise and insight to the programme to ensure that the participants are of the highest standard.

### TM Reaching Out Volunteers

TM Reaching Out Volunteers (TM ROvers) was launched in September 2013 to inculcate the volunteerism spirit among TM's employees. These TM ROvers volunteer to take part in various outreach programmes as well as other events organised by TM's clubs and societies, depending on their interests. These clubs and societies are streamlined under the TM Corporate Responsibility Council (TM CR Council), in which they are represented in meetings to create avenues for them in sharing their learning and experiences while implementing sustainable Corporate Responsibility initiatives.

### TM Flood Relief Efforts

We strive to act as good neighbours within our local community. Our flood relief mission reached out to 15,000 flood victims and community members. Our internal and external actions where we came to the aid of the East Coast flood victims, particularly in the worst-hit state of Kelantan, are presented below:



#### MOVEMENT



#### Internal

- TM ROvers from several states braved the floods to distribute basic necessities to the victims in Kelantan, Terengganu and Pahang.
- They represented TM Club and societies such as PAKAR, Kelab TM Malaysia, TIARANITA, TM Bikers and BAKIT mobilised their members to help clean up the houses of fellow colleagues and distributed basic necessities

#### External

- TM ROvers were deployed in the GLC Disaster Response Network (GDRN) relief missions

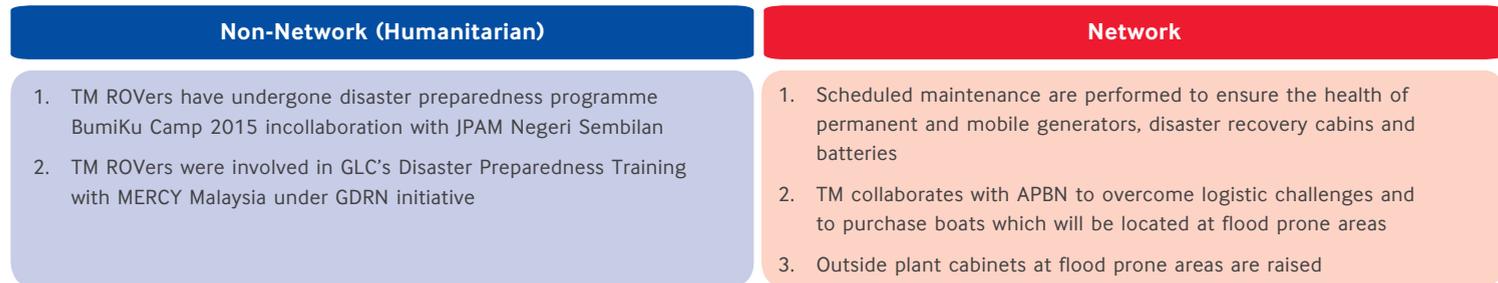
### GDRN DISASTER RISK MANAGEMENT TRAINING WITH MERCY MALAYSIA

In October 2015, under the GLC Disaster Response Network (GDRN) initiatives, TM led a group of 20 participants from eight Malaysia's Government-Link Companies's or GLCs to a Disaster Risk Management Training which was held at Tanah Aina Fahad, Mukim Ulu Dong, Raub, Pahang. The objectives of the training is to equip them with the basic skills and knowledge in disaster preparedness with an emphasis on the planning and mobilising of volunteers, including resources, during disaster relief missions. The focus areas throughout the training are based on four main categories:-

- Water Supply, Sanitation and Hygiene Promotion
- Food Security and Nutrition
- Shelter, Settlement and Non-Food Item
- Health

Moving forward, we have formalised a strategy which covers our preparedness plan to face the monsoon season. This strategy covers both network and non-network categories as explained in the diagram below.

## DISASTER PREPAREDNESS STRATEGY



### ENSURING SAFETY FOR THE COMMUNITY

#### Public Awareness on Road Safety and Keeping Home Secure

In July, in conjunction with Hari Raya celebrations, TM once again collaborated with Polis DiRaja Malaysia (PDRM) to launch our annual safety campaign 'Op Selamat'. Op Selamat 7/2015 continued to deliver messages focused on the safety of Malaysian drivers on the road as well as at home. The campaign ran for two weeks from 10-24 July 2015. 2015 marked the 18<sup>th</sup> consecutive years of our involvement in this campaign.

For the Op Selamat 7/2015 campaign, TM contributed 50 canopies for the convenience of police officers on-duty along roads identified as accident-prone areas. TM also contributed 30 banners and 30 buntings to create greater public awareness of safety.

#### MERS 999

TM has always been supportive of the Government's efforts to improve the nation's well-being. This is reflected in our collaboration with the Ministry of Communications and Multimedia, PDRM and other emergency agencies to establish the Malaysia Emergency Response Service 999 (MERS 999), the national emergency response service. Further elevating the country's emergency services, in 2013 we launched SaveME 999 Deaf, designed for people with disabilities (PwD), and particularly individuals with hearing and speech impairment.

#### Curbing Cable Theft

TM has doubled our efforts to curb cable theft by installing an i-Watch alarm system at more than 70 cable routes in Negeri Sembilan. The system is connected to the local control centre and warns dedicated TM staff via SMS of any attempt to steal or cut our cables. We have also replaced copper cables with fibre optic cables or migrated the services in theft prone areas to wireless. Other initiatives include burying overhead cables or increasing their height and reinforcing the manhole covers for underground cables. We also collaborate with the local communities to patrol areas identified as cable theft hot spots.

We organised a special ceremony on 13 June 2015 to recognise four police officers, six TM employees and two private security personnel whose prompt actions led to the arrest of cable theft criminals in Taman Sri Angsana, Mantin.

### TM EMPOWERS WOMEN ENTREPRENEURS

#### Program Sejahtera

64-S02

Program Sejahtera helps single mothers improve their income to be able to provide for their families. The women receive basic entrepreneurship training at workshops and are also provided networking and business opportunities. TM also provides them with small grants to help them establish their own businesses, or to enhance existing businesses.

Program Sejahtera was launched in 2009 with three recipients in Pahang, who graduated from the programme in 2012. Phase 2 of the programme was launched in 2012 in Kelantan with three single mothers and another two single mothers in 2013. Each family was allocated RM20,000 in cash and kind, while TM also sponsored business tools and training for them to improve their business.

All women received one-on-one business coaching to improve their management, financial and marketing skills. The coaching focused on business operations, experience, business potential and enhancement. In addition, each family was given a desktop and printer, and some of the mothers received a two-year Streamyx subscription. TM also provided educational assistance by enrolling their children into Multimedia University (MMU) or Multimedia College (MMC), according to their qualifications.

TM completed Program Sejahtera Phase 2 in July 2015. The average monthly income of these women has increased from about RM500 to more than RM2,000. Their children are also making commendable progress in their education. Seven children are currently in public and private universities: one is studying for a degree in Accounting Management at MMU; three are pursuing Diploma in Telecommunications Engineering at MMC; and three have enrolled in Universiti Teknologi Malaysia (UTM) and Universiti Perguruan Sultan Idris (UPSI).

### Program Usahawan Wanita (PUW)

TM continues its efforts to empower women entrepreneurs via its products and services. The PUW's pilot programme started in July 2015 and continued until the end of the year. The pilot programme involved 15 women entrepreneurs from Terengganu, Selangor and Johor, each with a diverse business background such as clothing, beauty products and health supplements. During the pilot programme, they were given exposure to basic business skills such as book keeping and marketing and progressed to learning online business tools and techniques. These include Facebook marketing and other social media platforms.

### OTHER COMMUNITY PROGRAMMES

#### Driving Charity through Digital and Social Media

TM launched an innovative digital-driven community project to raise funds for charity. The campaign revolved around an interactive short-film produced by TM in conjunction with Hari Raya Aidilfitri that reinforces the meaning of generosity and the spirit of selfless charity.

The film, called #PakcikMisteri (available on [www.tm.com.my/pakcikmisteri](http://www.tm.com.my/pakcikmisteri)), encouraged viewers to pledge their contribution via mouse clicks. For every 100 clicks generated from viewing the short film, TM will pledge RM1 to selected charities.

The campaign generated 3 million clicks in just three weeks which is equivalent to RM30,000. The money was donated to Rumah Kebajikan Anak Yatim dan Miskin Al Munirah, Pendang, Kedah; Pertubuhan Wanita & Kesihatan (WAKE); and TM ROvers for Sabah Earthquake Relief Fund.

The innovative, one-of-a-kind campaign won Gold for Best Use of Content and Silver for Best Use of Video at the 2016 Festival of Media Asia Pacific Awards 2016.

#### Driving Charity through Entertainment

TM managed to collect RM151,000 from the charity drive during TM The Musical: A Story of Convergence theatre which staged on 14-16 August 2015 at Istana Budaya, Kuala Lumpur. TM has identified a few Non-Government Organisation (NGOs), humanitarian funds and welfare as the beneficiaries.

#### VADS Programmes

VADS introduced an 'English is Fun!' programme to promote English among 50 children from Pusat Jagaan Lambaian Kasih orphanage. The children made their way through a fun English Language Camp which was held on 21 November 2015 at Bangkok House Hall Room, TTDI, facilitated by 20 VADSters. VADS regularly runs events with this TTDI-based home.

On 14 November 2015, 28 team members from TMpoint Batu Lintang, UTC and Pending together with TMpoint Sarawak State Customer Experience Manager carried out a community programme at the Dyslexia Association of Sarawak (Dyslexia Centre). Spouses and children of our employees were invited to take part in this meaningful event during which the team painted the walls of the Dyslexia Centre, created a mini garden and cleaned the compound. They also presented the centre with some stationery and a white board.

On a separate occasion, 30 employees from TMpoint Sibu, TMpoint Sarikei, TMpoint Sri Aman and TMpoint Kapit together with the General Manager of TM Sarawak conducted an OutReach Programme at Pantai Belawai, Mukah. Volunteers helped to clean up the beach and surrounding area of Kampung Pantai Belawai.

We engaged VADS to measure, analyse and interpret interactions and associations between people, topics and ideas on the various social platforms in order to support the Ministry of Communications and Multimedia (KKMM)'s efforts to be able to better plan its services to meet the real needs of the community.

#### Back to School Programmes

The 'Back to School' programme provided charity services to selected orphanages. More than 30 children orphans and children from underprivileged homes mostly between the ages of two and 18 years were involved in this programme. The children received financial assistance to ease their burden in preparing for the new school term in 2016.

G&W supports this good cause and the team raised a total of over RM13,000 in December 2015. The fund was used to purchase school uniforms for 32 orphans, upgrade facilities at the orphanage – Persatuan Kebajikan Islam Peribadi Mulia. The money was also used to purchase other schools and daily essentials for the home.

#### Generosity and Duty to Those in Need

Other than the events outlined above, TM gives generously to NGOs and other organisations to support worthy causes in the country. In 2015, more than RM200,000 was spent on donations and contributions to beneficiaries such as Shelter Home for Children, Federation of Malaysian Consumers Association (FOMCA), Bursa Malaysia Foundation and Persatuan Kesejahteraan Rakyat 1Malaysia (KER1M).

#### Overseas Contributions

We do not limit our contributions to Malaysians, but lend a hand to those who have suffered calamity elsewhere in the world. Following the Nepal earthquake in April 2015 which killed more than 9,000 people and injured over 23,000, VADS organised a donation drive through 'Hugs 4 Nepal' badge sales which raised RM662. VADS also organised a fund-raising activity for Rohingya refugees living in Myanmar and Malaysia, to provide them with better homes and education. A total of RM2,300 was handed over to Majlis Ulama Rohingya.

## SOCIAL: LABOUR PRACTICE AND DECENT WORK

G4-DMA, G4-EC3, G4-EC5

### BENEFITS AND REMUNERATION

Our competitive compensation and benefits package is one way we acknowledge the value our people bring to TM. All permanent employees are offered a competitive base salary, short and long-term incentive plans, and an employee retirement scheme. Our compensation and benefits programmes have been streamlined across the Group as far as possible, with alignment to the local market. We strive to foster workforce wellness, health and well-being through competitive health and wellness benefits.

Our compensation framework is designed to attract, motivate and retain the qualified talent the Group needs to succeed, while creating a tangible link between performance and pay. The aim is to provide compensation that is competitive in local labour markets, while ensuring that employees focus on delivering outstanding results considering our business strategy, targets, risk awareness and corporate values.

#### Benefits and TM



#### Flexi Benefit Plan

TM Flexi Plan was once again introduced in the Group from 15 September 2015. Employees can gain extra Flexi Points by selling their annual leave quota and by introducing new members. The new TM Flexi Plan offers better outpatient and specialist coverage. For employees whose spouse in TM is a non-executive, his or her children can now be treated at private hospitals and receive inpatient treatment.

#### TM Flexi Plan Offers Better Coverage of Outpatient and Specialist Treatment

Status	Current (RM)	New (RM)
Single	1,000	2,000
Married with 2 or 3 dependents	2,000	4,000
Married with 3 or more dependents	3,000	6,000

#### Skim MESRA

TM Group increased the retirement age of employees to 60 effective from 1 July 2013, in line with the Minimum Retirement Age Act 2012. On 13 October 2014, an optional retirement scheme, Skim MESRA, was announced for employees aged 55 and above in response to requests from employees. The scheme was reviewed in 2015 and is now open only to employees who reach 55 years in 2015. An additional travel voucher worth RM3,000 has been included in the Skim MESRA 2015 package.

#### Helping Our Employees Cope with Retirement

The Pre-retirement Programme is offered to all employees aged 55 and above to help them manage their retirement more effectively. The programme covers upskilling opportunities, financial management, health management, conducting a business and social engagement.

#### TM's Employee Assistance Programme (EAP)

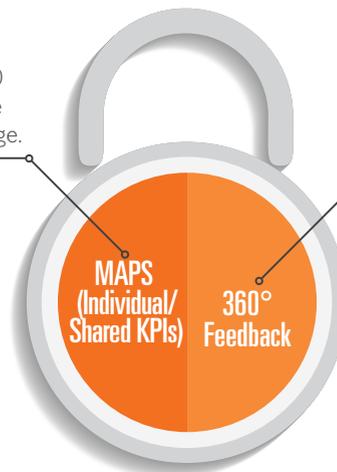
TM's Employee Assistance Programme (EAP) plays an important role in promoting and adding value to the well-being, development and performance of its employees. Through the EAP, we offer help to our employees to deal with personal problems that might adversely impact their work performance, health and well-being.

We are working together with Turning Point Integrated Wellness Sdn. Bhd., a one-stop psychological wellness centre as the panel counsellor for TM employees in Klang Valley. 174 cases have been brought up by TM employees where all of these have been resolved by the appointed counsellor.



**Two Key Elements of Performance Appraisals**

Employees are evaluated on their individual Key Performance Indicators (KPIs) that have been set during the performance contracting stage.



Behavioural competencies of executives are measured through a set of questions derived from the Leadership Competency Framework for each job level. It is conducted annually in the last quarter.

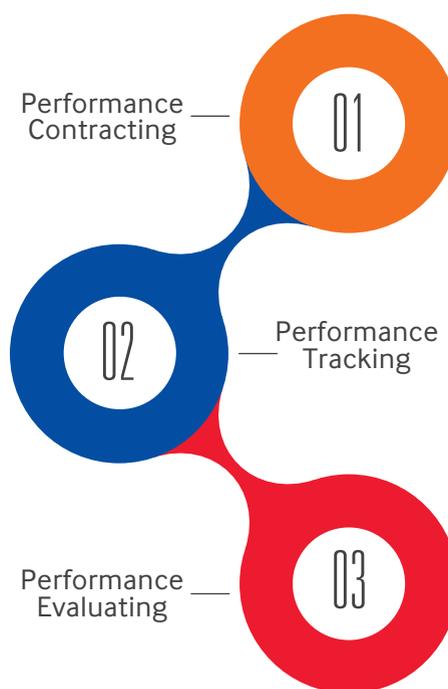
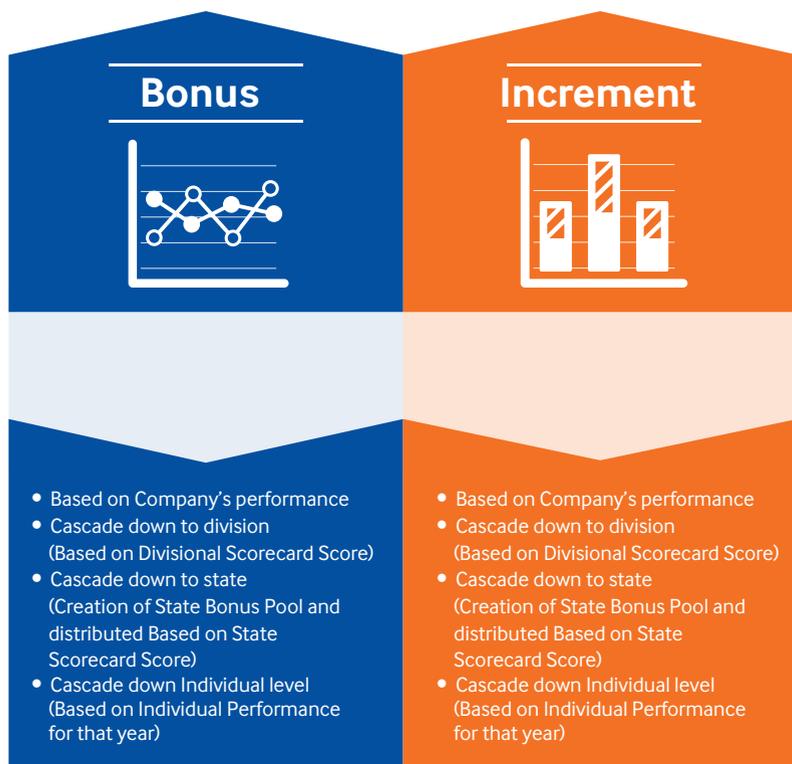
**Performance Management**

64-LA11

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.

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.

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



## CONVERGENCE OF EMPLOYEES' PASSION

We make sure that our people passion. TM looks at employee engagement more than just building relationships with employees but enabling them. When people feel motivated, they perform better. We align our people and processes across the nation to achieve our sustainability goals and growth plans. Over the past few years, we have significantly bolstered our efforts to engage with employees, as indicated in the table below.

Type of Engagement	Frequency
Dialogue and engagement sessions	Regular
Intranet, departmental meetings, newsletters	Regular
Employee engagement programmes including festivities, career fairs, recognition programmes, welfare engagement	Regular
TM clubs and societies	Regular
Leaders' Dialogue	Quarterly
Talent Engagement	One a year / Region
KRISTAL Award	Quarterly
Sesi Teh Tarik (Teh Tarik Sessions) with the GCEO, GCFO and GLT members	30-40 sessions per year

Engagement Session	Number of sessions in 2015	Value created
Snippets	Six e-Bill Snippets and 11 I LOVE TM Snippets published in 2015, reached out to more than 28,000 employees	<ul style="list-style-type: none"> <li>Inculcate one-company mindset by promoting spirit of 1TM and TM values.</li> <li>Create well-versed employees with adequate information.</li> <li>Strengthen the workforce with holistic approach on TM's strategic direction.</li> </ul>
Perspektif 2015	Perspektif is a video presentation of current news and topics. Five issues were published in 2015	
Email blasts	602 emails were sent from Group Brand and Communication (GBC), 117 emails were sent from clubs and societies, to inform employees of updates, changes, promotions and happenings in TM	
GCEO Messages	10 messages sent	<ul style="list-style-type: none"> <li>Updating employees on the Company's status and direction. Topics covered in 2015 messages include managed accounts positioning, TM's flood aid and recovery mission, Aidilfitri message, Chinese New Year message and announcement on company annual bonus.</li> </ul>
Jom Bersama GCEO 2015	Four sessions were held – with 2,650 attendees, 3,765 live streaming users and 527 average views on 1Intra	<ul style="list-style-type: none"> <li>To cascade the Company's performance and strategic direction to all employees in the spirit of 1TM. The session is held at HQ and can be followed via video conferencing (21 studios nationwide) and live streaming (intranet and internet).</li> </ul>
Jom Bersama at States (previously known as Program Turun Padang)	Five sessions with GCEO and five sessions with GCFO	<ul style="list-style-type: none"> <li>Top Management meet and interact directly with staff at the state operations. A typical itinerary includes meeting with state management team; Sesi Teh Tarik with 20 staff talk on cable theft/OSHE/Personal Data Protection Act (PDPA); and Townhall session with at least 200 employees. In 2015, the Group CEO and CFO met 2,600 employees.</li> </ul>
2015 National AOP Communication Sessions	16 locations nationwide, attended by 3,250 employees	<ul style="list-style-type: none"> <li>Mass Market, Managed Accounts and CEMT clusters presented their business direction and Go-to-Market strategies give clear expectations for the employees to achieve their target.</li> </ul>

### TM The Musical – A Story of Convergence

Reflecting our innovative approach towards engaging with employees, TM staged a musical during TM Group Awards Night 2015, which follows the Company's journey from the days of our demerger. It captured the challenges faced post-demerger, followed by the successful roll-out of High Speed Broadband (HSBB), and rise of the 1TM spirit to conquer the impossible and our working together to realise TM's aspiration of becoming the nation's true Convergence Champion. To find out more on this musical, please refer to our TM's 2015 Annual Report.



### OCCUPATIONAL SAFETY AND HEALTH

G4-DMA, G4-LA6, G4-LA7, G4-LA8

We are concerned about occupational safety and health (OSHE) and do everything in our power to protect the safety, health and welfare of people engaged in work or employment at TM.

On 6 May 2015, TM signed a Memorandum of Agreement (MoA) with the National Institute of Occupational Safety & Health (NIOSH) to collaborate on research focused on the safety and health of TM employees in the workplace.

The research will examine two non-ionising radiation (NIR) topics:

1. Medical surveillance for TM staff who are potentially exposed to NIR
2. OSHE knowledge, attitude and practice (KAP) of TM staff who are potentially exposed to NIR

This collaboration underlines our adherence to the Occupational Safety & Health Act (OSHA) 1994, which clearly states that employers are responsible for establishing and maintaining a safe work environment. Under the research projects, an occupational health doctor (OHD) will perform a medical surveillance procedure. NIOSH consultants will also conduct a KAP survey on 200 identified employees at 20 TM hill stations and earth satellite stations nationwide. The projects commenced in June 2015 and are expected to be completed in 18 months.

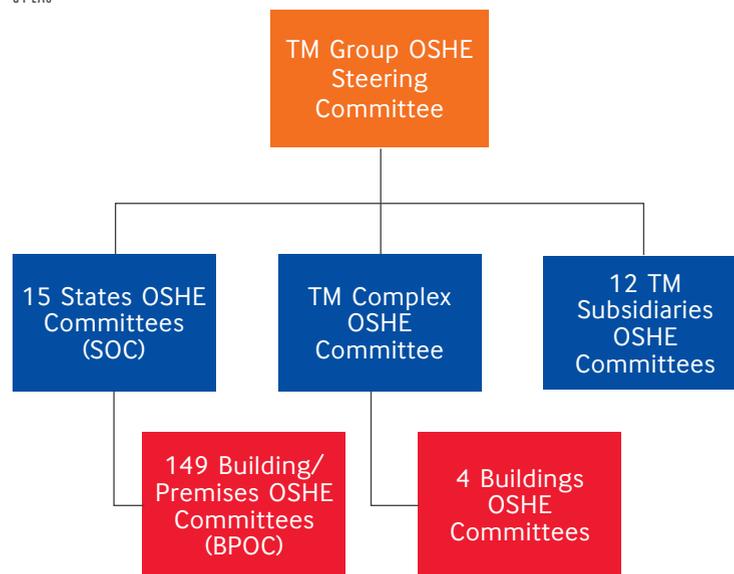
The medical surveillance research project ensures initial and continuous compatibility between the health of TM employees at hill stations and satellite stations, and their working conditions. It will provide a baseline of useful information in case of accidental exposure or occupational disease, where workers will be referred for further examination if found to have any malignancy or other significant health problem.

### New Logo for TM Safety, Health and Environment

TM has unveiled a new logo for our safety, health and environment initiative to symbolise a shift in the Company's safety and health perspective. The new logo is to inspire TM staff to inculcate and assimilate safety values and best practices, effectively becoming safety ambassadors.

### TM Safety and Health Committee Structure

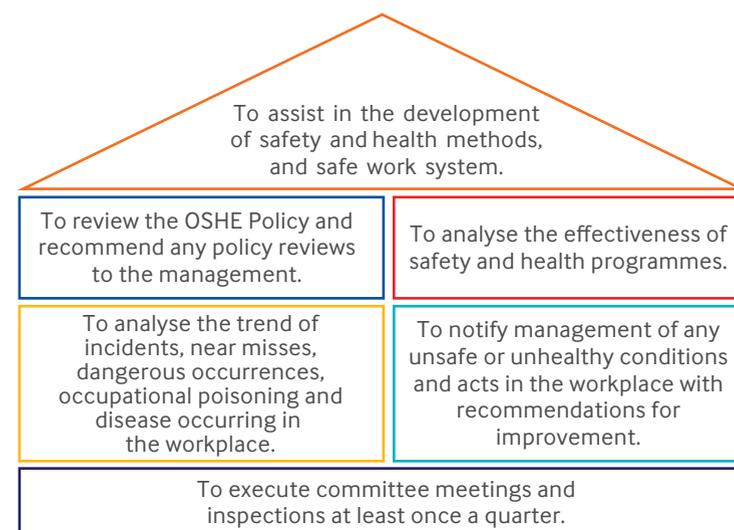
G4-LA5



### Safety and Health Committee Structure

TM's Health and Safety Committee and representatives play a vital role in preventing work-related injuries. Based on cooperation between employers and employees, the Committee improves the overall understanding of occupational health and safety issues in the workplace.

### Safety and Health Committee Roles and Responsibilities



The committee is represented by

8.6%

of employees. This is equivalent to

2,329

employees.

### Protecting Employees in High Risk Work

About 5,000 TM employees and 45,000 contractors' workers are involved in high risk activity, including working at height, in confined spaces, at electrical sources and on roads. To ensure their safety, our OSHE team and the division management conduct regular inspections to ensure that all workers follow safe work instructions and comply with OSHE requirements.

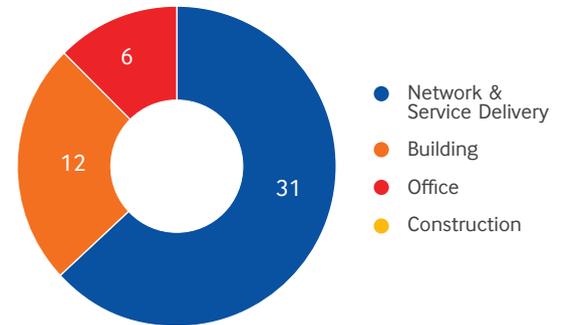
### Safety Tips for High Risk Work

All contractor workers must attend NIOSH TM Safety Passport (NTMSP) training and pass the examination before being approved to enter work sites. All TM employees familiarise themselves with safe work instructions and OSH requirements. All supervisors are encouraged to use their supervisor log books and Permit-To-Work to ensure all OSHE requirements for the related works are adhered to.

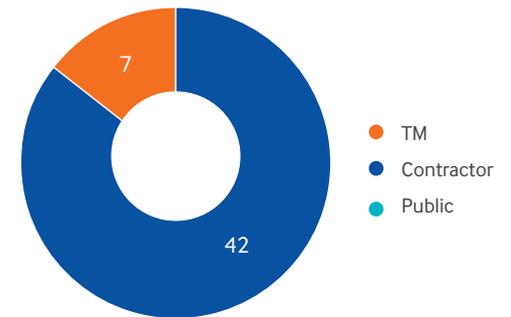
Safety Indicator	2015
Incident Rate (IR)	1.93
Loss Time Injury Frequency Rate (LTIFR)	0.36
Frequency Rate (FR)	0.67
Severity Rate (SR)	3.95
Fatality Rate (FTR)	0.02

Year	OSH Accident (with LTI)	Lost Time Injury (LTI)	OSH Incident	Environmental Impact	Commuting Incident	Total Incident
2015	49	544	92	0	68	160

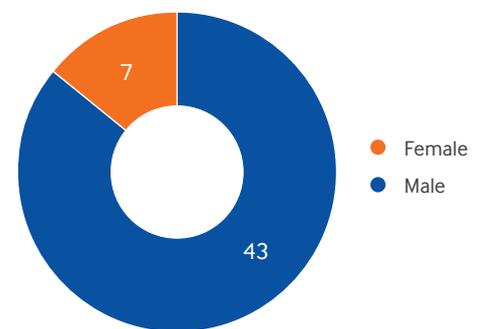
### Accident by Area



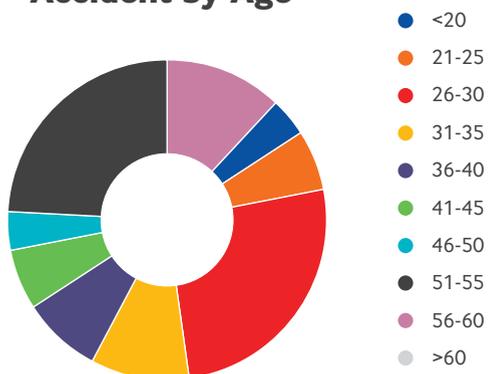
### Accident by Group



### Accident by Gender



## Accident by Age



All incidents are recorded online in a report on the MERCIS Portal. Every incident is investigated by the Safety Health Officer (SHO) and the investigation team. Following this investigation, the Safety Health Officer will produce a report. The incident database is analysed by the OSHE Performance Analysis Team, which compiles TM’s accident statistics.

### TRAINING & EDUCATION

G4-DMA, G4-LA9, G4-LA10

TM gives priority to development and training and offers a range of programmes – including professional certifications – to upskill our employees. We have established an effective training network through which we provide lifelong education to our employees. Frontline teams undergo product knowledge training; for management and technical personnel, we focus on the enhancement of management and innovative capabilities; and for operating personnel, we optimise their operational skills.

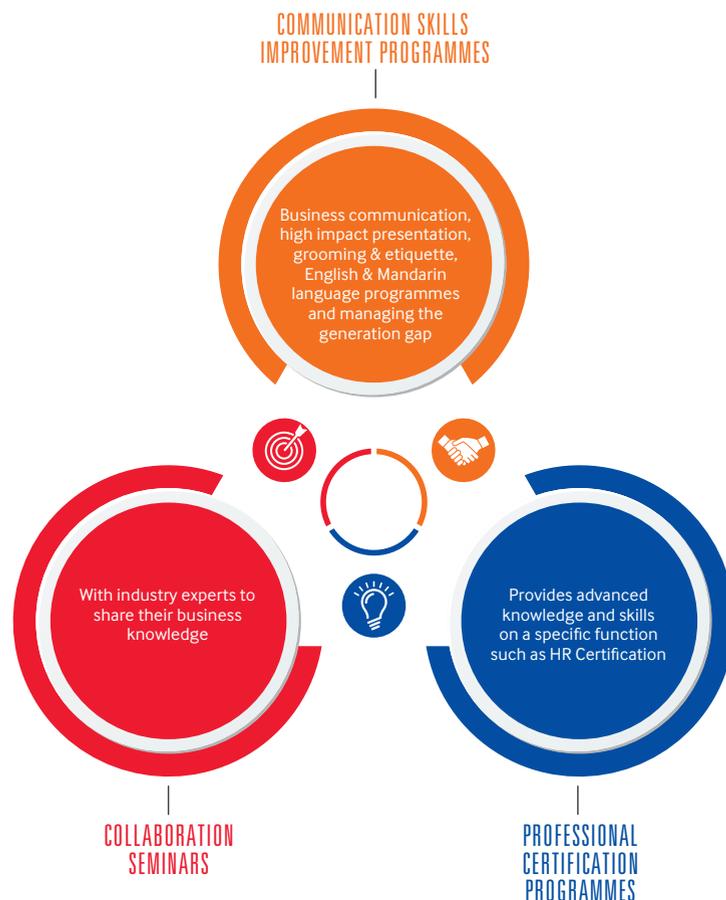
### Customer Service Academy (CSA)

TM’s Customer Service Academy (CSA) continues to drive a customer-centric culture and harmonise the customer experience across all touchpoints. CSA’s primary role is to train employees to be customer-focused, and to always understand the customer’s perspective when fielding a request or addressing a concern. We encourage our people to develop strategic relationships with clients rather than being merely transactional. We also nurture their leadership skills.

In 2015, CSA’s customer-centric training programme was delivered mainly to our frontliners, in whom good customer service skills are most crucial. A total of 798 frontliners attended the programme, which will be extended to other divisions in 2016.

CSA also delivered various behavioural and soft skills training programmes, which can be clustered as follows:

### Types of Behavioural and Soft Skills Training Programmes



### Management and Supervisory Skills Training

This programme is designed to equip TM managers and supervisors with the practical techniques and solutions that will help them manage their subordinates. A series of customised programmes have been developed to bridge different levels and requirements. Some of the programmes include the 'Effective Supervisor' which caters to non-executive supervisors, and 'Transition to Management Role' which targets executives who have been promoted to managerial positions.

### Technical Academy (TA)

TM's Technical Academy (TA) provides structured training in Access Networks, Internet Protocol/Information Technology and Corporate Application Systems to familiarise employees with the latest technologies. TA's main focus is to develop the competency of TM staff and contractors.

In 2015, TA organised the following major training activities:

- External Network Zone (ENZ) Up-skilling for Network and Management Operation (NMO)
- Network Operation Centre (NOC) Structured Training Programme
- Group IT Competency Belting Programme including Network Technical Knowledge, Network Devices Knowledge and Troubleshooting Skills followed by six technical modules: SOHO Computer Networking, IPV6 Network Configuration, Advanced TCP/IP Networking, Juniper Networks Certified Internet Associate, Network Security, and Interconnecting CISCO Networking Devices
- Competency training for IT Security Division including the Fundamentals of TCP/IP Networking, Fundamental of IPV6, Security Essentials, Fundamentals of ISMS Implementation, Application Security Fundamental Desktop/Server Security Assessment Fundamentals, Network Security Tools, Introduction to Incident Handling, Digital Forensic Fundamentals and Network Security Assessment
- Competency development for Service Delivery Zone (SDZ), NMO
- High Speed Broadband (HSBB) 2.0, Sub-Urban Broadband (SUBB) and TM Wi-Fi training
- Technical training on LTE P1 project for Core Network Zone (CNZ), NMO
- SKDL Fiberhome training
- CISCO and IPV6 Certification
- Application System training:
  - GST system training for NOVA and ICP users
  - SWIFT system training
  - CCP system training
  - NEPS system training
  - NOVA BII 5.0 system training
  - TM WIFI system training
  - OCTIS system training
  - HSBB 2.0 system training
- Certifying Agency (CA) Certification programme for staff and contractors
- Cabling Competent Certificate for contractors
- Cloud Computing Seminar

TA conducted the Cloud Computing Seminar on 2 September 2015 to raise awareness of cloud computing and enable employees to understand TM's Cloud. The seminar introduced Red Hat and Microsoft Azure infrastructure as well as TM Yammer, while outlining the services offered, capabilities and advantages of cloud computing.

### SL1M

The SL1M programme, run at MMU, seeks to improve the employability of graduates, and especially unemployed, under employed and underprivileged graduates from poor family backgrounds or rural areas. We enhance the marketability of these graduates by providing them with entrepreneurial skills to become, for example, TM resellers or installers.

Candidates are subject to a two-month soft-skills training programme at MMU and six months on-the-job training, some of it involving outdoor work. The programme has been endorsed by the Economic Planning Unit (EPU) and Jabatan Perdana Menteri (JPM).

The sixth SL1M programme was conducted with 267 trainees from May 2015 until the end of the year, at the end of which nine graduates were absorbed as full-time employees in G&W.

### EMPLOYEE ENGAGEMENT/SATISFACTION SURVEY

We believe our people are our greatest asset and seek to create an environment in which they feel empowered and valued. As a measure of our success in this regard, we engage an independent consultant to conduct an annual employee survey, My1TM. We encourage all employees to respond to the survey as their views are important. The survey reflects how our employees rate us, and provides insight into areas of concern as well as areas in which we are performing well. We engage with various teams to critique the scores obtained and devise action plans to continue to improve and take better care of our employees.

The table below presents My1TM results for the past three years.

	2013	2014	2015
EI (Employee Engagement Index)	90	90	91

### 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 that brings 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 activities and participates in state government corporate events. Activities organised in 2015 include national open futsal championship, national open bowling championship, Jatidiri development programme for newly appointed office bearers and Gen-Y as well as other state-level sports and CSR activities.

### VADS Recreational Club

VADS Recreational Club (VRC) was established to encourage VADS employees to adopt a healthy lifestyle and promote work-life balance. VRC is the umbrella body for multiple recreational clubs under VADS including *Kompang*, cycling, climbing, football and bowling. Activities organised in 2015 included health programmes, festive celebrations, outdoor events and friendly matches.

### PAKAR Semboyan

Rejimen Semboyan Diraja PAKAR Telekom (AW) is a Territorial Army regiment that protects Malaysia's essential telecommunications services from disruption during any national emergency or natural disaster. PAKAR Semboyan team trains regularly to prepare for immediate mobilisation in times of crisis.

### TIARANITA

TIARANITA is an organisation for women employees and wives of TM employees, which seeks to enrich the lives of its members and their families. Headed by the GCEO's wife, TIARANITA was formed as MUTIARA on 4 July 1992 with 50 members. As of the end of 2015, TIARANITA had 3,145 members.

**3,145** TIARANITA MEMBERS  
as at 31 December 2015



## BAKIT

BAKIT was registered with the Registrar of Societies (ROS) on 17 December 1990. It carries out various activities at the federal and state levels, focusing on welfare and religion. These activities are in line with TM's Vision and Mission and in accordance with Islamic law. BAKIT also contributes to needy Muslims abroad.

BAKIT distributes *zakat* to eight *asnaf* (recipients), either individuals or institutions. During the year, it collaborated with Tabung Haji Travel Services to organise an Umrah programme for TM employees. Other activities included *Qurban* and *Aqiqah*, an Umrah convention and Maulidur Rasul celebrations at the national level. BAKIT also contributed RM10,000 to employees who were affected by the floods. Volunteers took part in the TM ROvers flood relief programme in Kelantan, Terengganu and Pahang. BAKIT also worked with NUTE to raise RM67,000 for the victims of Kg Buntut Pulau, Temerloh, Pahang, and made donations in Klang.

# 8,379

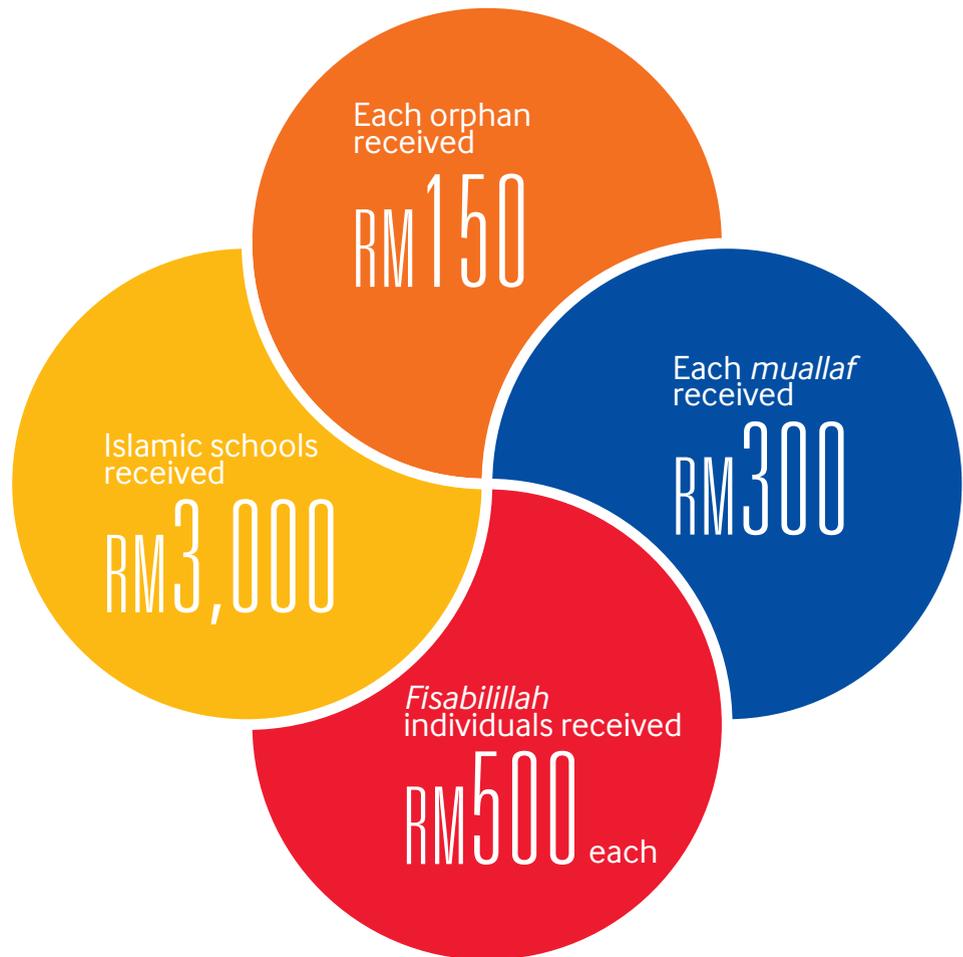
**BAKIT  
MEMBERS**

as at 31 December 2015

### Sharing Festive Cheer with the Less Fortunate

TM Melaka collaborated with BAKIT to organise a special *iftar* (breaking of fast) at Masjid Selat, Banda Hilir on 2 July 2015. A total of 79 orphans from Rumah Anak-Anak Yatim Sultan Salahuddin Abdul Aziz Shah Al-Haj, Pantai Puteri, Melaka were feted at the event, together with Muslim converts and students from selected Islamic schools in the state. The children and other guests also received cash contributions courtesy of TM Melaka employees.

TM Melaka also presented its *zakat* (business tithes) for the year amounting to RM128,469 to the Majlis Agama Islam Melaka (MAIM) on behalf of Pusat Zakat Melaka.



## DIVERSITY

People and values are our greatest assets. Diversity is a central part of the cultures across TM's family. It is a key to our people's passion for improving the health and well-being of people within TM. We recognise that differences in age, race, gender, nationality, thinking style and background bring richness to our work environments.

### Appreciating Our Female Employees

TM believes in gender equality. However, to appreciate our female employees and help them to cope with responsibilities at work and at home, we extend certain privileges and benefit for our female employees. A lactation room was introduced to TM nursing mothers who need some privacy to express their breastmilk. The room was ready for us starting 9 May 2015. 10 dedicated parking lots are being allocated for pregnant mothers.

**WORKPLACE STATISTICS**  
G4-DMA, G4-10, G4-LA1, G4-LA2, G4-LA12

	2013	2014	2015
<b>Employees</b>			
Total number	27,830	28,047	28,008
Executives	9,987	10,287	10,961
Non-Executives	17,843	17,760	17,047
Inside Malaysia	27,708	27,929	27,875
Outside Malaysia	122	118	133
Permanent staff	24,477	24,872	24,562
Non-permanent staff	3,353	3,175	3,446
Female	10,728	10,820	10,821
Male	17,102	17,227	17,187
Union members	11,200	11,055	10,420
Union members as % of total no. of employees	40%	39%	37%
Union members as % of total no. of non-executives	63%	62%	61%
Non-Union members	16,630	16,992	17,667
Age group			
<30	8,357	7,663	6,307
30-40	8,011	8,628	10,287
40-50	4,760	4,890	5,256
>50	6,702	6,866	6,158
Disabled staff (%)	0.06	0.04	0.04
<b>Diversity</b>			
Malay	22,769	24,055	23,684
Chinese	1,167	1,202	1,469
Indian	925	1,027	1,108
Others	2,969	1,763	1,747
<b>Employee Turnover Rates</b>			
Global	1,465	723	1,676
In Malaysia	1,463	714	1,658
Outside Malaysia	2	9	18
Female	462	308	673
Male	1,003	415	1,003

	2013	2014	2015
<b>Age Group</b>			
<30	238	238	294
30-40	188	231	277
40-50	84	74	88
>50	955	180	1,017
% Women in Management	5.11%	42%	34%
% Women in Top Management	26%	22%	36%
<b>Training</b>			
Employee participation in training	72,073	38,415	39,708
Average attendance per training programme	30	16	13
Average training budget per employee (RM)	2,978	1,066	607
Average total hours of training per employee	32	22	15
<b>Performance Review towards Career Enhancement</b>			
Employee Engagement Index (EEI)	90	90	91
<b>Occupational Safety and Health (OSH)</b>			
Total recordable injury frequency rate	56	68	62
Absenteeism rate (headcount)	32	53	48
Absenteeism rate (days)	360	554	531
Lost Time Injury frequency (No. of cases)	32	53	48
Fatal accident rate (No. of cases)	0	1	1

## SOCIAL: HUMAN RIGHTS

### FREEDOM OF ASSOCIATION THROUGH UNIONS

G4-11, G4-DMA, G4-LA4, G4-HR4

Freedom of association is the right to join or leave groups of a person's own choosing, and for the group to take collective action to pursue the interests of members.

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

The current three-year Collective Agreements (CA) with the three unions expire in December 2015. TM and the unions are therefore preparing to renew the CAs for the 2016-2018 term.

### Collective Agreements (CA) with Three Unions

Union	CA Signing Date
Kesatuan Kebangsaan Pekerja-Pekerja Telekomunikasi Semenanjung Malaysia (NUTE)	19 July 2013
Kesatuan Pekerja Telekom Malaysia Berhad Sarawak (UTES)	23 July 2013
Kesatuan Pekerja-Pekerja Telekom Malaysia Berhad Sabah (SUTE)	24 July 2013

These CAs concern both monetary and non-monetary benefits, such as terms and conditions of service including salary adjustments and annual increments, allowances, loans, training, productivity, discipline, the minimum retirement age and funeral aid. It applies to 18,978 permanent non-executive employees nationwide. Under health and safety, the CAs cover hazardous work with provisions to safeguard employees' safety, health and welfare, and to prevent ill-health, injury or death at work.

### Articles Common to All CAs



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

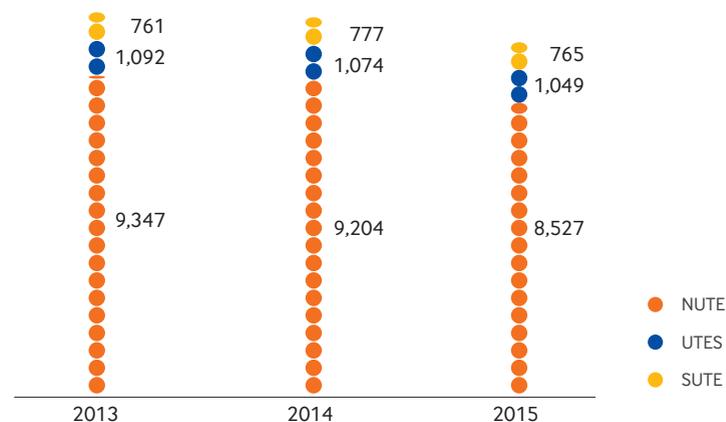


Loans to help with the purchase of houses, vehicles and computers



General conditions including legal and funeral aid, national service, pensions and transport

TM Union Membership Breakdown for 2013 to 2015  
G4-11



**NOTICE PERIOD FOR RELOCATION AND TERMINATION**

G4-DMA, G4-LA4

We manage organisational change with sensitivity to ensure that staff concerns are addressed. A minimum of two weeks' notice is given for transfers that do not require a change of residence; one month's notice 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 is made and notice given in writing.

**NON-DISCRIMINATION**

G4-DMA, G4-HR3

As a service company, our people are key to the success of our business. We respect and value the individuality and diversity that every employee brings to the business and seek to create a positive, open working environment wherever we operate.

- We are committed to respecting the dignity of all our employees and to fair treatment for all.
- We aim to recruit and promote employees on the basis of their suitability for the job, without discrimination.
- We aim to foster effective communication to enable all our employees to perform their work effectively. This includes encouraging and helping employees to develop relevant skills to progress their careers.

- We place the highest priority on the health and safety of our employees and the safety of the environment in which they work.
- We do not tolerate any form of discrimination or sexual, physical, mental or other harassment of any kind toward our employees, whether from our own staff or others.
- We operate fair and just remuneration policies.
- We require any employee with a potential conflict of interest to disclose it to their line manager.
- We operate in an environment of trust and as such do not tolerate any fraudulent or dishonest behaviour by employees either within the Group or in dealings with stakeholders.

**COMPLIANCE**

G4-DMA, G4-HR5, G4-HR6, G4-HR8, G4-S08

TM's operations are structured by the Malaysian Employment Act 1955 which prohibits exploitative labour practices; the Children and Young Persons (Employment) Act 1966 which prohibits the employment of children under the age of 14; and other international agreements preventing child labour. There have been no reported incidents or infringement with regard to child labour, forced labour or freedom of association, nor any recorded violations against the rights of indigenous people at any time during the Company's history.

# GRI G4 Content Index for 'In accordance' – CORE



GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number	External Assurance
<b>STRATEGY AND ANALYSIS</b>		
G4-1	8	Yes
<b>ORGANISATIONAL PROFILE</b>		
G4-3	Front Cover	Yes
G4-4	16	Yes
G4-5	15	Yes
G4-6	24	Yes
G4-7	20	Yes
G4-8	24	Yes
G4-9	24	Yes
G4-10	97	Yes
G4-11	98	Yes
G4-12	50	Yes
G4-13	8	Yes
G4-14	36	Yes
G4-15	62	Yes
G4-16	76	Yes
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	18	Yes
G4-18	4	Yes
G4-19	36	Yes
G4-20	36	Yes
G4-21	36	Yes
G4-22	8	Yes
G4-23	8	Yes

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number	External Assurance
<b>STRATEGY AND ANALYSIS</b>		
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	32	Yes
G4-25	32	Yes
G4-26	32	Yes
G4-27	32	Yes
<b>REPORT PROFILE</b>		
G4-28	4	Yes
G4-29	4	Yes
G4-30	4	Yes
G4-31	4	Yes
G4-32	4	Yes
G4-33	106	Yes
<b>GOVERNANCE</b>		
G4-34	20	Yes
<b>ETHICS AND INTEGRITY</b>		
G4-56	75	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
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## CATEGORY: ECONOMIC

## MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-DMA	88				Yes
G4-EC1	18				Yes
G4-EC3	88				Yes

## MATERIAL ASPECT: MARKET PRESENCE

G4-DMA	86				Yes
G4-EC5	88				Yes

## MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

G4-DMA	58				Yes
G4-EC7	58				Yes
G4-EC8	58				Yes

## MATERIAL ASPECT: PROCUREMENT PRACTICES

G4-DMA	50				Yes
G4-EC9	50				Yes

## CATEGORY: ENVIRONMENTAL

## MATERIAL ASPECT: ENERGY

G4-DMA	62				Yes
G4-EN3	62				Yes
G4-EN5	62				Yes
G4-EN6	62				Yes
G4-EN7	62				Yes

## MATERIAL ASPECT: EMISSIONS

G4-DMA	65				Yes
G4-EN15	65				Yes
G4-EN16	65				Yes
G4-EN17	65				Yes
G4-EN19	65				Yes
G4-EN20	63				Yes

## MATERIAL ASPECT: EFFLUENTS AND WASTE

G4-DMA	64				Yes
G4-EN23	64				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
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: PRODUCTS AND SERVICES</b>					
G4-DMA	61				Yes
G4-EN27	63				Yes
<b>MATERIAL ASPECT: TRANSPORT</b>					
G4-DMA	63				Yes
G4-EN30	63				Yes
<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK</b>					
<b>MATERIAL ASPECT: EMPLOYMENT</b>					
G4-DMA	97				Yes
G4-LA1	97				Yes
G4-LA2	97				Yes
<b>MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS</b>					
G4-DMA	98				Yes
G4-LA4	98				Yes
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	91				Yes
G4-LA5	91				Yes
G4-LA6	91				Yes
G4-LA7	91				Yes
G4-LA8	91				Yes
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	93				Yes
G4-LA9	93				Yes
G4-LA10	93				Yes
G4-LA11	89				Yes
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>					
G4-DMA	95				Yes
G4-LA12	95				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
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## SUB-CATEGORY: HUMAN RIGHTS

## MATERIAL ASPECT: NON-DISCRIMINATION

G4-DMA	99				Yes
G4-HR3	99				Yes

## MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	98				Yes
G4-HR4	98				Yes

## MATERIAL ASPECT: CHILD LABOUR

G4-DMA	99				Yes
G4-HR5	99				Yes

## MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR

G4-DMA	99				Yes
G4-HR6	99				Yes

## MATERIAL ASPECT: INDIGENOUS RIGHTS

G4-DMA	99				Yes
G4-HR8	99				Yes

## SUB-CATEGORY: SOCIETY

## MATERIAL ASPECT: LOCAL COMMUNITIES

G4-DMA	79				Yes
G4-SO1	79				Yes
G4-SO2	86				Yes

## MATERIAL ASPECT: ANTI-CORRUPTION

G4-DMA	75				Yes
G4-SO4	75				Yes

## MATERIAL ASPECT: PUBLIC POLICY

G4-DMA	76				Yes
G4-SO6	76				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
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOUR</b>					
G4-DMA	76				Yes
G4-SO7	76				Yes
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	99				Yes
G4-SO8	99				Yes
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY</b>					
G4-DMA	75				Yes
G4-PR1	75				Yes
G4-PR2	75				Yes
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>					
G4-DMA	72				Yes
G4-PR3	72				Yes
G4-PR5	75				Yes
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>					
G4-DMA	72				Yes
G4-PR7	72				Yes
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>					
G4-DMA	74				Yes
G4-PR8	74				Yes
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	73				Yes
G4-PR9	75				Yes



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## INDEPENDENT ASSURANCE STATEMENT

### Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Telekom Malaysia Berhad (hereafter referred to as Telekom Malaysia) to perform an independent verification and provide assurance of the Telekom Malaysia Sustainability Report 2015. 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 2015.

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 2015.

### Verification team:

The verification team from SIRIM QAS International consisted of:

- |                            |   |             |
|----------------------------|---|-------------|
| 1) Aernida Abdul Kadir     | : | Team Leader |
| 2) Shaiful Azmir A. Rahman | : | Team Member |
| 3) Aminah Ang              | : | Team Member |

### Methodology

The verification process was carried out by SIRIM QAS International in January and March 2016. It involved the following activities:

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



- Reviewing of internal and external documentation and displays such as awards, 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 2015;
- 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 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;
- For the electricity consumption reported, only the 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***

TM has strengthened its materiality determination process to enable better disclosure of the level of impact of each material issue along with the value chain. As in the previous year, TM had commissioned an independent study to gauge the stakeholders' perceptions of materiality issues within TM and the importance of the issues to the organization. An online stakeholder

engagement system/survey was implemented in 2015 and 41 materiality issues which were derived from GRI 4 Disclosures were evaluated. The materiality of a particular sustainability dimension is based on the combination of two criteria - the stakeholders' interest in the issue and its importance to TM. A total of 2,541 responses were obtained from stakeholders of which 1,954 were complete and used in the study. The same survey was completed by eight members of the Board and senior managers, whose responses were used to represent the views of TM. The results of the survey were plotted to a materiality matrix, with the level of importance to TM plotted along the X axis and level of importance to the stakeholders on the Y axis. It can be concluded that the process to determine the materiality issues had been satisfactorily carried out.

### **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 2015 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:

  
**AERNIDA ABDUL KADIR**  
Verification Team Leader  
Sustainability Certification Section  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date : 11 March 2016

Approved by:

  
**PARAMA ISWARA SUBRAMANIAM**  
Senior General Manager  
Management System Certification  
Department  
SIRIM QAS International Sdn. Bhd.  
Date : 11 March 2016

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