



Preserving Tomorrow, Today

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Chief Risk Officer

- *“Without environmental sustainability, economic stability and social cohesion cannot be achieved.” - Phil Harding, former senior policy advisor on sustainable development*

Southeast Asia is one of the planet's most vulnerable regions to climate change with global warming [expected to reach the dangerous 1.5C level as early as the 2030s](#).

As the report expects 'stark consequences' for our region, our collective responsibility for addressing ESG (Environmental, Social and Governance) risks and opportunities have become more critical now than ever, with future generations' livelihoods and quality of life very much at stake. Recycling efforts by households or individuals, despite helpful, makes only a small difference if corporations do not actively engage.

Here at TM, we recognise the urgent need to act swiftly to not only secure, but sustain, a prosperous planet for the generations to come. After all, our grandchildren and future generations deserve to grow up on a healthy planet - one that houses thriving ecosystems, natural environments, and which is free from pollution, where they can play and live peacefully. The benefits of ESG efforts also affect us today.

With this in mind, we have harnessed innovative solutions to zero in on environmental protection and preservation so that we can leave a lasting positive legacy for our loved ones. As Malaysia's national telecommunications leader, we are aware that we're part of a global industry which is heavily energy intensive. This adds even greater weight to aligning our ESG vision and commitments fully to both global and national aspirations. One of our aspirations is to reach net-zero emissions by 2050 with a staggered approach within the next few years. To augment our efforts, we have a two-pronged approach to managing our energy consumption:

1. REDUCE

To reduce our energy consumption, we are refreshing our in-house technologies, which includes transitioning from copper to fibre technology. Our objective is to phase out copper components fully by 2025.

In addition to refreshing all our cooling systems with inverter cooling systems and revamping our lighting systems by switching from fluorescent lights to LED, we have also secured green stocks from TNB. These are now directed to our three data centres, all of which now operate on electricity generated from hydropower and solar energy.

2. OFFSET

We understand we cannot offset our energy consumption overnight – after all, Rome wasn't built in a day. While awaiting more green stocks from TNB, we have stepped up to plant more trees to offset our energy consumption. We are teaming up with Yayasan Hijau to plant fruit trees at an allocated plot of land within Hutan Simpan Ayer Hitam. This initiative helps our planet's ecology because:

- a) Fruit trees have strong carbon sequestration abilities; a single mature fruit tree is capable of absorbing approximately 27kg of carbon dioxide every year.
- b) The trees' photosynthesis cycle results in oxygen being released into the atmosphere, and to the ecosystem. Mature trees that bear fruit also provide sustenance to native fauna in the forest reserve, such as squirrels, birds and primates, and help to foster a healthy local ecosystem.



In addition to reducing and compensating for carbon emissions, TM is actioning a slew of concurrent initiatives to complement our efforts to support preservation of the environment. Today, our utility vehicles operate with lighter loads to reduce fuel consumption. To reduce our reliance on fossil fuels, we are also exploring the options for introducing a fleet of heavy-duty utility EVs which is subject to availability of charging stations to support the EVs in the future. In the interim, our TM R&D team has established a digital fleet tracking system (CONVES) to track the fuel consumption and driving behaviour of our drivers. We have also introduced route optimisation as part of our efforts to reduce fuel consumption and improve safety of our drivers.

We, of course, place integrity at the very heart of TM operations. We are aware that 'greenwashing' is rampant in many industries, and to counter this, we strive to provide hygienic, externally validated, and trackable data. To date, SIRIM QAS independently validates all ESG data published in our annual reports. Furthermore, TM ESG is rated by reputable rating houses (FTSE4GOOD, FTSE Russell, and CDP Hong Kong), with S&P Dow Jones Sustainability Index coming on board later this year. Furthermore, we keep ourselves in check by purchasing CDP's benchmarking reports to gauge our current carbon footprint against our industry peers.

While TM is certainly proud of our efforts thus far, we know that we cannot achieve our goals alone. Partnerships with vendors are a crucial aspect of championing our ESG goals. Ongoing discussions with our key suppliers currently focus on managing and containing e-waste to generate a circular supply chain. These discussions feature two fundamental themes:

- a) 'Sell today, buy back tomorrow' to secure the containment of e-waste and prevent it from entering and subsequently polluting the environment.
- b) Ensuring that all our packaging materials are either recyclable or made of recycled materials. We plan to obtain SIRIM QAS validation on this front in the near future.

We are striving to set an example for other homegrown companies by going the extra mile to protect the planet. Mitigating climate change can seem like an almost impossible task at times, however the responsibility for climate change rests squarely on each one of us. When we come together as a nation with a shared vision in mind, we can surely succeed in playing a substantial part in leaving a lasting legacy behind for future generations.

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