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# About This Report

Welcome to Maxis Berhad's (Maxis) Integrated Annual Report (IAR) 2021. This report outlines our efforts in creating value for our business and our stakeholders through the efficient management of our Six Capitals and deployment of key resources during the year. Our end goal is to create sustainable and impactful outcomes that aid our value creation journey.

This IAR was prepared with reference to the International Integrated Reporting Council's (IIRC) Framework (January 2021) and communicates the information that our key stakeholders require to make an informed assessment of our performance and future prospects. We strive for full transparency and accountability in all our communications with our stakeholders.



## REPORTING SCOPE AND BOUNDARY

The report covers the financial period from 1 January 2021 to 31 December 2021 for Maxis Berhad. It includes information pertaining to both our financial and non-financial performance and the internal and external factors that influenced it. The report covers all business operations of Maxis, including our subsidiaries, as well as our sustainability initiatives, which are embedded throughout the report. The reporting scope remains largely the same as our IAR 2020 for the financial period from 1 January 2020 to 31 December 2020.

To learn more about our sustainability initiatives, click on the link here (<https://maxis.listedcompany.com/ar21/>) and download the consolidated 'Sustainability at Maxis' section.

## MATERIALITY

Bearing in mind our vision of becoming Malaysia's Leading Converged Solutions Company, we have developed a strategic plan which takes into account the material matters that affect our business, as well as the risks and opportunities we have identified.

Our report provides information on matters that could significantly affect our ability to create value over the short, medium and long term, as well as our outlook, and how we are addressing these matters through our various strategies.

## ASSURANCE AND APPROVAL

The Board acknowledges its responsibility for the integrity of Maxis' IAR through good governance practices and internal reporting procedures. The Board has oversight of and approved the IAR on 10 March 2022. This report is dated 24 February 2022, except the sections where the information is specified as at 31 December 2021.

Our financial statements were prepared and assured in accordance with the MFRS, IFRS and Companies Act 2016. Please refer to pages 139 to 249 for the audited financial statements and our independent auditor's report. We have not sought external assurance for our non-financial information. However, we are enhancing our internal processes and policies to consolidate and monitor Environmental, Social and Governance (ESG) data that is reported within the Company in line with our ambition to obtain external assurance on non-financial information.

## FORWARD-LOOKING STATEMENTS

This IAR contains forward-looking statements that involve known and unknown risks, uncertainties and other factors which may cause future performance, outcomes and results to differ materially from those expressed or implied in such forward-looking statements. Such forward-looking statements are based on numerous assumptions and reflect Maxis' current views with respect to future events and are not a guarantee of future performance. Readers should not place undue reliance upon such forward-looking statements as they are not an implicit or explicit guarantee of our future performance.

## OUR REPORTING SUITE

The following publications comprise our Integrated Reporting Suite, and the reporting frameworks and disclosure requirements they adhere to.

### Integrated Annual Report 2021

- IIRC Integrated Reporting Framework (January 2021)
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Bursa Malaysia Sustainability Reporting Guide (2<sup>nd</sup> edition)
- United Nations Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance 2021
- Companies Act 2016
- Global Reporting Initiative (GRI) Standards: Core Option

### Financial Statements

- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Companies Act 2016



# Group Corporate Structure

as at 24 February 2022

We Are Maxis

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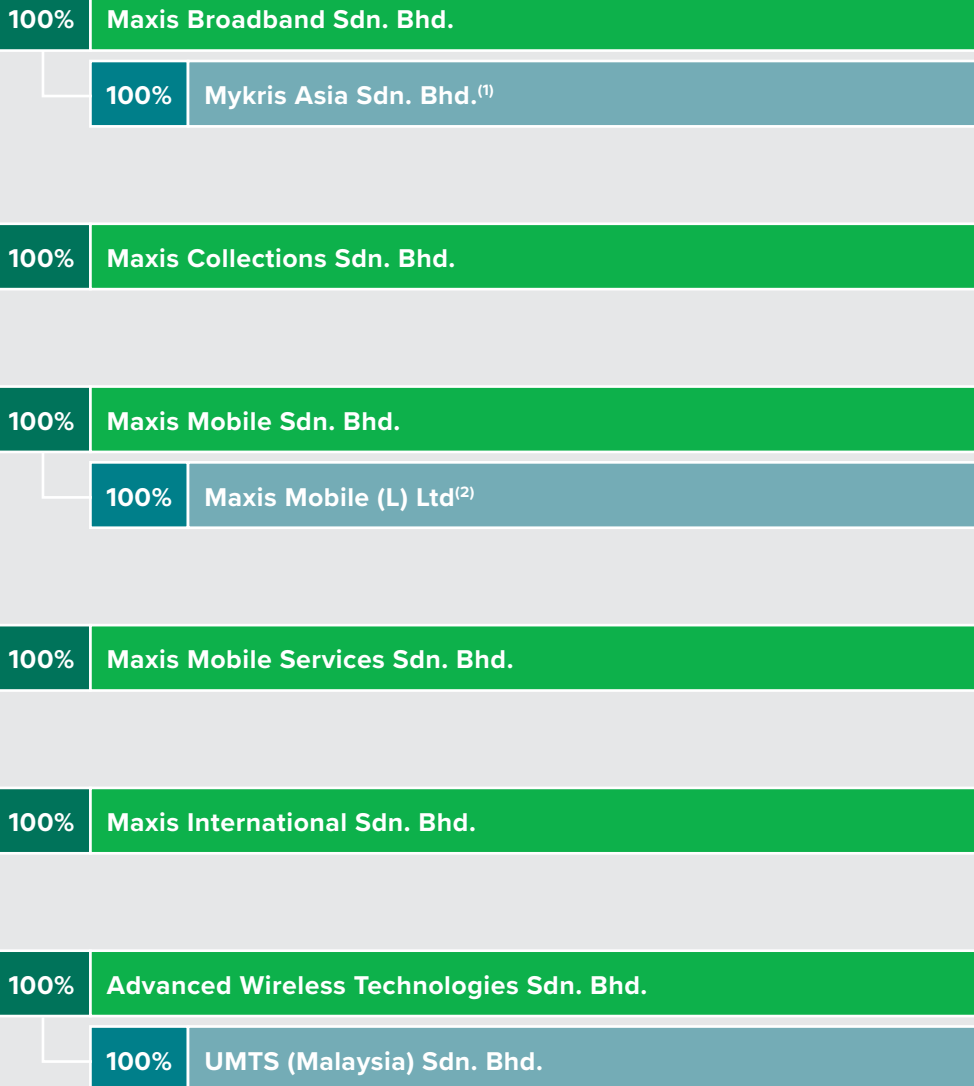
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## Maxis Berhad Group of Companies\*



**Notes:**

\* This structure reflects Maxis Berhad’s subsidiaries only. Please refer to page 201 of this report on the other interests held by the Group.

<sup>(1)</sup> As of 24 February 2022, the change of name of Mykris Asia Sdn. Bhd. to Enterprise Managed Services Sdn. Bhd. is underway.

<sup>(2)</sup> Incorporated in Malaysia (registered under the Labuan Companies Act 1990).



## Board of Directors


**TAN SRI MOKHZANI BIN MAHATHIR**

Chairman/  
Non-Executive Director

**RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA**

Non-Executive Director

**ROBERT ALAN NASON**

Non-Executive Director

**DATO' HAMIDAH NAZIADIN**

Independent Non-Executive Director

**ALVIN MICHAEL HEW THAI KHEAM**

Independent Non-Executive Director

**MAZEN AHMED M. ALJUBEIR**

Independent Non-Executive Director

**MOHAMMED ABDULLAH K. ALHARBI**

Non-Executive Director

**ABDULAZIZ ABDULLAH M. ALGHAMDI**

Non-Executive Director

**LIM GHEE KEONG**

Non-Executive Director

**Senior Independent Director**
**Alvin Michael Hew Thai Kheam**

E-mail : alvin@maxis.com.my

**Auditors**
**PricewaterhouseCoopers PLT**

(LLP0014401-LCA & AF 1146)

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Fax : + 603 2173 1288

**Registered Office**
**Maxis Berhad**

[Registration No. 200901024473  
(867573-A)]

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Tel : + 603 2330 7000  
Fax : + 603 2726 8946  
Website : www.maxis.com.my

**Share Registrar**
**Boardroom Share Registrars Sdn. Bhd.**

[Registration No. 199601006647  
(378993-D)]

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Selangor Darul Ehsan  
Malaysia  
Tel : + 603 7890 4700  
Fax : + 603 7890 4670  
Email : BSR.Helpdesk@  
boardroomlimited.com  
Website : www.boardroomlimited.com

**Stock Exchange Listing**
**Main Market of Bursa Malaysia Securities Berhad**

Listed since 19 November 2009  
Stock Code : 6012

**Company Secretary**
**Dipak Kaur**

SSM PC No. 201908002620  
LS 5204

**Head of Internal Assurance**
**Shafik Azlee bin Mashar**
**Investor Relations**
**Paul Anthony Zaman**

Tel : + 603 2330 7000  
Fax : + 603 2726 8946  
E-mail : ir@maxis.com.my

**Customer Service**

Tel : 1800 821 123  
E-mail : customercare@maxis.com.my

**Investor Relations and Corporate Governance website link**

<https://maxis.listedcompany.com/home.html>

[https://maxis.listedcompany.com/corporate\\_governance.html](https://maxis.listedcompany.com/corporate_governance.html)

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## Chairman's Statement

**This is my inaugural Chairman's Statement to shareholders since my appointment in 2021, and I am pleased to report that the Maxis Group has made good progress in delivering on the strategy and outlook set out to shareholders.**

The world continued to experience a challenging environment a year after COVID-19 hit global markets in 2020. The extension of the Movement Control Order (MCO) and its ensuing lockdowns placed more strains on citizens and businesses alike, while our economy continued to endure the deflationary pressures of contracting demand. There was, however, a marked difference in 2021 as Malaysia displayed signs of tenacity and an acceleration in digitalisation. It is clear that there has been a seismic shift that has changed the way we live, work and connect with each other.

Consumers and businesses have adapted to the new normal through varying degrees of digital adoption. Businesses that began their digital transformation journeys in 2020 are reaping the benefits of digital channels, tools and technologies. Throughout this entire period, the role that connectivity infrastructure plays in powering the digital revolution has never been more critical.

At Maxis, we have been committed to investing in our national communications infrastructure, to bring the best in 4G, 5G and fibre technologies to our customers. Working together with the Malaysian Communications and Multimedia Commission (MCMC), we have supported the Jalanan Digital Negara (JENDELA) initiative to provide wider coverage and higher-quality of broadband experience for the *Rakyat*. We have also committed to supporting MyDIGITAL, the national initiative launched by the government to transform Malaysia into a digitally-driven, high-income nation.

Our converged solutions and digital-first strategies have held us in good stead as we reported stable earnings and strong market traction for our products and services. I want to recognise the Board's wisdom, agility and decisiveness in responding to the volatile environment, while striking a balance between mitigating risks and



maximising opportunities. In addition to safeguarding the short-, medium- and long-term health of the organisation, the Board and I are committed to ensuring strong corporate governance to align the interests of all stakeholders for greater sustainability and financial viability.

### YEAR IN REVIEW

During the first half of the year, businesses, especially micro, small and medium enterprises (MSMEs), had to overcome the ripple effects of the pandemic. The second half of the year saw significant reductions in the number of daily cases as the *Rakyat* began to adapt to the new norms and government SOPs. The national vaccination programme also began to bear results in the reduction of serious cases. Most of the country entered Phase 4 of the National Recovery Plan by Q4 of 2021, which saw the resumption of most economic and social activities.



“Maxis continued to accelerate efforts to be more sustainable in its business practices when engaging all stakeholders, connecting the unconnected, and in working towards carbon neutrality in network and operations.”

Despite the difficult external environment that persisted throughout the year, Maxis maintained a strong financial position thanks to sound financial stewardship. We continuously strive to maximise sustainable shareholder value and based on our performance, the Board has declared a total dividend of 17 sen per share with a total payout of RM1.33 billion.

Maxis' long-term strategy, or MAX Plan, has placed us on the right trajectory for growth and industry leadership. The focus of the strategy is to strengthen our core value propositions across all customer segments, from

consumers to businesses. The value creation plan has always been centred on our purpose of bringing together the best technologies to enable individuals, businesses and the nation to stay ahead in a changing world.

The sustainability movement gained more traction in the last year, especially in the lead-up to the United Nations Climate Change Conference summit (COP26), and Maxis continued to accelerate efforts to be more sustainable in its business practices when engaging with all stakeholders, connecting the unconnected, and in working towards carbon neutrality in network and operations.



### CORPORATE RESPONSIBILITY

As Malaysia's leading converged solutions company, we are extremely cognisant of the responsibilities that come with corporate citizenship and remain committed to our 1% profit before tax (PBT) pledge for corporate social responsibility. We redoubled our efforts to ensure that communities facing hardship were supported through our corporate responsibility outreach programmes.

During the year, Maxis supported communities impacted by floods and the pandemic with food aid, while initiatives during the festive seasons also focused on pandemic-related support, with aid distributed in particular to B40 families. We also responded to calls for financial aid and sponsorship in support of the national vaccination programme, working with various NGOs.

With education at the core of our corporate responsibility efforts, our flagship community programme, eKelas, continues to grow with more than 50,000 students,

including those from over 600 schools who are now connecting with the programme through the eKelas portal. In 2021, we launched the first eKelas mobile app, giving students, teachers and parents greater flexibility and convenience when accessing content on-the-go and beyond the eKelas portal. The app offers more than 3,000 curated bite-sized units of content across English, Mathematics and Science.

In 2021, we launched eKelas Usahawan, a programme to empower women entrepreneurs to build a stronger digital presence so they can grow their business and expand income opportunities. To date, we have already helped train more than 1,000 women entrepreneurs.

Meanwhile, we have committed to providing greater access to devices, by contributing devices to schools under the #MyBaikHati programme. We have also, together with the telecommunications industry, provided free data and connectivity packages under several government initiatives.



## FUTURE OUTLOOK



The global economic outlook is expected to be soft in the short and medium term, as a result of the uncertainty arising from the ongoing pandemic. This will undoubtedly have some effect on the Malaysian economy, although the domestic outlook remains cautiously optimistic seeing that economic activity has resumed and our national vaccination rate is high. The telecommunications sector has a natural resiliency given the essential nature of connectivity in this modern digital age. The silver lining is that this pandemic continues to accelerate digital adoption in our country, especially among Malaysian businesses that now see this as key to their business growth and sustainability.

The journey towards becoming a digital-first company is heavily dependent on our ability to attract the best talent. One of the tenets of the MAX Plan is the talent equation. As Malaysia's leading converged solutions provider, we are in a position to raise the bar in being an exemplary employer. Our people are already aligned with and committed to our strategy and understand the importance of being agile and innovative as we strive to stay ahead in an increasingly dynamic telco landscape. Our human capital plan is robust in its focus on accelerating the mindsets and capabilities of our workforce – present and future. We are committed to attracting and nurturing many talented individuals who will continue to champion 'the MaxisWay', so that they can play their part in contributing to the nation's digital agenda.

As Maxis goes forward, the Board, Management Team and employees are resolute in value creation. Our customers expect more and more from our network and we will strive to provide best-in-class technologies and digital services.

Aside from the financial goals of the Company, Maxis is also committed to building a more sustainable company that aspires to the best practices of Environmental, Social and Governance (ESG) in all that we do. We are inspired by the global ESG movement's strong call to action, which highlights climate change as an existential threat to the entire planet, and we have a responsibility to take bolder steps to reduce our carbon footprint in our operations. In addition to environmental sustainability, we are looking at social and governance sustainability to build business resiliency and secure the long-term viability of our Company. Maxis is working towards developing a comprehensive ESG strategy that will amplify our existing sustainability initiatives and drive us forward as a key nation-building partner to contribute more to our communities, planet and people. Our stakeholders expect nothing less and we will strive to deliver.

We remain in compliance with Bursa Malaysia's Listing Requirements, committed to the Malaysian Code on Corporate Governance 2021 and continuously strengthen our existing policies and procedures on bribery and corruption with the Maxis Anti-Bribery and Corruption system, based on the Guidelines on Adequate Procedures issued by the Prime Minister's Department. The Board annually endorses an Integrity Pledge which sets out our stance against bribery and corruption. We have a commitment to conducting business professionally, ethically, with the highest standards of integrity and in compliance with all anti-bribery and corruption laws, and applicable governance requirements.

[+ Read more on pages 102 to 117.](#)

## ACKNOWLEDGEMENTS

I would first like to acknowledge the frontliners across the nation who have been tirelessly battling this pandemic for almost two years now. Their unwavering efforts and sacrifices have resulted in the continuing success of the National Recovery Plan and given hope to the *Rakyat* that Malaysia will emerge stronger and more resilient. We are eternally grateful to those who serve on the medical front lines, those who maintain law and order and those who keep our essential services and economy running.

Our employees are our most valuable asset, and we see this every day as they engage with our customers, keep the network running and work towards delivering our brand purpose. On behalf of the Board, I would like to thank each and every one of them for their dedication, hard work and 'What's Possible' mindset throughout the year.

Our special appreciation goes out to the Ministry of Communications and Multimedia (KKMM) and the Malaysian Communications and Multimedia Commission (MCMC) for their stewardship of the telecommunications sector. The regulatory framework that they have in place and their continuous stakeholder engagement bode well for the growth and development of the industry.

To our shareholders, thank you for your continued confidence in us as we execute our strategy to take Maxis forward. We are confident that the growth strategy we have put in place will keep us competitive and relevant in an increasingly competitive market, which augurs well for the maximisation of shareholder and stakeholder value.

Maxis' customers continue to support us year in and year out and we are humbled by their loyalty. The team at Maxis works tirelessly with them in mind. We want to thank our business partners who share our ambitions and vision of being the No. 1 technology partner, especially to our enterprise customers.

We have truly benefited from the shared wisdom of my fellow Board colleagues' guidance and contribution.

Last but certainly not least, I would like to thank the Management Team, led by our CEO Gokhan Ogut. They continue to deliver on our strategy in an incredibly challenging business environment. I am confident that they are well primed and ready to lead Maxis towards our vision and to scale even greater heights in our journey to becoming a great company and a partner in nation-building.

**TAN SRI MOKHZANI BIN MAHATHIR**

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## CEO's Statement

We Are Maxis

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“As a proud homegrown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network.”



**The overall business operating environment continued to be challenging in 2021. The ongoing effects of the pandemic on the entire world has accelerated an existential challenge for the telecommunications industry. Service providers are facing not only increased demand for data, speed and reliability, but also downward pricing pressure. To optimise operations and prepare for the advent of 5G, providers must continue to increase capital expenditure and seek out innovative new services.**

At Maxis, we see this as a pivotal moment and tipping point in the digital journey of the nation. Malaysia has done well in terms of digital adoption, thanks to strong infrastructure, innovative companies and a digitally savvy population. But the need for digitalisation has become much more of a necessity, especially among SMEs and corporates with greater demands for online transactions and cost efficiencies in business. This has, in turn, increased the demand for faster internet speeds and better quality of service.

As a proud home-grown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network. As we gear up to deliver on the exciting promise of 5G technology, we are also focused on strengthening our 4G network, both in terms of coverage and experience, in line with the nation’s JENDELA initiative. With our convergence strategy, we remain committed to bringing together the best of technologies to enable individuals, businesses and the nation to Always Be Ahead in a fast-changing world.

In 2021, we remained committed to this brand promise across all fronts — from consumers, enterprises and network to our people, sustainability and services.

Our continuous investments and collaboration over the last two decades have resulted in a strong network of communities and the most extensive converged network in the country. In February 2022, Maxis declared its commitment to empowering all Malaysians and businesses in the country to



2021 Highlights:

Business Resiliency



+ Read more on pages [37](#) to [43](#).

MAX Strategy



+ Read more on pages [57](#) to [59](#).

Financial Performance



+ Read more on pages [26](#) to [35](#).

Our Value Creation Outcomes



+ Read more on pages [63](#) to [98](#).

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“Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.”

be connected in every possible way, at all times, with the launch of our brand campaign, *Rangkaian Kita Rangkaian Malaysia (RKR)*. RKR represents the reinforcement and deepening of our Always Be Ahead brand purpose and is driven by our evolution from a mobile telecommunications provider to a connectivity and digital solutions expert that offers solutions for every segment. The spirit of RKR is about celebrating diversity and we will continue to serve people from all walks of life based on each of their unique requirements. Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.





## CEO's Statement

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# Year in Review (FY2021)

## A BUSINESS RESILIENCY

**Without a doubt, the operating environment was impacted as a result of the pandemic and the various movement restrictions over the course of the year.**

Despite these circumstances, Maxis performed relatively well in 2021; our financial performance remained largely unaffected, especially due to our agility in responding with measures to mitigate COVID-19. We remained committed to protecting the health and safety of our employees, network and systems as well as fully supporting our customers, suppliers and communities.

## B MAX STRATEGY

**In 2021, we continued to execute our MAX Plan across the three strategic pillars as we strengthened our position as the leading converged solutions company in Malaysia.**

Despite the challenging conditions, our consumer mobile business was resilient as a result of the rigorous optimisation of our core customer base. We introduced higher-value offerings, used analytics to improve customer retention and focused on further digitalising our platforms and channels. Our Enterprise business registered growth during the year under review on the back of solid partnerships and innovative digital solutions.

We continued to not only expand coverage, but also invest in enhancing the quality and efficiency of our networks for our customers to enjoy an Unmatched Personalised Experience at all times. We also expanded our range of digital tools to not only help improve the accessibility of our products and services, but also to provide the best experience across all touchpoints.

In 2021, we invested in upgrading mobile network sites and expanding our fibre footprint to strengthen our converged network experience. Our Fibre business also continued to grow, largely due to new product innovation and excellent service from 'Maxperts', our very own internet experts.

Throughout the year, we continued to place strong emphasis on our MaxisWay 2.0 culture. We established a five-year Talent Strategy Roadmap and took steps to ensure a continued diverse and inclusive workplace. We struck partnerships with 13 higher education institutions and six talent partners and utilised a data-driven talent

acquisition approach to enhance right-fit hiring and improve efficiency. The agility of our MAX Plan in enabling strong performance despite a challenging operating environment is a reinforcement that our convergence and growth strategy is the right one for Maxis.



### Individuals, Homes and Businesses

- Continue to Win in Consumer Mobile
- No. 1 Convergence Player
- Grow Enterprise Exponentially



### Differentiated & Digital "Unmatched Personalised Experience" (UPE)

- Expand Customer Touchpoints
- Maintain Network and Technology Leadership
- Leverage Digitalisation to Enhance Capabilities



### World Class Effective and Efficient Organisation

- Evolve the Organisation with the Right Culture, Talent & Capability
- XLR8 the Velocity of Change
- Elevate Maxis as a Highly Influential Corporate Citizen

## C FINANCIAL PERFORMANCE

**Maxis' solid performance during the year under review was the result of our convergence strategy bearing fruit as we doubled down on the MAX Plan, despite the disruptions in the external business environment.**

Service revenue grew by 1.9% to RM7,980 million, on the back of a resilient core business and growth in our Fibre broadband business.

Normalised EBITDA was RM3,898 million, registering a normalised EBITDA margin on service revenue of 48.8%. Net profit dipped 5.4% to RM1,308 million, mainly attributed to the continued heavy investments to strengthen the Maxis network, enterprise solutions and fibre coverage, as well as prudent adoption of reduced spectrum life, which resulted in high depreciation and amortisation costs. Importantly, operating free cash flow remained strong, increasing 7.3% to RM3,906 million. Maxis recognises the importance of dividends to its equity shareholders and that a prudent dividend preserves an optimal capital structure that protects our core business during this time of uncertainty.

Maxis Fibre saw healthy growth with increased home fibre connections. Our fibre network, coupled with High-Speed Broadband access agreements, spans over 21,000 km, giving us access to 5.5 million premises, an achievement that is key to our position as the leading converged solutions company and has enabled us to grow our Home subscribers to over half a million.



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Maxis Business capitalised on its strong position as an essential SME technology partner, registering growth as more and more SMEs embraced digitalisation in the wake of the disruptions.

Our Finance and Collections team, meanwhile, continued to focus on prudent cash management and a rigorous credit collections programme powered by data analytics.

## **D** OUR VALUE CREATION OUTCOMES

### i. Operations

**In 2021, the continued movement restrictions resulted in changing usage traffic patterns as more people worked, studied and accessed entertainment from their homes.**

Having learned from 2020, Maxis had become even more agile and was able to react faster and more decisively to rapid changes. Our teams had been conducting surveys and 'virtual visits' to engage with users and get a sense of what was happening on the ground.

The pandemic also accelerated the shift to digital for our sales channels. The Maxis App gained traction in 2021 with 1.07 million users engaging with us for support, transactions and rewards. There was also growth in principal accounts using our Maxis App, up from 58.1% in 2020 to 62.1% in 2021. The Maxis online store traffic also increased this year, with our unique visitors per month increasing by 38% in 2021 as compared to 2020.

Our Enterprise business was marked by Maxis championing the digitalisation of Malaysian SMEs and enterprises to be future-ready. As a Technology Solutions Provider, we continued to assist SMEs in digital adoption under the RM5,000 SME Digitalisation Grant provided by the Malaysia Digital Economy Corporation (MDEC). During the year, we also launched the UsahaWIRA Programme, which showcased success stories of real-life 'UsahaWIRAs' (hero entrepreneurs) to inspire thousands of other entrepreneurs across Malaysia.

With enterprise grade services and cloud solutions powered by the Maxis Programmable Network, we assisted larger enterprises in responding and adapting quickly to the rapidly evolving digital landscape. We also expanded our range of solutions and technical capabilities in cloud and network security through some key acquisitions during the year, namely Peering One Sdn. Bhd. and Mykris Asia Sdn. Bhd.

In the 5G space, we announced partnerships with Malaysia Airports Holdings Berhad and Proton, respectively, for 5G services and solutions as well as the deployment of major 5G use cases. We were also the first Malaysian telco to extend 5G international roaming services to the top three ASEAN markets — Singapore, Thailand and Indonesia.



## CEO's Statement

“As a result of our commitment and focus in JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity.”

Our network operations are leading the way in the industry-wide 3G sunset with our customer-first approach to migrate existing 3G users to 4G. To support our customers, we launched campaigns like our Zerolution device plan, and our ‘Balas Budi dengan 4G’ campaign to encourage 4G users to help their families and friends to upgrade. Our goal was to ensure that more Malaysians had greater access to affordable devices, especially for productivity and education. As a result of our commitment to and focus on JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity, such as new 4G towers, upgrading of 4G base stations and premises passed for fibre access. To date, we have completed more than 2,500 mobile sites by supporting this initiative and expanded our fibre coverage to 31,000 premises in 2021, exceeding MCMC’s 2021 targets. We will continue to work with the regulator, MCMC, and the industry to make connectivity even more accessible for every Malaysian.

We have also transformed the way we run our internal operations towards becoming more digital. Our initiatives included scaling digital capabilities like Robotic Process Automation (RPA), Artificial Intelligence and Data Insights across the organisation, while establishing cadence at the leadership level to drive transparency and align our digital efforts Company-wide. These have allowed us to be more productive and efficient while enhancing value delivery to the customer.



## ii. Sustainability Management

Within Maxis, our sustainability governance sits with the Strategy team, with direct oversight from the CEO's office. The Strategy team is responsible for driving our sustainability plan, with reporting guidelines based on the Global Reporting Initiative (GRI) and the FTSE4Good Bursa Malaysia Index.

### Environmental Management

Our current priorities are to improve energy efficiency and reduce greenhouse gas (GHG) emissions across our network, as well as efficiently utilise resources in terms of effective office and mobile e-waste management. Our network team drives energy efficiency by using optimisation techniques in our electricity usage, cooling systems and power systems at our Technical Operations Centres (TOCs). At the individual Base Stations (BTS), we are looking into reducing the power consumption of cooling systems, optimising radio management and using hybrid solar power systems to reduce the use of diesel fuel in the generators.

### Community

We believe that replenishing social capital is done by giving back to society at large, often by way of deploying resources that companies have access to, and with significant scale. Collectively, we are committed to building and connecting communities in preparation for the digital future.

As our Chairman has mentioned in his statement, our community outreach initiatives are driven by our passion for education. Through Maxis eKelas, our flagship community programme, students continue to have access to fun and vibrant learning content for free, as well as the convenience of our newly launched eKelas mobile app. Through eKelas Usahawan, we are empowering women entrepreneurs to build a stronger digital presence through workshops and webinars so they can grow their business and expand their income opportunities. For schools around the country, we are determined to provide greater access to technology through ongoing contributions of devices.

In the spirit of #KitaSapotKita, Maxis supported the national vaccination programme through in-kind contributions to frontliners at selected vaccination centres (PPVs) and by providing hotline number connectivity services for the Malaysian Red Crescent Society (MRCS), on top of sponsoring their transport and equipment. Throughout the year, Maxis continued to support communities impacted by both the pandemic and floods, with food aid in collaboration with Yayasan Kebajikan Negara and flood relief efforts.

In conjunction with Hari Kebangsaan 2021, we launched the Maxis Awards to empower Malaysian heroes who have been driving change in our communities while inspiring progress for the country. Maxis committed RM5 million over 12 months to encourage the development of impactful ideas for these communities. The first two winners were green-themed enterprises, with forward-thinking solutions for nature conservation and environmental sustainability.



## Human Capital



We pride ourselves on 'the MaxisWay', our culture that makes Maxis the best place to work. One of the most important things that we did as part of that philosophy was to focus on diversity and inclusion as one of the key drivers of human capital.

Diversity is a major part of talent acquisition while inclusion will help us retain talent. On talent development, the Maxis 'I Grow' enrichment programmes provide tools like LinkedIn Learning and in-house centres of excellence for mobile-based self-learning. We are also investing in the next generation of talents through financial support, internships and job opportunities.

Under the Maxis Scholarship Programme 2021, Maxis awarded 21 outstanding and deserving individuals with scholarships for women, STEM, leadership and innovation.

To give our people the opportunity to give back to society, our volunteer programme, mSquad, supports all internal and external community initiatives. For fitness and well-being, we created the Move It! programme, with in-office and online fitness classes. Ultimately, we are confident that the most sustainable human capital strategy is one in which our employees can grow both professionally and personally while still on their career journey.

Another important component of employee health and well-being is safety. Our business continuity plan (BCP) ensured that while we were minimising any service interruptions to our customers, our employees would be safe regardless of where their work took them.

“In 2022, we will continue to be laser-focused on strengthening our industry leadership and diligently executing our strategic plan, while being guided by our Always Be Ahead brand purpose and commitment to *Rangkaian Kita, Rangkaian Malaysia.*”

## FUTURE OUTLOOK

Our long-term convergence and growth strategy is already yielding results. In 2022, we will continue to be laser-focused on strengthening our industry leadership and diligently executing our strategic plan, while being guided by our Always Be Ahead brand purpose and commitment to *Rangkaian Kita, Rangkaian Malaysia*. Doubling down on our ambition to be the leading converged solutions provider is a blue ocean strategy in which we are no longer competing in traditional product markets with our competitors but are shifting the focus from average revenue per user (ARPU) to average revenue per account (ARPA), a paradigm shift that is driven by solutions as well as connectivity.

We will continue to focus on winning in the consumer space by accelerating our core business and offering our customers new value propositions for individuals and homes, device offerings and network differentiation. In the enterprise space, the Maxis Business brand embodies our convergence narrative and the growing stable of digital services and solutions, which will help us gain traction with Malaysian SMEs as we leverage our position as their technology and digitalisation partner.

As a desired partner in nation-building, Maxis has steadfastly supported the JENDELA initiative, and we will continue to do so in an effort that aligns with our long-term strategy to strengthen our own 4G network and fibre access.

We are also a stakeholder in the MyDIGITAL initiative and Malaysia's Shared Prosperity Vision 2030, both of which aspire to transform the nation into a full-fledged digital economy that will benefit everyone.

Last but not least, we recognise the increasing importance of sustainability across the environmental, social and governance aspects of the business. We will continue to strive to be an employer of choice, to give back to society, to support communities and the nation and to conduct our business with honesty and integrity.

We are proud to have built one of the strongest household brand names in Malaysia with a talented and diverse team. These two elements are our most valuable assets, driving our competitive advantage and laying the foundation for future growth. We remain committed to bringing together best-in-class technologies and a differentiated network to ensure that our communities, families and businesses are connected more than ever before.

We are Maxis.

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# Five-Year Financial Highlights

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	2021	2020	2019	2018	2017	2021-2020 YoY Change
<b>FINANCIAL RESULTS</b>						
<b>Financial Indicators (RM'm)</b>						
Revenue	9,203	8,966	9,313	9,192	9,419	2.6%
Service revenue <sup>(1)</sup>	7,980	7,835	7,878	8,158	8,343	1.9%
EBITDA <sup>(2)(3)</sup>	3,838	3,759	3,891	3,799	4,307	2.1%
Normalised EBITDA <sup>(4)</sup>	3,898	3,819	3,926	3,843	4,195	2.1%
Profit before tax (PBT)	1,762	1,852	2,027	2,369	2,878	-4.9%
Profit after tax (PAT), also representing profit attributable to equity holders of the Company	1,308	1,382	1,512	1,780	2,180	-5.4%
Capex	1,187	1,245	1,213	1,038	1,029	-4.7%
Operating free cash flow <sup>(3)</sup>	3,906	3,639	3,511	3,331	3,367	7.3%
<b>Financial Ratios</b>						
EBITDA margin (%)	41.7%	41.9%	41.8%	41.3%	45.7%	
Normalised EBITDA margin on service revenue (%)	48.8%	48.7%	49.8%	47.1%	50.3%	
PBT margin (%)	19.1%	20.7%	21.8%	25.8%	30.6%	
PAT margin (%)	14.2%	15.4%	16.2%	19.4%	23.1%	
PAT margin on service revenue (%)	16.4%	17.6%	19.2%	21.8%	26.1%	
Interest cover ratio	4.6	4.6	4.7	7.0	7.3	
Earnings per share (sen)						
- basic	16.7	17.7	19.3	22.8	28.5	
- fully diluted	16.7	17.7	19.3	22.7	28.4	
Dividends per share (sen) <sup>(5)</sup>	17.0	17.0	20.0	20.0	20.0	
<b>FINANCIAL POSITIONS</b>						
<b>Financial Indicators (RM'm)</b>						
Equity attributable to equity holders of the Company <sup>(7)</sup>	6,725	6,715	6,666	6,814	6,611	
Total assets <sup>(3)</sup>	22,443	21,932	22,323	19,805	19,134	
Total borrowings <sup>(3)(6)</sup>	10,098	9,780	9,930	7,639	7,642	
<b>Financial Ratios</b>						
Return on invested capital (%) <sup>(7)</sup>	10.4%	10.6%	12.4%	14.8%	18.7%	
Return on average equity (%) <sup>(7)</sup>	19.5%	20.7%	22.4%	26.5%	39.6%	
Return on average assets (%) <sup>(3)</sup>	7.5%	7.9%	9.1%	10.7%	13.1%	
Gearing ratio <sup>(3)(7)</sup>	1.32	1.35	1.40	1.04	1.07	
Net assets per share attributable to equity holders of the Company (RM) <sup>(7)</sup>	0.86	0.86	0.85	0.87	0.85	

**Notes:**

- <sup>(1)</sup> Service revenue is defined as Group revenue excluding sale of devices. Comparative information has been restated to conform with current presentation.
- <sup>(2)</sup> Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.
- <sup>(3)</sup> 2018 and 2017 financial information are based on pre-MFRS 16 "Leases".
- <sup>(4)</sup> Normalising RM60 million (2017: RM28 million) annual charge-out of upfront spectrum assignment fees and the below items for the respective years:
- (a) 2019 - RM25 million unrealised foreign exchange gains.
- (b) 2018 - RM16 million unrealised foreign exchange gains.
- (c) 2017 - RM78 million unrealised foreign exchange gains and RM62 million prior years' service fee reduction.
- <sup>(5)</sup> Dividends declared and proposed in respect of the designated financial years.
- <sup>(6)</sup> Include derivative financial instruments designated for hedging relationship on borrowing.
- <sup>(7)</sup> The comparative results were restated due to the change in deferred tax measurement on indefinite-life intangibles.

## Group Quarterly Financial Performance



## 2021

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
Revenue	2,228	2,264	2,263	2,448	9,203
Service revenue	1,959	1,988	2,025	2,008	7,980
EBITDA	949	996	969	924	3,838
Normalised EBITDA	964	1,011	984	939	3,898
PBT	453	484	441	384	1,762
PAT, also representing profit attributable to equity holders of the Company	334	360	325	289	1,308
Earnings per share - basic (sen)	4.3	4.6	4.1	3.7	16.7
Dividends per share (sen) <sup>(1)</sup>	4.0	4.0	4.0	5.0	17.0

## 2020

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2020
Revenue	2,341	2,151	2,213	2,261	8,966
Service revenue	1,969	1,928	1,968	1,970	7,835
EBITDA	944	938	953	924	3,759
Normalised EBITDA	959	953	968	939	3,819
PBT	474	457	490	431	1,852
PAT, also representing profit attributable to equity holders of the Company	357	342	364	319	1,382
Earnings per share - basic (sen)	4.6	4.4	4.6	4.1	17.7
Dividends per share (sen) <sup>(1)</sup>	4.0	4.0	4.0	5.0	17.0

## 2019

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2019
Revenue	2,232	2,206	2,285	2,590	9,313
Service revenue <sup>(2)</sup>	1,966	1,938	1,960	2,014	7,878
EBITDA	982	978	986	945	3,891
Normalised EBITDA	991	985	1,005	945	3,926
PBT	542	536	480	469	2,027
PAT, also representing profit attributable to equity holders of the Company	407	395	357	353	1,512
Earnings per share - basic (sen)	5.2	5.0	4.6	4.5	19.3
Dividends per share (sen) <sup>(1)</sup>	5.0	5.0	5.0	5.0	20.0

**Notes:**

<sup>(1)</sup> Dividends declared and proposed in respect of the designated financial periods/years.

<sup>(2)</sup> Comparative information has been restated to conform with current presentation.

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# Group Statement of Financial Position

We Are Maxis

## TOTAL ASSETS

Property, plant and equipment  
(RM'm)

**5,193**

2020: 4,931

Intangible assets  
(RM'm)

**11,474**

2020: 11,461

Right-of-use assets  
(RM'm)

**1,854**

2020: 1,767

Receivables, deposits and prepayments  
(RM'm)

**2,722**

2020: 3,020

Deposits, cash and bank balances  
(RM'm)

**1,191**

2020: 735

Other assets  
(RM'm)

**9**

2020: 18

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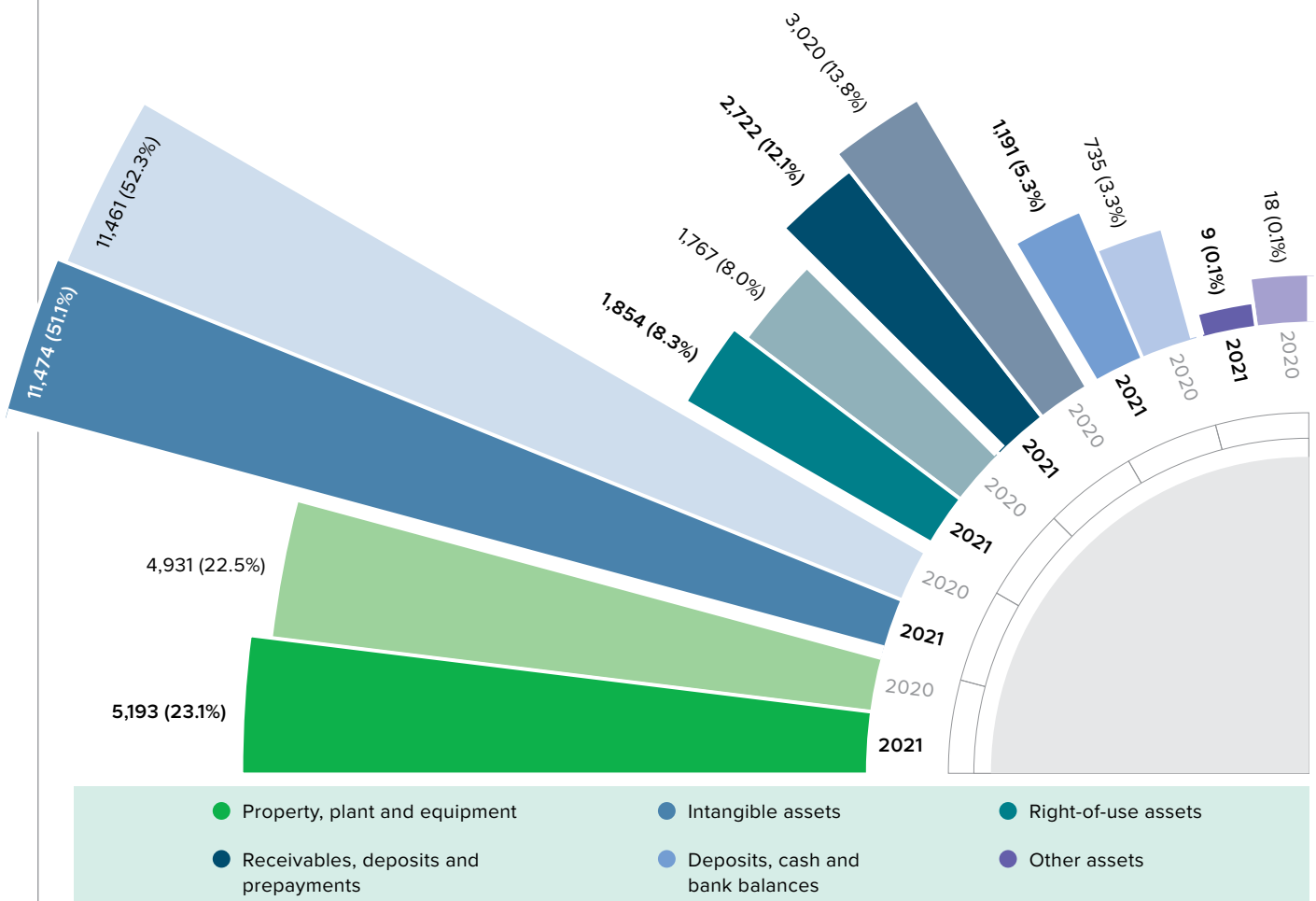
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# Group Statement of Financial Position



## TOTAL EQUITY AND LIABILITIES

**Share capital**

(RM'm)

**2,564**

2020: 2,547

**Reserves**

(RM'm)

**4,161**

2020<sup>(1)</sup>: 4,168

**Payables and accruals**

(RM'm)

**4,200**

2020: 4,185

**Taxation and deferred tax liabilities**

(RM'm)

**927**

2020<sup>(1)</sup>: 774

**Borrowings**

(RM'm)

**10,090**

2020: 9,763

**Provisions for liabilities and charges**

(RM'm)

**472**

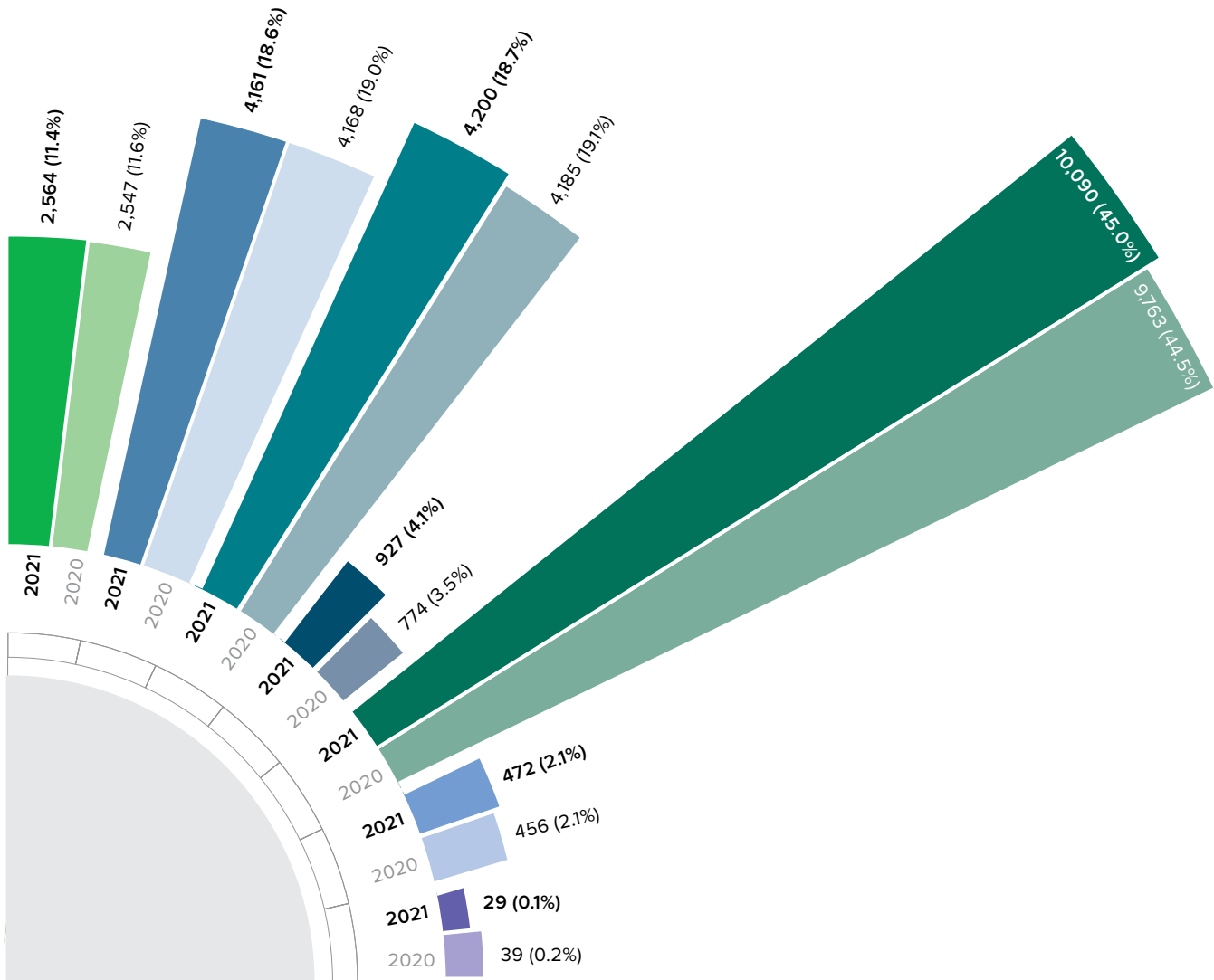
2020: 456

**Other liabilities**

(RM'm)

**29**

2020: 39



- Share capital
- Reserves
- Payables and accruals
- Taxation and deferred tax liabilities
- Borrowings
- Provisions for liabilities and charges
- Other liabilities

**Note:**

<sup>(1)</sup> The comparative results were restated due to the change in deferred tax measurement on indefinite-life intangibles.

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# Management Discussion & Analysis

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We are pleased with our overall performance in 2021 as we demonstrated agility and adaptability to overcome a very challenging operating environment, not just for us but for the government, businesses, communities and the *Rakyat*, as well. The emotional, mental and economic strain that the COVID-19 pandemic and subsequent lockdowns have resulted in are not to be underestimated.

Throughout 2021, the COVID-19 pandemic continued to impact the Malaysian economy. Initial signs that the pandemic was easing back in the fourth quarter of 2020 were quickly dismissed as multiple waves of new infections created a state of volatility in the demand for goods and services. For Maxis, it was incredibly challenging to navigate the extreme uncertainties and complexities of the different iterations of the Movement Control Order (MCO). However, our financial results have clearly displayed that we were able to create value for our stakeholders despite all the challenges faced.

Across the board, the pandemic accelerated the digital lifestyles of consumers and the importance of digitalisation for businesses, especially SMEs. The daily use of information technology grew drastically with the increased use of videoconferencing, learning tools, e-commerce activity and a host of productivity and communication tools. The surge of online purchases made it clearer than ever that we are heading towards a digitally-pervasive world where cloud computing services and high-speed connectivity play a critical part in our daily lives.

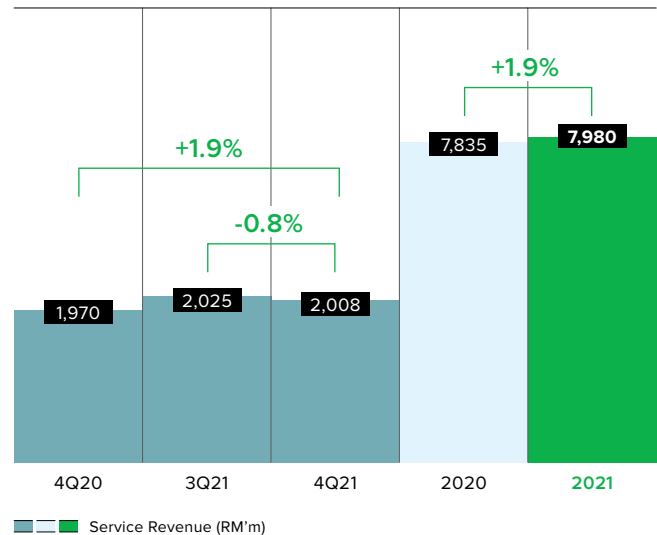
At Maxis, we have taken strides towards being a digital-first company. Millions of our customers use both our Maxis and Hotlink mobile apps on a regular basis, enabling us to offer a level of customer service that takes us directly to their smartphones. All our core products and services are now available on our online store as well as third-party e-commerce sites. For our customers, self-service functions now include online chat assistance that combines AI technology and human interaction to optimise customer engagement, delivering our promise of an unmatched personalised experience.

Our strategy to drive growth in Mobile, Fibre, digital solutions and Enterprise gathered momentum throughout 2021. Where our convergence strategy was once an ambition, our operational and financial performance demonstrates that we are now the leading converged solutions provider in Malaysia. To that end, we remain committed to maintaining our leadership in the network and core Mobile business, growing our Fibre base and continuing to deliver differentiated value propositions to our customers.

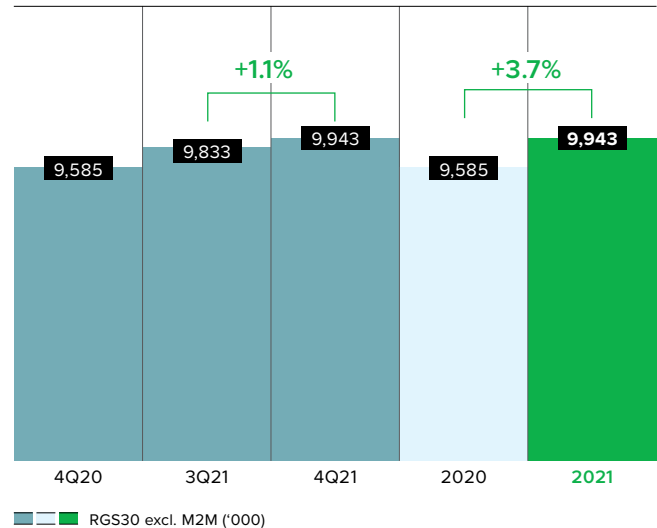
*Note: The comparative results were restated to conform with current presentation.*

## FINANCIAL REVIEW

### Service Revenue



### Total Mobile Subscriptions



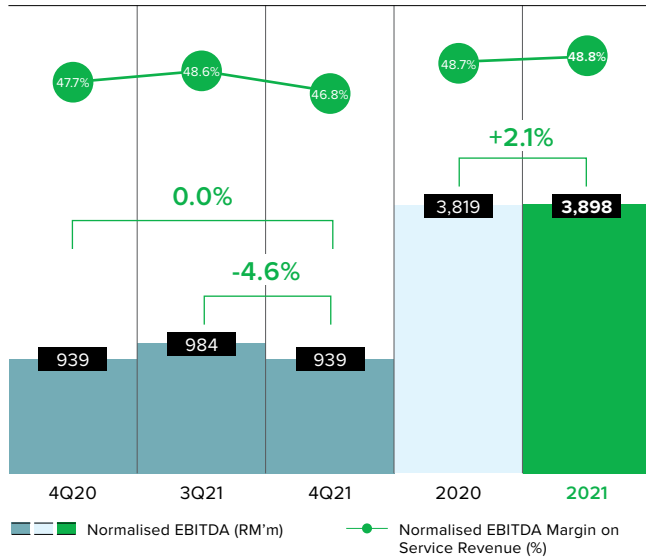
Our service revenue increased by 1.9% in FY2021 over FY2020 driven by core Mobile business as a result of steady growth in Postpaid and accelerated growth in Fibre & Wireless Broadband. We closed 2021 with a strong total mobile revenue generating subscriber (RGS30) base excluding machine-to-machine (M2M) of 9.9 million subscribers, representing a growth of 3.7% year-on-year.

Management Discussion & Analysis

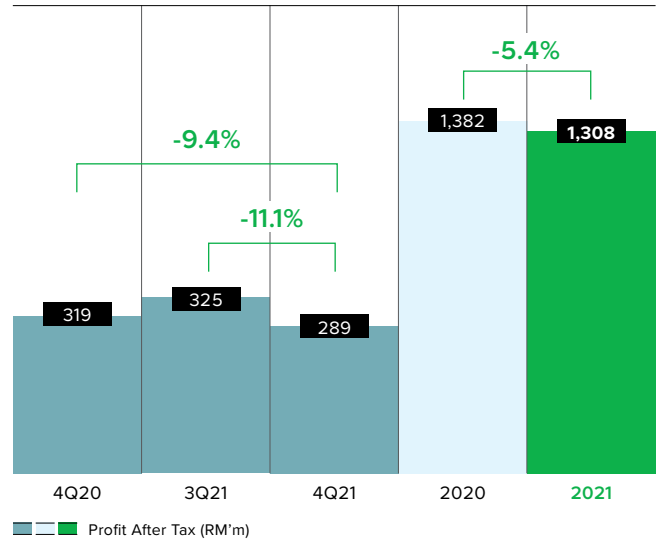


We Are Maxis

Normalised EBITDA

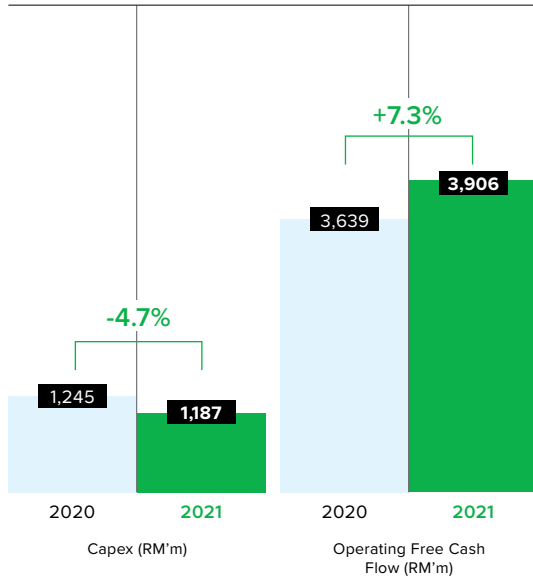


Profit After Tax

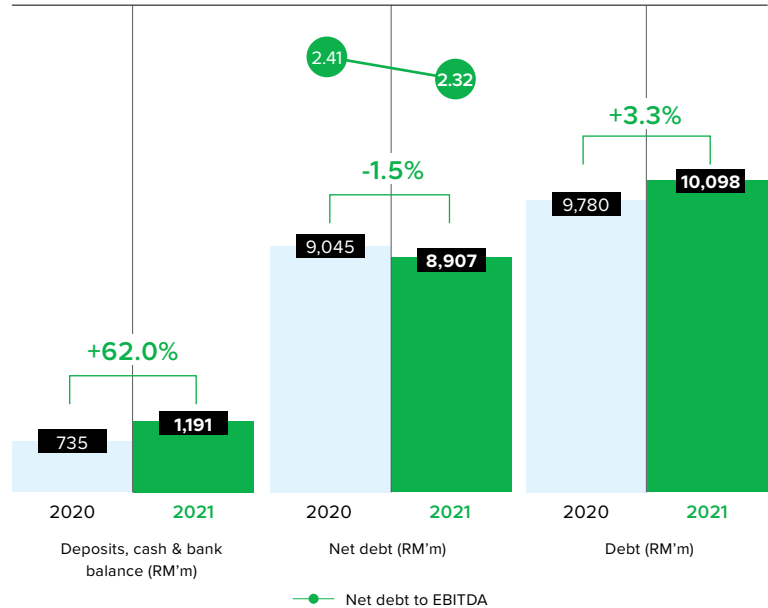


Normalised EBITDA and normalised EBITDA margin on service revenue increased to RM3,898 million and 48.8%, respectively, for FY2021. We recorded Profit After Tax (PAT) of RM1,308 million in 2021 compared to RM1,382 million in 2020. Year-on-year EBITDA growth was in line with the increase in service revenue while PAT was impacted by the increase in depreciation and spectrum amortisation.

Capex & Operating Free Cash Flow



Net Debt to EBITDA



Capital expenditure (Capex) in 2021 was RM1,187 million, a decrease of 4.7% from 2020 since the major IT transformation was completed in 2020. Operating Free Cash Flow (OFCF) grew by 7.3% to RM3,906 million mainly due to our focus on working capital initiatives and lower Universal Service Provision payments during the year.

As a result of this performance and our prudent cash management measures, the amount of deposits, cash and bank balance increased to RM1,191 million by the end of FY2021. Consequently, net debt to EBITDA ratio reduced from 2.41 to 2.32 as at 31 December 2021.

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# Management Discussion & Analysis

We Are Maxis

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## PRODUCT PERFORMANCE REVIEW

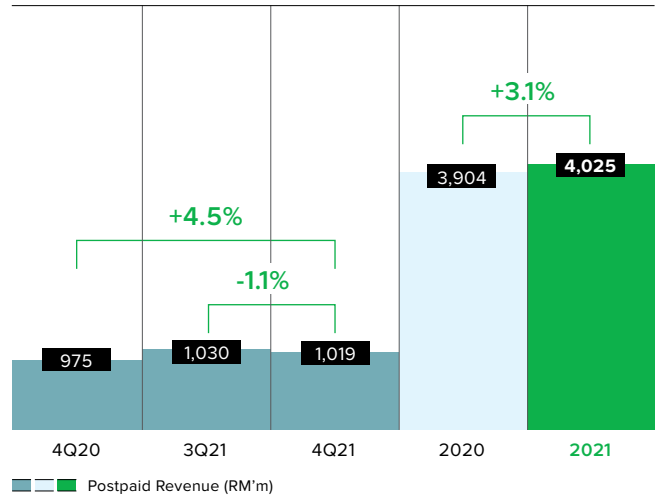
The COVID-19 pandemic spanned the entire 2021, which resulted in travel restrictions, a decline in foreign workers, reduced disposable income due to increasing unemployment and decreased retail traffic due to the MCO. These factors accumulatively impacted our Postpaid, Prepaid and international roaming revenue.

### Postpaid

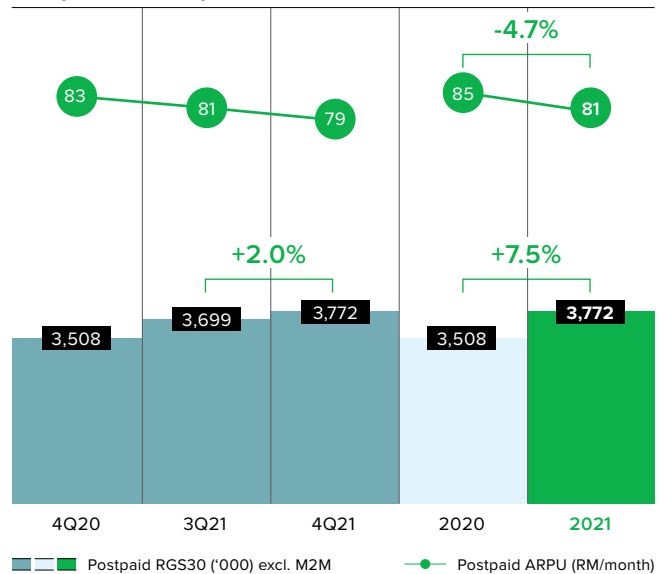
Postpaid service revenue for FY2021 increased by RM121 million, a 3.1% year-on-year growth, to RM4,025 million (FY2020: RM3,904 million). Postpaid RGS base grew by 264,000, which represented a 7.5% increase year-on-year. The Postpaid ARPU decreased by 4.7% year-on-year from RM85 to RM81 per month, largely due to the dilution effect of the increased number of value-accretive Hotlink Postpaid subscribers and increased number of Postpaid shared lines.

Data usage rose to an average of 25.9GB per month, compared to 19.7GB in 2020. The increase was largely driven by the MCOs with their Stay at Home and Work from Home requirements. This also led to the increase in Maxis App penetration, with 62.1% of our Postpaid primary account holders using it in 2021.

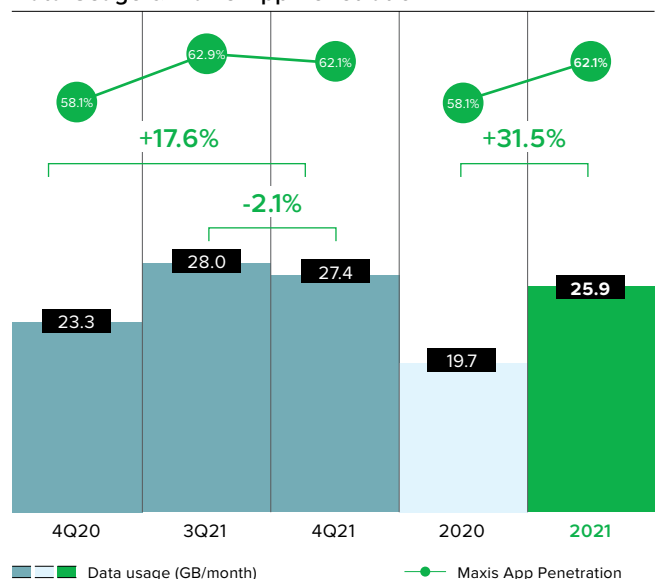
### Postpaid Revenue



### Postpaid Subscription & ARPU



### Data Usage & Maxis App Penetration



Note: The comparative results were restated to conform with current presentation.

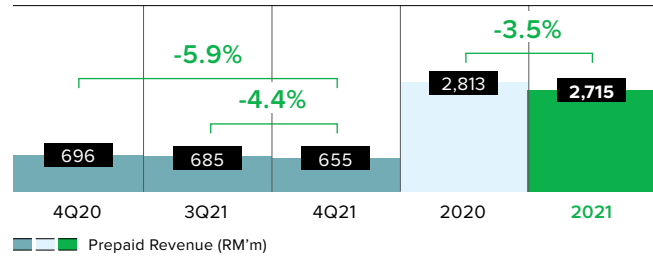


**Prepaid**

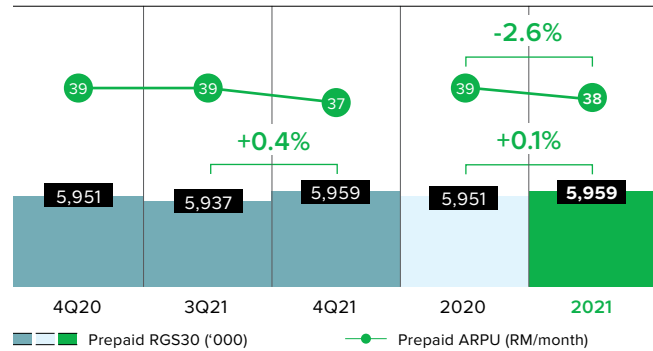
Prepaid service revenue for 2021 declined by 3.5% or RM98 million to RM2,715 million. The Group's Prepaid subscription base was relatively stable at 5.96 million. The strong growth in Hotlink Prepaid Unlimited subscribers offset the successful migration of subscribers to the Hotlink Postpaid service. Prepaid ARPU declined marginally by 2.6% from RM39 to RM38 per month.

Prepaid data usage per month remained relatively high in the second half of 2021 as the country continued to adapt to the new normal arising from the MCO with Stay at Home and Work from Home requirements. Although the Prepaid market remained competitive, we were once again innovative in our products and distribution. It is worth noting that, despite the Prepaid market's ongoing trends and our successful migration of Prepaid subscribers to Postpaid, Hotlink Prepaid remains resilient, aided by personalised promotions offered through our Hotlink App, which leverages data analytics.

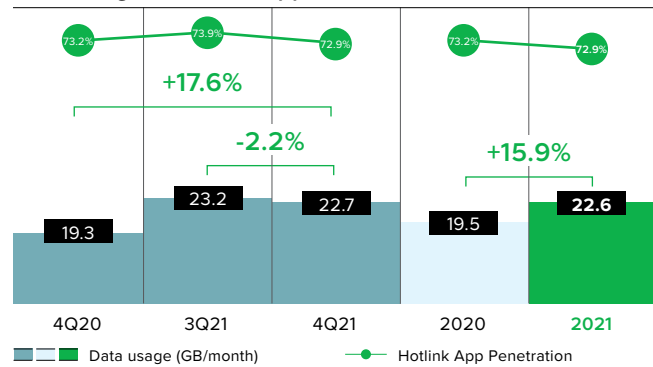
**Prepaid Revenue**



**Prepaid Subscription & ARPU**



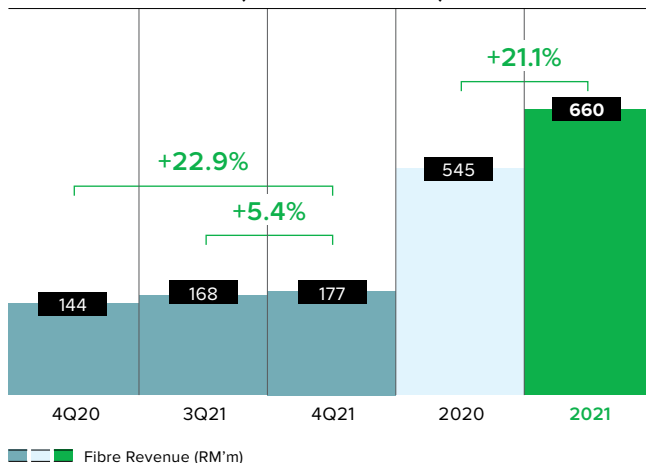
**Data Usage & Hotlink App Penetration**



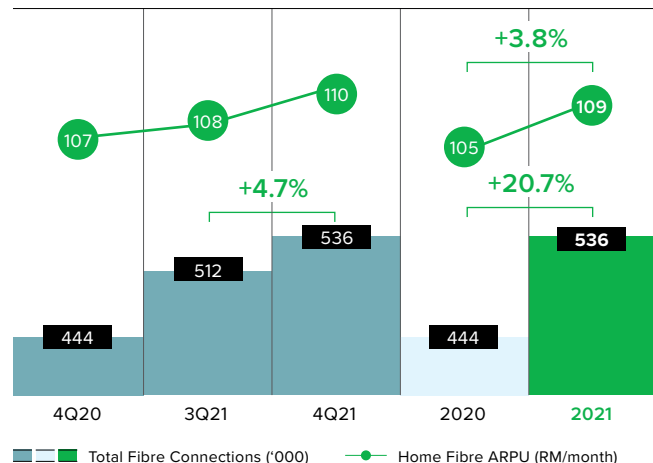
**Home and Enterprise Fibre**

Our total Fibre revenue grew from RM545 million in 2020 to RM660 million in 2021, an increase of 21.1%, FY2021 on FY2020. Our Fibre connections for both Home and Biz Fibre also grew by 20.7% from 444,000 connections in 2020 to 536,000 connections in 2021. The healthy uptake of higher speed packages and upgrades to existing customers are bearing results, as shown in the increasing ARPU trend from RM105 per month to RM109 per month, up by 3.8%.

**Total Fibre Revenue (Home + Biz Fibre)**



**Total Fibre Connections & ARPU**





# Management Discussion & Analysis

	2021 RM'm	2020 RM'm	2021 %	2020 %
<b>Value distributed</b>				
To Employees	735	670	14%	13%
To Government	910	905	17%	18%
To Providers of Capital	1,803	1,819	34%	36%
Retained for Future Reinvestment and Growth	1,818	1,710	35%	33%
<b>Total Distributed</b>	<b>5,266</b>	<b>5,104</b>	<b>100%</b>	<b>100%</b>
<b>Value generated</b>				
Revenue	9,203	8,966	-	-
Less: Operating Expenses	(4,268)	(4,220)	-	-
Operating Profit	4,935	4,746	94%	93%
Government Grant and Other Income	271	274	5%	5%
Finance Income	60	84	1%	2%
<b>Total Value Added for Distribution</b>	<b>5,266</b>	<b>5,104</b>	<b>100%</b>	<b>100%</b>

## INVESTOR RELATIONS

### Creating Long-Term Shareholder Value

Maxis is committed to creating long-term value for its shareholders and has been providing consistent cash returns through the declaration of dividends. For the FY2021, Maxis rewarded its shareholders with RM1.33 billion cash dividends comprising four interim dividends each of 4.0 sen per share with an additional special interim dividend of 1.0 sen per share in the fourth quarter. The total dividend payout of 17 sen per share represents a dividend yield of 3.51%, based on the closing share price of RM4.85 as at the end of December 2021. The proposed dividend payout is aligned with our dividend policy and policy of active capital management.

### Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced here for reference: "The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial condition, the Company's distributable reserves and other factors considered relevant by the Board.

Maxis intends to adopt a dividend policy of active capital management. The Company proposes to pay dividends out of cash generated by its operations after setting

aside necessary funding for network expansion and improvement and working capital needs. As part of this policy, the Company targets a payout ratio of not less than 75% of its consolidated PAT under Malaysian Generally Accepted Accounting Standards (GAAP) in each calendar year, beginning financial year ending 31 December 2010, subject to confirmation of the Board and to any applicable law, licence and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board. Investors should note that this dividend policy merely describes the Company's present intention and shall not constitute legally binding statements in respect of the Company's future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board's discretion.

As the Company is a holding company, its income, and therefore its ability to pay dividends, is dependent upon the dividends and other distributions that it receives from its subsidiaries. The payment of dividends or other distributions by the Company's subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and other factors that their respective board of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for the Company's subsidiaries may limit their ability to declare or pay cash dividends".

The reported profit after tax payout ratios in the financial years 2018, 2019, 2020 and 2021 were 87.7%, 103.6%, 96.0% and 101.8%, respectively.



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## COMMUNICATING WITH OUR SHAREHOLDERS

Maxis remains committed to maintaining the highest standards of corporate disclosures and transparency. Our disclosure policy is based on these three key principles:

- i. Maintain open and regular communications with all shareholders;
- ii. Disseminate financial and strategic updates in a timely and transparent manner; and
- iii. Ensure equal treatment and protection of shareholders' interests.

### We actively communicate with our shareholders

We maintain active dialogues with our shareholders throughout the year, through a planned investor relations programme that includes corporate days and investment conferences, which, in FY2021, were held virtually. In addition, we respond to ad hoc meeting requests and queries from shareholders as well as the investment community. Our investor-focused programmes are further supplemented by a dedicated Investor Relations website, a key resource for corporate information, financial data, stock exchange announcements, quarterly results, annual reports, upcoming investor events, shares and dividend information and investor presentation slides. Our Investor Relations website is available at <http://maxis.listedcompany.com/home.html>.

We meet regularly with major institutional investors via virtual investor meetings as we adapt to the new normal. We also hold regular sessions with financial analysts to discuss business performance and strategies. These meetings are typically hosted by the Head of Investor Relations and attended by the appropriate mix of senior management, including our Chief Executive Officer and Chief Financial & Strategy Officer.

We believe in the constructive use of our Annual General Meetings (AGMs). These meetings are attended by our Board of Directors and the Management Team. A comprehensive review of the Company's performance is shared and any shareholder present can query the Board and Management Team at these meetings. Our external auditors are also present to answer any questions on the auditing, preparation and content of the independent auditors' report.

Our stakeholders, especially institutional investors, place great emphasis on how we manage our Environmental, Social and Governance (ESG) matters and create value from our operations. Being cognisant of this, we have embarked on a value creation journey to fully integrate our annual report in accordance with the IIRC Framework to form a holistic view of our strategy and growth plans, as well as manage key risks and opportunities, in order to build and reassure confidence and improve our future performance. Also, we have been listed on the FTSE4Good Bursa Malaysia Index since 2015. Valued by our shareholders and other stakeholders for benchmarking our corporate responsibility practices, we intend to maintain and further improve our position on this index in the future.

### Feedback and enquiries

We welcome feedback on our Investor Relations initiatives, as well as the other information we have provided herewith. Queries about and requests for publicly available information, comments and suggestions to the Company can be directed to [ir@maxis.com.my](mailto:ir@maxis.com.my). We look forward to continuously and effectively engaging with our shareholders.



# Risks and Opportunities

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## KEY BUSINESS RISKS AND OPPORTUNITIES

Maxis continues to be impacted by a variety of risks stemming from both internal and external events such as the COVID-19 pandemic, 5G implementation, mergers between our competitors and spectrum allocation.

In 2021, apart from enhancing our overall Enterprise Risk Management (ERM) framework, we introduced a Cybersecurity Risk Framework and revised the Risk Appetite Framework in aligning with our principal risks and material matters by integrating our risk assessment parameters into our materiality assessment.

Further details of our business risks identification and prioritisation process are explained in the Statement on Risk Management and Internal Control.

Legend:

<b>CEO</b> Chief Executive Officer	<b>CTSO</b> Chief Technology Strategy Officer
<b>CFSO</b> Chief Financial Officer & Chief Strategy Officer	<b>CIO</b> Chief Information Officer
<b>CCAO</b> Chief Corporate Affairs Officer	<b>CNO</b> Chief Network Officer
<b>CEBO</b> Chief Enterprise Business Officer	<b>CSSO</b> Chief Sales & Service Officer
<b>CHRO</b> Chief Human Resource Officer	<b>CMO</b> Chief Marketing Officer

### Pandemic Risk (COVID-19)

<p><b>Impact on Business</b></p> <ul style="list-style-type: none"> <li>The COVID-19 pandemic may have far-reaching adverse impacts on our employees, operations, suppliers and customers.</li> <li>The outbreak could lead to reduced demand and sales activities, including diminishing mobile roaming revenue and lower customer acquisition, for both Mobile and Enterprise customers.</li> <li>Disruptions to our ability to deliver services due to movement control orders, supply shortages and/ or key employee loss could have adverse impacts on customer delivery and quality.</li> <li>The resulting economic downturn and the knock-on effect of rising bad debts, subdued spending and loss of employment could further dampen our business.</li> <li>The discovery of new COVID-19 variants may dampen economic recovery in the near future.</li> </ul>	<p><b>Mitigation Actions for Value Creation</b></p> <ul style="list-style-type: none"> <li>We managed the crisis by putting people first, with the health of our employees and customers being our top priority. A Management Committee meets regularly to identify risk exposures, define pertinent mitigation actions and evaluate effectiveness. Various Health and Safety measures were implemented to protect our employees and customers. These measures were continually evaluated and refined to adapt to the changing situation and to align with guidelines issued by the Malaysian government and World Health Organisation.</li> <li>We stabilised our operations by deploying measures to strengthen network capabilities, conducting constant dialogues with our critical suppliers to ensure sufficient inventory, accelerating digital adoption for customer service and maintaining data security and privacy.</li> <li>We focused on recovery and business reconfiguration to bring in yearly revenue.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Taking advantage of the significant boost in digital activity.</li> <li>Scanning for organic growth opportunities.</li> <li>Considering structural options or M&amp;A opportunities to accelerate recovery.</li> <li>Optimising the network by identifying traffic hotspots due to the Movement Control Order (MCO).</li> <li>Restrategising products and service offerings to support the government's initiatives and the reopening of the economy.</li> </ul>	

<p><b>Risk Owners:</b></p> <p><b>CFSO</b> <b>CTSO</b> <b>CCAO</b> <b>CMO</b></p> <p><b>CEBO</b> <b>CSSO</b> <b>CHRO</b></p>	<p><b>Capitals Affected:</b></p>	<p><b>Key Risk Indicators:</b></p> <ul style="list-style-type: none"> <li>Number of COVID-19 cases worldwide, regionally and locally</li> <li>Government's Movement Control Order/s</li> </ul>
<p><b>Strategy:</b></p> <p><b>M</b> <b>A</b> <b>X</b></p>		



Competition Risk

Impact on Business

- An increasingly saturated market could create fierce competition for the Company.
- The increased competition arising from mergers between market players could create an uneven playing field in areas such as spectrum allocation, pricing power, market concentration, infrastructure and economies of scale.
- Intensifying market competition could lead to players providing overlapping services to cater to the demand for connectivity.

Mitigation Actions for Value Creation

- Intensifying efforts to gain market share and maintaining leadership in converged solutions in both consumer and enterprise segments.
- Continuous sessions in building rapport with the Ministry and regulators, including providing ideas and being involved in engagement sessions on spectrum and policy matters.
- Leveraging industry-leading LTE network and fibre connectivity to be Malaysia's leading converged solutions company.
- Driving efficiencies and innovation via new technologies, products and services, processes and business models to provide customers with an Unmatched Personalised Experience.
- Doubling down efforts on the three pillars of the MAX Plan.

Opportunities

- Building reputation and rapport with the Ministry and regulators.
- Revenue from innovative services and effective strategies focused on key segments.
- Improved agility and operational efficiency.
- Investment in skills.

Risk Owners:

CMO CSSO CTSO CEBO CCAO

Strategy:

M A

Capitals Affected:



Key Risk Indicators:

- Service Revenue Share
- Mobile Network Portability
- Net Promoter Score
- Productivity Improvement
- Customer acquisition/ contract renewals

Economic Risk

Impact on Business

- Macroeconomic uncertainties could impact local economic growth and influence consumers' purchasing power as well as corporate spending.
- The long-term effects of prolonged lockdowns could drive more unemployment in the economy while subduing the growth of the SME segment.

Mitigation Actions for Value Creation

- Minimising the economic impact on businesses and consumers by driving key convergence value propositions and riding on government and local agency subsidies to accelerate digital adoptions.
- Continuing to accelerate our cost optimisation programme to drive improvements in cost structures, with a dedicated team.

Opportunities

- Economic recovery.
- The 12<sup>th</sup> Malaysia Plan and Budget 2022, focusing on the *Rakyat's* well-being and on business continuity, will have positive impacts on businesses and consumers.

Risk Owners:

CFSO CMO CEBO CSSO

Strategy:

M X

Capitals Affected:



Key Risk Indicators:

- Consumer Confidence Index
- Domestic Consumption
- Household spending



# Risks and Opportunities

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## Operation Risk

**Impact on Business**

- Failure to provide Unmatched Personalised Experiences to our customers and at the same time deliver growth and optimise costs could impact our reputation and capabilities in delivering our strategy. This is more so for new business areas in Enterprise business and Home Broadband.
- Implementation of complex platform solutions and supporting infrastructure could impact operation processes and delivery channels.
- While travel restrictions and government-imposed movement control orders with disruptions to physical customer service delivery and availability of employees/ partners have gradually eased up, the resurgence of COVID-19 cases could cause the measures to be tightened again.

**Mitigation Actions for Value Creation**

- We accelerated digital channels to provide digital care and self-service capabilities to enhance service excellence.
- We also worked with the authorities to carry out preventive maintenance on our network infrastructure.
- We continued identifying talents with the skills and capabilities to deliver new solutions / services.
- The Project Management Office integrated change management by identifying, evaluating and managing changes throughout key projects' lifecycles.

**Opportunities**

- Business stability and continuity.
- Innovative products and services through strategising cost optimisation.
- Increasing agility and market competition through cloud, digital and data/analytics assets and digitalisation efforts.

<p><b>Risk Owners:</b></p> <p><b>CMO</b> <b>CEBO</b> <b>CSSO</b> <b>CIO</b> <b>CHRO</b></p> <p><b>Strategy:</b></p> <p><b>A</b> <b>X</b></p>	<p><b>Capitals Affected:</b></p>	<p><b>Key Risk Indicators:</b></p> <ul style="list-style-type: none"> <li>• Net Promoter Score</li> <li>• Number of non-billing complaints</li> <li>• Progress of implementation of new systems to support new services/products</li> </ul>
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## People Risk

**Impact on Business**

- As we grow our business beyond the core, recruiting, developing and training the best talents remain a challenge.
- Specialised skills to drive digital transformation strategies are scarce due to intense competition.
- Failure to safeguard the health, safety and well-being of our employees and the public, especially in light of COVID-19-related exposures and the reopening of the economy, which includes employees returning to the office.

**Mitigation Actions for Value Creation**

- Leadership succession plans enable us to maintain our competitive market advantage.
- Resource cost is optimised with strong initiatives to respond to COVID-19 impacts while continuing to build capability in growth areas.
- Continuously building capabilities by upskilling our existing workforce, recruiting new talents and strategic mergers and acquisitions.
- In order to develop and retain talent, we conduct regular skills assessments in critical business areas, with structured developmental road maps to fill gaps identified.
- Developing our talents through formal learning, coaching and mentoring, and by providing critical experience through rotations and special projects.
- Proactively reviewing our talent retention strategy to ensure it is applicable to current needs to mitigate the risk of attrition of top-value and niche roles.
- Monitoring potential COVID-19 impacts on our colleagues and complying with global and government public health guidelines and measures.
- Establishing a targeted approach to retain key talents.

**Opportunities**

- Talent diversity through innovative talent attraction and retention strategies.
- A healthy and highly engaged workforce.
- Awareness among the workforce on Health, Safety and Environment, including related laws and regulations.

<p><b>Risk Owners:</b></p> <p><b>CHRO</b></p> <p><b>Strategy:</b></p> <p><b>X</b></p>	<p><b>Capitals Affected:</b></p>	<p><b>Key Risk Indicators:</b></p> <ul style="list-style-type: none"> <li>• Voice of Maxis (VOM) Score/ Employee Engagement Index (EEI)</li> <li>• Vacant time for critical roles</li> <li>• COVID-19 cases among employees</li> <li>• Employee of Choice Surveys</li> <li>• Attrition Rate</li> </ul>
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**Regulatory Risk**

**Impact on Business**

- As a result of new and revised regulations, telcos may need to respond so they can minimise the impact on the company’s strategy in the short and long run.
- Regulated spectrum resources are limited, yet they are critical in maintaining competitiveness, growth and cost strategies.
- The political landscape (locally and globally) is factored into the business direction for telco companies to be responsive and agile in ensuring business resilience.

**Mitigation Actions for Value Creation**

- Closely monitoring new developments and engaging with regulators and the industry to propose changes and provide feedback on regulatory reforms and industry developments.
- Being committed to conducting business ethically and in compliance with applicable laws and regulations. We continue to improve the Maxis Anti-Bribery and Corruption System to ensure that Maxis and its subsidiaries remain well-positioned and have adequate measures in place to eradicate all forms of corruptions.
- Setting up an internal committee team to ensure that strong relationships are established with government bodies/ agencies.
- Proactively revising our strategies and relevant policies that are affected by the new regulations and/or amendments to ensure they have a minimal impact.

**Opportunities**

- New spectrum awards by the government.
- New revenue opportunities for network wholesale.
- Active participation in government initiatives.
- Minimising impacts on business strategy resulting from regulatory introductions or amendments.

**Risk Owners:**

CFSO CTSO CCAO

**Capitals Affected:**



**Key Risk Indicators:**

- Fines imposed by regulators
- Amount of spectrum to be awarded

**Strategy:**

M A

**Information Technology Risk**

**Impact on Business**

- Cybersecurity threatens the resilience and integrity of our network infrastructure and support systems, with potential cyberattacks resulting in reputational damage, litigation or penalties.
- Work from Home arrangements due to COVID-19 could introduce additional cybersecurity vulnerabilities.

**Mitigation Actions for Value Creation**

- Our Cybersecurity Management (CSM) unit conducts security planning/projects, security operations, data protection initiatives, security forensics, threat intelligence and assurance to monitor and resolve security threats both internally and externally.
- In view of the increase in cybersecurity vulnerabilities from remote working due to COVID-19, the security of the remote access system (VPN) and its monitoring agents has been enhanced.
- During the year, our approach to cybersecurity risk management has also been enhanced with the identification of cyberthreats as risk drivers and key business scenarios.
- Conducting awareness and training sessions with regards to various cybersecurity threats throughout the year.
- Insuring liabilities with optimum coverage.

**Opportunities**

- Cybersecurity services for business customers.
- Consolidation of internal expertise.
- Security by Design to support increasing compliance with governance.
- Championing cybersecurity within the Maxis ecosystem.

**Risk Owners:**

CIO

**Capitals Affected:**



**Key Risk Indicators:**

- Percentage of Maxis critical system not covered by advanced protection system and controls
- Percentage of security incidences exceeding SLAs for containment
- Completion rate of Cybersecurity Awareness Training

**Strategy:**

A



# Risks and Opportunities

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**Data Privacy and Protection Risk**

**Impact on Business**

- We prioritise the protection of our customers’ and businesses’ data privacy amid rising concerns of data breach, theft, loss and misappropriation of information.
- Failure to do so could adversely impact customer confidence and lead to significant fines, business disruptions and reputational damage.
- During the COVID-19 pandemic, we observed an increase in cyberthreats targeting customers through phishing, social engineering and malicious or insecure apps and services. Work from Home arrangements for staff and third-party contract staff could increase risks relating to customer data leakage.

**Mitigation Actions for Value Creation**

- Establishing a data privacy and protection governance framework, encompassing various data privacy and data security policies, procedures, technologies and tools, to minimise the risk of privacy breaches and to ensure customers’ data privacy.
- Establishing an escalation process for major incidents, including security breaches, for timely internal and external response and to minimise impacts.
- Carrying out various measures to detect and prevent customer data leakage, including fostering awareness on data privacy and protection among Maxis’ stakeholders, incorporating data privacy and protection controls within processes and improvements in the implementation of data leak monitoring tools to address the increased exposure to data leakage from remote working.

**Opportunities**

- Establishing and incorporating structured data privacy and protection within governance and internal business processes.
- Cybersecurity services for business customers.
- Strengthening trusted third-party roles.
- Increasing efforts to promote awareness internally and externally on data privacy, management and protection.

<p><b>Risk Owners:</b></p> <div style="display: flex; gap: 5px;"> <div style="background-color: #008080; color: white; padding: 2px 5px;">CFSO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CTSO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CIO</div> </div> <p><b>Strategy:</b></p> <div style="display: flex; gap: 5px;"> <div style="background-color: #008080; color: white; padding: 5px 10px; border-radius: 5px;">A</div> <div style="background-color: #008080; color: white; padding: 5px 10px; border-radius: 5px;">X</div> </div>	<p><b>Capitals Affected:</b></p>	<p><b>Key Risk Indicators:</b></p> <ul style="list-style-type: none"> <li>• Progress on implementing data protection and privacy programme</li> <li>• Number of data breaches</li> </ul>
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**Vendor / Supply Chain Risk**

**Impact on Business**

- Our business is increasingly dependent on strategic third-party relationships, including vendors and their extended supply chains. A critical failure on their part may lead to system and network interruptions that could adversely impact our operational efficiency and ability to deliver quality services.
- A resurgence of the COVID-19 pandemic and internal resource limitations in supplier countries could disrupt global supply chains of network equipment, devices and SIM cards.
- Also, geopolitical conflicts could contribute to the impacts of this risk.
- This risk also includes the possibility of exposing the Group to potential ESG risks within the supply chain.

**Mitigation Actions for Value Creation**

- Periodic vendor performance evaluation is a key part of our supply chain risk management, to identify improvements and corrective actions relating to deficient performance.
- Optimising processes and technology tools in our Source to Contract framework, enabling online supplier collaboration throughout onboarding, tendering and contracting, for transparency and proper audit trails.
- Maintaining constant dialogue with our critical suppliers, planning in advance and exploring and securing alternative supplies as necessary to ensure on-time delivery and sufficient supplies in the midst of global outbreaks.

**Opportunities**

- Purchase price reductions through volume and commercial competitiveness.
- Co-developing solutions with suppliers.
- Increasing the number of alternative preferred suppliers.

<p><b>Risk Owners:</b></p> <div style="display: flex; gap: 5px;"> <div style="background-color: #008080; color: white; padding: 2px 5px;">CFSO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CMO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CEBO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CTSO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CIO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CNO</div> <div style="background-color: #008080; color: white; padding: 2px 5px;">CSSO</div> </div> <p><b>Strategy:</b></p> <div style="display: flex; gap: 5px;"> <div style="background-color: #008080; color: white; padding: 5px 10px; border-radius: 5px;">A</div> <div style="background-color: #008080; color: white; padding: 5px 10px; border-radius: 5px;">X</div> </div>	<p><b>Capitals Affected:</b></p>	<p><b>Key Risk Indicators:</b></p> <ul style="list-style-type: none"> <li>• Timeliness in the delivery of goods and services</li> </ul>
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Technology Risk

Impact on Business

- Failure to advance with evolving technological and digital capabilities in order to maintain our leading edge in technology and innovation could hinder our ability to transform to meet stakeholder expectations and render our infrastructure and systems obsolete ahead of their expected useful lives.
- Also, new technologies that are implemented without a clear development and transition programme, including their adequacy of operating models and maturity road maps, could affect the adoption rate, subsequently hindering the technologies' returns on investment (ROI).

Mitigation Actions for Value Creation

- Continuing to invest in upgrading, modernising and equipping our systems with new capabilities to deliver innovative and relevant services to our customers.
- Also, technologies must prove their maturity in the commercial environment prior to being applied in Maxis' environment.

Opportunities

- Cost reductions.
- Convergence and new services.
- Reduction of network equipment and maintenance costs.
- Service differentiation/ customisation (e.g. UPE).
- Effective management of the technology's performance and scalability.

Risk Owners:

CTSO CIO

Strategy:

A X

Capitals Affected:



Key Risk Indicators:

- Delay in meeting key milestones for new technology implementation
- Customer non-billing complaints (technology-related)
- Adoption rate, user engagement index, failure/fault rate, performance and scalability

New Business Risk

Impact on Business

- The competitive operating landscape and stakeholder demands require us to diversify our product and service offerings beyond the core to create additional revenue streams through multiple converged solutions services, e-Wallet services, Maxis TV, managed cloud services, cybersecurity and ICT.
- These new growth areas could expose us to liabilities if the exposures are not adequately identified and managed.

Mitigation Actions for Value Creation

- Continuously updating our organisational structure, talent management and development and policies and processes, as well as investing in new technologies, to meet the demands of new businesses in relation to people, processes and systems.
- Actively monitoring business operations should there be a requirement to adhere to defined and applicable regulations.
- Transferring liabilities to insurance, with optimum coverage and premiums.

Opportunities

- Revenues from new business uses (5G, IoT).
- Convergence and new services.
- Transferred risk (e.g. insurable risk).

Risk Owners:

CFSO CEBO CMO  
CHRO CSSO

Strategy:

M A X

Capitals Affected:



Key Risk Indicators:

- Progress in transforming people, processes and technology to meet the demands of new businesses
- Return on investment (ROI) on new products or services



# Risks and Opportunities

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**Network Failure Risk**

**Impact on Business**

- Disruptions to the reliability of our high-quality networks and systems, through malfunctions, losses or damage to our network infrastructure caused by natural disasters, insufficient preventative maintenance or malicious attacks, could profoundly impact our operations and reputation.
- A resurgence of the COVID-19 pandemic could impact network quality due to the surge in traffic.
- The imposition of movement control orders nationwide or at the district level could lead to network site access constraints to rectify network failures.

**Mitigation Actions for Value Creation**

- Preventing disruptions by continuously enhancing our networks' resilience and by reviewing our processes.
- Having an effective communication process for timely updates to our stakeholders during any incidents and/or crises.
- Our crisis management and escalation process enables our CEO and senior management to respond to emergencies and catastrophic events in a timely manner.
- Ensuring business continuity plans and insurance policies are in place.
- Deploying measures to strengthen our network capabilities in response to traffic surges from movement restrictions. Also, working closely with government authorities and contractors to enable effective network failure rectification and maintenance.

**Opportunities**

- New customers (extended network coverage) and new service opportunities.

**Risk Owners:**

CTSO CNO CCAO

**Capitals Affected:**



**Key Risk Indicators:**

- Net Promoter Score
- BCP's progress towards achieving target levels
- Service delivery
- Network performance

**Strategy:**

A



## OUR TOP MATERIAL MATTERS & MATERIALITY ASSESSMENT




### Our Key Relationships

At Maxis, we believe in balancing corporate purpose with the interests of not only our business, but also of our stakeholders, society and the environment.

In order to better understand the concerns and emerging priorities of our key stakeholders, regular engagement is conducted in daily operations. The Stakeholder Engagement exercise is conducted during the year to obtain a more comprehensive and in-depth understanding of stakeholders’ perspectives on Maxis’ sustainability management.






The scope of engagement includes both internal and external stakeholder groups. The stakeholders participate in qualitative and quantitative surveys to provide input on their perceptions of Maxis’ sustainability issues, as well as feedback to help Maxis prioritise its focus and identify new opportunities for sustainable growth.

Maxis’ response to our stakeholders’ key expectations is summarised below.

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
 <b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Annual general meetings (AGM) and extraordinary general meetings (EGM)</li> <li>Board effectiveness evaluation</li> <li>Company events/ activities</li> <li>Annual reports, financial reporting and other disclosures</li> </ul> <p>Frequency: Daily, weekly, monthly, quarterly, annually</p>	<ul style="list-style-type: none"> <li>ESG road map and goals</li> <li>Operational excellence and technological improvements</li> <li>Product innovation for sustainability</li> <li>Climate change impact remediation solutions</li> <li>Reporting on ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>Develop ESG road map with short-, medium- and long-term goals</li> <li>Provide innovative technological solutions and products</li> <li>Regular engagement with Directors and management of the Company regarding ESG progress</li> </ul>
 <b>Customers (Enterprise)</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Conferences/ Forums/ Seminars</li> <li>Company events/ activities</li> <li>Site visits/ Audits</li> </ul> <p>Frequency: Daily, weekly, monthly, quarterly</p>	<ul style="list-style-type: none"> <li>Infrastructure, efficiency, coverage, penetration and affordability of products/ services</li> <li>Widespread digital adoption</li> <li>Job opportunities for graduates</li> <li>Business opportunities for SMEs</li> <li>Decarbonisation of operations</li> </ul>	<ul style="list-style-type: none"> <li>Improve coverage and provide quality broadband experience</li> <li>Enhance broadband network adoption nationwide</li> <li>Continue driving SME Digitalisation Scheme and enhance workshops such as eKelas Usahawan</li> <li>Enhance renewable energy initiatives in operations</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Conferences/ Forums/ Seminars</li> <li>Company events/ activities</li> <li>Site visits/ Audits</li> <li>Company intranet/ newsletter</li> <li>Internal surveys and feedback</li> <li>AGM/ EGM</li> </ul> <p>Frequency: Daily</p>	<ul style="list-style-type: none"> <li>Product innovation</li> <li>Portfolio expansion of CSR initiatives</li> <li>Job opportunities for the underprivileged community</li> <li>Circular economy</li> <li>Diversity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Continuous engagement with employees to enhance welfare</li> <li>Community engagement to digitalise local entrepreneurs</li> <li>Continuous engagement in CSR activities and volunteering programmes</li> <li>Engage in effective e-waste management</li> <li>Unconscious Bias workshops for managers</li> </ul>



# Risks and Opportunities

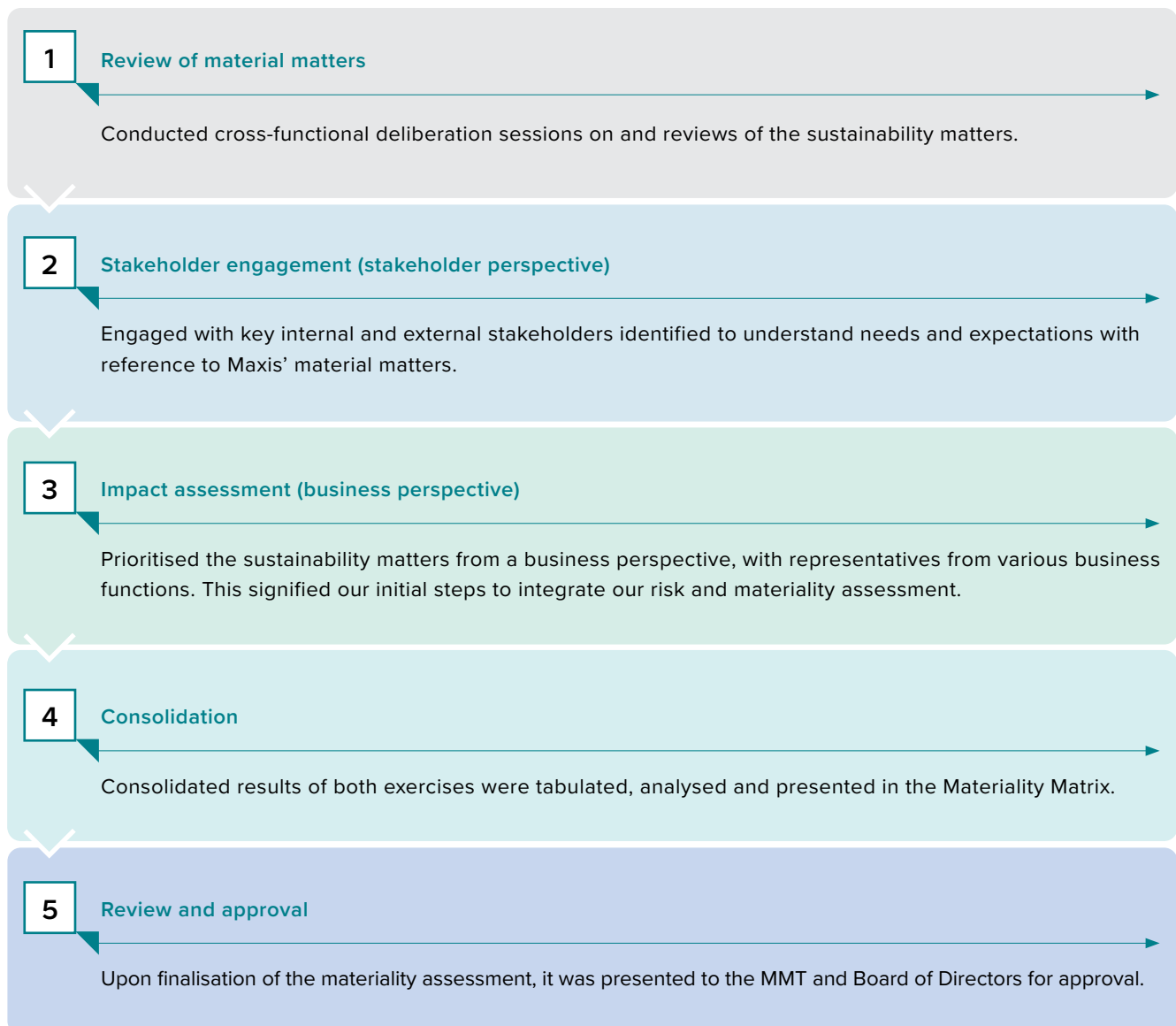
Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
<b>Government/ Regulatory</b>  	<ul style="list-style-type: none"> <li>Meetings</li> <li>Conferences/ Forums/ Seminars</li> <li>Company events/ activities</li> </ul> <p>Frequency: Monthly, quarterly, yearly</p>	<ul style="list-style-type: none"> <li>Accessible and inclusive products and connectivity</li> <li>Sustainable business model for underserved population</li> <li>Digitalisation &amp; modernisation</li> <li>E-waste &amp; Green Technology application for the telecommunications ecosystem</li> <li>Net Zero GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration in support of national sustainability agenda</li> <li>Expand and enhance network infrastructure</li> <li>Provide industry feedback and recommendations</li> </ul>
<b>Lenders/ Financiers</b>  	<ul style="list-style-type: none"> <li>Company website (including annual reports/ financial reports)</li> <li>Meetings</li> <li>AGM/ EGM</li> <li>Analyst Briefings</li> </ul> <p>Frequency: Monthly, quarterly</p>	<ul style="list-style-type: none"> <li>Carbon management</li> <li>Digital inclusion</li> <li>Anti-bribery and anti-corruption</li> <li>Online safety for children</li> <li>Environmental management</li> </ul>	<ul style="list-style-type: none"> <li>Develop emissions inventory and reduction targets</li> <li>Anti-Bribery and Corruption training for employees</li> <li>Supply chain monitoring of vendor integrity</li> <li>Initiatives to improve operational efficiency</li> </ul>
<b>Major Shareholders/ Investors/ Analysts</b>  	<ul style="list-style-type: none"> <li>Company website (including annual reports/ financial reports)</li> <li>Analyst Briefings</li> <li>AGM/ EGM</li> </ul> <p>Frequency: Quarterly</p>	<ul style="list-style-type: none"> <li>Product accessibility and affordability</li> <li>Digital inclusion</li> <li>Carbon footprint of supply chain</li> <li>Supplier diversity</li> <li>Network quality</li> </ul>	<ul style="list-style-type: none"> <li>Offer innovative and affordable products and services</li> <li>Optimise cost savings through digitalisation of processes</li> <li>Engage a balanced portfolio of suppliers, both local and international</li> </ul>
<b>Media</b>  	<ul style="list-style-type: none"> <li>Company website (including annual reports/ financial reports)</li> <li>Company events/ activities</li> </ul> <p>Frequency: Weekly, monthly</p>	<ul style="list-style-type: none"> <li>Digitalisation</li> <li>Product/ Services affordability</li> <li>E-waste management</li> <li>Anti-corruption</li> <li>Online safety for children</li> </ul>	<ul style="list-style-type: none"> <li>Conduct Maxis Business Digital Readiness Index survey to benchmark organisations in their digitalisation journeys</li> <li>New device ownership model which improves product affordability</li> <li>Maximise, reutilise or refurbish decommissioned Network equipment</li> <li>Strengthen Maxis Anti-Bribery and Corruption policies and system</li> <li>Enhance cybersecurity policies</li> </ul>
<b>Suppliers</b>  	<ul style="list-style-type: none"> <li>External surveys and feedback (i.e. customer survey, customer complaint channel)</li> <li>Company website (including annual reports/ financial reports)</li> <li>Internal/ External meetings</li> </ul> <p>Frequency: Daily</p>	<ul style="list-style-type: none"> <li>IoT in specific sectors, e.g. healthcare &amp; security</li> <li>Energy-efficient solutions</li> <li>Consumer engagement on e-waste management</li> <li>Employment diversity</li> <li>Customer engagement</li> </ul>	<ul style="list-style-type: none"> <li>Leverage partnerships to expand IoT ecosystem</li> <li>Introduce renewable energy solutions and optimise Network equipment</li> <li>Embed focus on inclusion and diversity within every job description</li> <li>Achieve targeted Net Promoter Score</li> </ul>



## Our Materiality Assessment

In FY2021, we conducted a structured materiality assessment exercise to prioritise our sustainability matters based on both business and stakeholder expectations. Our materiality assessment process was guided by the enterprise risk management framework as well as Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Toolkit.

We engaged with a total of eight stakeholder groups, comprising the Board of Directors, employees, regulators, customers (enterprise), investors, financiers/ lenders, suppliers and the media, to obtain their input on the sustainability matters.





# Risks and Opportunities

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## Our Material Matters

**Materiality assessment exercise was conducted to gather inputs from both stakeholders and business perspective on significant material matters related to economic, environmental, social and governance perspective. A total of 15 material matters were assessed with 8 of the matters identified as high priority.**

### VERY HIGH IMPORTANCE

<p><b>Network Quality &amp; Coverage</b> Continuously being at the forefront of technological innovation to enhance its key internal business functions for improvement of process efficiency, effectiveness, promote innovation and business continuity.</p>	<p><b>Regulatory Compliance</b> Compliance with local and cross-borders regulatory requirements &amp; internal company policies in maintaining Maxis' business integrity, performance and managing impacts of new regulatory changes in the areas in which we operate.</p>
<p><b>Data Privacy &amp; Protection</b> Our measures in managing stakeholders' data privacy and protection.</p>	<p><b>Digital Inclusion &amp; Innovation</b> Provision of affordable and innovative products and service offerings to address environmental, social and governance (ESG) related issues, in bridging the digital gap in support of national priorities in the markets in which we operate.</p>
<p><b>Customer Experience &amp; Satisfaction</b> Delivering quality customer experience through our products and services, including ongoing engagement to better understand and meet customer expectations.</p>	<p><b>Sustainable Business Growth</b> Taking into account ESG considerations in making strategic investments/ acquisitions/ expansion/ partnerships to ensure our competitive edge and business sustainability whilst creating greater positive direct and indirect economic impacts to the communities where we operate.</p>
<p><b>Ethical Business Practice</b> The way we govern and conduct our business in full compliance with relevant laws and regulations, and our commitment to being transparent to our stakeholders.</p>	<p><b>Crisis Management &amp; Response</b> Well-prepared for crisis with a rapid and adequate response plan, this includes providing society in times of emergency and disaster, through the contribution of our business streams to disaster response initiatives.</p>

### HIGH IMPORTANCE

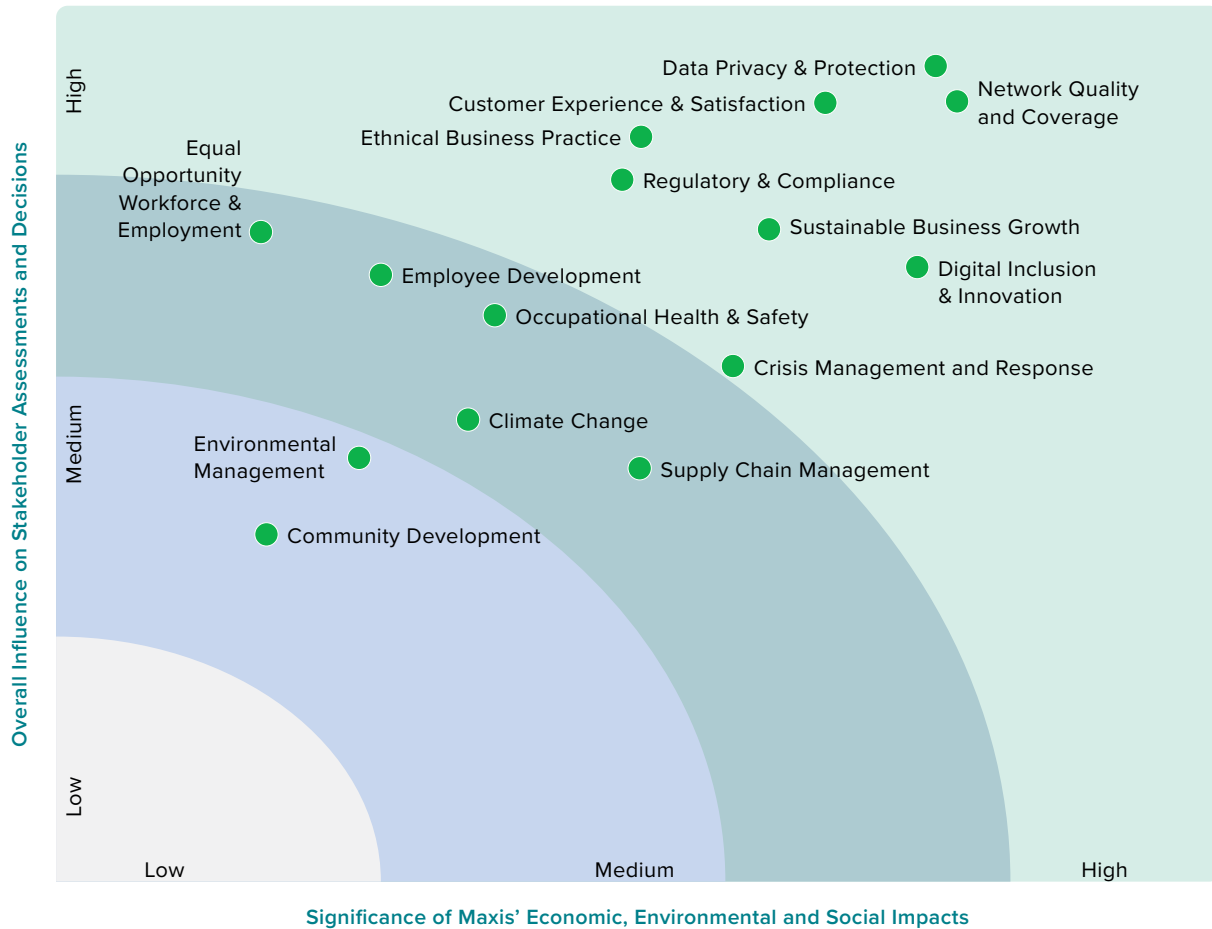
<p><b>Occupational Health &amp; Safety</b> The anticipation, recognition, evaluation and control of hazards arising in/ from the workplace that could impair the health and well-being of employees.</p>	<p><b>Equal Opportunity Workforce &amp; Employment</b> Fostering fair recruitment practices by embracing diversity and inclusion in a diverse workforce, while maintaining a safe and healthy working environment across our operations.</p>
<p><b>Climate Change</b> Internal controls and monitoring mechanisms to mitigate climate change risks and develop a climate agenda for Maxis. This includes energy consumption management and climate change considerations when developing products and solutions.</p>	<p><b>Supply Chain Management</b> Consideration of ESG factors (e.g. human rights and environmental management) across processes involved in supply chain management (i.e. reduction of dependencies, managing vendor-related risks and performance).</p>
<p><b>Employee Development</b> Investing in effective programmes to promote employee development and competency enhancement to respond to the rapidly changing and complex business environment.</p>	

### IMPORTANT

<p><b>Environmental Management</b> Internal controls &amp; monitoring mechanisms to manage climate change and environmental impacts (e.g. energy consumption, waste management, etc.) arising from our business operations, and subsequently reducing their environmental impacts.</p>	<p><b>Community Development</b> Monetary and non-monetary contributions to local communities/ underprivileged/ underserved groups (e.g. focusing on education, disaster relief aid, improving welfare of local citizens, etc.).</p>
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Materiality Matrix



In comparison with Maxis' FY2020 assessment, the following could be deduced:

Customer Experience and Satisfaction, Data Privacy and Protection, Ethical Business Practices, Regulatory & Compliance, Digital Inclusion and Innovation and Sustainable Business Growth remained as high-priority matters to Maxis. This was in line with Maxis' continuous efforts in delivering quality solutions to our customers while ensuring ethical conduct of business.

Newly identified high-priority material matters were the two (2) new matters which were added to the list of material matters this year, namely Network Quality and Coverage and Crisis Management and Response. These two matters consider the core element of a Telco provider's offering of a reliable network, and the importance of robust crisis management processes internally and in times of providing for the society in event of emergency and disaster, such as the COVID-19 pandemic and flood events.

Matters related to employees' welfare and well-being including Equal Opportunity Workforce & Employment, Occupational Health and Safety, and Employee Development remains important to Maxis as we know our people are our most important assets in growing in tandem with the company. Maxis is also geared up to embed diversity and inclusion as an essential practice in our organisation.

Climate Change have ascended in importance compared to Energy and Emissions identified in the previous year. This shows rising emphasis on carbon management to meet national goals of achieving carbon neutrality by 2050, and for Maxis to play our role in enabling carbon reduction through technological solutions for our clients.

Supply Chain Management remains a key element for Maxis' operations to ensure ethical business practices extends beyond our own operations to our business partners, suppliers, vendors, and service providers as well.

Community Development and Environmental Management remained moderately material to Maxis as we embarked on more initiatives in 2021 to support local communities in education and entrepreneurship, and in handling e-waste responsibly.



Our Value Creation Theme 1:

# Enabling a Digital Nation

Mapping against SDGs



## OUR CONSUMER PRODUCTS

Delivered winning mobile and home solutions through our accelerated convergence strategy

Maxis is a leading brand in the consumer mobile space. From our inception more than 25 years ago, the consumer business has always been the bedrock of the Maxis brand. And even as we move towards becoming a converged solutions provider and a digital-first company, we will always focus on delivering winning consumer mobile solutions.



Throughout our history in the consumer mobile industry, we have always adopted a customer-focused strategy where we listen to our customers to learn about their needs and motivations. Maxis was established in 1995 as a cellular company with mobile voice telephony as our main value proposition. Fast forward 26 years and our value proposition has evolved to encompass multiple services across different customer segments. Our investment over the years, into technology and solutions, brought our customers SMS messaging, mobile Internet, over-the-top (OTT) applications, content and fibre Internet services.

### Technology and Innovation

Having observed the trend of digitalisation sweeping across the region in the past few years, we have embraced this shift as a key part of our strategy. The COVID-19 pandemic

has accelerated the pace of this digital adoption in all our lives and highlighted the value and importance of digitalisation for businesses, especially SMEs.

### Creating a converged experience through Maxis Fibre and Prime

We are the market leader for elevating the home Wi-Fi experience. This was achieved by partnering with the right manufacturers that introduced the latest Wi-Fi 6-supported fibre routers which provide the best performance for the user. At the core of our consumer mobile strategy was our convergence strategy. This was seen when we introduced convergence plans for our fixed wireless subscribers, which has helped accelerate the momentum of our convergence ambitions.



## Our Value Creation Theme 1: Enabling a Digital Nation

Our Value Creation Outcome

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### Powering digital lifestyles through Maxis Postpaid

Our core mobile product, Maxis Postpaid, continued to evolve. Our teams continue to innovate and find ways to drive the consolidation of individual user accounts through the Maxis Family Plan, thereby accelerating the uptake of digital services within the family. We also continued our focus to drive shared lines into our base and grow the size of our accounts.

Maxis is committed to 5G development in the country, and aligned with our commitment to Always Be Ahead, we are continuously building capabilities to develop accessible and premium 5G products that provide the best worry-free experience for our customers. In addition, the expansion of our Segment of One engagement platform is furthering our ambition of providing customers an Unmatched Personalised Experience by continuously delivering relevant and customised engagement.

### Enabling affordable mobile services through Hotlink Prepaid Unlimited and digital services

To enhance our prepaid customer experience, we created options for customers seeking unlimited internet options via two new products - Hotlink Prepaid Unlimited, or the easy-to-manage, high-speed internet options from our new Hotlink Prepaid Internet 365.

To cater to those looking for a more affordable postpaid plan, we recently enhanced our Hotlink Postpaid plans with data quotas and unlimited talk times and texts, as well as a refreshed and expanded range of device bundles, including 5G devices.

Looking to further enrich our customers' mobile digital experience, we provided innovative and relevant digital services such as Maxis TV, direct carrier billing for Google Play and Apple App Store and the ability to purchase music streaming services using Hotlink credit.

### Driving customer engagement through Hotlink Rewards & Hotlink App

Our Hotlink App not only allows our customers to manage their accounts and discover Hotlink offers and services, but also get rewarded through our Hotlink Rewards programme. This offers our customers easy ways to earn points via their daily interactions with the Hotlink App and redeem e-Vouchers and internet deals through the app.

In 2021, Hotlink Rewards continued to be popular and around 60% of our prepaid base are active users of the Hotlink App. We also continued to offer great value to our customers via tailor-made, personalised internet and reload offers through our HotlinkMU deals engine, offered through the Hotlink App. We will continue to augment more meaningful engagements and value for our Hotlink customers in the coming year.

Our Value Creation Theme 1: Enabling a Digital Nation



Our Value Creation Outcome

**Staying ahead of the pandemic**

As the pandemic entered its second year, we wanted to do our part to help our customers and so we offered all our customers' free Internet access up to 1GB daily for productivity-related usage. This enabled many people to work and study while being at home and not have to worry about interruptions due to data quotas. In collaboration with the Malaysian government and the Jaringan Prihatin programme that provided subsidies of RM300 each, we made Internet access even more affordable through prepaid device bundles.

To make it easier and more convenient for our customers to shop a variety of offerings in both our Maxis and Hotlink online stores, we set up alternate channels. For Lazada, we set up an official Maxis and Hotlink store to support any online orders. The launch of the Maxis buy-back Trade-up programme in selected stores together with our trade-in app allows customers to find out a value for their old devices and if they want to upgrade to a newer device.



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Future Product Innovation



**WiFi 6**  
New broadband wi-fi router - better speed and coverage to improve internet experience



**Maxis TV**  
Unlimited TV shows with daily pass available



**New Family Plan**  
Win over families with attractive 4 line mobile and access to fibre; accelerating account consolidation and ARPA growth for Maxis



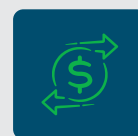
**FWBB**  
Converged Accelerate Home Broadband penetration in non-fibre geographies



**36 Months Zerolution**  
New device ownership model which will improve affordability of flagship devices, a market differentiator and expected device driver



**Internet Security**  
With the rise in connected devices and online behavior, the timely introduction of Secure VPN and kids online protection will be able to protect families from threats and attacks



**Maxis Trade-In Programme**  
Fully digital, the new Maxis trade-in programme allows customers to easily trade in any phone at attractive rates and take up a new device with us



## Our Value Creation Theme 1: Enabling a Digital Nation

### There's a Zerolution for everyone

Whether you're a WFH Mum or a startup CEO, select from our wide range of smart devices to suit your every need. Own your desired smart device with our easy monthly instalment plan at 0% interest.



#### Sustainable Business Growth

Our Zerolution ownership programme is the most accessible and affordable way to own the latest devices in the market. With zero credit card requirement and zero interest, it is a strong value proposition for the market. However, seeing the rising prices of high-end devices, especially smartphones, we launched Zerolution with a 36-month commitment period, making these phones even more accessible. Beyond smartphones and accessories, we have also extended the Zerolution programme to home appliances that complement our Maxis Fibre broadband service, including Smart TVs, gaming consoles and laptops.

To make it easier for our customers, we broadened our reach by scaling the Maxis Online Store, with more exclusive offers and partnerships, aimed at driving excitement. We strengthened our buy-back programme for devices, through our trade-in app that allows customers to extract value from their older devices while still in the comfort of their homes.

To ensure that the transition into a digital-centric lifestyle is safe and secure, Maxis established a partnership with world-renowned cybersecurity provider Kaspersky, to power Maxis Internet Security—a convenient and affordable way to have access to the best Internet Security solutions.

On the content front, we are partnering with top tier video-on-demand (VOD) content providers, such as Viu, iFlix, Mubi, iQIYI and sooka to launch Maxis TV—a video entertainment service that offers premium video content via VOD passes with free data that is affordable and flexible for everyone.

#### Future plans

##### Short-term plans

- Continue to build and strengthen the family concept - convergence to drive growth in average revenue per account (ARPA)
- Re-energise our premium segment acquisition by leveraging on network superiority (best 4G, first to experience 5G and seamless to home/ office) coupled with the best mobile and device offerings
- Expand Segment of One capabilities beyond connectivity to maximise value through convergence and solutions
- Accelerate Fibre footprint through Jendela programme and targeted greenfield through partnership to expand market share
- Create market leadership through Unmatched Wi-Fi Experience

##### Medium-term plans

- Achieve next major milestone of 1 million Household subscribers
- Strong #1 in Convergence (Mobile + Fibre/ FWBB) subscriber market share
- Fully automated Segment of One recommendations platform delivering an unmatched personalised experience to our customers

##### Long-term plans

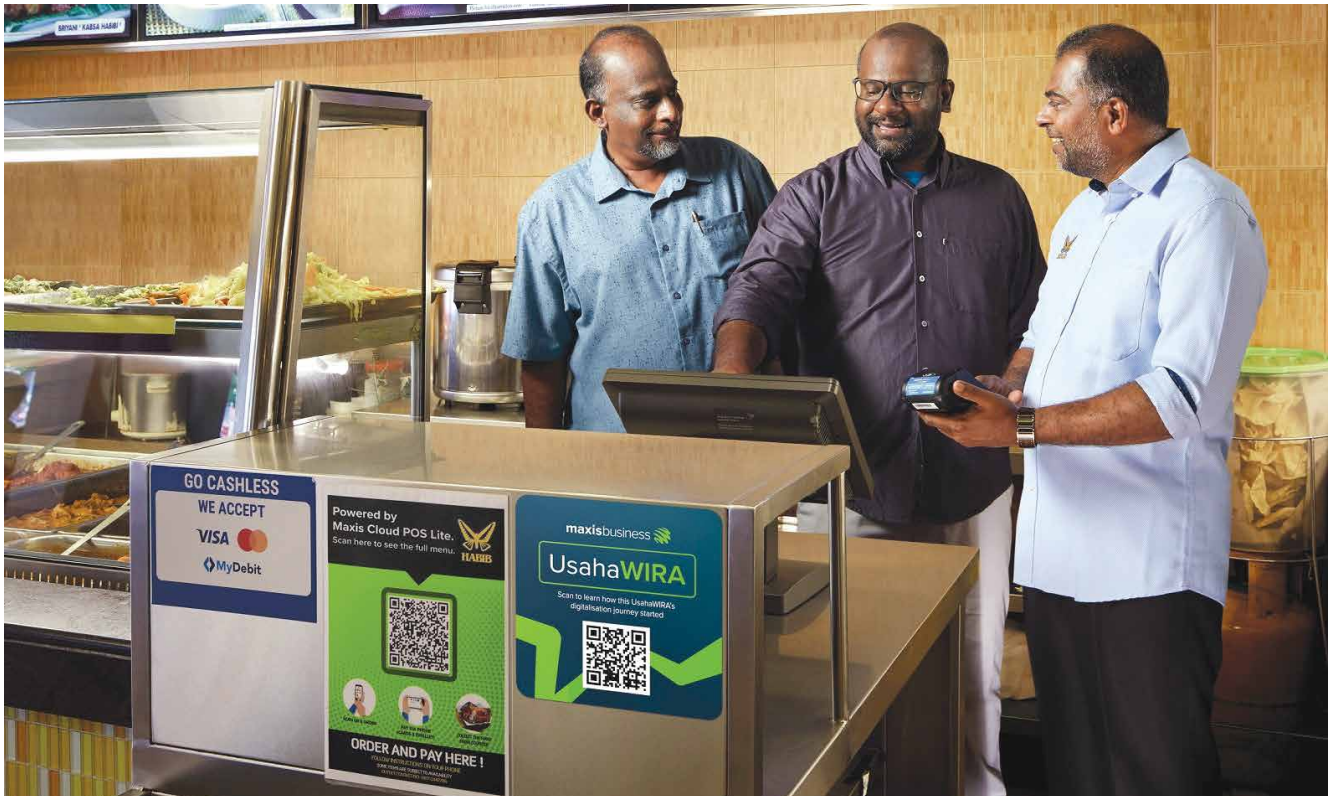
- Undisputed leader of converged solutions for Malaysian families
- To be the leading Network Provider in Malaysia



## OUR ENTERPRISE SOLUTIONS

Reinforced our position as a trusted technology solutions provider through digitalisation of SMEs and formation of strategic corporate alliances

In 2021, Maxis Business continued its growth trajectory towards becoming Malaysia's leading converged solutions provider in the ICT sector. Scaling up our Enterprise division from strategy to market leadership required a significant investment in our ability to roll out innovative and customer-first solutions for our current and potential Enterprise customers.



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Our transformation journey in business IT started in 2019 when we embarked on offering a world-class customer experience that leveraged on service automation. In the past two years, the various teams have built an end-to-end architecture stack and lifecycle management that can deliver superior customer experience as was initially envisioned, all supported by best-in-class operating models and capabilities.

### Expanding our solutions portfolio through strategic acquisitions

Maxis Business has embarked on a number of strategic acquisitions to develop our capabilities to deliver on our ever expanding solutions, including cloud computing, unified communications, and managed services for our customers, underpinned and augmented by our mobile and fibre connectivity.

The series of acquisitions commenced in 2020 with the acquisition of Infrastructure Consulting & Managed Services (ICMS), a cloud solutions company with expertise

in designing and deploying large-scale enterprise systems and storage infrastructure using Microsoft solutions. It marked the outset of our strategy to accelerate Maxis towards becoming a leading converged ICT solutions provider. Maxis wrapped up 2020 with the acquisition of Audeonet (M) Sdn. Bhd. (Audeonet), further expanding our voice and unified communications (UC) solutions to boost our converged communications offerings and expand our fixed communications delivery capabilities. With the acquisition of Audeonet, Maxis is now the exclusive distributor of Deltapath in Malaysia, a global provider of enhanced VoIP telephony system, and a Gold Reseller of Lifesize, a cloud-based videoconferencing solution.

In 2021, we followed up our capability expansion exercise with two more acquisitions, first with Peering One Sdn. Bhd. (Peering One), a company that specialises in providing hybrid and private cloud managed services. This acquisition reinforced Maxis' capabilities as a one-stop, end-to-end cloud solutions provider with a portfolio of cloud offerings



Our Value Creation Theme 1: Enabling a Digital Nation

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that addresses the full spectrum of business services. We also announced the acquisition of Mykris Asia Sdn. Bhd. (Mykris) in October 2021, adding a pool of experts comprising 70 qualified engineers and support team. The acquisition of Mykris strengthens our capability to provide managed network and managed security services with end-to-end field delivery and support, and will bolster our position in the enterprise ICT solutions market.

**Empowering our people to strengthen internal capability**

During the year under review, we invested heavily in the upskilling and accreditations of our people. In addition to becoming a Microsoft Gold Certified Partner, we were also the first Malaysian telco to be an Authorised Device reseller for Microsoft Surface, which required our people to be trained accordingly. In delivering Microsoft Solutions, we achieved eight Gold and three Silver competencies with accreditations encompassing cloud platforms and productivity, data centre, security, application development and integration, and many others.

We are also the first Malaysia telco again to be an AWS Solution Provider, as well as an AWS Advanced Consulting Partner, an AWS Public Sector Partner, and an AWS Direct Connect Service Delivery Partner, with an increased number of AWS Accredited and AWS Certified employees. Maxis is also a Cisco Premier Integrator and

has achieved the premier provider status for the Cloud and Managed Services Program, Meraki SD-WAN and Cisco Small Business Specialisation.

The acqui-hires in the past two years have resulted in the injection of new talent to the Maxis family. This increase in talent density bodes well for not just the Enterprise segment but the overall business as well because digital-first companies thrive on a strong talent inventory. Acqui-hires in general are hailed as accruing positively to the receiving company as it creates a cohort of new perspectives and different thinking within the organisation. This in turn sees a more innovative culture emerge that can challenge the status quo and result in new value creation.

**Reaching out to the business community**

The Maxis Business Digital Readiness Index 2021 had garnered more than 270,000 web sessions, 27,000 surveys started, and 7,000 completed surveys by participants who would like to be contacted to kickstart their digitalisation journey. The online tool, which is an interactive self-assessment tool, is designed to help any organisation kickstart their digitalisation journeys while benchmarking themselves against local and global peers. The strong response from Malaysian MSMEs, primarily micro-SMEs, is indicative of the potential for this industry.

**7,000+** 

completed survey responses to-date\*

\* Completed survey responses registered until 31 December 2021.

**93%** 

of the completed survey responses were from MSMEs\*

\* MSMEs denotes Micro, Small and Medium enterprises.

We will continue to work closely with our partners in this initiative, the Malaysia Digital Economy Corporation (MDEC), the Ministry of Entrepreneur Development and Cooperatives (MEDAC) and its agency, Institut Koperasi Malaysia (IKMa).



### Helping SMEs transform through the SME Digitalisation Grant

Through the government's RM500 million PENJANA SME Digitalisation Grant and our partnership with MDEC, Maxis was appointed as a certified Technology Service Provider to help companies accelerate their digital transformation journey by taking advantage of a 50% matching grant of up to RM5,000 for connectivity and business solutions. With 17 types of solutions, we have a wide range of solutions to help companies go digital in the following digitalisation areas—digital marketing, e-commerce and retail, remote working, procurement, and e-point-of-sale (ePoS). To date, Maxis has helped to digitalise over 20,000 SMEs, reinforcing our position as a trusted technology solutions provider.

To further champion Malaysian SMEs, we launched our UsahaWIRA programme that features local hero entrepreneurs that have successfully used digital tools to navigate the pandemic. The programme aims to inspire and encourage SMEs to adopt digital technologies as a business imperative by deploying content and platforms to offer valuable insights to entrepreneurs. Some of the initiatives we rolled out were a weekly six-episode series on Astro Ria, a short film and customer featurettes, bite-sized TikTok-style videos dubbed 'Tanyalah Maxis', and a full-day event featuring some of the biggest names in the industry along with successful entrepreneurs who shared their journey in digital entrepreneurship, and host multiple workshop sessions.

### Retransformation of businesses with accelerated cloud conversations

Following the launch of our 'Retransformation' campaign in 2020, we continued to invest significantly in deploying this campaign to our enterprise segment. With a focus on four key technology areas—the cloud, software-defined networking (SDN), Internet of Things (IoT), and cybersecurity, this effort hopes to unleash a new growth lever for Malaysian companies while driving greater operational efficiencies, even if these companies had already adopted some element of digitalisation but had been buffeted by the pandemic.

Our Retransformation initiative was and still is based on the struggles Malaysian SMEs have had in maximising the potential of digital tools they have adopted. Many local companies have implemented cloud applications but have experienced migration struggles and a lack of talent and knowledge of cloud services, while more than half still operate on legacy infrastructure. A substantial proportion of organisations do not understand SDNs while only a fraction can claim to have end-to-end cybersecurity protection.

Our cloud narrative was augmented by the launch of Maxis' Right Cloud solution that simplifies the management of multi-cloud, and public, private and hybrid cloud models, making our offering a holistic way to retransform business organisations and infrastructures. Our on-going partnerships with AWS, Microsoft, and Cisco, were joined by new partners Commvault and VMware.



## Our Value Creation Theme 1: Enabling a Digital Nation

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### Pioneering 5G and IoT ecosystem

Since the enterprise segment will drive much of the initial business use cases for 5G and IoT technologies, we continue to place significant importance on developing the 5G and IoT ecosystems that will power the growth of innovative products and solutions powered by 5G and IoT. We also became a member of the APAC 5G Industry Community together with the GSM Association (GSMA).

Some of the other initiatives that we concluded included establishing a 5G+AI lab in partnership with MIMOS and Huawei, forging a partnership with automaker Proton to deploy a 5G use case within their manufacturing plant, and striking a strategic partnership with Malaysian Airports Holdings Berhad (MAHB) to transform Kuala Lumpur International Airport into a 5G-enabled airport.

### Reinforcing our fibre footprint

In addition to our own fibre build-out programme, we continued to expand our effective fibre footprint across both Peninsular and East Malaysia by signing fibre access agreements with other fibre owners like TM, Sacofa, Allo, and CT Sabah. Through these collaborations, we are now able to deliver the most extensive fibre connectivity across Malaysia, covering more than 5 million homes and commercial premises.

### Future outlook and priorities

Moving forward, our new Maxis Business brand will continue to target SMEs, large corporations, and government and public sector segments of the market, with more vertical-specific conversations and insights to strengthen the brand positioning. On top of that, we are continuously progressing our Single-Pane-of-Glass vision in 2022 to deliver superb user experiences based on Desirability, Simplicity and Visibility. What we can expect from this transformational change is a personalised and more intimate relationship with our customers, with 360-degree customer view capabilities, which will lead to a more meaningful customer experience.

Put together, all these digital initiatives, strategic acquisitions, and capability development, have been reflected in the growth we have seen in key solution pillars up the ICT stack. We have seen many significant wins in Cloud and IoT, which shows that our business customers are confident to put their trust in the value that Maxis Business can bring to their organisations. We hope to be able to help our enterprise customers to be future-ready by guiding them every step of the way and helping them leverage the power of technology to Always Be Ahead in a changing world.





## OUR NETWORK

Provided connectivity for all through network coverage and service quality with 4G leadership and fibre footprint expansion

As the leading Converged Network Solutions provider, Maxis has continued to not only expand its network coverage footprint and indoor reach, but has also invested in enhancing its service quality and state-of-the-art capabilities to ensure our customers enjoy reliable connectivity and an overall Unmatched Personalised Experience always. We are leveraging technological innovation and aggressively powering our digital transformation to stay ahead and to deliver on our ambitions. In the year under review, we invested close to RM1.2 billion of capex to upgrade network sites, enlarge our fibre footprint and build converged solutions.

To be able to effectively serve our subscribers, comprising of 12.4 million subscriptions in Mobile and Fibre services, we have dedicated functions covering all aspects of network growth, services, operations and maintenance for timely delivery of businesses enablement and meeting our promise in best customer experience. Given the critical importance of network planning and optimisation, we have put in place investments to ensure that we remain as an industry leader in network coverage and service quality. All the network design principles are tuned to exceed the minimum requirement of MCMC's Mandatory Standard Quality of Service while the internal processes are periodically reviewed and enhanced, in accordance with our ISO9001:2015 certification and digital transformation initiatives.

### Unmatched converged network experience

Maxis has continued to uphold our commitment of enhancing both mobile and fibre services, following the momentum gained from the droves of consumers and enterprises switching to a largely digital-first behaviour in 2020 because of the pandemic lock-down. To ensure we continue delivering the best experience, Maxis has invested substantially in building and upgrading sites to meet the growing needs of our customers. This been necessary, especially during a time when connectivity, speed and stability helps to assure the zero business interruption, retaining productivity, and continuous education for the many who are working and learning from home.

In 2021, we accelerated our network capacity upgrades to keep up with the surge of network traffic while maintaining our Mobile network leadership. We also continued to deliver consistent customer experience as a leader in 4G download speed since 2016 as reported by the MCMC. The success in retaining our Mobile services superiority is also anchored with our advanced transmission high speed microwave and wide deployment of fibre hence enhances on the resiliency of our network, ensuring for a continuous and Always On experience.

In line with our converged network ambitions, we have expanded our fibre transmission to 21,000 km. This expansion, plus the extensive reach of our fibre access agreement has enabled us to grow our Home subscribers to more than half a million subscribers, with 92,000 subscribers added in 2021 itself. Besides the successful marketing programme, we also trust that the healthy growth of Home is in part due to the improved customer experience contributed by our LTE back-up dongle for seamless and zero interruption, hence, delivering the Always On experience.

### Our Network Leadership Highlights



**4G Leader** in 4G download speed (as per MCMC report)



**92.3% Speed data** samples above 3 Mbps



**93.5% 4G LTE** Population Coverage



**57% Voice** traffic conducted over VoLTE



**21,000 km Expansion** of our fibre transmission



**530,000+ Subscribers** for Home and Business Fibre



**2,500 site** upgrades for JENDELA



## Our Value Creation Theme 1: Enabling a Digital Nation

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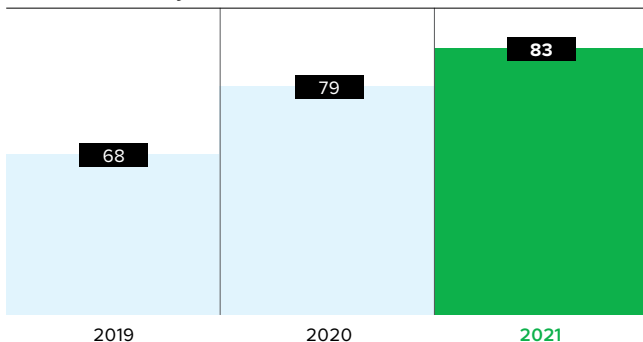


We have also seen encouraging progress in our Voice over LTE (VoLTE) service since its launch in the fourth quarter of 2020. VoLTE enables customers to enjoy a better voice experience with better connectivity. The growing traction has led to the number of active subscribers surpassing our 2021 target, with more than 57% of our voice traffic being conducted over VoLTE; highest in traffic enjoying premium voice experience.

Maxis is also proud to report that we actively contribute to nation-building through our support of the Jalanan Digital Negara Plan (JENDELA) initiative, which is targeted at improving infrastructure to meet the need for higher quality fixed and mobile connectivity for all Malaysians. Maxis continues to cooperate with the industry regulator and other Malaysian telcos to make connectivity a basic utility. In 2021, we completed more than 2,500 site upgrades to support JENDELA.

In addition, and as part of the JENDELA initiative, we are pleased to highlight that we are near to complete in the implementation of the 3G sunsetting directive announced by the MCMC. In 2021, Maxis embarked early in the beginning of the year to communicate and engage with our customers on the impending 3G sunset to ensure customer experience impact is kept to minimal. We started ahead of the industry to reduce 3G connectivity progressively and carried out state-wide shutdown in the last quarter of 2021 and 1st quarter

### Service Delivery NPS\*



\* NPS scores from our Enterprise customers.

2022. This initiative has allowed us to repurpose the 3G spectrum for 4G usage and has enabled our customers to experience better overall connectivity.

### Supporting local business

The Network team continues to support large businesses and small-and-medium enterprises (SMEs) through a suite of connectivity and managed services solutions. In 2021, we demonstrated our strong delivery capabilities by successfully producing Software Defined Wireless Access Network (SDWAN) solutions, Bandwidth Leasing and Managed Internet of Things (IoT) solutions, which were deployed to large Malaysian clients. We were also the first to offer Private LTE offshore solutions to our customers.

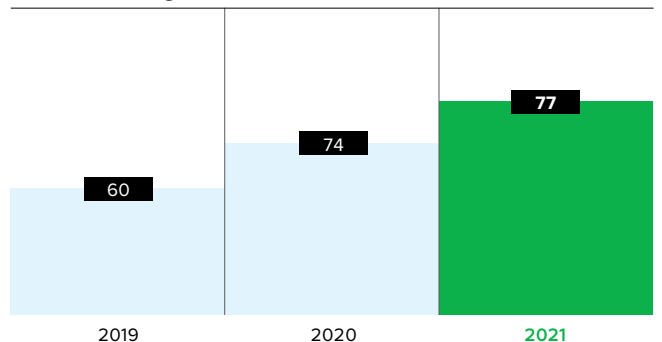
In enabling and supporting our Business Growth converged ambitions, the team is very proud of its Software Defined capable Maxis Programmable Network (MPN) which allows for agility, scalability, visibility ease of customisation and adaptation to requirement with security for our customers. Leveraging on this capability, we are the first telco in Malaysia to offer services such as Bandwidth on Demand (BoD) to businesses.

As an enabler to the Always On proposition, our solutions also benefit on the resiliency of our Network from advanced IP transmission to seamless fail-safe backup of LTE network of our solutions, ensuring that businesses and consumers alike are able to enjoy uninterrupted connectivity.

To support future needs, we have initiated 5G proof of concept (PoC) demonstrations for Malaysian companies. We believe 5G will be the enabler for Business converged solutions as it will provide a competitive advantage through higher speeds, low latency, network slicing and prioritisation options.

Our unrelenting pursuit of service excellence enabled us to maintain and achieve an excellent Net Promoter Score (NPS) of 81 for Service Delivery and 77 for Managed Services in 2021.

### Service Management NPS\*





**Digitalising our Network**

In line with the digital transformation Maxis has embarked on, the Network team has also leveraged digitalisation and adopted various technologies to improve the effectiveness and efficiencies of our network design, processes and operations. The team is exploring, developing and applying more use cases related to Artificial Intelligence (AI), machine learning (ML), Robotic Process Automation (RPA) and Advanced Analytics to enable autonomous operations of our Network. Through this initiative, we have been able to improve on our fault detection and prevention through predictive capabilities of the smart system.

We were also able to improve the customer experience with proactive fault notifications, reduced downtime and provide a shorter service impact analysis (translated to faster resolve of service disruption).



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## Our Value Creation Theme 1: Enabling a Digital Nation

### 2021 Flood Network Impact & Recovery

Maxis initiated and executed several proactive measures in 2021 in preparation for the year end monsoon season. This included:

- 4 boats for use during floods located in Pahang (2), Johor (1) and Penang (1); complete with flood mitigation simulation exercises with the relevant authorities
- Deployed generators as standby to 49 sites in anticipation of prolonged power disruptions during floods based on previous years' experience
- Mobilised additional contractor support in strategic locations prone to floods
- Installed snorkel on Maxis vehicles to enable mobility in flood-impacted areas or roads
- Prepared 55 portable generators nationwide ready-for-mobilisation from all key bases (Central-11, Eastern-10, Northern-12, Southern-9 and East Malaysia-13)



Although we were prepared for the monsoon season, specifically on the East Coast of Malaysia, like the rest of the nation, we were caught by surprise by the unexpected severe flooding impacting other states, namely Selangor, Negeri Sembilan and Kuala Lumpur.

Despite this, the impact to our Network was manageable resulting from our enhancement of the network's infrastructure robustness such as transmission redundancy for collection sites, strengthening of our battery back-up and minimising the number of interdependent sites (to the collection points) hence making the network to be more resilient.

The peak of the disaster was between 18th to 20th December 2021 with sporadic locations thereafter until 5th January 2022. The event caused both Mobile and Fibre service disruptions which were contributed by Tenaga Nasional Berhad (TNB) essential power shutdown and road closures. The floods also impacted our Enterprise customers, but more than 90% were recovered by 31 December 2021. The remaining were related to premise clean-up and replacement of faulty devices submerged during the flood.

Maxis teams and our vendors were instantly mobilised to address the network disruptions. Service Operations Center also immediately set up an Emergency Disaster Warroom, that ran 24/7 throughout the period, to manage customer communications as well as providing daily updates to MCMC as well as periodic status update through SMS broadcast and daily emails to Maxis management on the restoration progress.

To ensure fast recovery, Maxis Field Operations worked around the clock to explore alternative access to impacted sites and obtain parts replacement for damaged equipment. Additionally, the team deployed portable and mobile gensets to sites experiencing prolonged power shutdown. Maxis also worked closely with industry players in genset sharing together with Fire Services Department (Bomba), TNB, National Security Council (MKN), NADMA and MCMC for access arrangements to affected sites. The majority of affected mobile sites were recovered by 27 December 2021, whereas fixed network collection points (OLTs) connectivity on TM-HSBA access was recovered by 31 December 2021.



Our Value Creation Theme 3:

# Empowering Our People and Transforming Our Organisation

Mapping against SDGs

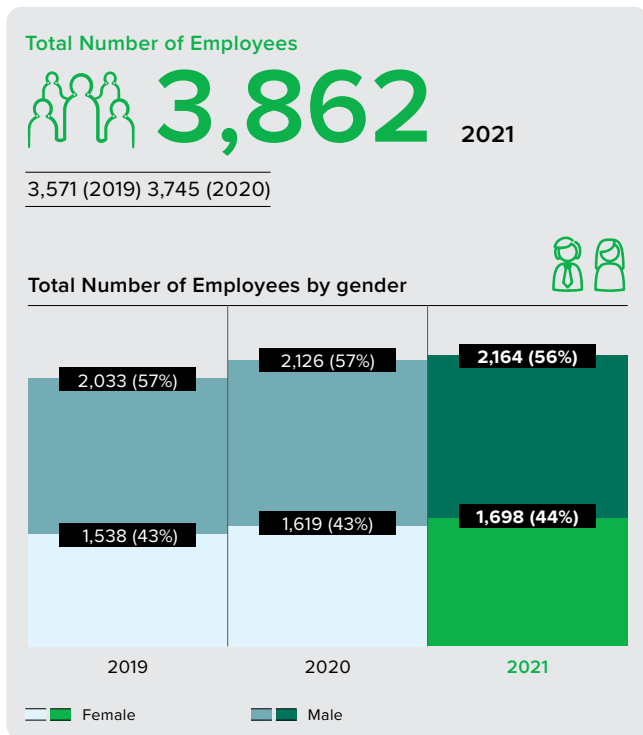


## OUR PEOPLE

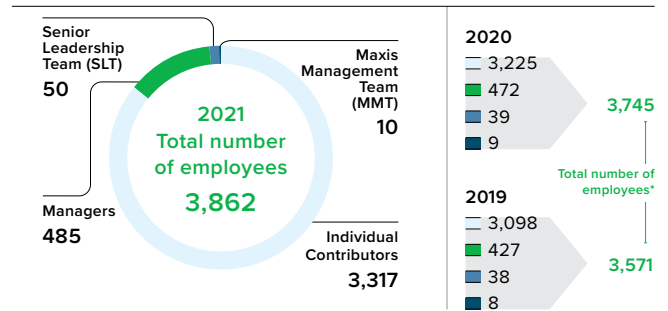
Developed a diverse and inclusive workforce with strong employee engagement

The old adage, “Our people are our best assets” may sound cliché but it is nonetheless true. At Maxis, we have always recognised this and have strived to bring out the best in our people and ensure that they share a vision to always be ahead in all that we do. This section covers our efforts to maintain the right culture, right workplace for our employees – to ensure they work in an ethical, diverse and equal workplace.

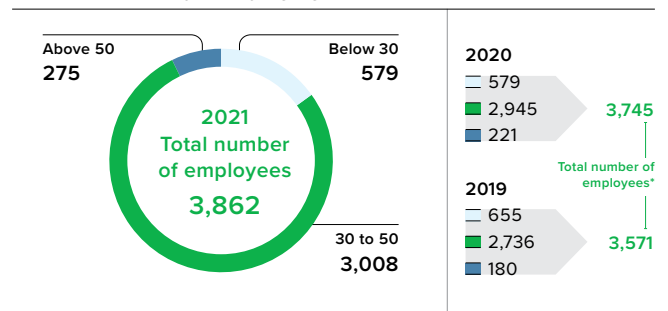
Maxis' Employee Profile\*



Number of employees by contribution level



Number of employees by age group



Number of employees by contract type

Year	Female employees				Male employees			
	Permanent		Contract		Permanent		Contract	
	No. of employees	Percentage	No. of employees	Percentage	No. of employees	Percentage	No. of employees	Percentage
2019	1,480	41%	58	2%	1,905	53%	128	4%
2020	1,565	42%	54	1%	2,005	54%	121	3%
2021	1,674	43%	24	1%	2,117	55%	47	1%

\* The 2019 and 2020 figures for total number of employees have been reinstated for greater accuracy following an internal data review.



Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation

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**Employee Development**

At Maxis, the development of our employees is a key priority which we take seriously as we believe in creating value through the growth of our own people. Led by our Learning & Development team, our approach is a holistic one that considers learning needs, individual development plans to drive career growth and retention, and the embedding of our culture and values.

**Enhancing Organisational Culture and Capabilities**

We continue to equip our workforce with critical business and technology skills through Maxis Academy, our online platform which was especially important during movement restrictions when employees were working from home. In 2021, our employees across all levels attended more than 135,000 hours of training comprised of courses and modules in the four key areas of Leadership, Business, Technology and Compliance.

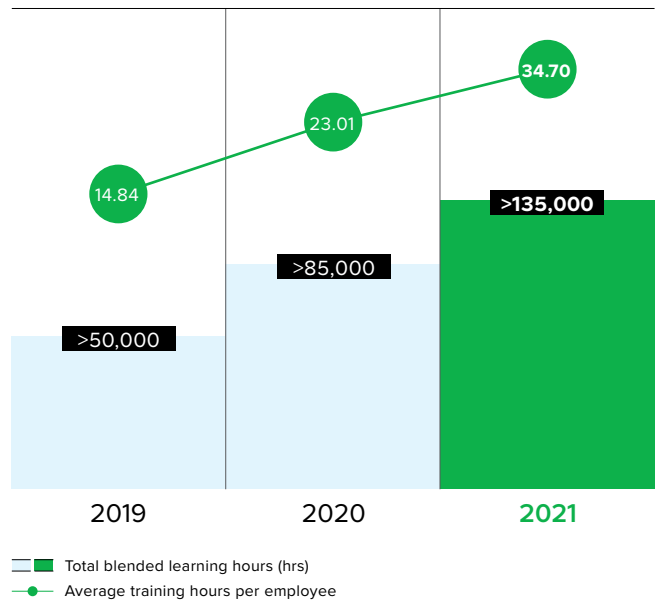
To ensure more structured and robust succession planning, we also started our integrated talent development programme for high-potential employees, for both managers and individual contributors. In addition, we have implemented a Women in Leadership programme for our female middle managers to equip them with the requisite knowledge and skills for leadership positions.

We encourage internal applications and movements within the company to provide growth opportunities and enable the development of talent. To close the feedback loop and further elevate the performance of our talents, we conduct regular performance and career development reviews with our employees.

Looking ahead, we are working on institutionalising coaching as a culture in Maxis and improving our learning and development capabilities with the eventual aim of

turning Maxis Academy into a learning and development solution with industry-leading practices and services.

**Employee Learning Hours**



**Number of employees receiving annual performance feedback**

Year	Total number of employees receiving annual performance feedback*	Total number of employees	Percentage (%)
2019	3,425	3,578	96%
2020	3,656	3,770	97%
2021	3,749	3,916	96%

\* Annual performance feedback has a dependency on employees' joining date with Maxis, and includes employees who left the company throughout the year.

Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation



**Accelerating the Development of our Top Talents & Leaders**

We conducted tailored development programmes for the senior leadership to enable them to better lead the company to achieve our converged ambitions, including immersive learning experiences, learning programmes from top business schools internationally and upskilling them through executive coaching programmes. To support our inclusion & diversity efforts, we have also conducted multiple Unconscious Bias workshops for Managers, up to the MMT level, to minimise biases within the hiring process and other work-related environments.

We also help our top talents realise their potential through the Future Leaders' Programme and Break Through Thinking Machine programme, where high potential employees across the company were exposed to an interactive and curated development programme to enable them to excel in their current roles and develop towards future opportunities within Maxis.

Maxis Academy has also curated specialised academies, such as the Marketing and Procurement Academy to respond to the tailored business needs within Maxis. On top of all this, we offer learning courses in four development areas – Leadership, Business, Technology and Compliance, where all employees, regardless of age, gender or career level, are able to register and attend both live and pre-recorded sessions on various topics to fulfill their aspirations for growth.

**Culture and Transformation**

The MaxisWay 2.0 journey has continued to gain momentum in 2021, as we further embed the values and culture as well as the behavioural traits that will help drive our transformation. For instance, we launched a culture playbook, which serves as a single source of knowledge for our employees, business and strategic partners, and other stakeholders to better understand our culture and how to practice them in their daily interactions. The playbook also demonstrates real-life scenarios through visuals and videos to enable our employees and external stakeholders to visualise the MaxisWay 2.0 values.

**Voice of Maxis**



We also encourage an open culture through our Transformational Leadership Programme, where we encourage our leaders and people to practice generous listening and straight talk with one another, to create authentic conversations that forward the action to make meaningful changes and improvements within the organisation.





Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation

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**Equal Opportunity Workforce Employment**

**Deepen Workplace Inclusivity and Transparency**

At Maxis, we are committed to providing an inclusive, diverse and collaborative environment for our employees where they are empowered to create a positive impact for themselves and others. Through the Maxis Code of Conduct, we promote equal and fair treatment of all employees and do not condone any form of discrimination, harassment and intimidation. We comply with all related laws, recognise and promote diversity and inclusion.

We have established a function within the People & Organisation division whose responsibility is to drive the Inclusion and Diversity (I&D) agenda at Maxis. To create further awareness internally, we introduced the Unconscious Bias training programme for people managers, which contains modules to minimise bias in the hiring and talent management processes.

In July 2021, Maxis officially became a signatory of the Women Empowerment Principles (WEPs) established by the United Nations, and is committed towards gender equality, labour rights and human rights standards within the company. As part of this commitment, Maxis works collaboratively with its stakeholders to foster business practices that empower women and encourage equal opportunities at the workplace.

While we maintain a healthy female population within Maxis at 44% in 2021, we are also driving greater changes towards an inclusive and equitable workplace throughout the organisation. Our female employee resource group – Women at Maxis (W@M), has been active in organising various outreach activities with other women employee resource groups from the tech industry to share their respective experiences and create greater awareness on gender equality. To further demonstrate our commitment towards inclusivity, we not only celebrated International Women’s Day, but also commemorated International Men’s Day for the first time in 2021, with curated discussions and workshops about men’s health. At Maxis, we recognise the importance of diversity and strive to build on our current efforts to create further awareness and an environment that embraces equal opportunities.

**Sustainable Employer Branding & Talent Acquisition Practices**

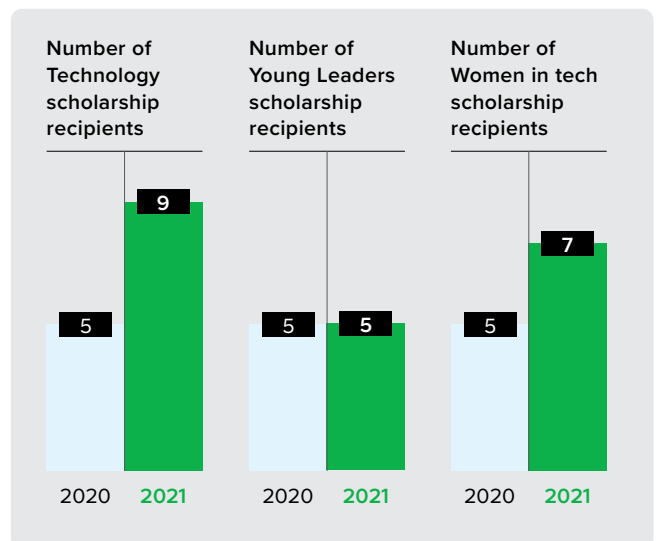
As a leading employer in Malaysia and an organisation that is committed to providing employment opportunities to all, cultivating strong employer branding and sustainable talent acquisition practices are crucial components of our people practices.



To this end, we are particularly focused on developing our visibility in the undergraduate space as well as among those who just graduated through our Young Talent campaigns and initiatives, such as the Maxis Graduate Programmes and the Maxis Scholarship.

In 2021, Maxis launched seven new Graduate Programmes for positions across various divisions and successfully recruited 23 graduates through the programme. In addition, through our scholarship offerings, we have provided aid to selected individuals who are in need and have demonstrated potential. Since 2020, the Maxis Scholarship is offered to students in three different segments, namely: Tech, Women in Tech and Young Leaders.

**Number of Recipients for Scholarship Programmes**



Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation



Our employer branding efforts have paid off as we continue to chart strong growth across our social media touchpoints and garner recognition at various employer recognition awards. In 2021, our social media accounts reached new levels of positive growth in terms of followers and engagement rates.

Maxis also supports the Malaysian government's youth building initiatives through the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) programme. Through this programme, we provide relevant industry and entrepreneurial training to develop the Malaysian youth and realise their potential.

We also practice inclusive hiring practices, with the embedding of our focus in inclusion and diversity within every job description. To encourage talent mobility within Maxis, we launched the #AskRecruiter campaign, which consists live sessions where we interact with internal employees who are interested in exploring the various step-up opportunities within the organisation to fuel their career growth.

As part of our I&D initiatives, we have also launched the hiring etiquette policy and a refreshed interview assessment, with the aim of integrating the skill-based and performance-based hiring, while minimising the potential biases within the hiring process, such as age and gender. We also introduced additional employment models to provide additional flexibility to our people, while concurrently meeting business hiring needs.

The recognitions we gained in 2021 include:

★  
Champion under the Telecommunications category and #7 in Overall Rating in the Graduates' Choice Awards (GCA) 2021. This is an award that is based on a survey of Malaysian graduates in more than 100 higher education institutions nationwide.

★  
First Runner Up in the Telecommunications category and climbed up 11 places in the overall category, from #59 in 2020 to #48 in Malaysia's 100 Leading Graduate Employers Award 2021 conducted by gradmalaysia.

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## Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation



### Engaging the Best Talent in their Fields

In 2021, our Employee Experience team focused on improving employees' wellbeing and finding new digital ways to engage employees and increase morale. A key highlight of our digital engagement solutions was the virtual townhall which was held in a virtual Maxis campus and allowed employees to interact digitally. Other engagement activities that were organised included an online inter-division eSports tournament, online standup comedy performances by known entertainers, online fitness activities, health and wellness webinars, comprehensive virtual onboarding sessions for new hires and more. In total, we hosted 218 engagement events for all employees throughout 2021.

This year, with the continued pandemic and subsequent lockdowns causing a significant shift to working-from-home arrangements and isolation from the usual office environment, we doubled down on Maxis' existing Pillar of Support Initiative (POSITIVE) by providing personalised, curated bite-sized articles, webinars and talks facilitated by mental health practitioners and professionals, as well as providing mental health first-aid training to our core crisis management team.

We have also refreshed our employee benefits available through the Maxis Benefits and Rewards (MBR) programme in 2021 to provide increase flexibility and personalisation to each of our employees according to their different lifestyle needs regardless of career level. In responding to the pandemic, we introduced Work from Home and COVID-19 related support, including financial assistance for employees to set up their respective home offices and purchasing other Work from Home essentials, such as monitors, ergonomic chairs and desks, and other technical appliances. In line with our approach of encouraging employees to take ownership of their health and lifestyle,

we have introduced new elements within our health-related employee benefits, such as allowing time-off for vaccination and health screening.

In 2021, Maxis also gave employees the option to upgrade their Medical and Life insurance on a voluntary or opt-in basis with premiums offered at a discounted rate. Other benefits include dental, health screening, tele-medicine and tele-consultation healthcare services through our employee benefits programme and Maxis POSITIVE initiative.

To sustain the organisation's ability to perform at a high level, we pioneered a company-wide Planned Shut Down, where all offices, aside from our retail footprint were closed to encourage our people to rest and rejuvenate as part of our commitment towards our employees' health and wellbeing.

### Health, Safety and Environment

Maxis is committed to protecting the health and safety of our people. To ensure this, the company maintains a strict compliance to policies and protocols in the areas of Health, Safety and Environment (HSE), which falls under the jurisdiction of the HSE department. The department takes charge of all aspects of occupational health and safety in Maxis. In addition, HSE reports are submitted to the Audit and Risk Committee on a quarterly basis.



### COVID-19 Response

In 2021, vaccination against COVID-19 has become a key objective of our COVID-19 management strategy. This involved the team actively planning, sourcing, tracking and monitoring the various vaccination programmes for employees and third-party contractors, as well as dependents and vendors. Through our sustained efforts, Maxis was able to provide vaccinations through public and private sources to safeguard our people against the pandemic. Through these efforts, we managed to fully vaccinate our retail employees, with periodical testing, to make the customer experience with Maxis as safe as possible. The company's internal procedures and SOPs to manage our response to the pandemic are aligned with the practices from the Ministry of Health, National Security Council (NSC) and the Department of Occupational Safety and Health (DOSH).

### HSE Training and Awareness

Amidst the backdrop of a continuing COVID-19 pandemic, the company sought to make sure that our people are well-versed with safety protocols. In line with this, Maxis launched its first e-learning module containing enhanced COVID-19 and Return to Office (RTO) procedures. The Occupational Safety and Health (OSH) Coordinators certification programme by DOSH was also introduced to provide the necessary training and competencies to minimise risk of harmful incidents, cultivate the health and safety at the workplace and other OSH-related responsibilities.

Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation



To ensure the overall safety of our team, our employees received training to develop an array of skills pertaining to the areas of HSE. These include trainings in the areas of Defensive Driving, Working at Heights and Occupational First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training.

As a company, Maxis is in extensive field operations that spans across several locations. Hence, ensuring our employees are equipped with occupational first aid skills is essential. Apart from CPR skills, designated employees were also trained to use the automated external defibrillator (AED) while at the premises, as well as to

conduct basic first aid response to manage emergencies while awaiting professional medical assistance.

For employees working on towers and rooftops, we provide Working-at-height (WAH) training course to equip them with safe work techniques which involve safe climbing and work-technique practices.

Throughout 2021, we provided a wide range of training on health and safety, inclusive of the RTO e-learning module to more than 6,000 participants, including employees & third-party contractors.

**Employees and third-party contractors that received training on Health and Safety**

	2019	2020	2021
Workforce Participation (WSC)/ Awareness Programme (General and specialised induction, Safety and Security Day, planned & ad hoc briefing for partners or vendors)	1,637	8,003 (inclusive of RTO e-learning module)	6,136 (inclusive of RTO e-learning module)
Number of employees and third-party contractors that Received Training for Defensive Driving Training (DDT), WAH and CPR	14 sessions / 172 participants	5 sessions / 54 participants	9 sessions / 123 participants

**Training Programmes on Health and Safety**

	2019	2020	2021
Number of training programmes conducted	91	176	166
Percentage of completion by employees and third-party contractors who perform high-risk work/ require specialised training	100% completion	100% completion	100% completion

**HSE Certifications**

In 2021, Maxis implemented several initiatives to enhance its existing health and safety certifications. These are in line with the goal of continuous development in Occupational Safety and Health. In August 2021, the current Occupational Safety and Health Management System (OSHMS) certification, Occupational Health and Safety Assessment Series (OHSAS) 18001 and Malaysian Standard on Occupational Health and Safety Management Systems (MS 1722) were recertified and migrated to the world's first International Standard OSHMS, the ISO 45001.

The pandemic did not prove to be a deterrent to ensuring the implementation of ISO recertification. Despite the nationwide Movement Control Order and National Recovery Plans, we have utilised technology and digital tools to conduct virtual audits and training. This enabled the various departments across Maxis to be successfully recertified and concurrently migrate to MS ISO 45001: 2018.

This latest ISO 45001 scopes (Provision of Telecommunication Operations and Services for Maxis Broadband Sdn. Bhd.) is an enhanced scope that covers all telecommunication services. Maxis has now achieved 100% certification in terms of required employees to be accredited with the ISO 45001 certification.

This requirement extends to our partners under the Partners HSE System Audit, who are required to have a minimum audit criteria of OSHA 1994 and ISO 45001 to ensure that our partners also comply with the basic requirements for HSE. Our main partners are expected to attend the Maxis Partners' Forum twice a year.

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## Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation

### HSE Risk Management

As part of our Occupational Safety and Health Management System (OSHMS), Maxis works collaboratively with various parties to identify hazards and risks via the company's Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedure. In addition, we abide by the DOSH Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NAPODPOD) Regulations 2004 as well as our own MPHSE 10 – Incident Investigation, Non-Conformity and Corrective Action procedure. Furthermore, Maxis works closely with DOSH and is part of the working committee that collaborates with DOSH to develop and enhance the generic HIRARC for the telecommunication industry.

### HSE Performance

Due to the restrictions set by the MCO & NRP, we successfully implemented both physical and virtual inspections and investigations in Maxis. Both methods are accepted by DOSH and the National Institute of Occupational Health and Safety (NIOSH) in the current pandemic environment. When conducting our inspections, our HSE personnel look for compliance with SOPs, housekeeping, employees' understanding of the requirements as well as the company's compliance in ensuring that our employees are working in practicably safe conditions.

#### HSE Inspections/ investigations/ audit

	2019	2020	2021
Number of inspections/investigations conducted	303	300	<b>705</b>
Number of Partners System audits conducted	5	12	<b>12</b>

We were fortunate that there were no employee or contractor fatalities reported in 2021.

### Lost-Time Injury

As of 31 December 2021, there were three (3) work-related injuries, resulting in a Lost Time Injury Frequency Rate (LTIFR) of 0.26 in 2021.

A Lost-time Injury (LTI) is the term used when a Maxis employee is injured while conducting a work-related task and is unable to perform his or her regular duties for a period of time after the incident. Lost-time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurred while conducting work-related tasks for Maxis, per 1 million hours worked.

- One employee sustained minor lacerations to the right elbow, right hand and right ear due to a road accident on a company vehicle while commuting to the worksite.
- One employee sustained minor injuries due to a road accident on motorcycle while commuting to a customer's house.
- One employee sustained minor injuries to her right foot while stepping down from a stepladder after checking the inventory stocks in the retail store.

The outlook for Maxis in terms of health and safety will encompass three stages. Within the next two years, the plan is to maintain the ISO 45001 certification and to focus on ergonomics and occupational health programmes. The goal is also to obtain a fully digital Permit to Work (PTW) system. In the medium term, which covers 2 to 5 years, the objective is to enhance the ISO 45001 while looking at a specific work scope as well as ergonomic and occupational health. In the long-term, which goes beyond 5 years, the plan is to further enhance the ISO 45001.



Our Value Creation Theme 4:

# Caring for Our Community and Environment

Mapping against SDGs



## OUR COMMUNITY

Empowered communities through greater access to digital learning opportunities and fulfilment of our social responsibility



Maxis has continued to support communities in need, especially in the continued challenging environment and increasing need for digitalisation.

Our community initiatives are underlined by our passion for education and our purpose to bring together the best of technologies to enable the nation to Always Be Ahead in a changing world. Building upon what we learnt in the previous pandemic year, we have intensified our efforts to empower communities by bringing digital learning closer to them and helping to drive digital adoption. Beyond this, we have undertaken humanitarian relief efforts and supported B40 communities during major festive seasons.

Our Corporate Responsibility (CR) pillars comprise three focused areas:

-  Enabling greater access to digital learning
-  Empowering women entrepreneurs through digitalisation
-  Community engagement and support through festive charity and humanitarian relief efforts

### Key initiatives implemented in the eKelas programme for 2021



Promoting immersive use of English with eKelas HIP StoryFest competition

- **National-level English speaking and essay writing competitions**, supported by tutorial videos to guide on writing the best essay and tips to sharpen speaking skills.
- **More than 3,000 students** participated in eKelas HIP Storyfest competition.



Maxis eKelas teachers forum on making learning fun and vibrant

- Hosted 2 virtual forum sessions on 'How to Be 'HIP' **Beyond the Classroom with 1,000 teachers across Malaysia** joining the interactive sessions.



Inaugural eKelas STEM Challenge to promote coding, creative and design thinking skills

- The campaign introduced STEM content through the popular Roblox game and space travel aimed at fostering **critical thinking and promoting innovation**
- A holistic programme where students have access to explainer videos, notes and modules to **learn coding and design basics, talk series by STEM experts and workshops.**

Our Value Creation Outcome

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## Our Value Creation Theme 4: Caring for Our Community and Environment

Our Value Creation Outcome

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### Enabling greater access to digital learning

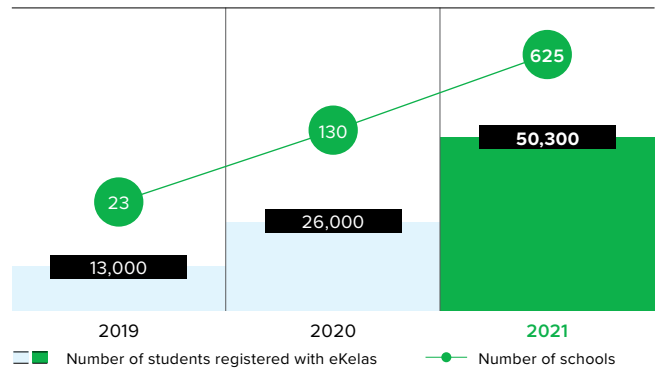
Through our flagship community programme, Maxis eKelas, we support students across the country with access to vibrant digital learning content and engagement activities through the eKelas portal.

Maxis eKelas is an after-school digital learning initiative for students from Primary 4 to Form 5, which brings learning enrichment in a fun and vibrant way and provides access to quality education content through the eKelas portal, in line with the Malaysian School Syllabus. Now in its fifth year, Maxis eKelas which is recognised by the Ministry of Education, has seen an acceleration in growth with over 50k students connecting through the eKelas portal, which includes students from over 625 schools.

As students continued learning from home for most part of 2021, we ramped up digital activities for Maxis eKelas, providing close to 200 hours of live tutorial sessions by experienced teachers through YouTube as well as running quizzes and games-based learning through the eKelas portal to ensure students are kept engaged.

Towards the end of the year, eKelas scaled a new milestone with the launch of the eKelas mobile app, enabling students, teachers and parents with greater access to exciting digital content, with convenience and flexibility of learning on the go. As a mobile version of the eKelas portal, the mobile app offers more than 3,000 curated bite-sized educational content focusing on the programme’s three core subjects – Mathematics, English and Science. This includes revision and learning videos, exam notes, reading materials and live tutorial sessions guided by teachers and the app community manager, *Abang Portal*.

### Impact created from eKelas initiative



### Putting devices in the hands of those in need



We recognised that one of the biggest obstacles for students learning from home, especially those in the B40 group, is access to devices. Continuing with our commitment to provide greater access to the Internet and digital learning, Maxis contributed refurbished desktops to several schools across the country and community centres as part of #MyBaikHati, an industry initiative driven by Malaysian Communication and Multimedia Commission (MCMC) (For more information about #MYBaikHati, visit <https://www.maxis.com.my/en/campaigns/mybaikhati/>). As at end of 2021, Maxis contributed 340 desktops and 35 laptops to 300 schools and 35 families. During the delivery of these devices, we also encouraged recipients to register for eKelas, so that more students can benefit from the programme.

#### Anne Soosay Selvam

*Teacher from Sekolah Kebangsaan Bukit Tembakau, Melaka*

“The desktops will be incredibly helpful. As a teacher, I know that students have more fun and enjoy learning with the help of digital tools. We can leverage technology to cultivate digital savvy students, so we want to thank Maxis for this contribution to our school.”

#### Azmi bin Aziz

*Teacher from Sekolah Kebangsaan Keting, Kelantan*

“The refurbished desktops are very much welcome as our existing desktops are no longer in working condition. This will benefit our students and give them more opportunities to explore the IT field on a deeper level. We are grateful to Maxis for their contribution and for enabling digital learning in our school.”

## Our Value Creation Theme 4: Caring for Our Community and Environment



### Empowering women entrepreneurs through digitalisation

Since 2017, Maxis has been conducting digital marketing workshops across a few states as part of a pilot project. Recognising the immense potential of the programme and with positive response from entrepreneurs who were largely made up of women, Maxis launched **eKelas Usahawan** in March as a structured digital marketing programme to empower women entrepreneurs in rural communities to develop a stronger digital presence.

With a focus on equipping these entrepreneurs with basic digital marketing skills, we worked with a specialised content and training partner to develop training modules

which includes tips and basic skills on digital photography, marketing and advertising through online and social media platforms as well as digital payments. Currently delivered as a public webinar series, eKelas Usahawan helps prepare entrepreneurs adapt to the new norm which requires them to meet the demands of their customers digitally. A total of 1,020 entrepreneurs were trained in 2021 through our collaborations with Pacos Trust, Yayasan Hijrah, Yayasan Kebajikan Negara and Iskandar Region Development Authority. Anyone can register for eKelas Usahawan via Maxis website at <https://www.maxis.com.my/en/about-maxis/corporate-responsibility/ekelas-usahawan-webinar/>.

In conjunction with the launch of eKelas Usahawan, Maxis held a special campaign comprising a workshop series for a group of 200 participants, working with PACOS Trust and Yayasan Hijrah Selangor 34 entrepreneurs who met the set targets were selected into the next round which includes monitoring of how they applied their newfound digital marketing skills to their businesses. These entrepreneurs went through a 3-month monitoring period, where the top 10 performers walked away with subscriptions to Maxis' digital solutions for their respective businesses, and top 3 winners receiving cash prizes.

Beyond monitoring improvements in their digital marketing presence and increase in their online sales transactions, eKelas Usahawan also engaged Maxis employees to volunteer as coaches to encourage and provide insights to help these entrepreneurs expand their businesses further.

Across the entire pool of entrepreneurs undergoing coaching and monitoring, the number of Facebook page views recorded grew by 72% month-on-month just in a span of 2 months. Collectively, the total number of sales transactions across all participating entrepreneurs increased by 70% within the same period, since joining the programme.

**“As a Gen-X who is more accustomed to running an offline business, the experience from the eKelas Usahawan programme really helped me in learning how to do product marketing with the use of digital tools. Now I have the confidence to use social media channels in marketing my business. I am also very excited about this win, and can't wait to share the tips I have learned through eKelas Usahawan to grow other entrepreneurs.”**

**Pn Rosila Mohd Rosidi,**

*founder DokiDoki Ekonomi, Puchong, Selangor and first place winner of inaugural campaign.*



Our Value Creation Theme 4: Caring for Our Community and Environment



distancing and SOPs. For 2021, mSquad members clocked in 1,056 volunteer hours, reflecting a total volunteering value\* of RM48,649. Volunteering hours stood at 1,786 hours and valued at RM80,441 in 2020. While for 2019, we recorded 2,185 volunteer hours, valued at RM100,000.

\* Total value of volunteer hours is calculated as follows: *Volunteering value = Average Hourly Rate x Total Maxis Volunteering Hours*

For 2022, we will continue to champion education in our community outreach and help drive digital adoption especially among entrepreneurs and micro SMEs from the B40 group. We will leverage our position as Malaysia’s leading converged solutions provider to deliver our brand promise of Always Be Ahead in supporting the nation in times of need and in adapting to a rapidly expanding digital landscape so that no one is left behind.

OUR ENVIRONMENT

Minimised the environmental impact of our operations through reduction in emissions and proactive waste management

At Maxis, we are deeply concerned about the impact our business has on the environment especially through global warming. The extreme weather events of the past year, as evidenced by the recent flood events in Malaysia, have highlighted the growing reality and urgency of climate change focus.

We continue to implement initiatives that minimise our impact on the environment and closely monitor our business operations to address the impact of climate change on our business. Our main priorities are improving energy efficiency, optimising the use of resources and reducing greenhouse gas (GHG) emissions in our network hence helping to preserve our environment.

The two units responsible for managing our environmental impact are the Corporate Services department and the Network division team. The Corporate Services team monitors energy consumption, implements savings initiatives and facilitates recycling and waste management. The Network team is responsible for waste management of the Network side of the business, including seeking ways to maximise, reutilise or refurbish decommissioned equipment and redeploy it back as live network equipment (as opposed to buying new ones).

Our Energy Reduction Initiatives

Our network and information technology infrastructures account for most of our electricity consumption. Maxis is always looking for new technology and innovative ways that will help us improve energy efficiency across our Network Services and Data Centres. We continued to tune and refresh our equipment to obtain greater efficiencies as well as started to introduce solar energy system in our network. As part of these efforts, we are also excited with the acknowledgment and certification by the Malaysia Book of Records for having the “First Off-Grid Telecommunications Tower Powered by Green Energy (Solar & Wind Turbine)” in Malaysia.



Key Initiatives at Technical Operation Centers (TOC):

- **Modernise:** Ensure uninterruptable power system (UPS) and DC plant for Data and Switch Center by leveraging on new energy efficient capabilities and clean power supply
- **New initiative:** Introduce use of on grid solar system as renewable energy to power up Maxis’ servers inside Data and Switch Center. Work is currently in progress and due to be completed by June 2022, expected to accommodate about 10% of TOC building total consumption
- **Modernise:** Improve facilities for administrative and office area by using smart control and energy efficient system for minimum use of energy
- **Modernise:** Install utility power system for the entire building with energy efficient filtering system to minimise energy losses



Our Value Creation Theme 4: Caring for Our Community and Environment

Our Value Creation Outcome

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**Key initiatives at Base Stations include:**

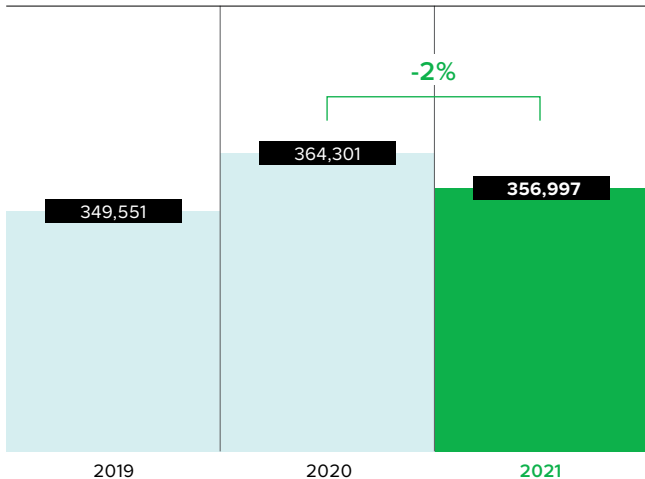
- **New Initiative:** Optimise use of energy at base stations by using intelligent control and energy efficient motor to reduce energy loss for cooling system
- **Modernise:** Change-out of an old air-conditioning to free cooling system for selected base stations, hence significantly reducing the sites' power consumption
- **New initiative:** Install full off-grid solar system in rural sites of Peninsular and East Malaysia to eliminate use of continuous run generator set and diesel
- **New Initiative:** Reduce energy use for Radio Access Network (RAN) by leveraging on software capabilities, compact radio design and energy efficient equipment
- **New Initiative:** Sunsetting 3G network equipment to reduce energy and reuse for 4G/5G expansion

**Performance Data Trend**

As a result of our efforts to improve efficiency, we have managed to record a 2% decrease in electricity consumption at network sites – in comparison to the 17% increase in our total traffic. This has not only contributed to a decrease in overall carbon emissions but also savings in electricity costs.

**Total Electricity Consumption at Network Sites (MWh)**

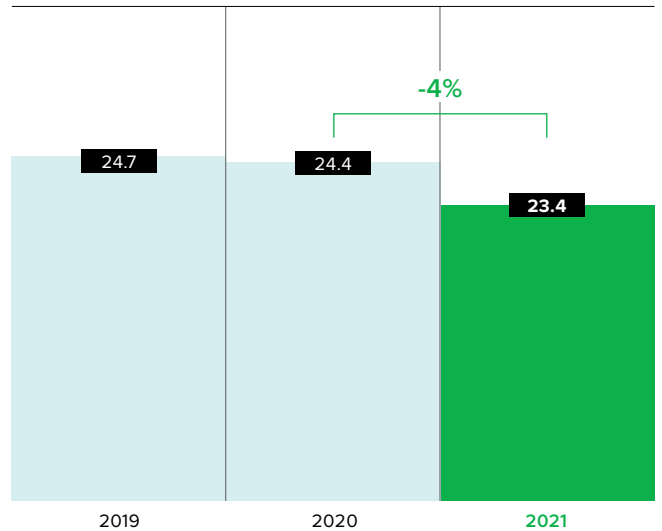
**Total Electricity Consumption (MWh)**



**Average tonCO<sub>2</sub> emission per Base Station**

The main consumption of energy stems from our base station sites, extensive network capacity upgrades for core and transmission networks to address the exponential increase in demand for data from our customers. In tandem, our electricity consumption forms the largest contributor to our GHG emissions. Impressively, despite the increase in demand for data and our extensive network expansion programme, the average emission per base station reduced by 4% compared to 2021.

**Average tonCO<sub>2</sub> emission per Base Station**



The continuous effort to drive operational efficiency and minimise the environmental impact of our operations has also resulted in an overall 4% reduction in total emissions across our operations in 2020.

**Total Emissions at Maxis (CO<sub>2</sub> tonnes)**

Scope 1 - Direct emissions e.g. from fuel and gas usage	2019	2020	2021
Network and Technology	9,092	5,080	5,566
<b>SUB-TOTAL</b>	<b>9,092</b>	<b>5,080</b>	<b>5,566</b>

Scope 2 - Indirect emissions e.g. from electricity consumption	2019	2020	2021
Network and Technology	236,670	249,274	243,923
Building Electricity Consumption	2,171	1,593	1,164
<b>SUB-TOTAL</b>	<b>238,841</b>	<b>250,867</b>	<b>245,087</b>
<b>Total Emission (CO<sub>2</sub> tonnes)</b>	<b>245,762</b>	<b>261,027</b>	<b>250,653</b>

Our Value Creation Theme 4: Caring for Our Community and Environment



**Reusing and Optimising our Resources**

Through our approach to sustainability, we aim to maximise reuse and recycling, and avoid incineration and landfill. This includes our procurement process, operations, and the impact of our products and services before, during and after use.

Internally, our network supply chain team focuses on optimising and reusing parts for network maintenance. As part of our network modernisation and simplification we are phasing out older generation technologies and transferring customers and services to new-generation technologies that are deemed to be more energy efficient.

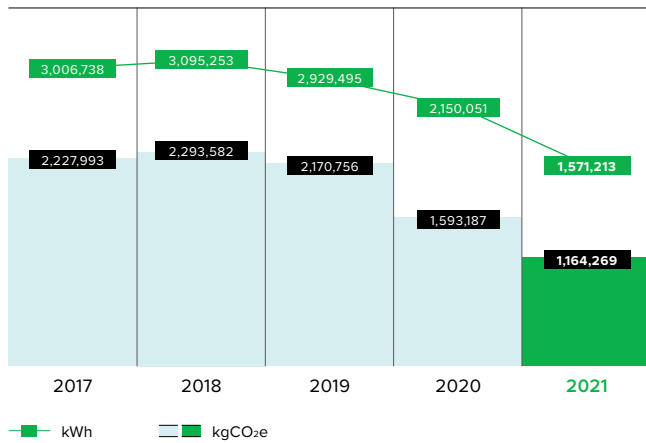
**Minimising impact at our main corporate offices**

Closer to home, we continue our efforts to minimise the environmental impact at our main corporate offices. Our offices have saved 27% in energy and 80% in waste as compared to 2020 through an energy-saving programme, optimising workspace, and using less office space as people worked from home for most of the year, as a result of the COVID-19 lock-downs.

**Performance data**

**Building Electricity Consumption**

**Total Building Electricity Consumption kWh & kgCO<sub>2</sub>e**



We are now in our sixth year of partnership with the NGO, Pertubuhan Kebajikan Masyarakat Melalui Kitar Semula (CRC), in a bid to recycle office waste at our main offices. Recyclables or funds collected from our recycling efforts are donated to charity. In 2021, total office waste collected reduced by 80% compared to 2020, as most of our staff from main offices were working from home, coupled with minimal office operations due to the government’s movement restrictions.

**Total Office Waste Generated & Recycling (kg)**

Year	2019	2020	2021
Total waste generated	2,200	515	<b>101</b>
Total recyclable waste	1,600	442	<b>85</b>

Our paper consumption decreased by a further 34% in 2021 compared to 2020 as most of our staff from our main offices were working from home coupled with minimal office operations due to the government’s movement restrictions and most of our operational processes went digital. Upon 100% of our staff returning to office, we are forecasting a return to the numbers seen in 2019 with an increase of 100% from 2021 usage.

**Total Paper Usage (Reams)**

Year	2019	2020	2021
Total Reams used	5,996	3,605	<b>2,375</b>

**Future Plan and Priorities**

Going forward, Maxis is committed to continuously minimise our environmental impact by optimising operational efficiency and finding ways to progressively reduce our emissions stake, in line with our overarching ESG strategy that is currently being developed. As part of this process, we are also planning how to enhance our policies to enable better tracking and monitoring of our environmental impact, such as improving how we account for greenhouse gas emissions. Ultimately, we are positive that these efforts can lead us setting concrete GHG targets in the near future.



Our Value Creation Theme 5:

# Embedding Responsible Business Practices

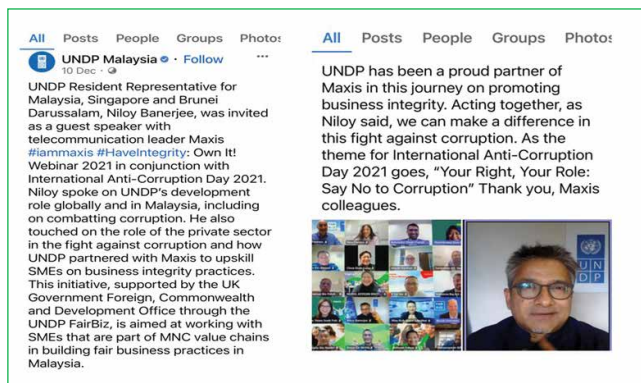
Mapping against SDGs



## OUR GOVERNANCE

Strengthened our ethical business culture through robust integrity governance and educational programmes

Maxis has a zero-tolerance policy against bribery and corruption and through the Integrity & Governance Unit (IGU) has implemented various initiatives to ensure ethics and compliance is observed throughout the value chain. IGU is an independent unit that reports directly to the Board of Directors through ARC. For administrative matters, IGU reports to CFSO. The role of the IGU is to ensure the effectiveness and implementation of the following four (4) core functions within Maxis, namely: (1) Complaints Management; (2) Detection & Verification; (3) Integrity Strengthening; and (4) Governance.



- IGU's recommendation to proceed with the submission of Maxis' application for the ISO 37001:2016 Anti-Bribery Management System (ABMS) Certification, respectively.

This endorsement was granted following the completion of the pre-assessment of Maxis' ABMS Certification that was conducted by SIRIM in April 2021 and Company-wide corruption and bribery risk assessment that was conducted and completed in mid-October 2021. Additionally, policies relating to Sponsorship & Endorsement and Hospitality & Entertainment Policies had also been revised in October 2021. A process was also established to formalise the tracking mechanism and management of relevant activities under these policies.

In adherence to the Sponsorship & Endorsement Policy and Guidelines that is under the purview of MABC Manual, Maxis prohibits sponsoring initiatives which have an alignment to any political groups. Additionally, as part of our CSR and Non-CSR Donations and Contributions Policy, Maxis also recognises that providing donations and contributions can pose a bribery risk as it involves payments to a third party without tangible returns and this may be used as a route for bribery. Hence, all CSR and non-CSR contributions made to the Government require the final approval of the Government and Regulatory Affairs Committee (GRAC).

Maxis has established appropriate culture, oversight and autonomy to anti-corruption and compliance. Strong commitment from the Board, Board Committees, CEO, MMT and management and a clearly articulated Maxis Integrity & Compliance Framework (MICF) reflect the aspiration towards leading exemplary compliance of Environmental, Social and Governance (ESG) principles for sustainability of good corporate governance.

Any conduct which is non-compliant or in violation of the Maxis Anti-Bribery and Corruption (MABC) policy will be taken seriously and are subject to disciplinary actions. Where non-compliance or violation of this Policy, or a complaint, or escalation is received, due inquiry process will be carried out by the Company.

Maxis has also endorsed the implementation of:

- the MICF;
- the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) structure for Maxis Collections Sdn. Bhd. (MCSB); and

During the reporting year, an Integrity Vetting System (eSTK) screening was conducted by the Malaysian Anti-Corruption Commission on the Board of Directors, including the Chairman, and was also extended to the Chief Executive Officer, Senior Management and officers

Our Value Creation Theme 5: Embedding Responsible Business Practices



designated for critical and strategic positions, including selected third parties who were thoroughly vetted and found to be of high integrity.

As part of Maxis' continuous journey to strengthen its culture of integrity and business ethics within the organisation, the Board of Directors and Senior Management fully supported the implementation of the Maxis Integrity Corporate Advocacy Programme (MICAP) which reaffirms Maxis' stance in upholding its commitment to conduct business professionally, ethically and with the highest standards of integrity among its employees.

MICAP is an integrity campaign that was organised for all internal and external stakeholders with the theme #iammaxis\_#Have Integrity: Own It! This is a sequel to last year's #Iammaxis\_Integrity & Me Campaign. A series of programmes and activities were scheduled throughout the Integrity Campaign week, such as:

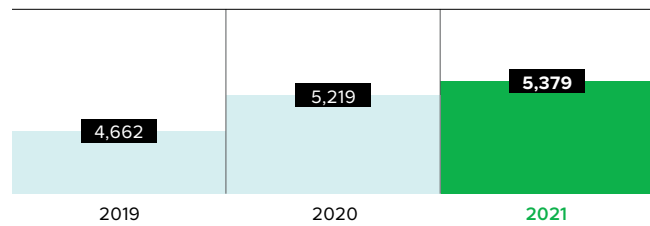
- Dissemination of the Leader's Integrity Statement;
- Integrity Poll;
- Vendor's Integrity Programme;
- Compliance Officer Round Table Discussion (RTD) on the best practices related to the Guidelines-Adequate Procedures: T.R.U.S.T. Principles; and
- Maxis Integrity and Governance Journey Webinar and the FairBiz Action Plan activities which were both carried out in collaboration with the United Nations Development Programme (UNDP).

Our third-party vendors have also joined and showed their support towards MICAP by joining the Vendor's Integrity Programme (VIP) that was conducted in 8 sessions. A total of 467 companies had participated in VIP. The objective of VIP was to enhance our vendors' awareness of the MABC System. VIP was also a refresher for our vendors on the MCOBP for Third Parties, MABC Manual, No Gift Policy, Integrity Pledge, Anti-Corruption and Anti-Money Laundering related laws and cases, Due Diligence Process and Maxis' commitment to do business with ethics and integrity through zero-tolerance of bribery and corruption.

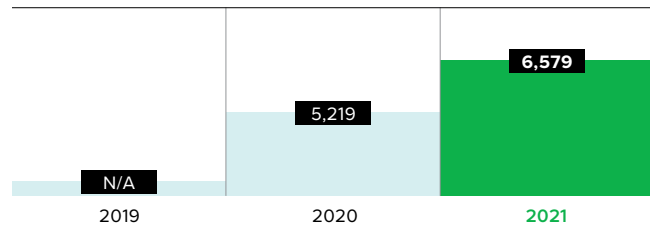
FairBiz represents the UNDP's project for "Promoting a Fair Business Environment in ASEAN". Funded by the UK Government, the ASEAN Economic Programme, The FairBiz Integrity Hub aims to expose the business community to best international practices and practical collaborative solutions between government, business and civil society to create an open and transparent business environment built on trust.

Moving forward, whilst we will continue our training, communication and education programmes on anti-bribery and AML/CFT. We have appointed compliance champions as the 'advocate of integrity' in each Division, as part of our initiative to embed a strong ethics, integrity and compliance culture. We will also constantly monitor, measure and enhance the effectiveness of the MABC System, Internal Controls and once implemented, AML/CFT structure.

**Number of employees who received training on Maxis' CoC & MCOBP Assessment and Acknowledgment via Maxis Academy\***



**Number of employees receiving basic training related to anti-corruption and bribery via Maxis Academy\***



\* Employee training include all current Maxis employees and Third Party Contract Staffs, at the point of rollout

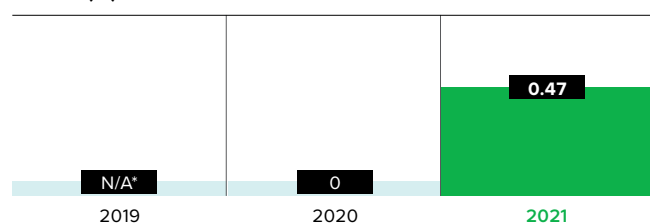
**Number of ancillary training sessions for employees:**



**Third Party Training**

Training Title	Sessions	Number of Companies
Vendor Integrity Programme	8	467

**Percentage of employees found as non-compliant under MABC (%)**



\* The MABC system was established in May 2020.

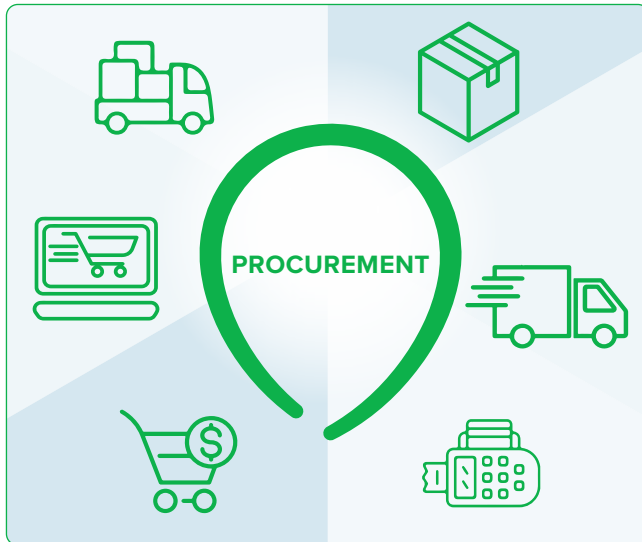


## Our Value Creation Theme 5: Embedding Responsible Business Practices

### OUR SUPPLY CHAIN

Improved supply chain management through responsible procurement practices and effective communication with suppliers

**Procurement as the strategic business enabler, technology driven towards intelligent procurement operations and support.**



#### Responsible Procurement Practices

To support our Responsible Procurement Practices, Maxis has in place a robust set of policies and procedures to guide and govern the sourcing, selection, assessment and performance monitoring of our suppliers.

For example, Maxis always upholds ethical procurement practices with its suppliers, providing a level “playing field” which is guided by suppliers’ compliance to technical and commercial requirements which forms the basis of the evaluation and selection of suppliers. This includes our commitment to open and transparent competition based on suppliers’ capability and experience and not just on size and maturity, which helps drive inclusiveness and helps new businesses to flourish.

Potential suppliers are also required to go through our vendor onboarding process and due diligence check. Here, they are required to submit relevant business and financial documentation for assessment and to sign our Maxis Code of Business Practice (MCOBP) and Integrity Pledge (IP).

#### Managing our Suppliers Effectively

The Maxis Code of Business Practice for Third Parties contains guidance to assist third parties in conforming to the ethical business standards observed by Maxis in all our business dealings with third parties. Third parties, who conduct business with the Group must formally declare that they have read and will adhere to the MCOBP upon commencing work with the Group. In addition, an annual Vendor Integrity Programme conducted by Maxis’ Integrity and Governance Unit raises bribery and corruption awareness to these external parties.

Maxis Vendor Management team also conducts periodic and ongoing assessments of identified key suppliers’ performance to identify improvements and correction actions. Existing suppliers are also required re-acknowledge the MCOBP annually. Maxis has also enhanced the policy on engaging consultants by providing clarity on what constitutes consulting services, in addition to requiring approval from top management for any appointments.

To ensure on-time delivery and sufficient supplies during the pandemic, we maintain constant dialogue with our critical suppliers, plan in advance and explore and secure alternative supplies as necessary. We have also optimised processes and technology tools in our Source to Contract framework, enabling online supplier collaboration throughout onboarding, tendering and contracting, for transparency and proper audit trails.

#### Future Outlook

Looking ahead, our short-term goals are to further leverage technology, digitalisation and automation to provide the procurement team better insights and understanding regarding spend patterns and trends. We are also committed to developing an effective Supplier Relationship Management Framework to standardise the roles and responsibilities of our vendors. Maxis will also keep striving to improve efficiency, but without compromising on our controls and governance. In addition, we will continuously optimise our spending for low spend and low volume vendors.

Over the medium-term horizon, we aim to enable AI and predictive technology to free up our employees and drive greater productivity. We will also move towards more strategic partnerships with suppliers that will establish closer relationships and where performance, issues and value add activities can be discussed further. Finally, we believe that our function will evolve into Procurement as a Service, where we are a business value creator and enabler for Maxis.

Our Value Creation Theme 5: Embedding Responsible Business Practices



**Our Priorities**

**Our priorities within 1 to 2 years:**

- Digitalisation & automation e.g., digital spend analytics, chatbots. Process simplification with technology enablement providing better understanding and insights through data and information.
- Develop an effective Supplier Relationship Management framework (including risk management), with clear roles and responsibilities. Standardising ways of managing strategic suppliers and contracts will reduce risk of contractual benefits leakage and opportunities.
- Continuous process improvement towards zero audit tolerance. Balancing the need for more efficient process that meets the current business needs while keeping control and governance in place.

- Review long tail vendors for spend and supplier optimisation. Though low value spend (purchases below RM5K) is a small percentage of Maxis total spend (<1%), a continuous review would facilitate better spend and supplier management.

**Our medium-term plan in the next 2 to 5 years:**

- Enable AI and predictive technology (extreme automation). This minimises administrative tasks which would allow staffs to focus on more strategic tasks.
- Move towards more strategic partnership with suppliers whereby channels are established to discuss performance, issues, value add activities including innovation and sustainability.

**OUR CYBERSECURITY**

Built a stronger cybersecurity culture and enhanced system resiliency

Ensuring robust cybersecurity of our systems and safeguarding data privacy is a critical and top priority for Maxis. The industry we operate in directly exposes us to numerous cyberthreats, especially when considering the large network that we operate and the millions of customers we support. As such, it is vital for us to invest in security infrastructure, create policies, processes, procedures and implement solutions that will strengthen our defense against the growing sophistication of would-be attackers, while ensuring that our business objectives can progress unimpeded.



Protect the Brand and Ensure Compliance



Embed Security in DNA



Strengthen Cyber Resilience and Support Digitalisation

"I am Maxis" embodies our commitment that all of us are responsible for cybersecurity. Our employees and partners are required to adhere to our cybersecurity policies and ensure that the necessary cybersecurity controls are implemented, monitored and reviewed. We also encourage active participation in our cybersecurity awareness programmes and provide updates on cybersecurity threats through our internal communication channels and through dedicated campaigns.

The Cybersecurity Management department is accountable for more than the cybersecurity posture of our networks and IT systems but also partner with the business to ensure that Maxis continues to remain resilient against cyber threats and protect our key assets. Cybersecurity as a whole is governed by members of

the Maxis Management Team and also provide periodic reports to the Audit & Risk Committee regarding posture, current and potential security threats as well as measures taken to manage the identified risks.

**Enhancing Cyber Resilience**

The potential for security threats increases indirectly as a result of digitalisation initiatives and thus prompts the need to review our strategies to enhance cybersecurity resilience. By definition, resilience means the ability to anticipate, withstand, recover from, and adapt to adverse conditions, attacks, or compromises on systems.

Acknowledging that human error is a major factor in cyber security breaches, we continue to enhance cybersecurity resilience through our security awareness programme



## Corporate Governance Overview

**The Board sets the tone at the top for Maxis' corporate governance practices and application to the Maxis Group. A robust standard of corporate governance practices and applicable policies and procedures within Maxis are fundamental to sustain the Group as a leading converged solutions provider in the ever changing regulatory and market environment.**

The Board and Maxis' commitment to upholding the highest standards of corporate governance and levels of integrity in our organisation, and undertaking of our regulatory duty and commercial objectives as a responsible corporate citizen to our stakeholders is explained throughout this Integrated Annual Report.

The Board is pleased to provide an overview of the Group's corporate governance practices, which summarises the Group's application of the Principles and Recommendations of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) during the financial year ended 31 December 2021.

This overview is prepared in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR) and it is to be read together with the Corporate Governance Report 2021 of the Company (CG Report) which is available on the Company's website. The CG Report provides the details of the Group's application and departures, including alternative practices of the Principles and Recommendations of MCCG 2021. The Corporate Governance Report 2021 can be found at <https://maxis.listedcompany.com/ar2021.html>

As of 31 December 2021, Maxis has applied all the Practices contained within the MCCG 2021 except for Practice 1.4 (The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee), Practice 4.2 (The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders), Practice 5.2 (At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.), Practice 5.9 (the Board has at least 30% women directors) and Practice 8.2 (disclosure of remuneration of top five senior management in bands of RM50,000).

Maxis acknowledges the tenets of good governance and believes that its application of, and/or alternative practices assist in achieving the 13 Intended Outcomes of the MCCG 2021. An overview of the departures are detailed below:

- Practice 1.4** - Maxis is of the view that even though the Chairman of Board sits as member of the Nomination and Remuneration committees, no single director can influence decisions making and policies of Board and each of the Committees. The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee-level deliberations by the Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the Terms of References of each Committee as well as all other applicable policies, procedures and laws. By design and strict adherence to these authoritative promulgations, no single person can influence Maxis' decision making and policies, as there are robust processes, approval matrices, compliance and governance safeguards in place. Decisions must be made by consensus and in the best interests of Maxis.
- Practice 4.2** - At present, Maxis does not publish a detailed breakdown of its sustainability strategies, priorities and targets as well as the Company's performance against these targets within the Integrated Annual Report. The Company discloses in its Integrated Annual Report a brief overview of the Company's materiality assessment and key concerns raised by stakeholders within the sustainability sphere. The Board is cognisant of the shortfall in the Company's sustainability reporting suite and hence, has drawn up the necessary action plans to incrementally move towards putting sustainability as a primary focus.
- Practice 5.2** - While acknowledging that a board composition comprising a majority of independent directors as recommended by MCCG 2021, Maxis is undertaking reasonable efforts to achieve this practice by 2024. Maxis is in compliance with Para 15.02(1) of MMLR whereby 1/3 of the Board of Directors are independent directors. In addition, there are robust process, policies and procedures in place to ensure that no single director can influence decisions making and policies of Board and each of the Committees. Actions are taken to continuously review Directors which have served for more than 9 years to ensure that they are indeed independent in substance and form.



- **Practice 5.9** - To meet the 30% women directors composition target, the Nomination Committee (NC) and the Board are always on the look out to expand the pool of potential women candidates for Board candidacy. The NC reviews and recommends the criteria for appointment of Directors based on the skills, composition and requirements of the Maxis operations' and competitiveness, and growth strategy as a leading converged solutions provider. Maxis Board is cognisant to this diversity requirement and measure to meet the 30% women Directors target by 2024. Currently, the Board is focusing on refreshing the current board composition and appointment of additional women directors to remain agile and competitive in the operational business environment.
- **Practice 8.2** - Maxis is of the view that disclosing the remuneration of senior management in bands of RM50,000 will affect the competitiveness of Maxis. Nevertheless, Maxis relies on its robust systems, processes and oversight to ensure remunerations remain competitive and managed strategically and is strongly linked to performance and potential. The Board will re-evaluate this disclosure from time to time.

During the financial year ended 31 December 2021, Maxis' Leadership and Governance structure was reviewed and enhanced. Key changes were as below:

- Members of the Board have been supportive to Management as the Board had in continuation from 2020 considered "What can the Board do to assist Management during the COVID-19 pandemic crisis - Board's agility to provide guidance to Chief Executive Officer (CEO) and matters for approval". The governance process and structure provide that

- the Board Charter, present Committees viz the Audit and Risk, Remuneration, Nomination, Business & IT Transformation, and Government and Regulatory Affairs have defined Terms of References, and scope for matters within the Board's approval. The Board has regular dialogues and engagements including one-to-one guidance to the CEO and members of Management that fosters agile and robust information sharing.
- The Board and its Committees regularly met on virtual platforms to ensure regular engagement between the Board members, between the Board and its Committees and Management, that provided agility and effective guidance and decision-making processes.
- Management provided the Board with the background information and details to support their requests.
- In addition, the Board formed ad hoc Committees of the Board to review and consider strategic, regulatory and financial matters. These Committees were formed under the Board's powers with clear scope and limits of authority.
- Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda having served as Chairman of the Board for the 11 years, handed over the Chairmanship to a younger member of the Board. The Board had unanimously nominated and appointed Tan Sri Mokhzani bin Mahathir as new Chairman of the Board in place of Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda on 22 April 2021. Tan Sri Mokhzani bin Mahathir was appointed as a Director of Maxis Berhad on 16 October 2009 and has served as Senior Independent Director since 2009 until 22 April 2021. Tan Sri Mokhzani bin Mahathir is well versed with the telecommunications industry and is a highly experienced corporate leader and entrepreneur.

Both this Overview and the Corporate Governance Report 2021 were approved by the Board on 22 February 2022.

## A BOARD LEADERSHIP AND EFFECTIVENESS

The Board is collectively responsible for the direction and oversight of the Maxis Group to ensure its sustainability and ability to create long-term value for its shareholders and various stakeholders. The Board provides prudent leadership and strategic guidance within a framework of robust and effective controls ensuring Maxis' resilience in the execution of its strategy within the markets that Maxis operates in. The Board is entrusted with ensuring that there is an adequate group-wide framework for co-operation and communication between Maxis Berhad and

its subsidiaries to enable it to discharge its responsibilities including oversight of the Maxis Group's financial and non-financial performance, business strategy and priorities, risk management that includes material sustainability risks, and corporate governance policies and practices. The Maxis Group has in place detailed policies as set out in page 117 of the overview, and which are also available on the Maxis website.

+ Further details are set out in the SORMIC Statement in this Annual Report from pages [129](#) to [137](#).



# Corporate Governance Overview

## BOARD GOVERNANCE AND BOARD RESPONSIBILITIES

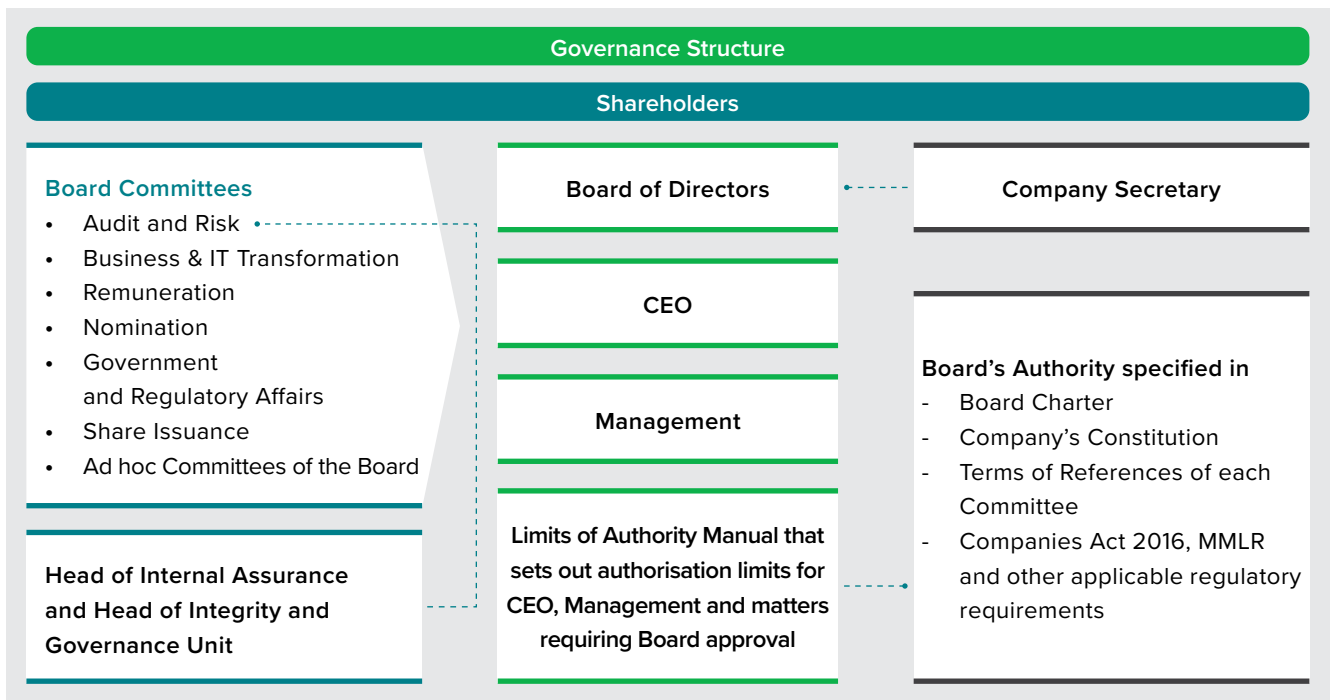
The Directors are responsible for the management of the Company, with powers as defined in the Company's Constitution, the Companies Act 2016 and applicable regulations. The Board's Leadership and Governance structure is supported by the Board Charter, Board Committees, Limits of Authority (LOA) manual, which clearly outlines key matters reserved for the Board, CEO and Management, and the Board's policies and procedures. Specific responsibilities of the Board are delegated to

the Board Committees. The Board Committees operating with their respective chairmen and members facilitate the Board's efficiencies in getting the specific attention, scope and in accordance with clearly defined Terms of Reference (TOR) of each of the Committees which are available at [https://maxis.listedcompany.com/corporate\\_governance.html](https://maxis.listedcompany.com/corporate_governance.html). The Board as a whole retains collective responsibility for decisions on recommendations made by Committees.

+ For further details, please see the 'Board Committees' section at page 106.

The Board and each Committee's decision making is collectively made in accordance with the provisions of the Company's Constitution, Board Charter, Terms of References of each Committee, policies and procedures, and applicable laws. No single person can influence Maxis' decision making and policies, as there are processes, approval matrices, compliance and governance requirements to adhere to. Specifically, each of the ARC, RC and NC have majority independent directors. As specified under Rule 150 of the Company's Constitution, decisions or resolution of the Board shall be passed, if approved, by a majority of votes. All Directors must assent to Circular Resolutions unless he or she has abstained from voting pursuant to Rule 153 of the Company's Constitution.

During the year, the Board also conducted comprehensive reviews of the Governance structure with the view to enhance its effectiveness including the review of the Board Charter, Terms of References of the Committees and the policies and procedures.



The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Director as well as the Senior Independent Director. The Board Charter entrenches key matters reserved for the Board, inter alia, financial results, dividends, approval of strategy, the annual operating plans, budgets, new major ventures, acquisitions and disposals, changes to management and control structure, appointments of Board members, Committee members, CEO and Company Secretary. It further sets out the roles and responsibilities of the Board, the Chairman, CEO, Senior Independent Director and Company Secretary, and any material matters. The Board Charter is periodically reviewed to ensure it reflects the direction of the Group, and is made available on the Maxis website [https://maxis.listedcompany.com/corporate\\_governance.html](https://maxis.listedcompany.com/corporate_governance.html). The Board Charter was reviewed and approved in February 2022.

Directors regularly attend talks, briefings, workshops and utilise online learning tools and reading materials to keep apprised of operational, legal, regulatory and industry matters in the discharge of their duties.



## BOARD ACTIVITIES

The Board discharges its responsibilities through an annual programme of meetings, and via circular resolutions in between meetings. Papers and presentations to the Board and its Committees focus its oversight of performance and the driving of the Company's strategic direction. They are designed to either facilitate effective decision making, being categorised for 'updates', 'review' and 'decision' or aid the Board's oversight of the business, being for 'updates'. In 2021, the Maxis Board met 7 times and reviewed, deliberated and approved (where specifically required), amongst others, the following:

### Strategy, Regulatory, M&A, Funding, Risk Management

#### Key Discussion Topics:

- COVID-19 response plan
- Long Range Plan (LRP) and strategy, including MAX Plan
- Budget and Annual Operating Plan (AOP) for 2022
- Regulatory policies and strategy
- Corporate sustainability
- Risk appetite and assessments
- Related party transactions
- Strategic and emerging issues
- Cashflow and funding requirements
- Acquisition of Mykris Asia Sdn. Bhd.

### Business Performance, Financials, Operations, Network & Stakeholders Management that include Community, Investors and Customers

#### Key Discussion Topics:

- Maxis' detailed business performance and operations
- Business continuity with COVID-19 and MCO
- Customer service and consumer insights
- Network and Information Technology systems and security
- Risk management and internal controls
- Key performance indicators and scenario analysis
- Forecast and planning on business operations
- Environmental, Social and Governance (ESG) Strategies
- Financial results for each quarter and the audited financial statements
- Announcements to Bursa Securities on quarterly financial results and any material disclosures
- Proposed dividends
- Investor relations briefing, shareholding analysis, investors engagement plans and feedback from investor engagements

### Human Capital Management

#### Key Discussion Topics:

- Employee related matters and the policies and procedures for Work from Home (WFH) and business continuity policies
- Employee wellbeing initiatives
- Organisational structure
- Appointment of key management position (Chief Marketing Officer)
- Updates on personnel movements
- Employee engagement
- Succession planning
- Talent and retention planning
- Employee bonus and salary structures

### Governance, Compliance and Others

#### Key Discussion Topics:

- Convening of the 12th Annual General Meeting (AGM) and Notice of the AGM
- Review and approval of the Annual Report for financial year end 2020, Corporate Governance Report financial year end 2020 and the Circular to Shareholders seeking a mandate for recurrent related party transactions for 2021/2022
- Re-election of Directors and review of the performance of directors
- Review of the outcome of the Board Effectiveness Evaluation
- Change in Chairman
- Changes in the Senior Independent Director
- Changes in Committees composition
- Cybersecurity, data protection and anti-bribery and corruption
- Specific corporate and operational matters that required Board's approval
- Corporate matters, procedures and policies in compliance with the Guidelines of the Securities Commission for directors of PLCs and subsidiaries
- Review of the changes in MCCG 2021 that came into effect in 2021
- Review of the proposed Audit and Risk Committee and the Board composition of Maxis Collections Sdn. Bhd., a pre-operating wholly owned subsidiary of Maxis Berhad
- Review of the corporate structure and overall composition of the Maxis Group of Companies
- Review of the declarations of interests of Directors and principal officers and dealings shares



# Corporate Governance Overview

## ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND CEO

The roles of the Chairman and CEO are clearly separated. The Chairman, Tan Sri Mokhzani bin Mahathir is responsible for providing significant leadership to the Board by providing oversight so that the Board can carry out its responsibilities effectively while the CEO, Gokhan Ogut is primarily responsible for the management of day-to-day business operations in line with the strategy and key performance indicators set by the Board. The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. The Chairman promotes a transparent boardroom environment that allows constructive challenge to status quo, robust discussions and debates, effective communication and contribution from Directors to facilitate informed decision making at the Board Meetings. Specific duties of the Chairman and the CEO are available in the Board Charter.

## BOARD COMMITTEES

The Board has established six (6) Board Committees; the Audit and Risk, Remuneration, Nomination, Business & IT Transformation, Government and Regulatory Affairs and Share Issuance. These Committees play a significant role in reviewing matters within their respective TOR and supports the Board's discharge of its duties and responsibilities, and in keeping the Board efficient. Each of the Committees have specific written TOR, scope and authority to review matters tabled before the Committee prior to decision-making by the Board as a whole. Membership of these Committees

and their TORs are reviewed at least annually with specific emphasis on updates in regulatory and governance requirements and efficiency of the Committees, including any feedback raised as part of the Board evaluation exercises to ensure that they comply with the latest legal and regulatory requirements and reflect best practice developments. The full TOR of the Board Committees are available on [https://maxis.listedcompany.com/corporate\\_governance.html](https://maxis.listedcompany.com/corporate_governance.html). During the year, there were changes in the composition of Audit and Risk, Remuneration, Nomination, Government and Regulatory Affairs and Share Issuance Committee and each of the Committees discharged their duties in accordance with their respective TOR.

Each of the Audit and Risk, Remuneration and Nomination Committees comprise a majority of Independent Directors and are chaired by Independent Directors. The Government and Regulatory Affairs Committee and Share Issuance Committee wholly comprise of Non-Independent Directors while Business & IT Transformation Committee comprises a majority Non-Independent Directors. In addition, the Board is supported by ad hoc operational and governance Board Committees with defined authority scopes formed from time to time to facilitate the Board in the discharge of their duties.

At every Board meeting, the Chairman of the respective Committees provide detailed summaries of the reports, deliberations and recommendations made at their respective meetings for the Board's further deliberation and recommend matters that require decisions by the Board. Minutes of all Committee meetings are made available to all members of the Board.

Amongst the matters discussed at Board Committee meetings or via circular resolutions for approvals in between meetings were as follows:

*Noted that the Committee members attended all of the Meetings/approved the Circular Resolutions.*

### Audit and Risk Committee

No. of meeting held during the year: 5 meetings

+ Refer also to the Audit and Risk Committee Report

#### Key Discussion Topics:

- Financial Performance Review, Reports on Provisions, Judgemental Items, Quarterly Financials, Audited Financial Statements, Draft Announcement to Bursa Securities and Funding and Financial updates
- Review of external auditors report and findings for each quarter
- Enterprise Risk Management
- Internal Assurance reports, key findings, recommendations, and investigations
- Business Continuity Plan for COVID-19
- Return to Office and Standard Operating Policies during the MCO
- Health and Safety Matters
- Code of Business Practice
- Cyber Security and updates on Network and Systems and Security
- Data Privacy and Protection
- Quarterly updates on regulatory, legislation, material litigation, revenue assurance and fraud
- Related party transactions and conflicts of interest situations for both Internal Assurance and External Auditors respectively
- Review of the ARC's procedures and processes for related party transactions
- MABC system related matters
- Audit Plan

## Corporate Governance Overview



## Remuneration Committee

No. of meeting held during the year: 6 meetings

## Key Discussion Topics:

- Annual Operating Plan for People and Organisation
- Organisation structure and new senior management (MMT) appointments
- Long Term and Short-Term Incentives
- Culture and MaxisWay initiatives
- Performance and remuneration including annual salary and bonus for employees and the Chief Executive Officer
- Key talents, succession planning and overall diversity
- Learning and development
- Scholarship Scheme

## Nomination Committee

No. of meeting held during the year: 6 meetings

## Key Discussion Topics:

- Board and Committees Composition of the Maxis Group with emphasis on the size, skills, independence and diversity
- Director's Independence
- Director's re-election and review of independence
- Director's fees and benefits
- Board, Committees and Directors Evaluation and Effectiveness Assessment
- Review of the ARC's Terms of Office in accordance with Para 15.20 of the MMLR
- MCCG 2021 and governance matters
- Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy

## Business &amp; IT Transformation Committee

No. of meeting held during the year: 5 meetings

## Key Discussion Topics:

- IT Transformation and Digitalisation
- Innovation
- Maxis' Strategic Ventures and Services
- Strategic and Structural Options
- Enterprise Business and M&As
- Strategy updates

## GRAC Committee

No. of meeting held during the year: 5 meetings

## Key Discussion Topics:

- Regulatory matters
- Strategy business matters
- Government engagement/ relations matters

**Note:** The Share Issuance Committee scope is to review any issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016 shareholders mandate as obtained at the AGM each year. The Share Issuance Committee did not meet as there were no issuance of shares during the year 2021.



# Corporate Governance Overview

## ETHICAL BUSINESS CONDUCT AND WHISTLE BLOWING

The Board promotes good corporate governance culture to ensure that the Group conducts its business with integrity, in an ethical and transparent manner. To this end, the Board has established Maxis' Code of Conduct (CoC) and the MCOBP. Maxis has zero tolerance on any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics as described in the CoC and MCOBP, conflict of interests, bribery and corruption, anti-money laundering/ combating the financing of terrorism, and/or any fraudulent act as may be described in the MABC system and other relevant documents. The CoC and MCOBP sets out the conduct expected of all directors, employees and third parties doing business with Maxis or acting on Maxis' behalf. In addition to providing guidance, the MCOBP outlines, inter alia, Group's procedures relating to non-discrimination, whistleblowing, Group's assets and properties, confidential information, personal data protection, insider trading, fraud, conflict of interests, bribery and anti-corruption. Maxis' directors and employees affirm their commitment to the CoC and MCOBP on an annual basis. These documents and policies within it serve as control measures to address and manage the risk of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Maxis Group.

In light of the requirements stipulated under the Bursa Malaysia's Corporate Governance Guide and the Companies Act 2016, Maxis' Whistleblowing Policy, established by the Board provides a secure reporting avenue via the Ethics Hotline for employees and third parties, who have knowledge or are aware of any improper conduct or unethical behavior including but not limited to instances of suspected fraud, bribery, corruption and criminal activity.

Dedicated channels for reporting are under the custody of the Internal Assurance as described below:

- (i) Ethics Hotline: 017-200 3922 (Call, WhatsApp, SMS)
- (ii) Email: [ethics@maxis.com.my](mailto:ethics@maxis.com.my)
- (iii) Letters/ documents to the Maxis Ethics Office c/o Internal Assurance Division, Level 21, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia
- (iv) Email to [alvin@maxis.com.my](mailto:alvin@maxis.com.my) Senior Independent Director
- (v) Head of Integrity and Governance Unit: [nuribi@maxis.com.my](mailto:nuribi@maxis.com.my)

Any malpractice or misconduct will be raised to Internal Assurance Division through the dedicated channels above. The whistleblower's identity remains anonymous, ensuring protection from reprisal. The Defalcation Committee, consisting of members of Senior Management will deliberate on cases reported and update the ARC on the status and outcome of the reported cases from Internal Assurance.

In the event that Senior Management is the subject reported, the establishment of a Special Defalcation Committee; an ad hoc Committee of Directors is triggered to ensure that a fair investigation is conducted. If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken, including but not limited to termination.

+ For further details, please refer to the Corporate Governance Report 2021, and the Material Matters section pages 53 to 55.

## BOARD COMPOSITION

The Maxis Board comprises nine (9) Directors, of whom three (3) are Independent Non-Executive Directors; and six (6) are Non-Executive Directors. The CEO is not a Director of the Maxis Board. The CEO is a Director of the operating subsidiaries of Maxis Berhad. The Chairman is Non-Independent Non-Executive Director. The Directors present a diverse mix of qualifications covering accounting, finance, engineering, human resources, business, IT and law whilst their collective skills and expertise include general management, international venture capital, technology/digital/media, finance and treasury, marketing, telecommunications, human resources/people and regulatory/local affairs.

+ The profile of each Director can be found on pages 6 to 10 of this Integrated Annual Report.

The Board is of the view that its composition and size are adequate for the effective discharge of its functions and responsibilities. With its diversity of qualifications, expertise and skills, and the governance structure of the Committees and Board, the Board has been able to provide clear and effective collective leadership to the Group and has delivered informed and independent judgment of the Group's strategy and performance to ensure the highest standards of conduct and integrity are always at the core of the Group's undertakings. None of the Non-Executive Directors participate in the day-to-day management of the Group.

The presence of Independent Non-Executive Directors on the Board and its Committees are essential, as they provide unbiased and impartial opinions and judgment to Board deliberations. This ensures the interests of not just the Group, but also its various stakeholders are taken into account and well-represented. The independence of the three (3) Independent Non-Executive Directors were assessed three times during the year by Spencer Stuart, an independent leadership consulting firm, and in self-assessment forms and the confirmation by the independent directors were that they each are, both in substance and form, independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.



The assessment covers the regulatory definitions of independent directors under the MMLR, and an additional subjective element of independence in substance. This is additionally demonstrated by the conduct and discharge of his/her duties as a director.

+ Details of the independence assessment are available on pages 118 to 123 of the Statement of the Nomination Committee.

As recommended by MCCG 2021 and in accordance with Maxis' Board Charter, the tenure of directorship of more than nine (9) years was taken into consideration, and the specific tenures of Directors were duly reviewed by the NC and Board. The relevant processes and procedures have been provided in the Board Charter and TOR of the NC.

### APPOINTMENTS TO THE BOARD

The NC makes independent recommendations for selection and appointments to the Board, based on criteria which they develop, maintain and review based on applicable laws and regulations. The NC may consider the use of external consultants in the identification of potential directors.

In making these recommendations, the NC assesses the suitability of candidates, taking into account the Board's required mix of skills, diversity, knowledge, industry exposure, expertise and experience, professionalism, integrity, competencies, time commitment and other relevant qualities of the candidates, before recommending their appointments to the Board for approval. During the year, there were changes to the Chairman of the Board and the Chairman of the ARC, NC, GRAC and Share Issuance Committee.

### BOARD DIVERSITY POLICY

The Board recognises that diversity in its composition is critical in ensuring its effectiveness, competitiveness and adherence to the best corporate governance practices. A diverse board will include and make use of differences in the age, skills, experience, cultural background, gender, ethnicity and nationality of its members to ensure effective governance and robust decision making by the Board. Underpinning Maxis Board Diversity Policy is Maxis' commitment to ensuring that all directors are appointed on merit, in line with the standards as set out in Para 2.20A of the MMLR. The NC and Board regularly review the Board and Committees composition to improve its diversity including its gender diversity.

The annual review of the Board composition determines if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. Based on its annual review in conjunction with the Board effectiveness evaluation exercise, the size of nine (9) directors enables effective oversight and delegation of responsibilities by the Board, taking into account the strategic objectives of Maxis Group.



The background of each Director can be found on pages 6 to 10, demonstrating the Board's Diversity Policy as stated above. Maxis' efforts in diversity is available on page 123 of the Statement of the Nomination Committee.

### RE-ELECTION OF DIRECTORS AND TENURE OF INDEPENDENT DIRECTORS

Rule 131.1 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election. Out of the current Board size of nine (9), three (3) Directors are to retire in accordance with Rule 131.1 of the Company's Constitution. For the purpose of determining the eligibility of the Directors to stand for re-election at the Thirteenth AGM, the Board through its NC had assessed each of the retiring Directors, and considered the following:

- (i) The Director's performance and contribution based on the results of the Board Effectiveness Evaluation (BEE) 2021 conducted by Spencer Stuart;
- (ii) The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and
- (iii) The level of objectivity, impartiality and independence demonstrated by the Independent Director, and his ability to act in the best interests of the Company

The NC and Board reviewed the suitability of the following Directors (retiring Directors) due for re-election at the forthcoming Thirteenth AGM:

- (i) Tan Sri Mokhzani bin Mahathir
- (ii) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
- (iii) Mazen Ahmed M. AlJubeir

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the results of the BEE 2021.

The NC and Board of the Company have considered the results of the assessment conducted on these Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR. The Board approved the NC's recommendation that the Directors who retire in accordance with Rule 131.1 of the Company's Constitution namely, Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir are eligible to stand for re-election. These three (3) retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.



## Corporate Governance Overview

Alvin Michael Hew Thai Kheam (AMH) was appointed as Independent Director on 30 August 2012 and will exceed the cumulative tenure of nine (9) years after 30 August 2022. Maxis' shareholders had on 22 April 2021 approved the resolution for AMH to continue to act as an Independent Director from 30 August 2021 to 29 August 2022.

The Board through the NC, has undertaken relevant assessments and recommended for AMH to continue to serve as Independent Non- Executive Director for a further one (1) year period from 30 August 2022 to 29 August 2023 by seeking shareholders' approval at Thirteenth AGM. The NC and Board assessed AMH's independence based on Spencer Stuart's BEE 2021 which reviewed factors that enabled AMH to contribute objectively to Board discussions, and they also considered 360-degree feedback from other Directors on how AMH conducted himself as an Independent Director. Their finding is that his overall independence ranked highly. Spencer Stuart used a capability-based analysis probing the "what" and "how" to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making.



Details of the re-election assessment and the suitability of the three Directors, are available in the Statement of Nomination Committee at pages [118](#) to [123](#).

### MEETINGS AND ACCESS TO INFORMATION

Directors were given due notice of proposed meetings, allowing Directors to lock in their timings, and for advance planning. The detailed Agendas for each Meeting was shared at least 14 days before each meeting and the detailed Board/Committee meeting materials were shared and uploaded electronically for Board members, 7 days before the respective meetings. Directors participated in Board and Committee meetings via virtual platforms such as Microsoft Teams or conference calls during the MCO. Directors utilised digital means to participate in meetings that were effectively held taking into account the different time zones of the directors based overseas. Minutes of the meetings, together with the summary of the action items were circulated to all members of the Board. Board members are encouraged to ask clarifications, questions or additional information prior to or during the meetings to facilitate effective decision making. The Chairman schedules regular engagement with Board members at each meeting cycle, and these sessions are useful for feedback and clarifications required. The Board and Committees' annual cycle of meetings ensures that all major components of Maxis' strategy and board reserved matters are considered over the course of the year.

Additionally, throughout the year, the Board was furnished with the CEO's report and updates to keep Directors apprised of key business, financial, operational, emerging

issues, corporate, legal, regulatory and industry matters, as and when the need arose. The Board's interaction with Management fosters a healthy, transparent, dynamic and aligned corporate culture. Members of Management gave their full support to the Board, and all additional requests for information and clarification were promptly attended to. The Board deliberated all matters put forward during the meetings. Management received the Board's guidance, took note of the comments and feedbacks from the Directors and agreed with the Directors on proposed actions to be taken, including the decisions.

The COVID-19 pandemic impacted and dominated for the majority of 2021. The Board's resilience was tested with the imperative of remaining fast and agile in its decision-making. The Board was no different but adapted well to operating virtually. The Board invested significant time in assessing and responding to the impact of the pandemic. Management and Board established a framework to consider all critical issues to remain competitive.

Management and the Board stepped up to and embraced this challenge. In 2021, all the scheduled meetings and informal interactions were conducted virtually throughout the year. These regular agile interactions helped build relationships, ideas and evolve thinking on multiple complex topics.

The Board carefully organised virtual meetings with the different time zone of the Directors based overseas, to build and maintain high quality engagements and operate effectively. The Board also observed how the commitment has fully aligned with the Management such as continuous communication, a sense of urgency, agility, and desire to maintain speed of decision making has helped in ensuring the Board can continue to support Management in the timely execution of the strategic priorities.

Agility, working in the new normal with virtual meetings and digital means, and use of technology were implemented successfully during the year.

The Board Charter as published on Maxis' website [https://maxis.listedcompany.com/corporate\\_governance.html](https://maxis.listedcompany.com/corporate_governance.html) functions as the primary reference to aid the Board in upholding the highest standards of corporate governance throughout Maxis and specifies the respective roles and responsibilities of the Board and each of the Board Committees. The Board Charter also sets out the key values and principles of the Board and it is acknowledged that the duties and scope of Directors should remain unfettered. Each of the Committees has detailed TOR that sets out their scope and authority. The Maxis Group's Limits of Authority Manual clearly outlines key matters reserved for the Board, CEO and Management and levels of accountability.

## Corporate Governance Overview



Matters referred to the Board include decision making in accordance with matters set out in the Board Charter, Company's Constitution, Maxis Group's Limits of Authority and applicable law, matters for guidance and updates. All decisions must be made by majority of the Board or Committees as the case may be, and no single person can influence any decision as there are detailed processes and policies to adhere to. Each of the Chairs of the Board and Committees encourage active participation, constructive challenge and sufficient time for discussion and deliberation of issues, and the decisions and recommendations reflect the consensus in the best interests of Maxis. Directors are given the opportunity to ask for more information or supporting data if the Directors require additional justifications in order to reach a decision.

### COMPANY SECRETARY

The Board is supported by the Company Secretary who provides advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MMLR, Companies Act 2016 and applicable laws and regulations. The Board members have full access to the Company Secretary. The Company Secretary ensures that the Directors are provided with sufficient information and time to prepare for Board and/or Committee meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings. The Company Secretary also prepare the minutes of meetings in a timely manner and informs management of the action items, and facilitates requests from the Board.

The Company Secretary also facilitates the induction of new Directors and addresses the continuous training needs of Directors identified pursuant to the Board Effectiveness Evaluation each year. The Company Secretary is a Fellow and Chartered Governance Professional of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), holds a license by the Registrar of Companies, is a qualified lawyer, with postgraduate qualifications, and a Graduate of the Australian Institute of Corporate Directors. She has over 28 years of company secretarial and governance experience. She attends trainings, seminars, and keeps herself up to date on applicable laws and governance matters.

### INDUCTION AND SUCCESSION PLANNING

A comprehensive on-boarding programme has been established to ease new Directors into their new role and to assist them in understanding of the environment the Group operates in, the Group's business strategy and operations. On appointment to the Board and Committees, all Directors will receive an induction which is tailored to the new Director's individual requirement. All new Directors are

required to attend the programme as soon as possible, once appointed. Members of the Committees appointed during the year underwent induction and familiarisation programmes for the respective Committees.

Maxis actively monitors and evaluates the tenure of Independent Directors to provide Board members the opportunity to reassess their memberships as part of its succession planning. Succession planning is always a priority to ensure that there will be a steady pool of talent to fill vacancies in Board and Senior Management positions.

### BOARD EFFECTIVENESS EVALUATION

Practice 6.1 of the MCCG 2021 recommends that the Board undertake an annual Board Effectiveness Evaluation. In 2021, Spencer Stuart was appointed to conduct the Board Effectiveness Evaluation (BEE 2021). The BEE 2021 was overseen by the Chair of the NC together with the Chair of the Board. This BEE 2021 evaluated the effectiveness of the Board of Directors, each of the Committees of the Board, each of the nine (9) Directors and assessments of the three (3) independent directors. A three (3) pronged methodology was conducted by Spencer Stuart for BEE 2021, which were:

- (i) Individual detailed interviews conducted with every Director, the CEO, CFSO, Company Secretary and selected members of Management. The benefits are that it fosters candid discussions, captures nuances, reveals insights not achievable through paper only exercise, covers qualitative as well as quantitative findings, provides 360 degree feedback that fosters development of Directors, and enables the determination of level of independence of independent directors.
- (ii) Benchmarking with select best-in-class global boards to elucidate enhancement opportunities to enable Maxis to become world-class when benchmarked against best practices.
- (iii) Enhancement hypotheses tested with Board of Directors, to ensure that the recommendations were relevant to, and pragmatically implementable within Maxis' context.

The outcome of the BEE 2021 revealed that the Maxis Board is considered to be highly professional and well run. The independent directors demonstrate their independence in their contributions and behaviours. Some of the key themes were as follows:

1. The Board has open and constructive dialogue and good rapport amongst Board members as well as a good relationship between the Management team and the Board.
2. The Independent Directors are unafraid to challenge the rest of the Board and the Management Team.
3. These qualities have persisted despite the virtual nature of meetings and interactions in 2021.



## Corporate Governance Overview

- The Chairman (who took office as Chairman in April 2021) is well respected for his wisdom and insights, particularly regarding the Malaysian context and Maxis' environment. The Chairman is appreciated for his facilitation of robust discussions at the Board.

Some of the areas for enhancement and for the Board's further improvement are summarised as follows:

- Succession planning for the Board
- Enhancement of expertise on digital transformation and enterprise services
- Better alignment of agendas and discussions at Committees and the Board agenda to allocate Board meeting time more effectively and to prioritise for strategic topics
- Enhancement of sustainability discussions on the Board Agenda to be in line with the MCCG 2021 and to keep tabs on industry best practices

### Independent Directors

The Company had also engaged Spencer Stuart to conduct an assessment on the three (3) independent directors, namely Dato' Hamidah Naziadin, Alvin Hew and Mazen Ahmed M. AlJubeir. One of the primary objectives of the review was to determine and report to the Board whether the Company's existing Independent Directors, are "independently minded". Spencer Stuart defines this as "taking a stand to set out and defend a position, even when this means going it alone, and managing the resultant conflict situations to maintain positive relationships".

Spencer Stuart focused on two key elements as part of their assessment – (i) Cognitive, the Director's ability to interpret and analyse situations independently and (ii) Personality, the Director's preparedness to stand alone and argue against the majority.

Additionally, in making its assessment of 3 directors independence, Spencer Stuart considered factors which enabled the directors to contribute objectively to Board's discussions as an Independent Director but also 360 degree feedback from other Directors showing how each of them have actually conducted himself/herself as an Independent Director (which demonstrate ability to conduct himself/herself in ways that assert his/her independence). Spencer Stuart has found the 3 directors overall independent mindedness to rank highly based on their assessment. Spencer Stuart used a capability-based analysis probing the "what" and "how" to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making.

+ Details of the Board Effectiveness Evaluation are available in the Statement of Nomination Committee.

### TRAINING AND DEVELOPMENT OF DIRECTORS

The Board has taken steps to ensure that its members have ongoing access to appropriate continuing education programmes. Training includes talks, online tools, reading materials, briefings, workshops and seminars by subject matter experts. The NC and the Board assess the training needs of each Director on an ongoing basis, by determining areas that would best strengthen his/her contributions to the Board. Directors are also encouraged to attend talks, briefings, workshops and utilise online learning tools, reading materials and trainings on areas that would benefit them in their roles and responsibilities. In line with Para 15.08 of the MMLR, the Directors recognise the importance of keeping apprised of operational, legal, regulatory and industry matters to assist in the discharge of their functions.

Amongst others, the Directors of the Company, attended various training programmes:

- Maxis Anti-Bribery and Corruption (MABC) with an updated Integrity Pledge by Maxis Berhad Board
- Investors Perspective on ESG by PwC and Citibank
- Cybersecurity Threats Landscape by Mandiant Consulting (APAC), Fireeye
- Maxis Sustainability Strategy, Policy & Plan by Maxis Berhad
- Driving Climate Change through Executive Compensation by Climate Governance, Willis Tower Watson
- Board Strategy Workshop by Bain & Company

Directors have also on their own attended various webinars and talks on multitude subjects on governance, operational matters and business development.

In addition, online learning tools are made available to all Directors, and the external auditors share relevant publications with all the Directors. Members of Management regularly update the Board on Maxis and the industry related operational, technology, financial, regulatory and governance developments. Prior to each Board Meeting, the Directors receive detailed pre-reads from Management that provide information and background relevant to matters on the Agenda. The information includes details on the Group's competitors, industry and technological developments and regulatory updates.

### REMUNERATION OF DIRECTORS AND MAXIS MANAGEMENT TEAM

The Board has delegated to the Remuneration Committee the responsibility to oversee and recommend the structure of the remuneration policy and frameworks for the Directors and Maxis Management Team. Recommendations by the

## Corporate Governance Overview



Remuneration Committee are considered, reviewed and if in order approved by the Board. Maxis' remuneration policy and framework has been developed to attract, reward and retain qualified Directors and management of the calibre needed to run the Group successfully and create value for shareholders and various stakeholders.

The remuneration for Executive Directors is structured so as to link rewards to corporate and individual performance. The determination of the remuneration of the Executive Directors will be decided by the Board as a whole. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken. Remuneration of the Non-Executive Directors is subject to annual approval by shareholders. Directors' remuneration packages comprise fees and benefits in kind for the Chairman, while Executive Directors remuneration package comprise basic salaries, bonuses and benefits-in-kind and other benefits. There are presently no Executive Directors on the Board. The CEO's Key Performance Indicators are reviewed by the Remuneration Committee on an annual basis.

A report produced by AON Hewitt in the year of 2020 was taken as reference to evaluate remuneration of the MMT as follows:

- i) salaries, allowances and incentives (short term bonuses and long-term incentives);

- ii) preparation of a report taking into account of the roles and responsibilities, corporate objectives and strategy, market competitiveness; and
- iii) benchmarks with companies in comparative environment and market capitalisation.

In the year 2020/2021, Willis Towers Watson (WTW) was appointed to undertake an independent benchmark on Directors and Committee members' fees. WTW's exercise took into account factors such as the Directors' existing remuneration structure and the demands, complexity, time commitment, accountability and responsibilities expected of the Directors. WTW's assessment involved a benchmarking exercise carried out against remuneration structures adopted by local and regional companies (comparators).

Based on an assessment and review of the comparators, and in accordance with Section 230 of the Companies Act 2016, the Company will be requesting shareholders' approval for the payment of Non-Executive Directors' fees and benefits that includes a request for the directors' fees for the Company's subsidiary. The shareholders' resolution for payment of directors' fees and benefits is for the period commencing from the conclusion of the forthcoming Thirteenth AGM up till the conclusion of the next AGM of the Company in 2023. The details are contained in the Notice of the forthcoming Thirteenth AGM.

The aggregate emoluments received by the Directors of the Company during the financial year ended 31 December 2021 are as stated on the following:

Name of Directors	Received or to be received from the Company		Received or to be received from a subsidiary				Total Amount RM
	Fee RM	Benefits in- Kind RM	Salaries RM	Bonus and Incentives RM	Other Short- Term Benefits RM	Benefits in- Kind RM	
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda <sup>(1)</sup>	386,352.67	13,252.33					399,605.00
Tan Sri Mokhzani bin Mahathir <sup>(2)</sup>	458,910.13	-					458,910.13
Robert Alan Nason	402,682.67	-					402,682.67
Dato' Hamidah Naziadin	360,686.67	-					360,686.67
Alvin Michael Hew Thai Kheam	397,436.18	-					397,436.18
Mohammed Abdullah K. Alharbi	290,678.67	-					290,678.67
Mazen Ahmed M. AlJubeir	320,898.54	-					320,898.54
Abdulaziz Abdullah M. Alghamdi	290,678.67	-					290,678.67
Lim Ghee Keong	324,463.20	-					324,463.20

## Notes:

Save as disclosed above, no other remuneration has been paid to the Directors by the Company and/or its subsidiaries.

<sup>(1)</sup> Stepped down as Chairman on 22 April 2021 and re-designated from Independent Non-Executive Director to Non-Executive Director on 18 October 2021.

<sup>(2)</sup> Appointed as Chairman on 22 April 2021 and re-designated from Independent Non-Executive Director to Non-Executive Director on 18 October 2021.



# Corporate Governance Overview

## B EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT AND RISK COMMITTEE, RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit and Risk Committee (ARC) is chaired by Alvin Michael Hew Thai Kheam and comprises majority Independent Directors. The Chairman and members of the ARC are financially literate, have extensive business experience, and with each member having skill sets that allow the ARC to effectively discharge its duties and responsibilities in accordance with the TOR of the ARC. The Chairman, Alvin Michael Hew Thai Kheam is not the Chairman of the Board. The separate Chairman of the respective Board and the ARC promotes robust and open deliberations by the Board on matters referred by and/or recommended by the ARC. The roles, responsibilities and activities of the ARC in respect of effective audit and risk management are explained in the ARC Report on pages 124 to 128 of the Integrated Annual Report. The terms of office and performance of the ARC are reviewed by the NC annually in accordance with Para 15.20 of the MMLR, and in addition the independence of each of its independent members were reviewed by the NC.

The Group has the following processes in place for effective audit and risk management.

#### (I) Accountability and Audit

The Directors endeavour to present a clear, balanced and comprehensive assessment of the Maxis Group's financial position, performance and prospects. This also applies to other price-sensitive public reports and reports to regulators.

The ARC places great emphasis in the evaluation of the suitability, objectivity and independence of the external auditors in providing transparent reports to the shareholders. Accordingly, the ARC is guided by Maxis' External Audit Independence Policy (EAIP) to assess the external auditors' independence. The Committee also reviewed the annual assessment conducted on the effectiveness of the external auditors which covered eight categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees. The ARC is also guided by the requirements as set out in Para 15.21 of the MMLR in considering the annual assessment on the suitability,

objectivity and independence of the external auditors. As specified in the Board Charter and TOR of the NC, the ARC shall not appoint a former partner of the external audit firm as its member unless a cooling-off period of at least three (3) years has been observed prior to the appointment.

#### (II) Conflict of Interest and Related Party Transaction (RPT)

The Group has in place procedures and guidelines and internal controls to ensure that related party transactions including recurrent related party transactions have been or will be entered into on normal commercial terms and on terms which are or will not be more favourable to the transacting parties than those generally available to third parties dealing at arm's length and are not or will not be to the detriment of the Company's non-interested shareholders. The review and approval processes, policies and procedures for RPT ensure that the transaction prices, terms and conditions of agreements and the quality of products/services are comparable with those prevailing in the market. This is to ensure that the terms of the transactions are neither favourable to the related party nor detrimental to the Group's minority shareholders. The Group tracks the status of mandated Recurrent RPTs monthly to ensure all transactions are within the limits and plan the compliance processes if required. In addition, the Group has a conflict of interest policy to ensure that the ARC reviews such situations, and to recommend to the Board accordingly. In the event that a member of ARC or Board has an interest and/or deemed interest in any particular RPT, he or she shall declare his or her interest in the RPT and will have to refrain from any deliberation and also abstain from voting on the matter at the ARC meeting and/or Board meeting in respect of that RPT. It is the Maxis Group's policy to ensure that all of our transactions regardless of whether they are RPTs or not, must comply with our Group's Procurement Policy and Standards (PPS) and the Manual of Limits of Authority (LOA). The purpose of the PPS and LOA is to ensure that all transactions are carried out in the best interests of the Group. The LOA sets out the levels of authority and guides internal management in their control over our Group's capital and operating expenditure. The purpose of the PPS is to ensure that competitive bidding principles and transparent procedures are observed in the procurement of goods and services.



### (III) Risk Management and Internal Control

The Board of Maxis, is fully committed to articulating, implementing and reviewing a sound and effective risk management and internal control environment, in line with Intended Outcome 10.0 MCCG 2021 that the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group's objectives is mitigated and managed. The ARC, supported by internal audit function, provides an independent assessment of the effectiveness of the Maxis Enterprise Risk Management (ERM) framework and reports to the Board on yearly

basis. Key elements of the Group's control environment include Organisation Structure, Audit and Risk Committee, Internal Assurance, Code of Conduct and Code of Business Practice, Integrity and Compliance, Anti-Bribery and Corruption, Revenue Assurance, Subscriber Fraud Management, Business Continuity Planning, Regulatory, Legal, Company Secretary, Limits of Authority, Policies and Procedures, Financial and Operational Information, Data Privacy, Data Protection and Cybersecurity.



Detailed reports on the Group's Audit and Risk Management can be found on pages 124 to 128 and 130 to 137 of this Integrated Annual Report.

## © INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

### COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of providing effective communication platforms to provide clear, accurate and valuable insights on the Group's performance and position to its various stakeholders. This allows stakeholders to make informed decisions with respect to the business of the Group. The Board recognises that our stakeholders have a legitimate right to know how the Company is doing and endeavours to provide timely and transparent disclosures, releasing all required/material announcements immediately when matters are triggered.

Other than to issue our Integrated Annual Report and release our financial results, Maxis has been promoting proactive engagement and communication with our shareholders and other stakeholders through media releases, an online Investor Relations section and online Newsroom which can be accessed at [www.maxis.com.my](http://www.maxis.com.my)

The Annual General Meeting (AGM) and General Meetings are also the primary platforms for direct two-way interaction between the shareholders, Board and Management of the Company.

Please also refer to the Key Stakeholder Engagement section on pages 51 to 52 of this Integrated Annual Report. Maxis has provided the relevant contact details for queries and/or concerns regarding the Group under the Corporate Information Section.

### OUR COMMITMENT TO COMMUNICATING WITH OUR SHAREHOLDERS INCLUDING INVESTORS AND STAKEHOLDERS

Maxis is committed to maintaining high standards of corporate disclosure and transparency. Our disclosure policy is based on the following three key principles:

- (i) Maintain open and regular communication with all shareholders and stakeholders;
- (ii) Disseminate financial and strategic updates in a timely and transparent manner; and
- (iii) Ensure equal treatment and protection of shareholders' interests.

Maxis has embarked on a three-year integrated reporting journey to provide comprehensive and transparent disclosure of our objectives, strategies and performance while demonstrating our commitment to create long-term value for all stakeholders. This year, we enhanced our Value Creation Model to provide our stakeholders with a clear understanding on how Maxis, through our strategic endeavors, maintains our competitive advantage while creating long-term value for all stakeholders. Also, we reassessed and updated our material matters and mapped our risk and opportunities to our identified top eight (8) material matters. The assessment is expanded to include input from more stakeholder groups and ensured that the overall assessment is guided by the enterprise risk management framework as well as Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Toolkit. We disclosed Maxis' management of the



## Corporate Governance Overview

impacts arising from changes in the operating landscape and Maxis' demonstration of its focus on the wellbeing of our employees, managing the health of our business, and delivering great customer experience. We also mapped the reporting of our business performance with five (5) clearly outlined long-term value creation outcomes we aim to achieve for all stakeholders. We also further enhanced our ESG reporting with the mapping of the United Nations Sustainable Development Goals (UN SDGs) to the Material Matters underpinned by our Convergence strategy.

### CONDUCT OF AGM AND GENERAL MEETINGS

A fully virtual AGM was held on 22 April 2021 in accordance with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia and Maxis' Constitution, and in adherence with the applicable Standard Operating Procedures for meetings. All nine (9) members of the Board were present at the AGM, with four (4) directors attending physically and remaining five (5) directors attending using remote platform. The Chairman, CEO, CFO, Company Secretary, external auditors and key essential individuals were physically present at the AGM venue.

The AGM utilised technology and virtual platforms, that allowed the participation of shareholders at the AGM, and included answering questions from shareholders. The Chairman also read out responses to the questions raised by the Minority Shareholder Watch Group (MSWG). Maxis posted the summary of the AGM and the Questions and Answers (Key Matters Discussed) including the responses to MSWG at the Maxis website in accordance with Para 9.21(2)(b) of MMLR. Shareholders are welcome to raise queries by contacting Maxis at any time.

The Board has taken reasonable steps to encourage shareholder participation at general meetings as follows:

- (i) Shareholders are encouraged to participate in the Question-and-Answer session.
- (ii) Written answers will be provided to any significant questions that cannot be readily answered during the AGM.
- (iii) Shareholders are welcome to raise queries by contacting Maxis at any time.
- (iv) Maxis issues adequate notice of AGM, which exceeds the 21 days as per the Companies Act 2016 and MMLR prescribed notice period and at least 28-day notice prior to the AGM as per Practice 12.1 of MCG 2017.
- (v) Queries from shareholders pertaining to the Integrated Annual Report may be directed to this email: [ir@maxis.com.my](mailto:ir@maxis.com.my).

### SUSTAINABILITY MANAGEMENT

The Board is committed to ensuring that our strategic plans support long-term value creation and incorporates the key principles of Environmental, Social and Governance (ESG) in underpinning sustainability. In 2021, this was done through a review of Maxis' material matters by key business representation of key divisions in Maxis and was thereafter validated by the CEO and Management Team. The material matters are detailed on pages 53 to 55. The material matters were deliberated and validated by our Management Team and our Board of Directors is cognisant of our material matters.

The Board holds the ultimate accountability of Maxis' sustainability strategy, with the various Board Committees overseeing the overall implementation of our sustainability agenda and monitoring the progress of our sustainability goals.

Our sustainability strategy is currently led and driven by the CEO, with progress and key developments escalated to the Board. The CEO, together with the Management Team meets with key divisions and project teams on a weekly and monthly basis to ensure oversight of execution of strategies, initiatives and achievement of targets.

To further institutionalise sustainability within our business processes and operations, we are in the process of formalising a Sustainability Steering Committee that will oversee the management of sustainability matters at Maxis. This committee will comprise Maxis' Management Team and members of key business units. We will be establishing a reporting cadence specifically for sustainability matters, with the CEO and Sustainability Steering Committee to provide quarterly updates to the Board. We will also look towards further integrating sustainability within the business operations.

Additionally, we are enhancing our internal processes and policy to consolidate and monitor ESG data that is reported within the Company in line with our ambition to get external assurance on non-financial information.

### ALWAYS BE AHEAD

The Board is fully committed to compliance with regulatory requirements under the MMLR, MCG 2021, the applicable rules and regulations, and in steering the Maxis vision as a leading converged solutions provider.

## Corporate Governance Overview



The Board's processes, proceedings and governance structure are constantly assessed and benchmarked to remain competitive, refreshed and agile with a continued focus on strategy, governance and compliance.

Key focus areas in 2022 include intensifying efforts to enhance the Board's composition, dynamics and succession planning of Board members and Management. The Board has put in place an Integrity Governance Unit in 2020, and implemented the MABC system that include amongst others continued emphasis on anti-bribery and corruption training, integrity pledges and communication of the updated CoBP to Directors, employees and third parties.

Further, during the new normal to continue fostering positive interaction between the Board and Management at all levels, while supporting a growth and innovative mindset, there will be virtual engagements with Management, interactive workshops, training sessions, encompassing areas such as operations, risk management, cybersecurity and anti-bribery and corruption. The Board is committed to providing oversight, and working together with Management beyond internal Board and management interactions, but also considering Group strategy and value creation (for wider stakeholders) and strategic opportunities. As an ongoing effort for the next few financial years, the Board will continue to benchmark itself against other comparable international digital and technology companies.

### GROUP WIDE FRAMEWORK OF CORPORATE GOVERNANCE POLICIES

The directors had put in place and communicated to the Company and subsidiaries (the Maxis Group) a group wide framework on corporate governance include a code of conduct and business practice, policies and procedures on anti-bribery and corruption, whistleblowing, managing conflict of interest, managing material sustainability risks and board diversity. The Company and its directors have complied with the Guidelines on Conduct of Directors of Listed Corporation and their Subsidiaries issued by Securities Commission Malaysia. The Directors are also responsible to oversee the implementation of policies and procedures for Corporate Governance from time to time to ensure it is up-to-date. The following items can be downloaded from Maxis' corporate website at <https://maxis.listedcompany.com/ar2021.html>:

- 1 Integrated Annual Report 2021
- 2 Corporate Governance Report 2021
- 3 Circular to Shareholders for Recurrent Related Party Transactions 2022/2023
- 4 Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy
- 5 Board Charter
- 6 Terms of Reference of the Audit and Risk Committee, Remuneration Committee, Nomination Committee, Business & IT Transformation Committee and Government and Regulatory Affairs Committee
- 7 Board Diversity Policy
- 8 Conflicts of Interests and Related Party Transactions Procedures and Guidelines
- 9 Policy in Dealings in Securities by Directors and Principal Officers
- 10 Policy on Conflicts of Interest
- 11 Code of Business Practice (CoBP)
- 12 Anti-Bribery and Corruption Policy Statement
- 13 No Gift Policy
- 14 CoBP for 3rd Party
- 15 Maxis 3rd Party Integrity Pledge
- 16 Cybersecurity Compliance Requirement
- 17 Whistle Blowing Policy
- 18 Company's Constitution
- 19 Summary of 12th AGM Minutes

## List of Properties Held



Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2021 (RM'million)
1	Plot 12155 (Lot 13) Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	26 years	Freehold 9 May, 1994	-	Telecommunication operations centre and office	11,235	10,061	16
2	Lot 4046 & 4059 Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru	29 years	Freehold 21 July, 1994	-	Telecommunication operations centre and office	4,242	4,077	4
3	Lot 2537 & 2538 Lorong Jelawat 6 Kawasan Perusahaan Seberang Jaya 13700 Seberang Jaya Pulau Pinang	25 years	Leasehold 5 January, 1995	52 years (18 August 2073)	Telecommunication operations centre and office	3,661	2,259	5
4	PT 31093, Taman Perindustrian Tago Jalan KL – Sg Buluh Mukim Batu, Gombak	24 years	Freehold 2 July, 1996	-	Technical Operations Centre	2,830	3,290	2
5	Lot 943 & 1289 (No. Lot Pemaju – 46) Rawang Integrated Industrial Park Selangor	24 years	Freehold 12 April, 1997	-	Technical Operations Centre	10,611	1,535	3

Other Information

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## List of Properties Held

Other Information

Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2021 (RM'million)
6	8101, Taman Desa Jasmin Block 12B, Bandar Baru Nilai Labu Negeri Sembilan	24 years	Freehold 28 December, 1996	-	Technical Operations Centre	2,378	1,736	1
7	Lot 25, Lorong Burung Keleto Inanam Industrial Estate Inanam, 88450 Kota Kinabalu Sabah	21 years	Leasehold 11 May, 2000	75 years (31 December 2096)	Telecommunication operations centre and office	16,149	3,372	7
8	Lot 2323, Off Jalan Daya, Pending Industrial Estate Bintawa, 93450 Kuching, Sarawak	21 years	Leasehold 28 September, 2000	45 years (19 November 2066)	Telecommunication operations centre and office	10,122	3,382	15
9	Lot 11301, Jalan Lebuhraya Kuala Lumpur – Seremban Batu 8, Mukim Petaling, 57000 Kuala Lumpur	22 years	Sub-Lease 9 August, 1999	4 years (28 July 2025)	Telecommunication operations centre and office	11,592	5,634	12
10	No. 26, Jalan Perdagangan 10 Taman Universiti 81300 Skudai Johor	27 years	Freehold 2 March, 1995	-	Base Transceiver Station	2,294	872	1