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# Content

## 002 CEO Message

AIS is committed to maintaining its leadership position in the Thai telecommunication industry through sustainable business practice.

## 004 Company Overview

The leading wireless telecommunication service provider in Thailand for over two decades, AIS provides a quality network serving more than 97% of population coverage.

## 009 Governance

With a strong and committed team of the board of directors and executives, and a proper checks and balances to ensure transparency, AIS is well-managed to increase value and establish long-term benefits for our shareholders.

- Corporate governance
- Governance of sustainability
- AIS sustainability strategy

## 013 AIS Path to Sustainability

Building on its strength as the leader in the Thai telecommunication sector, AIS enacts social responsibility and creates sustainable growth by leveraging the well-being of Thai society and the competitiveness of the country by broadening equal opportunities to communication to all Thais.

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## 058 Performance

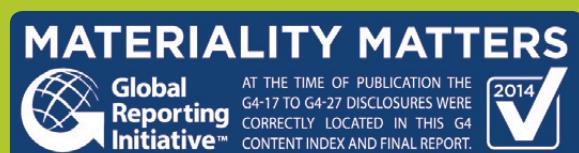
Our progress is reflected both in the economic performance and in our commitment to the environment, people and safety.

- Economic
- Environment
- People
- Safety

## 063 Appendix

We publish our sustainability report in accordance with international standards while taking into account stakeholders' feedback.

- Compliance with international standards
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# CEO Message

“We are committed to providing a quality network and superior service to connect Thai society, especially in rural areas, and enable widespread access to the information essential to people’s lives.”



## Dear shareholders, customers and stakeholders

At AIS, sustainable growth is how we grow our business in a way that creates a better future for society. We are committed to creating value for our employees, customers, shareholders, partners and the communities where we live and work by building a network that connects more Thais, increasing the country's competitive advantage, and strengthening the society.

## Meeting the changing needs of Thai society

This year we launched the AIS 3G -2.1GHz service to meet the increasing demand for high speed mobile internet. We experienced some problems in the beginning, such as lines being disconnected and slow speed connections due to the rapid increase in customer usage. In response, I informed the team and all employees that our core mission is to maintain the best network quality and highest level of customer service. We opened all communication channels to receive customers' complaints, which totaled more than a million per month. Despite this high volume, every complaint was followed-up and replied to in a timely manner.

For new business opportunities and future growth, AIS foresees a shift in consumer demand and industry trends toward mobile internet accessibility, necessitating greater investment in the broadband network and resulting in 4G service and a Wired Broadband network becoming key steps to AIS' future growth.

## Our commitment

Last year, we conducted our business based on 5 core sustainability strategies: community, partners, customers, people and the environment. We developed our employees' competency regarding 3G with a focus on providing the best network service. This is reflected in the results of a 3G service quality survey comparing AIS and other network service providers. The sampling survey conducted by the National Broadcasting and Telecommunications Commission (NBTC) found that the 3G service on the 2.1GHz frequency offered by Advanced Wireless Network Company Limited (AWN), a subsidiary of AIS, came out on top in

terms of call quality, connection ratio and number of dropped calls. A reflection on the efforts of all AIS employees and recognition of their commitment throughout the year, this success also encourages our employees to continue their excellent works. I also view this as a major step in our effort to build a top-tier team.

As the core of our service quality, it is our aim to have the most extensive network nationwide. Currently, our mobile network coverage includes all 77 provinces and reaches 90% of the population. The reach and robustness of our network emphasizes the importance of the service quality that we offer to our customers so that they can enjoy The Best Customer Experience with AIS.

While we continue to expand our coverage by increasing the number of towers and base stations we operate, we must also ensure that we are able to engage with local communities and gain their acceptance. To this end, we established a Community Relations unit to work alongside the engineering team to educate communities on the benefits of our tower or base station constructions. I always emphasize to the team that we must be accepted by the communities in which we operate. AIS's work goes far beyond installing a network infrastructure; our mission is to connect our society, especially remote areas, to enable widespread access to essential information and news. This is an important part of our belief in creating a connected society.

With our partners, we established a clear approach to collaboration by using the Ecosystem concept and by creating business synergies. We believe in creating win-win partnerships, which means that our growth can only be achieved if our partners can also grow. This year, we continued our focus on strengthening our partners' capabilities. In the future, AIS will seek to extend our sustainability initiatives with our partners by leveraging their local context in order to build a responsible society together.

With regard to environmental responsibility, we remain committed to reducing the environmental impacts from our operations. In our effort to become

a green network, we offer services that support the reduction of environmental impacts, such as by encouraging customers to opt for online billing instead of paper billing, and by building environmentally-friendly base stations.

As the largest telecommunication service provider in Thailand, implementing these 5 strategies helps us to balance our business drivers with our responsibilities to society and local communities. AIS practices good corporate governance to gain the trust of our stakeholders. Our investors and shareholders must be confident that our business is operated honestly and with a clear direction of business growth if they are to be willing to invest in us. Good corporate governance is fundamental to maintaining AIS' position as a telecommunication leader in Thailand.

Finally, recognizing the importance of having access to more than 60 million people throughout the country, we aim to use this ability to promote sustainable development. It is our belief that if everyone is aware of and understands the importance of sustainability, we will become a more responsible society. In addition, AIS supports the vision of becoming a digital society by building internet center in schools, communities, and social service sections as well as installing public telephones in remote areas. Last year alone, we built a total of 288 units. Our support helps to develop the people in local communities by providing access to information and extending community knowledge through the internet, resulting in the creation of additional income opportunities for the communities. For example, communities in the North and Northeast of the country are able to share traditional knowledge of local weaving practices on their own websites. AIS is proud that our network helps to build a stronger society and we intend to continue delivering the best customer experience.



Mr. Wichian Mektrakarn  
Chief Executive Officer

# Company Overview



**"Advanced Info Service Public Company Limited (AIS) is a wireless telecommunication leader with market share by revenue of over 52%. We focus on delivering the best customer experience through our premium network coverage that extends to all 77 provinces of Thailand."**

AIS As the largest telecommunication service provider in Thailand, we are committed to supporting and helping the country grow through the provision of a quality network coverage which reaches more than 80% of the population. Through the concerted efforts of over 10,000 skilled and knowledgeable staff, we deliver a quality service to more than 41 million subscribers. Service excellence has been our commitment for more than two decades.

## Company Overview

Company name	Advanced Info Service Public Company Limited
Head office	414, Intouch tower, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Registered date in the Stock Exchange of Thailand	5 November 1991
Authorized capital	Baht 4,997,459,800
Paid-up capital	Baht 2,973,095,330
Market capitalization as of 27 December 2013	Baht 593,132.52 million



## Our Business

AIS and our subsidiaries provide mobile phone services on 900MHz and 1800MHz frequencies with Global System for Mobile Communication (GSM) technology, known as 2G, and supply 3G technology on the 2.1GHz frequency through the digital Universal Mobile Telecommunications System (UMTS).

Further information on AIS and our subsidiaries can be found in our 2013 Annual Report at [www.ais.co.th](http://www.ais.co.th). Last year, AIS continued to focus on providing

quality service in order to support the increasing number of smart device users. We increased the number of 3G base stations on the 2.1GHz frequency to a total of 13,200 base stations, covering all 77 provinces in Thailand.

We also teamed up with our partners to develop new innovations by providing comprehensive digital services to create competitive advantages and help the country achieve sustainable growth.

# Vision and Mission

## Vision

To lead and shape the multi-media communications market in Thailand through innovation, customer experience, technology, people and culture.

## Mission

- We commit to deliver superior and innovative services that can add value and enhance peoples' daily lives.
- We commit to provide our customers with the best customer experience at competitive prices.
- We commit to drive intrapreneurship and a professional work culture for all our employees.
- We commit to enhance value for our stakeholders through Sustainable Development and creating value for society through Creating Shared Value (CSV).

## Products and Services

AIS is Thailand's leading wireless telecommunication business, providing domestic mobile phone services, international direct dialing, and international roaming services.

In addition to the quality service we already deliver through our nationwide network, this year we upgraded from 2G to a 3G service which supports data speed up to a maximum of 42 Mbps, enhancing the experience of customers using the internet on mobile devices. In response to the increasing usage of smart devices and social network trends, we also introduced a wide variety of affordable communication devices, new applications and segmented services to meet the specific needs of diverse customer groups. These new products and services are listed under the concept of "One more great thing we understand".

## Business Strategy

AIS is committed to maintaining a leadership position in the Thai telecommunication business. We build quality services across all dimensions, including quality mobile devices, quality nationwide network coverage, and innovative new applications and services which meet customers' needs and complement their lifestyles. While continually working to develop the telecommunication industry - an important driver of the nation's economy - we also have a great responsibility to society and all stakeholders to promote sustainable growth.

## AIS Business Strategy

Business Strategy	Operation Direction	2013 Performance
<b>AIS</b> Be the leader of Thailand's wireless telecommunication business	Deliver quality in all dimensions: devices, network, applications, services (Quality DNAs)	<ul style="list-style-type: none"> <li>Introduced mobile devices with segmented prices, meeting needs of diverse customer groups</li> <li>Established 3G 2100 network covering 70% of the population within only 8 months, faster than the target required by the National Broadcasting and Telecommunications Commission (NBTC) at 50% within 2 years.</li> <li>Introduced applications which match various lifestyles, for instance, AIS Mobile Barclays Premier League, which allows AIS customers to watch matches live in HD quality throughout the season</li> <li>Provided more than 1,000 device gurus at AIS shops to offer consulting services to customers</li> </ul>
	Maintain leading market share and commit to delivering shareholder returns	<ul style="list-style-type: none"> <li>Continued to maintain leadership position with 52% market share in terms of revenue, which is ranked number 1 in Thailand, serving over 41 million customers</li> <li>Enhanced net profit after tax by 4% from 2012</li> <li>Generate continuous dividend payout for our shareholders at 100% of net profit, twice a year as specified in our dividend policy.</li> </ul>

Business Strategy	Operation Direction	2013 Performance
<b>Business Expansion Develop Thailand's telecommunication industry</b>	Prepare and enhance competitiveness in readiness for 4G service	<ul style="list-style-type: none"> <li>Prepared for new license auction (1800MHz frequency) for the development of 4G, including expediting communication to customers who use 1800MHz frequency to acknowledge and migrate to another frequency.</li> </ul>
	Sustainable growth under the Ecosystem concept through collaboration with partners	<ul style="list-style-type: none"> <li>Collaborated with mobile phone manufacturers for marketing initiatives to target diverse customer segments</li> <li>Collaborated with application developers (via AIS the StartUp program) and partners to develop innovative services that match customers' needs in the digital age, for instance, AIS mPay Rabbit, AIS Movie Store, AIS Premier League, AIS mPay MasterCard</li> </ul>
<b>Interest of society and all stakeholders (gain license to operate)</b>	Create balance in business development to ensure responsibility toward community, society, environment and our stakeholders by following our sustainability strategy and fostering mutual sustainable growth	<ul style="list-style-type: none"> <li>Built employee understanding of sustainable operations aligned with the corporate direction and AIS's sustainability strategy through internal workshops while deploying initiatives at the operational level</li> </ul>

# Governance

## Corporate Governance

AIS's systematic operational structure is set by a highly responsible and visionary Board of Directors whose control is exercised through a well-defined check and balance mechanism to ensure transparent management.

## Board of Directors

AIS specifies that its Board of Directors must consist of not less than 5 members, and that the Chairman of the Board and Chairman of the executive committee must not be the same person. The AIS board is comprised of highly-experienced honorary and professional individuals whose in-depth expertise covers all the relevant fields of competence, such as telecommunications, business administration, economics, accounting and financing. In total, the board consists of 11 directors, with 3 independent directors as Audit Committee and another 2 independent directors counterbalancing the company's operations to ensure transparency and protect the interests of AIS shareholders. In addition, all board members have been required to go through a transparent nomination process conducted by the company's Nomination and Corporate Governance Committee.

## Performance of the Board of Directors

In 2013, there were eight meetings of the Board of Directors to set the company's vision, policy, operating direction and governance, and to ensure efficient adherence to AIS policy in compliance with the good governance practices of The Stock Exchange of Thailand. Additional details of AIS's governance policy and implementation progress can be found at: [www.ais.co.th](http://www.ais.co.th).

Additional details of the Board of Directors and all committees including the scope, duty and attendance of each board can be found in the 2013 Annual Report via: [www.ais.co.th](http://www.ais.co.th).

## Evaluation of Board of Directors' performance

AIS defined a Self-assessment process for its Board of Directors' performance in order to verify and improve operations. In 2013, the Board of Directors achieved scores that indicated good governance practices in their evaluations.

## **Governance of Sustainability**

“Throughout our 24 years of conducting business, we at AIS have run our operations according to a philosophy of sustainability development by integrating sustainability development strategies into every aspect of our business operations.”

### **Sustainability Development Committee**

AIS's Sustainable Development Committee comprises one chief officer from each main operation line and management representatives from all departments, including the Operation Department, Marketing Department, Customer Service Department, and Human Resources Department. The Sustainability Development Committee consists of 13 people in total. The Chief Executive Officer is the chairman of the Committee. It is the duty of the Committee to ensure the company's sustainability by regulating the direction of its strategy and by inspecting the efficiency and effectiveness of project operations in order to achieve the set targets. Additionally, on 1st August 2013, the company appointed a sustainability team comprised of two components - a sustainable development project management team of 9 members and a sustainable development project leader team with 13 team members - to support and promote the implementation of policy and development strategies for AIS's sustainability in practice.

The Sustainable Development Committee held 3 meetings in 2013 to align the sustainability operation direction with the business operation strategy and to monitor the operational performance of the sustainable development project leader team.

## Sustainability Development Direction

AIS set its strategy and direction for sustainability in 2012. For 2013, AIS planned to focus on ensuring the full integration of sustainability measures into all our operations. For this reason, we communicate directly with our management and employees to ensure acknowledgement of our sustainability strategy and to impel its implementation. As such, performance tracking and reporting is applied to the sustainable development project leader and the Sustainability Development Committee.



"AIS realized the importance of sustainable development; therefore we determined a vision, policy and sustainability development strategy by focusing on 5 strategies for business growth that includes community, partners, people, customers and the environment.

Today, the time has come to collaborate and follow our determined mission. It is not that AIS has never implemented sustainability, we have long implemented our CSR activities which already answered the core 3 elements of sustainable development in terms of economic, social and environmental aspects. Our activities were categorized as project based i.e. Samrak Project, Tung Nam Jai Project, etc. In escalating our Sustainability Development, we must develop our policy, strategy and activities to integrate 3 elements thus ensuring balance while corresponding to our business operation policy. This means we must have clear directions for the integration of our SD Policy and Strategy so that SD becomes part of our business policy through being integrated into the business plan of each operation line, along with collaboration amongst various departments."

**Mrs. Suwimol Kaewkoon**

Chief Organization Development Officer

## AIS Sustainability Strategy

AIS sustainability strategy focuses on 5 core strategies as follows:

Strategy Focus Areas	Commitments	Performance (Page)
<b>Community:</b> Bringing our society together	<ul style="list-style-type: none"><li>To thoroughly understand and take account of the needs of the direct community, and develop the appropriate strategic, integrated and systematic responses to ensure our social license to operate.</li><li>To leverage our strengths as a network provider to meet the needs of the larger society and be viewed as an industry leader in a socially responsible business.</li></ul>	014 - 019
<b>Partners:</b> Building sustainable partnerships	<ul style="list-style-type: none"><li>To share the responsibility for our partners' behaviors and actions.</li><li>To build win-win partnerships through mutual growth.</li></ul>	020 - 025
<b>People:</b> Growing our people with their strengths	<ul style="list-style-type: none"><li>To develop visionary leaders with our brand character.</li><li>To create opportunities for people to learn and develop so that they can guide AIS toward its goal within the framework of sustainability.</li></ul>	026 - 038
<b>Customers:</b> Providing the best customer experience	<ul style="list-style-type: none"><li>To provide the best customer experience while tapping into new markets, through deep insight into people's needs, personalized products and services that meet those needs, and unparalleled service that says we will do our best to assure you live in "Your World, Your Way".</li></ul>	039 - 047
<b>Environment:</b> Greening our future	<ul style="list-style-type: none"><li>To develop innovative, yet easy-to-understand and environmentally-friendly, products and services that will empower people today and meet the needs of future generations.</li></ul>	048 - 053



# AIS Path to Sustainability

## Our Community and Society

### Community and Society Targets and Performance Table

Goal	Initiative	2013 Performance	2014 Target
Understanding the needs of direct communities	Direct engagement with communities to build understanding of base station construction while stressing proactive issue management in a timely manner.	Engaged with communities with potential concerns in the vicinity of 240 base stations.	Expand engagement and build understanding with communities in the vicinity of existing and new base stations due to 3G-2.1GHz expansion, in total 500 base stations.
	Contribution to community activities close to base stations in order to gain social license to operate.	Engaged with over 124 communities to understand their needs and support their activities.	Expand engagement and support the activities of communities located in the vicinity of base stations.
Leveraging AIS strengths as a network provider to meet the needs of society	Transfer of employee knowledge and skills to communities in the form of community activities.	Organized activities with students once every two months to share knowledge of telecommunication technology such as base station operations and cellular networks. Last year, over students participated together with 150 AIS mentors.	Continue to place emphasis on student groups, however, expand the scope of our target group to include women and the elderly, in total 700 persons to be able to access online communities and applications.
	Installation of public phone and internet centers in remote areas in collaboration with the Office of The National Broadcasting and Telecommunications Commission.	Installed 288 public phones and internet centers for schools, communities and social service organizations.	Participate in a program to provide a basic telecommunication infrastructure (Universal Service Agreement: USO) at pilot provinces including Phitsanulok and Nongkhai in collaboration with the NTBC. Community internet centers will be installed to enable people in remote areas to access information and news.

“As Thailand’s telecommunication leader, AIS believes that its products, services, capability and good intention will bring about sustainable development that improves the well-being of Thai society.”

## Understanding the Needs of Communities Where AIS Operates

AIS is committed to building trust and mutual understanding with the communities where we operate. In 2013, AIS engaged with more than 8,000 communities across Thailand in order to provide knowledge and understanding of electronic equipment safety and electromagnetic fields. We also worked with landlords to organize public forums to share comments and address the concerns of communities with regard to AIS operations. AIS also collaborates with communities and local authorities to organize social projects and programs such as the construction of sport arenas, reconstruction of education centers and promotion of local crafts and professions. AIS believes that engagement with the community serves as a foundation for mutual understanding and the warm relationships that will lead to community acceptance of the company's operations as well as local socio-economic development.

### Community Relations

In addition to our engagement with the communities where we operate, AIS also collects data from each area in order to measure community engagement levels through the Community Relations Index (CRI). This process helps AIS understand each community's current and potential future concerns in order to prepare appropriate solutions and direct the actions required to address those issues. In 2013, AIS conducted surveys in all 77 provinces and found that only 124 from 8,000 communities in the vicinity of AIS base stations required a more comprehensive degree of engagement. The ongoing concerns in these communities were related to health and safety issues. To alleviate these concerns, AIS engaged the communities through both conversational dialogues and leaflet distribution campaigns to reemphasize our commitment to maintaining full compliance with NTBC safety standards, which are in turn aligned with international standards.

### Landlord Management

AIS aims to build good relationship with our landlords at the earliest possible opportunity subsequent to the sourcing of the land, contracting, construction and maintenance phases. Building good relationships is achieved through various channels including

#### Community Relations

**Index (CRI)** determines the level of engagement between AIS and communities in the vicinity of its base stations. This index covers the attitudes of over 60% of the population around the base stations and is conducted by an independent party.



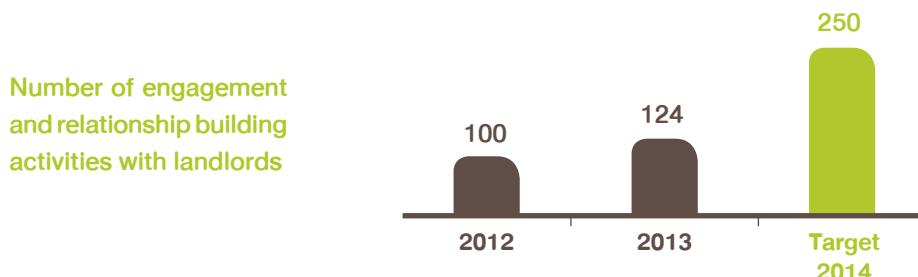
“I am confident in the safety of the AIS mast sites. This mast sits in my household area with a strong foundation and this year we are already on the 4th installation contract. AIS staff are like family who I can trust. Though I have heard a lot about transmission signals destroying brain cells, for me, I am 100% sure of its safety and all my kids do very well in school.”

**Mrs Warunee Sameeyai**

10 years of AIS base station installation At Beungtan base station, Khon Kean province

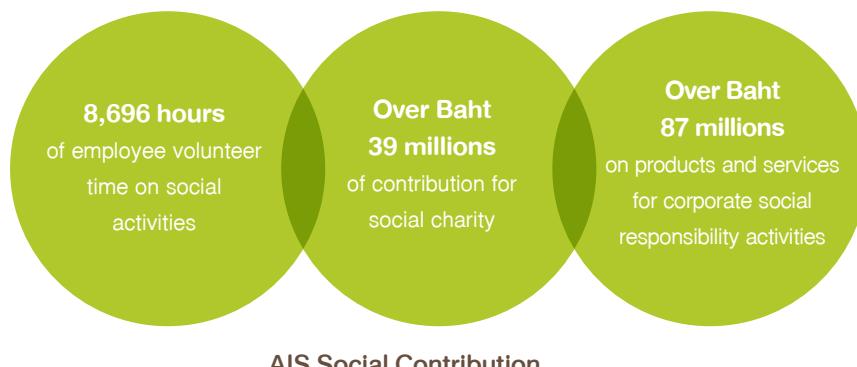
face-to-face visits, arranging community activities with landlords, the Aunjai station magazines, or providing assistance in the event of natural disasters. In addition, AIS provides various tools and communication channels with landlords so that we can receive and respond quickly to any complaints or concerns they may have. To further ensure that we respond to our landlords in a timely and systematic manner, AIS developed a grievance mechanism to document complaints and concerns in the company's database as well as to monitor the follow-up process. To ensure the integrity and security of building structures, annual inspection is carried out by our structural engineers. In addition, annual inspection is also carried out on the AIS legacy infrastructure and equipment. If any damage is found, AIS immediately dispatches maintenance staff to make all necessary repairs for the safety of the landlord and the community.

AIS requires that all our network infrastructure installations must receive the landlord's approval as well as the acknowledgement of the relevant local government official and regulators.



Remark: Excluding Aunjai station magazine delivered to landlords in 6,000 base stations every four months.

#### Leveraging AIS strengths as a network provider to meet the needs of society



With a network infrastructure reaching more than 37 million customers across Thailand, AIS is committed to ensuring corporate social responsibility remains an integral part of the company's mission by reaching out to people at all levels of society. Through implementation of our 4 pillars, AIS expresses social responsibility awareness and our intention to bring development to Thai society.

## 4 Pillars to Social Development

### Supporting Family Values

“Family is a foundation of a good society”

AIS promotes relationship building in families through its Sarnrak program, supporting family values and family rally activities which have been organized for more than 20 consecutive years with over 2,000 families participating in the program. In 2013, the Sarnrak program offered advertisements under the theme of “learning begins with the family”. Under the program, over 10,000 copies were published of the Sarnrak magazine, a bi-monthly family magazine aimed at fostering family values and promoting parents as good role models. The magazine can also be downloaded at [www.sarnrak.net](http://www.sarnrak.net) and hard copies are available at the AIS office. AIS also utilizes online media to cultivate the Sarnrak family network, which currently has over 6,000 members.



“The AIS family really strengthens our family bonds because it's an activity which requires effort and unity. In the process, it brings the family together with laughter and joy. I want to thank AIS for providing this great activity.”

**Interview with 20<sup>th</sup> AIS family rally was won by the Krasaesin family who shared their thoughts about the program**



### AIS Sarnrak Child Development Center

In collaboration with the Population and Community Development Association, AIS established the Sarnrak Child Development Center. Intended to provide educational opportunities for children in remote areas and ease the concerns of their parents, the project involves the construction of learning centers, the procurement of necessary materials and center management support in order to increase the number of child care centers in remote areas. Today, 4 child development centers have been successfully established to provide educational support for 319 current students from Kalasin, Phitanulok, Chiangmai and Nakornratchasima provinces. AIS is currently constructing the 5th child development center in Krabi province with a capacity to take care of 50 children per year. The center is expected to be transferred to the local Subdistrict Administrative Organization by May 2014. AIS will continually monitor center usage and has set a target of building 1 new center every 2 years.

## Praising Social Role Models

“A strong family comes not from a complete family, but from a strong heart”

AIS praises social role models through the “Sarnrak KonGeng Huajai Grang” documentary which features stories of grateful Thai youths who have overcome extreme hardships to support their families. Since its first air in 2001, now on Channel 5 television station, the program has encouraged countless Thai youths to adopt strong family values. The Sarnrak program has also provided financial support for families and scholarships all the way up to bachelor degree level for 590 selected youths, 94 of whom have already graduated with a bachelor's degree. In 2013, AIS provided over Baht 685,000 in scholarships to Thai youths.



Ms. Aporn shares her thoughts on sending her daughter to study at the child development center: “I am very happy that my daughter will be studying at the new AIS Sarnrak Child Development Center because the building is constructed to sound engineering standards and provides a safe environment. Whenever we pass this new building, my daughter always points it out and tells me proudly that this is her new school.”

### Ms. Aporn Koonmart - 30 years old

Feelings of parents who send their children to AIS Sarnrak Child Development Centers

## Creating Opportunity and Helping Society

“As a Thai company, providing benefits and bringing social developments are fundamental to our operations.”

AIS, in collaboration with the Redemptorist Foundation for People with Disabilities, has established a call center staffed by and providing essential services for people with disabilities in Chonburi province. From 2006 up to the present, AIS has employed 45 physically impaired members of staff to work at the call center and serve the needs of physically impaired customer groups. Customers with sight and hearing impairments are catered to through the iSign service, which allows the hearing impaired to request information with AIS call center staff who respond in sign language via webcam. AIS also provides opportunities for the Chonburi call center's employees to learn language skills at the Language@Click institute.



In 2013, AIS worked with the Office of The National Broadcasting and Telecommunications Commission (NBTC) to build 30 school internet centers, 52 public internet centers, and 6 internet centers for social service organizations - a total of 88 public internet installations to facilitate learning and stimulate knowledge sharing in the community.

## Encouraging Employee Involvement in Volunteerism

“Altruism is a moral high ground which leads to other morally practical activities. This element should be actively instilled and provoked among AIS employees.”

We continually support employee involvement in volunteer activities. Last year, more than 1,087 AIS employees clocked up over 8,696 hours participating in community contribution programs. Major programs benefiting from the unpaid efforts of AIS employees include the employee program to teach students (“Pi Son Nong”) at Thongpaphum School, Tamakram School and Viengtun School, in which a total of 90 students participated. AIS also organized visits at switching centers under the theme of “Realizing dreams with Nong Aunjai”, which promotes the sharing of knowledge on technology and involved 40 students and 10 AIS employees.

## Digital Inclusion

AIS encourages full social equity among all groups in Thai society with regard to access to technological information and data. AIS offers main promotion packages according to each social group as follows:

**Community in remote areas:** AIS installed 140 public phones for communities in remote areas.

**Immigrant labor groups:** AIS developed Freedom 3G and Meng Kala Ba SIMs especially for immigrant labor groups to be able to call numbers in the same group at reduced rates. These SIM cards are also distributed to those in need through various events and gatherings. AIS has also established special call



### Interview with employees participating in volunteer activities

“I am very happy to work with AIS because I have had the opportunity to engage in such meaningful activities. I would like to thank AIS for organizing these great activities.”

**Mr. Poom Awaiwanon**

Event Support Staff (central operation, central region)

centers and documents in the native languages of immigrant labor groups.

**Physically-impaired:** AIS offers a special promotion to pre-paid customers who have hearing disabilities, through the provision of additional services including a 50% reduced rate on a monthly allowance of 3,000 SMS and 1,500 MMS to numbers in the AIS network. In addition, AIS offers an iSign call service for the visually challenged, and a free call center at 0-2203-9100 and 1414.



### AIS Free Zone by Google

AIS works exclusively with Google to provide mobile access to Google Search, Gmail, and Google+ for AIS customers with no internet fee required.



## Our partners

## Our Partners

### Partner Targets and Performance Table

Goal	Initiative	2013 Performance	2014 Target
<b>Sharing responsibility for our partners' behaviors and actions.</b>	Renovation of Telewiz shops and service improvement for consistent branding of AIS image and enhancement of customer trust in Telewiz shops.	Successfully renovated and improved customer service management at 185 shops out of the total of 450 shops.	Continue to complete renovation of all Telewiz shops within the 2nd quarter of 2014, enhance the quality of services and sales with the aim of eventually leading to increased revenue for our Telewiz partners.
<b>Building win-win partnerships for mutual growth</b>	Service Quality for Telewiz (SQT) program assesses all aspects under sale and service criteria to raise our partners' standards.	Provided training to Telewiz shops to develop essential sales and service skills for operational staff.  Over 85% of all Telewiz shops have successfully qualified and passed the AIS' SQT assessment.	Achieve the target of 90% of all Telewiz shops passing the AIS' SQT assessment.

“Our “ecosystem strategy” is how we embed sustainable practices into our partners’ operations by working closely and effectively to deliver the Best Customer Experience.”

## Sharing responsibility for our partners’ behaviors and actions

AIS has implemented various initiatives to improve its procurement procedures and processes to be more clearly defined and closely aligned with international standards such as:

- standardized corporate contract prices
- improved payment terms and conditions
- defined contract specifications to support the long-term Sustainable Development plan for every partner group including local contractors, sale agents, retailers and content developers.

**Upstream partner:** For suppliers and contractors, AIS implemented a sustainable procurement policy and procedures to improve the awareness of our partners including safety, hygiene, and human right such as the prohibition for use of child labor or forced labor.

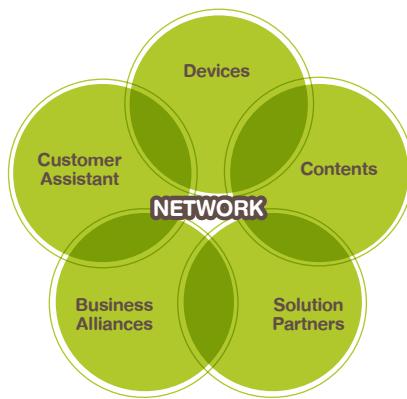
**Downstream partner:** For sales representatives, retailers or service providers, AIS developed a quality assessment standard focusing on our exclusive partner, Telewiz. The Service Quality for Telewiz (SQT) has been developed as a mechanism for improving sales and customer service of our partner, which are essential for the enhancement of Telewiz’s capability to grow with AIS. The SQT will assess sales achievement and customer service quality. The quantitative indicators for assessing sales performance include the number of newly registered in postpaid and prepaid numbers, total handset sales, and the number of application or service signups in each Telewiz shop. Whereas the service quality assesses from staff competency, customer satisfaction, and shop display in accordance with marketing strategy. If any shop performance is not up to standard, AIS will provide help in all aspects including human resources, competency development and financial support to improve its performance. This is part of the AIS commitment to achieving mutual growth through win-win partnerships.

- AIS supports environment friendly products.
- AIS procures only legal products and services that respect intellectual property and human rights.
- AIS supports Thai and local businesses by purchasing products and services from the local communities where we operates.

source: procurement policy

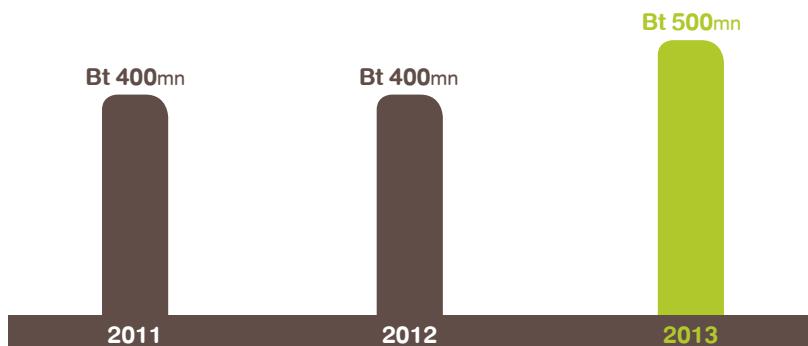
## Building win-win Partnerships for Mutual Growth

The AIS ecosystem enables us to collaborate closely with business alliances and partners to develop innovative products and solutions that deliver the best customer experience. The AIS ecosystem consists of 5 main elements as shown below:



The success of this concept is reflected in Telewiz's financial performance and customer satisfaction rates, both of which have continually increased.

### Telewiz Financial Performance



## Strengthening Partner's Capacity

AIS has implemented the AIS Way for the Telewiz program, which has been running for 10 years. The AIS Way is aimed at developing the competencies of Telewiz personnel to be at the same level as those of AIS personnel, which include the AIS emphasis on a service-oriented culture. Last year, AIS provided e-learning training to 240 of Telewiz's new hires. To date, AIS has trained over 2,021 individuals through this program. Telewiz Guru by AIS is a program that provides specialized training to develop Telewiz personnel to Device Experts who are knowledgeable about the internet and relevant applications. Today, there are a total 1,149 Telewiz Device Experts who

can provide customer with the AIS level of service, as evidenced by the increase in customer satisfaction with the level of service they receive in Telewiz shops.

In addition, AIS has trained Telewiz personnel across the country under the Service Fulfillment (SFF) program, which focuses on the customization of packages or service to meet individual customer's specific demands. AIS also provides basic training for Telewiz personnel to improve their efficiency in responding to application orders and to develop their fundamental skills to meet AIS's standards.

**In total 9,060 Telewiz personnel to receive training and skill development**

**Fundamental Training Programs for Telewiz Employees**



Device setting and new technology	<b>48%</b>
New product	<b>14%</b>
The AIS Way	<b>12%</b>
New application and system	<b>10%</b>
3G 2100	<b>9%</b>
New hire	<b>4%</b>
Telewiz shop manager	<b>3%</b>

Beyond Telewiz, AIS has also launched various initiatives to encourage the development of all partners, such as an annual AIS-Partner Conference to build the capability of sales representatives across the country, fundamental social etiquette, and basic internet protocol use.

## Developing New Partners

In 2012, “AIS the StartUp” was launched to support a new generation of creative content and application developers to become business owner. AIS developed a special business model called Incubated Content Partner by providing them mentorship on business and marketing know-how and technical development from both Thai and international experts. AIS also brought together funding, resources and leading investment experts to get AIS the StartUp off the ground. The selected ideas will be commercialized for AIS customers as well as for users at the regional level. AIS works closely with our international partner, SingTel.

Last year, over 1,000 participants submitted in excess of 100 ideas. The winning idea in 2013 was from the Noonsoon team, who presented an application that introduces new friends every day at noon. In addition to gaining access to AIS customers, the team also received funding from the Golden Gate Venture company in the USA for developing the ICP model in collaboration with AIS.

The second prize winner, the FOURLEAF team, developed the AIS iButler, an application to serve corporate customers, specifically hotel operators. With this application, hotel clients can check-in, order meals or request services without having to pick up the phone.

The launch of the “AIS the StartUp” program together with the creative ideas submitted by its participants resulted in over 300 new AIS content developers joining the AIS team. With so many creative minds pushing the envelope of innovation, AIS is delighted to be rolling out a range of newly developed contents and applications to national and international markets.



In Thailand, initially there were only 250 major application developers. To address this shortage, AIS is promoting ‘AIS the StartUp’, which aims at building and expanding the community of content developers and providing everyone with an opportunity to grow. In the recent event, over 300 SMEs participated, which contributed to the development of at least 30 new applications, some of which are already at the commercial stage, while others are due to be launched soon. In this way, AIS serves as a bridge to success by allowing innovative startups to fulfill their potential by offering them the immense advantage of being able to distribute their ideas in major markets both at national and global levels.”

### Mr. Prattana Lepanang

SVP - Digital Products and Services

Source: ASTV Online Manager - 13 February 2013





# Our people

# Our People

## Employee Development Policy

AIS believes that employees are the company's most vital resource and integral to driving organizational growth and sustainability. **"AIS is ready to grow with you"** is AIS's commitment to taking care of our employees by providing career advancement opportunities as well as a good work environment through a culture that nurtures the bond between employees and employer so that AIS can be the 'right' organization for every employee.

AIS's Employee Development Policy specifies 4 areas of employee care as follows:

### 1. Recruiting and staffing to meet business expansion

Due to an increasingly competitive market, there is a significant need for talented and knowledgeable employees to serve as the drivers of organizational success. An effective recruitment process is an important step in selecting the right employees. AIS improved our recruitment procedures and tools by combining the best hiring practices of leading companies from various fields, such as statistics, psychology and management standards, to serve as a recruitment platform to ensure that AIS selects the "right" employees with the skills that can drive organizational success.

### 2. Employee development

AIS systematically develops the skills and capabilities of our workforce by requiring employees and their supervisors to mutually develop an individual career development plan which is consistent with the department's and organization's goals and is regularly reviewed. Employee development deals with the following areas:

- Leadership management;
- Career development;
- Knowledge acquisition and sharing; and
- Innovation culture, encouraging employees to provide input and develop the work process.



### **3. Human resource management system**

With AIS's engineering and customer service offices located all over Thailand, we developed the Electronic Human Resources (eHR) system to increase operational efficiency in terms of accessing employee data.

AIS's performance management system lets employees and supervisors agree on work targets (Management by objective), while supervisors provide guidance, coaching, performance appraisal, and feedback. AIS focuses on building a work culture based on the organizational value of "FASTMOVING" whereby sharing knowledge and expressing creativity are encouraged. We promote employees' involvement in Corporate Social Responsibility (CSR) programs not only to give back to the wider society, but also to support employees in helping their colleagues when they encounter problems through our 'friend helps friend' program. AIS develops and promotes our employees to be altruistic and we inspire them to be good role models for society.

### **4. Employee wellbeing and work-life balance**

Because our employees are part of the AIS family, we implement policies which take care of their health, family and social aspects. As part of our commitment to a happy work-life balance, we provide benefits tailored to employees' needs and encourage them to spend time with their families during every important occasion.

Apart from a safe and hygienic work place, providing a creative atmosphere is another aspect of work upon which AIS places great emphasis. A friendly work environment will help employees relax and feel at home

## People Targets and Performance Table

Goal	Initiative	2013 Performance	2014 Target
<b>Building a top-tier team</b>	Training and activities leading to tolerance and understanding of individuals to ensure work efficiency and excellence in team work.	Achieved training goal for 885 target participants.	Achieve the training goal for target employees.
<b>Nurturing talent</b>	<p>Learning opportunities in different forms for employees such as providing training and development activities which are categorized according to each employee's level</p>	<p>Organized over 103 hours of training for executives to develop their task and human management skills while enriching their perspectives.</p> <p>Organized over 90 hours of training for management and professional level staff to develop their team management skills.</p> <p>Organized over 186 hours of training for operational staff to develop their knowledge and work skills.</p>	Continually develop programs in proportional numbers not less than the programs developed in 2013.
<b>Engaging with our employees</b>	Building employees engagement through various activities such as on-boarding, providing scholarships to employees' child, and giving welfare that is above the legal requirements.	Achieved 70% of engagement level in the Best Employer criteria specified by Aeon Hewitt (Thailand) Co., Ltd.	Achieve employee engagement level not less than that of 2013.
<b>Occupational Health and Safety at work</b>	<p>Training for executive level security, management level security, supervisory level security, and technical and vocational level security.</p>	<p>Achieved the number of participants on the following training program:</p> <p>Management Level Security Officers: 76 participants</p> <p>Supervisory Level Security Officers: 290 participants</p> <p>Courses for Hygiene and Safety at Workplace committee: 102 participants</p>	Provide training for executives and employees not less than that of 2013.

Goal	Initiative	2013 Performance	2014 Target
Promoting business code of conduct and ethics	Instillation of employee awareness of business code of conduct.	Provided 10 training on Business code of conduct seminar with chief executive operation and over 200 operational staffs from different fields of work	Provide training for executives and employees not less than that of 2013.

“All 10,000 AIS employees are integral to the growth and sustainability of the organization. Thus, AIS is committed to developing a top-tier team of people who will contribute to the creative work environment at AIS.”

## Building a Top-Tier Team

At AIS, we take care of our employees by providing career advancement opportunities as well as a good work environment through a culture that nurtures the bond between employees and the organization. This focus on employee engagement serves to attract and retain our talents to stay with us for the long term. Our continued efforts have led AIS to be ranked as the ‘Best Employer 2013\*’ by Aon Hewitt (Thailand) Co., Ltd.

### Attracting and Retaining

Last year, AIS received over 35,000 applicants, 40% of whom were fresh graduates and 60% experienced professionals. AIS administers personality tests to all applicants to ensure that we recruit employees who share AIS’s values. The Behavior Based Interview methodology was implemented to help the hiring committee select the most suitable employees.

To ensure a transparent recruiting process, AIS encourages everyone to take up the opportunity of working with AIS through events such as AIS’s Guidance World of Work where AIS provides

guidance to future graduates on job hunting or adjusting to the workplace. The “University Roadshow”, a means of introducing AIS to fourth-year university students, is another way to help university students build their confidence before entering the working world and is complemented by the ‘Growing with AIS’ project which is a summer internship program. Meanwhile, the AIS open house is a method of recruiting call center staff. These programs provide equal opportunities for all individuals regardless of sex, gender, age or physical impairment, including special opportunities for the hearing impaired or visually challenged to work with AIS.



Remark: \*The 2013 Best Employer award is based on the results of a survey conducted by Aon Hewitt in collaboration with the Sasin Graduate Institute of Business Administration of Chulalongkorn University. AIS ranked number 1 from 9 surveyed organizations to receive the Best Employer award.



"There are 10,000 employees at AIS, 80% of whom are Gen Y. However, our full workforce is composed of people from all generations. Therefore, we must understand each generation's viewpoint and find the right balance in responding to each generation's needs in order to achieve our common goal, which is serving the customers. It is essential that our employees share AIS's vision, so we have developed a practical framework with a focus on quality that every employee can implement."

**Mrs. Vilasinee Puddhikarant**

Chief Customer Officer

## Nurturing Talent

Once employees pass the selection process and join the AIS team, we are fully committed to building strong bonds and long-term relationships with them by providing a range of learning and development opportunities within the organization. AIS provides various training courses appropriate to each

employee's work experience, career path, responsibilities and current role, such as executive, talent, first line manager, middle line manager, or operational staff. Training can also be categorized by the employee's functional/professional competency.

## Employment Development

Employee level	Average training hours per employee	Training focus and goal
<b>Executive</b>	103 hrs	Emphasis on developing business administration and human resource management while enriching perspectives through programs such as Chief and Executive Development, Classroom, Workshop and Coaching.
<b>Management level/Professional employee</b>	90 hrs	Emphasis on the development of functional skills specific to each career path, such as Efficient Sales Representative for SME clients, Advertising on Social Media as well as courses on the development of management skills e.g. Team Performance Management and First Line Management
<b>Operational staff*</b>	186 hrs	Emphasis on the development of technical and functional skills to enable employees to perform their assigned roles and responsibilities such as 3G-specific courses, i.e. device and network setting, SAP business processes in financial accounting.

Remark: \*Excluding temporary staff

## Quality Improvement Program (Lean Six Sigma: LSS)

AIS recently implemented Lean Six Sigma (LSS) to drive organizational excellence by reducing errors or damage to products and services. We set a strategy for each plan and initiative to align with organizational efficiency and international standards. To achieve the LSS goal, AIS organized training and development curricula on LSS for 127 employees from 27 programs from every department. We also specified reward criteria for outstanding programs. LSS will help accelerate AIS's operational efficiency by expanding the knowledge and capacity of employees while ensuring consistent delivery of the best customer experience.

## Knowledge Management

**Knowledge management system:** In 2005, AIS developed Knowledge Management System named Nokhook to systematically share organizational knowledge and experiences as well as to serve as a model for work execution. By 2013, the system contained over 6,000 items, and had been accessed by 4,879 unique users.

## e-Learning

AIS offered over 1,670 self-learning courses for every field of the company's operations and management level. The e-learning system covers 4 main areas: Customer Service and Customer Care, Customer Care and Device Usage, Management Development and Management Psychology, and Engineering and IT Knowledge. In 2013, 6,890 unique users accessed the e-Learning system.

### AIS culture – Triple I

- Individual talents
- Idea generations
- Infinite changes

## English Language Development program

AIS invests over Baht 700,000 annually to develop the English language skills of our AIS shop and call center staff. We also provide incentives for those with English proficiency. In 2013, over 173 of our employees received English language training.



## Eureka Project – Recognizing Innovation

Eureka is an initiative to encourage product, service and process innovation by our employees with a focus on customer satisfaction, increased revenue and social responsibility. The Eureka initiative reflects the AIS culture which constitutes the Triple I elements - Innovative, Infinite Change and Individual Talent - through a competition to propose new ideas at both individual and team levels. The relevant committee for each of the 8 fields of work acts as competition judge.

Since its launch in 2005, the number of participants in the program has increased substantially with over 3,500 participants and over 700 ideas proposed in 2013, a 34% increase from 2012 when 2,600 employees participated. The number of submissions also showed a substantial increase from 228 ideas in 2012 to 720 in 2013. This year, the Eureka Best Award went to the Technical Operations Northeast team with their “NEDinfo Any G We Can” submission. The innovation is an application for use on the iOS platform which links various factors which contribute to network stability including voice and data quality, number of users, identification of areas with network problems through Google map. Such spatial connection helps AIS manage and monitor our network performance. The program is also 4G ready. This innovation will also save AIS over Baht 200 million in technology procurement costs.



## Employee Engagement

### Career Development

Performance evaluation and remuneration assessment is managed through AIS’ Human Performance Management System. The system allows efficient access and management of employee’s data. The process starts with employees mutually set targets with their supervisors which are in line with department’s and organization’s goal. Performance evaluation, consulting and coaching, and

regular review of development plan are then carried with the involvement of supervisors. AIS requires that every employee is to undergo performance review process for career development. In 2013, 100% of our employees from all departments received performance reviews.

## Remuneration

AIS uses the 3P Principle, which was developed from the results of a benchmark study on leading companies within the industry, to ensure that AIS's compensation structure is competitive enough to attract both fresh graduates and experienced professionals. Last year, AIS implemented a preventive approach to employee retention by ensuring that our employees receive satisfactory remuneration. This approach is different from the former collective approach in which remuneration was adjusted after an employee submitted a resignation letter.

### 3P Principle

**Pay for Position:** remuneration is determined by the value of the job function and position, based on a survey of prevailing market rates to ensure that our salary structure remains competitive.

**Pay for Performance:** remuneration is determined through a process of appraising key performance indicators of both individuals and teams.

**Pay for Person:** remuneration is determined following an assessment of the level of skills, knowledge and market's demand of individuals.

## AIS provident Fund

The AIS provident fund is managed by an external fund management company certified by the Securities and Exchange Commission. The fund was set up to provide AIS employees with a way to save and prepare for retirement. Participation in the fund is optional but available to all permanent staff. AIS contributes to each employee's fund at a fixed rate of 3%-7% of their monthly salary based on the employee's length of tenure. Employees who have work with AIS for more than 8 years are entitled to receive the maximum contribution of 7%.

## Career Development

AIS offers self-learning and career development opportunities to our employees through the AIS Career Development Website, which is an intranet site that builds upon the knowledge offered through the e-learning platform. Employees can use the AIS Career Development Web to plan their individual career development.



## Talents & Critical Staff Retention Program

This initiative manages remunerations for high performance, high potential employee as well as for critical staff by considering appropriate salary increases. Last year, AIS adopted the Action Learning Project to encourage employees to create new ideas. We increased the base salary of 424 employees (6.7% of the total workforce). This initiative helped increased employee job satisfaction which in turn leads to better service delivery to the customers.

AIS creates a happy working atmosphere while promoting the well-being and work-life balance of employees by providing a range of amenities and activities in the office, such as nursing rooms, health clubs, chill out zones, and karaoke rooms. AIS also encourages and supports our employees to form clubs in their areas of interest. We regularly conduct surveys to understand employees' attitudes and opinions toward the welfare and benefits offered by AIS. After the results are analyzed, appropriate adjustments are made to the welfares and benefits offered by AIS to ensure that they respond directly to employee needs.

Benefit	Permanent employees	Contractual employees (Monthly or daily contract)
Hospital room with on-call doctor and nurse	✓	✓
Flexible health insurance	✓	✓
Annual health check	✓	✓
Accident and life insurance	✓	✓
Contributions to special events	✓	✓
Staff promotions for AIS's products and services	✓	✓
Provident fund	✓	X
AIS Saving and Credit Cooperative	✓	✓
Health Club	✓	✓
Scholarship for employees' children	✓	X
Increased shift allowance for employees working in shifts that are different from AIS's regular working hours (approximate increase of 25%)	✓	✓
Increase vehicle maintenance allowance for employees who drive to work, for sales representative and for marketing staff (approximate increase of 5%)	✓	✓

## Employee Grievance Mechanism

At AIS, we listen to the opinions, suggestions or concerns of our employees through a variety of communication channels, such as our grievance mechanism (Whistle Blowing) for reporting violations to company regulations or the Code of Business Ethics, and the "Anonymous box", a suggestion box placed in every restroom in the office where employees can propose their

ideas, whether they are related to organizational development or good practices to the CEO. In 2013, AIS also initiated the "Voice of CEO", a wireless broadcast which airs every Monday and serves as a communication channel between AIS's CEO and employees.



## Occupational Health and Safety Management

Last year, AIS also conducted 3 fire response drills, while the AIS Occupational Health and Safety Committee organized a number of initiatives to promote occupational health and safety within the organization, such as providing 8 training programs for 366 high ranking safety officers and their immediate subordinates. Occupational health and safety surveillances are performed at each AIS office on a quarterly basis, with identified risks resolved and monitored by the occupational health and safety committee.

To ensure safe operations, AIS administers drug substance testing programs to all contractors' drivers. For safety and security reasons, contractors who work in the AIS operational area are required to exchange their identification cards for a temporary pass in line with fire prevention standards while AIS's security personnel and CCTV monitor these visitors' movements and safety. The implementation of various preventive safety measures together with continuous campaigning for occupational health and safety at work resulted in zero accidents or injuries at AIS during working hours in 2013, which represents an improvement over the previous year's results of 3 cases. There were no work fatalities in 2013.

## Promoting the business ethics

The AIS' Code of business ethics is part of the company's corporate governance policy. The ethics is a set of practical guidelines outlining the appropriate behaviors and actions by which directors, managers and all employees can perform their duties with integrity and honesty. The document covers 16 main areas of conduct and ethics and is overseen by the Business Ethics Committee, which was appointed on 5 April, 2013.

### Business Ethics in Organization

AIS encourages all executives, employees and partners to be mindful of business ethics, with a focus on preventing conflict of interest issue, including promoting campaigns against the

acceptance of gifts/contributions from partners. In 2013, AIS conducted various activities to raise awareness including over 200 training sessions to promote executives and employees to refrain from giving or receiving gifts under any circumstances, while this message was also reinforced through internal communication channels.

Through our active campaign and training, AIS uncovered flaws in the procurement process and one case in which an employee from the marketing department violated the business ethics (conflict of interest) and committed fraud through abuse of position for personal benefit. The said employee was dismissed in accordance with company policy and subject to regulatory charges.

AIS's performance in corporate governance was assessed as "Excellent" by The Thai Institute of Directors Association for the five consecutive years



## **Business and Ethics Grievance Mechanism**

AIS allows all employees to report issues or inquire about any matter related to ethics through the company's secretariat, through the internal audit committee or via the AIS Ethics Online channel. For reporting cases of non-compliance, employees and any stakeholders can leave complaints anonymously through the "Nokweed Hotline 3333", which complies with AIS's whistleblowing policy to protect the identity of reporters. All complaints received are investigated and evaluated in order to determine the most appropriate solutions or measures as well as to prevent further occurrences.

Violations of the Business Code of Ethics, and actions taken by AIS in 2013 were as follows:

Unethical conduct	Action
Employee received gifts in excess of the amount specified as acceptable by AIS and, after accepting the gifts, failed to bring them to AIS property or report the incident to a supervisor.	The Business Code of Conduct Committee, Internal Audit Committee and Human Resources Management Department investigated the claim and verified the violation. The employee was penalized in accordance with AIS regulation
Employee asked for benefits from an AIS partner.	The Business Code of Conduct Committee, Internal Audit Committee and Human Resources Management Department investigated the claim and verified the violation. The employee was penalized in accordance with AIS regulation

**On 16 December 2013, AIS illustrated its commitment to ending corruption within our organization by participating in Thailand's Private Sector Collective Action Coalition against Corruption (CAC). AIS is currently in the process of analyzing information to improve company policy beyond that already specified in the AIS Business Code of Conduct.**

"All gifts and contributions, small or big, whether intended as a form of appreciation or to show gratefulness, and if not part of the annual seasonal greetings, are to be politely refused by AIS employees immediately and without any hesitation."

**Mr. Saran Paloprakarn**  
SVP-Network and  
Service Planning





Our customers

# Our Customers

**Customer Relations Targets and Performance Table**

Goal	Initiative	2013 Performance	2014 Target
<b>Ensuring quality service for all customers</b>	Monitoring of service quality and responding to customer needs to achieve customer satisfaction at a rating of 80%.	Conducted customer satisfaction survey with regard to AIS shops, and achieved satisfaction at a rating of 76%.	Target an 80% customer satisfaction rating with regard to AIS shops.
	3G 2100 MHz network rollout covering 70% of the population and all 77 provinces of Thailand.	Expanded the 3G-2100 MHz network to cover 80% of total population while providing services throughout all 77 provinces of Thailand within 3rd quarter which was ahead of the NTBC's requirement of 50% within 2 years	Expand 3G 2100MHz network coverage to 95% of the population by the end of 2014. This ensures that we will continue providing a higher quality of service than required by the NBTC.
<b>Leveraging customer insights</b>	Improvement in customers' needs analyses.	Analyzed customers' needs based on behavioral usage analysis.	Improved service campaigns to match customers' lifestyles, which included devices, applications and services.
	Introduction of innovative services such as Payment Kiosks that enable customer to pay their AIS service fee, credit card fee and other utility fees through automated machines as a complement to the conventional service channels such as AIS shops and Telewiz shops	69% of total users used payment kiosks.	Aim for 75% of total users to use payment kiosks.

Goal	Initiative	2013 Performance	2014 Target
<b>Delivering the best customer experience</b>	Development of AIS device guru to provide knowledge and technical advice as well as specific solutions to customers.	Developed over 1,096 competent staff to be able to assist customers with their technology-related inquires. These AIS device gurus are stationed at AIS shops, Serenade shops, and the call center. Of the 1,096 AIS device gurus, 159 are at an advanced level with the skill required for knowledge transfer.	Develop over 300 device gurus to an advanced level in order to enhance our service to customers.
<b>Building customer trust in data privacy</b>	Improvement of operations to prevent information and data leakage.	In addition to defining user authorization for accessing customer data, we also provide customer data protection training for AIS employees starting from when they begin working with AIS. In 2013, we received zero complaints on breach of customer data privacy.	Define target on data leakage at zero cases.

"Seeing customers as the heart of our business, AIS has invested over Baht 70 billion in our new 3G network to ensure the best customer experience."

## Ensuring Quality Service for All Customers

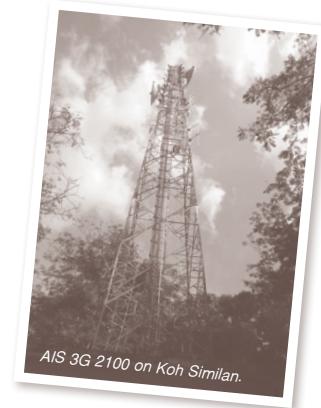
Throughout the 24 years that we have been in business, AIS has maintained a leading position in Thai wireless telecommunications by providing a quality service to more than 41 million customers through our nationwide network coverage that makes AIS the most trusted network in Thailand.

### Building the Best Quality Network

To ensure we continuously deliver the best quality network and service, AIS assesses the quality of both voice and data services on a quarterly basis using as our benchmark the Quality of Service (QOS) standard required by the Office of National Broadcasting and Telecommunications Commission (NBTC) in 5 categories:

1. Success call ratio within AIS network
2. Success call ratio across networks
3. Drop call ratio within AIS network
4. Ratio of false service charging
5. Average wait time for accessing service call-center

AIS established an internal quality monitoring control department called Network Quality Management (NQM) to measure and evaluate service quality in the aspects of both voice and data and to ensure continuous improvement. To reinforce the importance of this indicator, AIS incorporates the



*AIS 3G 2100 on Koh Similan.*

NRI (Network Reliability Index) into the Corporate Balanced Scorecard, in which performance is required to be reported on a monthly basis to the Board of Directors for the purpose of tracking and maintaining service quality.

Throughout 2013, AIS allocated a budget of more than Baht 1,694 millions for network maintenance and improvement, which included the implementation of projects to improve our Centralized Fault Management System (CFMS), Network Management System (NMS) and Trouble Ticket System (TTS) by integrating auto-job assignments with field maintenance engineers to handle network failures. Last year, we launched AIS Signal Plus, which is an application that enables employees to voluntarily inform AIS of areas where weak signals cause service problems for both voice and data services. AIS then relays this information to the engineering team to address these issues while keeping the reporters informed of the progress.

### Voice and Data Quality Assessment Results

The performance of AIS and our subsidiaries in our quarterly voice and data quality assessments in 2013 indicated that we passed assessment in all 5 areas. Full disclosure of the assessments is available at [www.ais.co.th](http://www.ais.co.th) under the Regulatory tab.

## Enhancing 3G 2100 Network

Having secured a license to operate 3G on 2100MHz, AIS continues to improve and expand its 3G network to cover 70% of the population across all 77 provinces of Thailand. AIS plans to expand its network coverage to 95% of the total population by mid-2014, a coverage level similar to AIS's existing 2G network. Today, even in remote areas such as the outlying Similan Islands in Phang Nga province and Chanadai Cliff in Ubon Ratchathani province, AIS is the first network provider to offer 3G service.

In densely-populated communities and commercial districts, AIS has applied small cell technology or established small base stations to ease the network traffic. For instance, at Siam Square, AIS successfully installed small cells on electricity poles throughout all 14 streets, while AIS has installed small cells on the roof tops at Chatuchak Market. Furthermore, to meet the increasing demands of customers' 3G subscriptions, AIS has initiated Green Smile shops as 3G service points with plans to expand the number of such shops to 500 in 2013 and 1,300 shops by the end of 2014.

**NRI (Network Reliability Index)** is an index employed by AIS to evaluate the quality of voice and data services by measuring the successful rates of calls and connections in comparison to numbers of calls and connections made. In 2013, AIS achieved an improvement NRI result for both voice and data service that represented an increase from 3.7 in 2012 to 3.88 in 2013.

AIS plans to allocate a 3-year budget of over Baht 70 billion to facilitate improvements to the 3G 2100 network including expansion to provide coverage to over 97% of the total population.

"We have to develop our 3G network to match the coverage of the existing 2G network and expand the network to rural areas. In city areas where the network usage is progressively increasing, AIS will deploy the latest technology to implement a higher number of base stations in dense areas."

**Mr. Saran Paloprakarn**

SVP- Network and Service Planning



# Leveraging Customer Insights

## Meeting Customer's Needs

To arrive at a tailored service that is most appropriate for each customer group, we conduct a customer analysis based on two approaches as follows;

1. **Customer insight approach:** We collect customer data via Business Intelligence System (Data mining and Reporting Tools) in order to comprehensively analyze customer data and behaviors.
2. **Customer centric approach:** We set up a focus group, hold interviews, and conduct product testing before launching any new product or service. Additionally, various channels have been developed to gather other useful information and suggestions from our customers i.e. call center, AIS shop or sales representatives.

For corporate customers, including government sectors and agencies, state-owned entities, and Small-Medium Enterprise (SME), AIS provides dedicated business consultants and sales representatives as well as contact points and call center 1149 to serve as the focal points of communication between AIS and these corporate customer groups as part of AIS marketing strategy which includes:

1. Building trust through efficient service teams and sales representative with strong advisory skills
2. Ensuring quality of software, applications, and nationwide network coverage
3. Offering a variety of services that meet the customers' business needs.

AIS also believes that our Ecosystem concept will help promote sustainable business growth in the long-term.

### Quality DNAs



**Devices:** present a wide variety of communication devices that meet the needs of each customer group.



**Network:** comprehensively expand the 3G 2100 network to match the coverage of the current network.



**Applications:** work with developers to innovate new applications that suit individual customer's needs.



**Services:** offer privileges that cover all aspect of customers' lifestyles to promote the best customer experience

## Delivering the best customer experience **Customer Engagement**

Because the customer is the heart of our business, AIS has integrated customer engagement into our corporate balanced scorecard. We evaluate the level of engagement through a Customer Satisfaction Index (CSI) which is assessed quarterly and benchmarked against international standards.

## Customer Satisfaction: Service Efficiency



## Grievance Mechanism

With regard to the management of complaints and grievances, AIS has established a service center with a professional team to exclusively handle customer complaints via the AIS call center at 1175 and call center 1149 for corporate customer. Cases when the call center operators or sale representatives are able to resolve the issue immediately to the customer's satisfaction during the initial phone call, this is recorded in the system as a 'First Call Resolution'. However should an issue require further attention, it will be forwarded to the relevant departments and the customer notified upon satisfactory resolution.

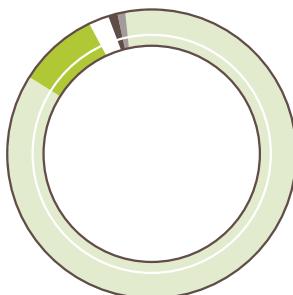
AIS has set up a dedicated Complaint Management Center for handling complaints from government agencies, such as the NBTC or CPA, or for grievances received through AIS executives. Throughout 2013, AIS worked intensively to analyze patterns of complaints and take measures to address them through a diverse range of initiatives. Example of measures undertaken in 2013 included launching a free SMS self-cancel service, and issuing penalty measures for our content partners to prevent

inappropriate messages being distributed and ensure responsible marketing to our customers. With regard to internet connectivity issues, AIS examined the causes and identified the most common issue to be incorrect configuration of mobile devices. In response to this, AIS initiated various channels to inform our customers of device configuration methods including the provision of diverse channels for upgrading to 3G 2100 as well as the most crucial measure of continuously improving our network. As for the billing issues, the majority of these tended to arise from new smartphone users or beginners who were unaware of the automatic connection of their smart devices to the internet. To simplify this, AIS initiated a free SMS service to notify customer of internet usage. These measures reflect just a few of AIS's continuous efforts to deliver the best customer experience.



## Type and number of complaints received from general customers

### 5 Main Types of Complaints from General Customer



Advertisements and SMS Service	86%
Internet connection and 3G speed in certain area	8%
Usage charging problem	3%
Top up service problem	1%
Voice service problem	1%

## Transparency

Apart from the conventional billing methods, such as the mailed bills and electronic bills which provide detailed descriptions of monthly service charges, AIS has developed eService to provide online access to usage data. The system contains necessary customer information, such as type of current package, special promotion and privileges, monthly service fee, service fees of previous months, data roaming calculation as well as details of service allowances. Customers can access the eService at: [www.ais.co.th/eservice](http://www.ais.co.th/eservice) or through the eService application.



## Building Customer Trust in Data Privacy

### Protecting Customer Privacy

Protection of customers' confidential data is vital in building trust between customers and AIS. Throughout our operations, AIS has always remained steadfastly committed to building mechanisms which ensure the confidentiality and privacy of both general

and corporate customers. Our main operational implementations can be summarized as follows:

1. Our call center staff are required to provide self-identification before providing any service to customers via the phone.
2. Customers are required to use a one-time password which is automatically sent out when a customer needs to access personal information online.
3. AIS announced a customer data protection policy which forbids the misuse or abuse of customer information by employees at every level, including executives. Employees whose job function requires access to customer data are required to pass an examination regarding customer privacy protection at least once every year.
4. Operational staff are required to implement user authorization before accessing a customer's information.
5. An internal audit is performed regularly to assess the security of the customer database

- and the effectiveness of employee conduct, including the verification of data security and measures to protect customer confidentiality.
6. In case any government officer or agency requires access to customer data, for example, to corroborate information in legal cases, AIS requires official documents verified and acknowledged by that government agency to be presented to our legal department for proper authorization prior to allowing access to customer information.

In addition to our strict procedures, AIS provides regular training and e-learning on data protection and respecting customer's privacy for all employees from when they first start working with AIS. If a complaint regarding disclosure of customer data is received, it is treated with high priority. Any employee found guilty will be dismissed with no remuneration from AIS.



# Our environment

## Our Environment

### Environmental Management Targets and Performance Table

Goal	Initiative	2013 Performance	2014 Target
<b>Mitigating our environmental impact through innovative products and services</b>	Utilization of renewable energy i.e. solar energy or high quality fans instead of air conditioners as well as identifying protocols for the installation of equipment storage and ventilation systems in main switching centers to reduce electric energy consumption	<ul style="list-style-type: none"> <li>Installed solar cells in 17 base stations</li> <li>Switched 24,500 base stations to use high quality fans</li> <li>Reduced power usage Efficiency (PUE)* from 3.4 to 2.8</li> </ul>	Continue to improve ventilation systems at main switching centers to reduce PUE to 1.4.
<b>Managing the environmental impact of our operations</b>	Reduction of energy consumption in offices through changing electrical appliances such as using energy efficient light bulbs and promoting energy saving activities (Save project) at all 5 AIS offices.	Achieved electricity consumption reduction by 0.45% per office	Reduce electricity consumption per office by not less than 1%.
	Measurement of direct and indirect greenhouse gas emissions from our operations.	Appointed third party expert and initiate plan to collect at least 3 years of data in order to recognize a trend and issue proper mitigation measures.	Develop greenhouse gas data inventory (scope 1 and scope 2)

Remark: \*Power Usage Efficiency (PUE) is an indicator used to measure the electricity usage of air conditioners at switching centers. A lower PUE implies a lesser use of electricity.

"AIS environmental performance focuses on building a green network and promoting online services so that AIS becomes a part of making our world a better place to live."

## Mitigating our Environmental Impacts through Innovative Products and Services

### Green Network

Despite having a relatively low impact on the environment due to the nature of our business, AIS is committed to minimizing our environmental footprint through the effective environmental management of our 9,500 base stations located throughout the 77 provinces of Thailand. In this respect, AIS has been pursuing the Green Network concept since 2005 with a focus on three key environmental aspects:

#### Solar-powered base stations

We utilize solar cell technology called the AIS Photovoltaic System, a system that turns solar energy into electricity, for 17 of our base stations. This approach helps both AIS and the country as a whole reduce energy consumption.

#### High quality fans

The installation of high quality fans helps maintain a constant temperature within our base stations not to exceed 5 °C of the baseline. These fans have been installed in over 24,500 base stations across Thailand and can be classified into 2 types as follows

- 1 High quality fans in the rooms, containers & knockdown cabinets of 10,000 stations
- 2 High quality fans in the enclosures of 14,500 stations

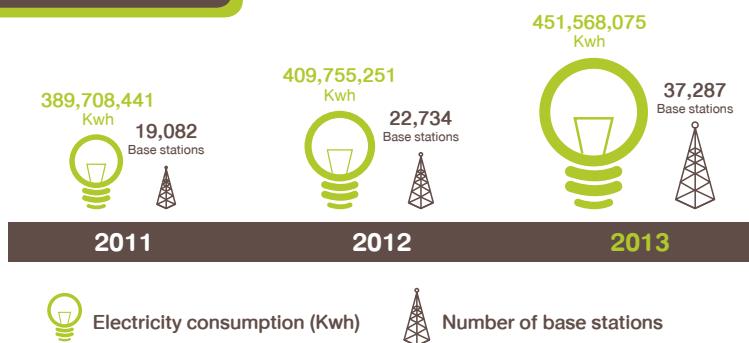
### Energy-efficient switching centers

we redesigned our air-conditioning systems and identified procedures for installing new equipment in order to regulate the air and hot air ventilation systems to maintain a controlled temperature at the switching centers, resulting in a reduction of energy use in the air-conditioning units.



## Electricity consumption reduced in comparison to the growth of base stations

64% increase of base stations from 2012, while the electricity increased by 10% which indicated electricity consumption reduction in comparison to the growth of base stations.



## Average Electricity Consumption per Base Station (Kwh)



In addition, we are collaborating with other telecommunication service providers to take part in the sharing of base station leases, which would enable us to reduce the use of resources and impacts on the local landscape.

In addition to our efforts in reducing energy consumption at base stations, AIS understands that our operations use a great amount of paper for purposes such as printing service bills, documents and leaflets. We are working to reduce the environmental impacts that this causes by offering environmentally-friendly alternatives to billing and payment processes, such as through our eService or CD-ROM distribution.



## Postpaid Customers

**eStatements:** AIS informs customers of their recent service fees through e-mails which have a similar format to conventional billing media. Today, over 3,114,400 customers use these eStatement services contributing to a 20-ton reduction in paper use.

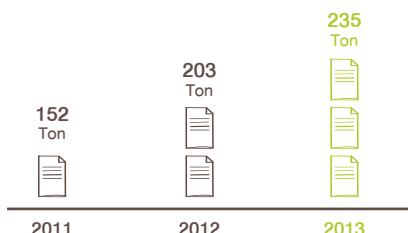
**Sealed Statements:** For customers who prefer conventional billing methods via the courier system, AIS has modified the billing format to one A4 sized sheet, resulting in a 179-ton reduction in paper use.

**PDF Statements on CD-Rom:** AIS provides paper-free billing services by attaching PDF files to a CD-ROM and distributing them to corporate customers by post. This method helped reduce the amount of paper used in publishing by over 361,878 sheets or approximately 2 tons in 2013.

**Number of PDF Statement, e-Statement, Sealed Statement Users**



**Paper Reduction from E-Service**



**Cost Saving from E-Service**



In addition, the migration of customers from 2G to the 3G frequency involved AIS distributing 2 separate statements during the month of migration. However, AIS delivered these two sheets in one envelope resulting in a reduction of 2,558,006 envelopes used, or approximately 15 tons of paper.

## Prepaid Customers

AIS has developed a range of electronic top-up channels, such as the eService website or application, Payment Kiosks stationed at AIS shop branches, automatic top-up machines, top up services at all branches of 7/11 stores and through Refill on Mobile service which is a top up service available via merchants' mobile phones throughout Thailand. AIS also works with our partners to develop the AIS mPAY Rabbit which turns a mobile phone SIM card into an electronic wallet allowing the customer to pay for service and goods such as sky train tickets, restaurant bills and beverages.



## Managing the Environmental Impact of Our Operations

AIS is developing the Environmental Management Plan for a 3-5 year period by benchmarking with other international leading companies in the telecommunications sector.

### Energy Management

AIS's Energy-saving policy has been announced in all AIS offices. Details of the policy are as follows:

#### AIS's Energy-saving Policy:

- Control air conditioners' operating hours
- Turn off lights during lunch hour from 12:00-13:00 hr.
- Configure screensaver setting to switch on automatically after 5 minutes of non-use
- Run a campaign to turn off all appliances when not in use
- Organize energy-saving activities in offices
- Implement energy efficiency approaches in assessing base station equipment or IT providers

## Greenhouse Gas Management

AIS launched the Greenhouse gas emission assessment (Scope 1 and 2) in 2013 in order to form baseline data for assessing and analysing appropriate approaches to greenhouse gas emissions. We are hopeful of publishing such data in the 2014 AIS Sustainability Report.



## Risk and Crisis Management

### Risk and Crisis Management Targets and Performance Table

Goal	Initiative	2013 Performance	2014 Target
<b>Enable AIS to continue operating and delivering quality services even in times of crisis or emergency</b>	Improvement of risk and crisis management approach	<p>Developed AIS Business Continuity Management Handbook (AIS BCM Handbook) which is in line with the Thai Industrial Standard (TIS 22301-2553) to ensure that</p> <p>1) All business units have developed an appropriate business continuity plan to ensure uninterrupted operations even in times of crisis.</p> <p>2) AIS organizational risk management procedure is efficient, up to date and undergone continuous improvement.</p>	Impose the AIS Business Continuity Management Handbook by identifying critical business processes which in the event of emergency could impact the organization's critical services; define our Business Continuity Strategy to ensure that the business runs smoothly without interruption

“AIS continues to provide quality services through our nationwide network even in times of crisis by developing a business continuity management plan to respond to possible crises.”

## Risk Management

AIS has developed a policy on risk management which covers the goals, definitions, roles and responsibilities of the company and its CEO in relation to risk management. Enterprise Risk Management (ERM) is a risk management approach developed in compliance with the international standards of the Committee of Sponsoring Organizations of the Tradeway Commission (COSO). AIS has focused on organizational risk management by setting up the Risk Management Committee, which consists of a Chairman of the Executive Committee, Chief Executive Officer, Chief Operating Officer, Chief Customer Officer, Chief Marketing Officer, Chief Finance Officer, Chief Organization and Development Officer, and Chief Technology Department Officer, as well as legal and risk management experts to monitor the functional risk management of every department. The committee reports risk management updates to the Audit Committee, the Board of Directors and the Executive Committees on a quarterly basis.

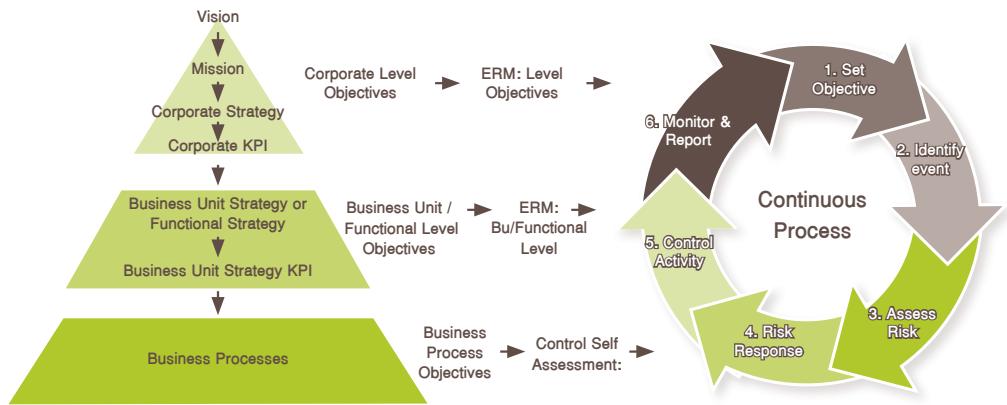
## Significant Risk Factor and Management

AIS classified risk factors into 3 main aspects as follows:

1. Risk to business operations
2. Risk to regulatory and government policies
3. Risk of administration

Full disclosure on AIS's risks factors and management approach is published in our 2013 Annual report which is available at:  
[www.ais.co.th](http://www.ais.co.th)

## Enterprise Risk Management



## Business Continuity

### Business Continuity Management System

AIS has developed a Company-wide Business Continuity Management System (BCMS) in accordance with the Thai Industrial Standard (TIS 22301-2553) to respond to emergency and crisis scenarios which might interrupt business continuity. The Business Continuity Management Committee is headed by the Chairman of the Executive Committee who serves as the Chairman of the Committee in order to provide guidance on developing a plan for preventing interruption to business as well as ensuring that each department develops its own plan and conducts drills as specified. In addition, for each field of work, a coordinator is appointed to work with the business continuity management team to identify emergency procedures and communicate with external parties in times of emergency.

In 2013, AIS published and adopted the AIS Business Continuity Management Handbook across the organization while also expanding communication channels between employees and AIS so as to be better able to respond to emergencies and crises and to reduce the circulation of false information in times of crisis. At the same time, the Network Disaster Responsive Plan (DRP) was also established along with the setting up of 8 alternative sites to ensure continued operations in times of emergencies, with 4 sites intended for the operation of critical tasks and 4 sites to serve as crisis management centers.

AIS conducts a preparedness drill of the business continuity management plan on an annual basis. In 2013, a drill was organized which involved representatives from all critical operations testing systems and running operations from alternative sites.

## Responding to a crisis

AIS has developed a BCMS which covers the proactive response to a crisis, therefore contributing to a continuation of service even in times of emergency.

### Case study

Following the great flood in 2011, AIS has prepared for future flooding by raising the foundations of base stations to a higher level, installing multiple fiber optical routes, and placing mobile electricity generators in service. As a result, during a flood in 2013, AIS was able to operate when the provinces of Prachinburi, Sakaew, Sisaket and Ubon Ratchathaini were inundated with floodwater.

### Case study

During an electricity outage in 14 provinces of Thailand, the AIS network was minimally affected because we have back-up generators at all switching centers, a 10-hour reserve power supply at the main junction, and a mobile back-up generator. These preparations ensured that AIS' network continues to operate during such emergencies and is then able to quickly and smoothly resume normal operations once the situation returns to normal.

# Performance

## 1. Economic Performance Table

GRI	Required Data	Unit	2011	2012	2013	Remark
<b>Economics</b>						
G4-EC1	<b>Direct economic value generated</b>					
	• Total assets	M THB	86,672	100,968	112,026	
	• Total revenues	M THB	126,437	141,549	142,783	
<b>Economic value distributed</b>						
	• Operating costs	M THB	56,917	62,114	64,981	
	• Employee wages and benefits	M THB	5,815	6,093	6,639	
<b>Payments to providers of capital</b>						
	• Dividend	M THB	24,102	30,241	33,889	
	• Finance cost	M THB	1,666	1,093	1,002	
	• Payments to government	M THB	39,773	39,411	36,451	
	• Community investments	M THB	137	141	126	
<b>Economic value retained</b>						
	• Retained earnings	M THB	13,246	17,344	19,729	
	• Net profit	M THB	22,218	34,883	36,274	
	• EBITDA	M THB	56,623	61,436	63,691	
<b>Customer satisfaction</b>						
G4-PR5	• Customer engagement target (Retail)	Point	4.40	4.31	4.32	1
	• Customer engagement score (Retail)	Point	4.28	4.32	4.29	2

**Note:**

1. Retail refers to AIS shops
2. The slight decline in the customer engagement score was due to the launch of the new 3G service in which we were faced with network issues at the beginning of the launch. However the score picked up in the last quarter due to continuous improvements in network coverage and stability.

## 2. Environment Performance Table

GRI	Required Data	Unit	2011	2012	2013	Remark
<b>Energy</b>						
<b>G4-EN3</b>	Total energy consumption	TJ	357,420	389,309	429,140	1
	Direct energy consumption	TJ	30	47	81	1
	• Diesel consumption	Liter	169,656	694,653	1,532,786	1
	• Benzene consumption	Liter	660,237	686,420	811,286	1
	Indirect energy consumption	TJ	357,393	389,262	429,059	1
	• Electricity consumption	MWh	99,275,714	108,128,424	119,182,948	1
<b>G4-EN6</b>	Total amount of energy saved from offices	MWh	15,164,402	14,642,418	14,576,225	
<b>Water</b>						
<b>G4-EN8</b>	Annual water consumption from offices	Million m <sup>3</sup>	33,252	39,150	43,747	
<b>Wastes</b>						
<b>G4-EN23</b>	Recycling of UPS batteries	Unit	5,207	6,133	1,115	2
<b>Products and Services</b>						
<b>G4-EN27</b>	<b>Electronic bill</b>					
	• Total number of electronic bill users (e-bill)	Customers	1,863,277	2,456,284	3,114,400	3
	• Target number of electronic bill users (e-bill)	Customers	257,008	278,500	300,018	
	• Electronic bill subscription rate (or new e-bill subscription)	%	-	31	27	
<b>G4-EN28</b>	<b>Recycling of Cell Phone Battery</b>					
	• Number of cell phone batteries recycled	Unit	250	1,115	N/A	4
<b>Transport</b>						
<b>G4-EN30</b>	Vehicles owned or leased	Units	539	539	539	

**Note:**

- The increase in the energy consumption trend was due to the increase in the number of base stations following network expansion on 3G-2.1GHz.
- The majority of UPS batteries were replaced in 2012; therefore in 2013, there were fewer expired batteries which contributed to the reduction in UPS battery disposal and recycling.
- Electronic bill users are calculated from the number of e-statement users.
- Not applicable – The battery recycle program was placed on hold in 2013 in order to undertake a review of the existing program and develop a more effective program for the future.

### 3. People Performance Table

GRI	Required Data	Unit	2011	2012	2013	Remark
<b>Employment</b>						
<b>G4-LA1</b>	<b>Number of employees</b>					
	Total number of employees	Person(s)	9,286	9,525	10,338	1
	<b>By gender</b>					
	• Male	Person(s)	3,679	3,838	4,183	1
	• Female	Person(s)	5,607	5,687	6,155	1
	Permanent employees	%	65	67	66	1
	Contracted employee	%	35	33	34	1
	Disabilities	Person(s)	29	31	28	1
	<b>Employee turnover</b>					
	Total turnover	Person(s)	364	314	413	2
	Total turnover rate	%	6	5	6	2
	<b>By gender</b>					
	• Male	Person(s)	135	113	145	2
	• Female	Person(s)	229	201	268	2
	<b>By age</b>					
	• Over 50 years old	% of total employee turnover	0	1	3	2
	• 30-50 years old	% of total employee turnover	65	58	55	2
	• Below 30 years old	% of total employee turnover	35	41	42	2
	<b>New hire employees</b>					
	Total number of new hire employees	Person(s)	465	676	860	2
	Total new hire rate	%	8	11	13	2
	<b>By gender</b>					
	• Male	Person(s)	166	241	365	2
	• Female	Person(s)	299	435	495	2
	<b>By age</b>					
	• Over 50 years old	% of total employee turnover	0	0	0	2
	• 30-50 years old	% of total employee turnover	32	30	18	2
	• Below 30 years old	% of total employee turnover	68	70	82	2

GRI	Required Data	Unit	2011	2012	2013	Remark
<b>Maternity and parental leave</b>						
G4-LA3	Number of employees who take maternity leave Employees returning to work after leave	Person(s) %	153 100	194 100	193 100	3 3
<b>Training and education</b>						
G4-LA9	Average training hours <b>By job level</b>	Hours/Person Hour Hour Hour THB	310 120 95 95 107,637,193	470 123 91 256 120,479,531	379 103 90 186 127,278,341	
<b>Board and management remuneration</b>						
G4-54	Board of directors Average remuneration per board member Management team members Average remuneration per management	Person(s) M THB Person(s) M THB	7 1.89 7 14.51	6 2.5 8 16.97	8 2.85 8 12.60	7 5
<b>Anti- corruption</b>						
G4-SO4	Number of employees who have completed ethics training	Person(s)	-	-	200	6
<b>Code of conduct</b>						
	Total number of breaches against codes of conduct/ethics and anticorruption and bribery policy	Cases	0	4	2	7
<b>Talent attraction and retention</b>						
	Percentage of employees who received formal performance reviews <b>Employee satisfaction</b>	%	100	100	100	
	• Target • Score • Participation rate	%	66 69 76	73 73 81	76 70 79	

**Note:**

1. Excluding temporary staff
2. Excluding temporary staff
3. Including temporary staff
4. Remuneration comprises monthly allowance, meeting allowance, and bonus. Executive directors are not entitled to receive remuneration as Board members.
5. Remuneration comprises salary, bonus, provident fund and other benefits
6. This is the first year that ethics training has been conducted.
7. For details of the cases and measures undertaken, refer to the People chapter

## 4. Social Performance Table

GRI	Required Data	Unit	2011	2012	2013	Remark
<b>Social</b>						
G4-EC7	<b>Donation and discounts</b> <ul style="list-style-type: none"> <li>Number of used IT devices donated</li> <li>Number of organizations that donate used IT devices</li> </ul>	Unit Location	63 12	523 58	325 59	
G4-EN27	<b>Electromagnetic waves</b> <ul style="list-style-type: none"> <li>Number of electromagnetic waves measured from base stations</li> </ul>	Cases	0	0	0	1
<b>Occupational health and safety</b>						
G4 - LA6	<b>Absentee Rate (AR)</b> <ul style="list-style-type: none"> <li>Employees</li> </ul> <b>Fatality</b> <ul style="list-style-type: none"> <li>Employees</li> </ul>	% Person	4.30 0	4.96 0	4.71 0	2

**Note:**

- As required by NBTC, AIS assessed the level of electromagnetic fields in base stations and found zero non-compliance cases against the standard.
- AIS revised calculation of absentee rate to be in line with G4 Sustainability Reporting Guidelines page 245: Absentee rate glossary.



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## Appendix

- Compliance with international standards
- Stakeholder engagement
- About this report
- GRI table

## Compliance with International Guidelines

AIS is committed to responsible operation and full compliance with international standards and guidelines. We have integrated the International Commission on Non-Ionization Radiation Protection (ICNIRP) standards into our operating procedures. For sustainability performance disclosure, we follow the Global Reporting Initiative (GRI) guidelines, which are a globally recognized standard for reporting on economic, social and environmental criteria.

## Stakeholder Engagement (G4-24, G4-25, G4-26)

In the process, we identified our key stakeholders across the AIS value chain, and discussed their strategic importance to our business, considering both their impact and dependence on us. AIS's stakeholders are comprised of 6 main groups. To ensure that we meet our stakeholders' expectations, we have developed the stakeholder engagement guidelines as well as deploying performance indicators to evaluate our level of responsiveness to each stakeholder group.

## Stakeholder Communication Process (G4-26, G4-27)

AIS is aware of our stakeholders' rights; therefore, we have put in place comprehensive communication and suggestion channels, including a dedicated complaint channel and channels to inform us about illegal activities, violation of corporate governance, or infringement of AIS's business ethics.



## Stakeholder Engagement

Stakeholder groups	Performance indicators	Engagement (page)	Period of engagement
Employee	Employee Engagement Score	29 and 61	Annually
Shareholder	Regularity of dividend payment to shareholders	7	2 times per year
Partner/ Dealer /Contractor	Assessment of Service Quality for Telewiz (SQT)	21	On monthly basis
Community	Community Relation Index	15	Annually
Customer	Customer Satisfaction	40-47	Annually
Government sector	Compliance with the National Broadcasting and Telecommunications Commission (NBTC)'s regulations	7,14,15, 40	Daily

## Report Preparation (G4-18)

### About this Report (G4-20, G4-21, G4-23)

We published the 2013 AIS sustainability Report for the second time using the Sustainability Reporting Guidelines version 4 of the Global Reporting Initiative (GRI) in disclosing strategy, policy and operational direction, as well as economic, social and environmental performances for the period from 1st January 2013 to 31st December 2013. All of our material aspects identified in the G4 guidance, the related data and performance information are presented in this report which covers all of AIS's operations and all stakeholders. Detailed information on the management structure, corporate governance and financial performance of the previous year are presented in the AIS 2013 Annual Report, which is available at: [www.ais.co.th](http://www.ais.co.th).

**For more information please contact:** **Compliance Department**

Advanced Info Service Plc.

27<sup>th</sup> floor, 414 Intouch Tower, Phaholyothin Road,

Samsen Nai, Phayathai, Bangkok 10400

Telephone: (662) 615 3277

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Email: [compliance@ais.co.th](mailto:compliance@ais.co.th)

### Assessment of AIS's Key Sustainability Issues (G4-20)

The content of this report was selected through a materiality analysis that included a systematic review of current and future business risks and opportunities based on frameworks developed by the Global Reporting Initiative (GRI) and other organizations, with input from various internal stakeholders during the reporting period.

AIS has conducted our materiality assessment using the G4 guidance and we expect to continue reporting using these guidelines in the future. We declare this report to be in accordance with the GRI guidelines at a "Core" level. Our GRI G4 Content Index discloses our material aspects for individual indicators.

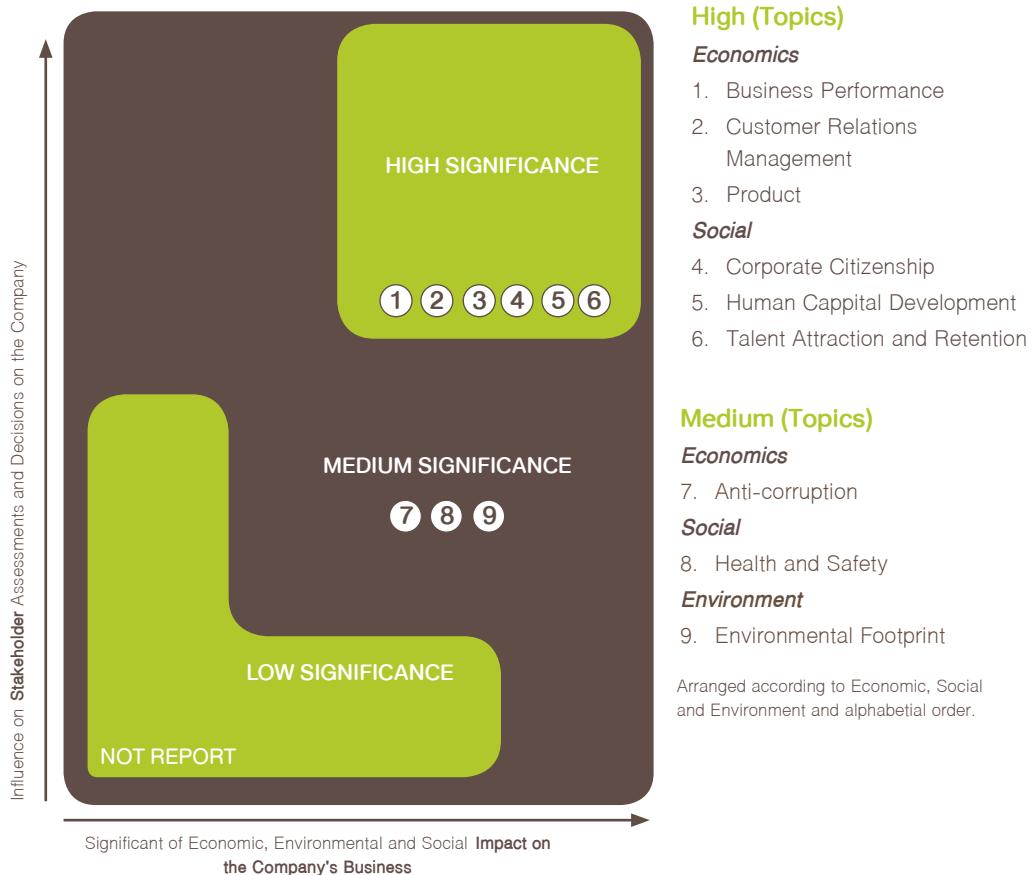
### Selection of Materiality

- Step 1 :** Identify significant sustainability related issues by taking into account GRI indicators, industry standards, and market trends.
- Step 2 :** Select issues with significant implication to business strategy, business risk and AIS's sustainability strategy.
- Step 3:** Select issues which AIS's stakeholders - employees, shareholders, partners/dealers/contractors, customers, communities and government sectors - consider important and expect to be informed on with regard to progress toward sustainable growth.

## Materiality Assessment

**Step 4:** Collect, assess and introduce issues significant to business operations and in line with stakeholders' interest regarding level of high and medium significance. Other issues are presented on the AIS website or through other AIS communication channels i.e. Annual Report.

### Results of Significant Issue Assessment 2013 <sup>(G4-19)</sup>



#### High (Topics)

##### *Economics*

1. Business Performance

2. Customer Relations Management

3. Product

##### *Social*

4. Corporate Citizenship

5. Human Capital Development

6. Talent Attraction and Retention

#### Medium (Topics)

##### *Economics*

7. Anti-corruption

##### *Social*

8. Health and Safety

##### *Environment*

9. Environmental Footprint

## Highest significant issues

### Business Performance

- Leadership Position in Telecommunication Business page 7
- Telecommunication System Infrastructure Development page 7

### Customer Relationship Management

- Customer Relationship Management page 40-47
- Customer Privacy page 46-47

### Product

- Product Compliance page 7,40,42
- Access to Telecommunication Product and Service page 19
- Electro Magnetic Fields page 15, 62

### Corporate Citizenship

- Local Community Acceptance page 15-18
- Social License to Operate page 15-18

### Human Capital Development

- 3G Knowledge Enhancement page 31

### Talent Attraction and Retention

- Employee Attraction page 27-36
- Employee Relations and Retention page 27-36

## Medium significant issues

### Anti-corruption

- Thailand's Private Sector Collective Action  
Coalition against Corruption (CAC), page 38

### Occupational Health and Safety

- Occupational Health and Safety page 37

### Environmental Footprint

- Greenhouse Gas Emission page 49, 53

## Issues Verification

**Step 5 :** Interview external stakeholders and incorporate their perspectives and viewpoints during the content development to ensure that the issues which are important to the stakeholders are included in the report

## **Result of Stakeholder Survey** (G4-21, G4-27)

### **1. Mr. Thakorn Tantasis**

Secretary-General of the National Broadcasting and Telecommunications Commission

"A company in the telecommunication industry should be able to answer what added values they can contribute to the society and environment, such as connecting disadvantaged groups to the network and supporting an environmentally responsible way to dispose of used devices"

### **2. Asst. Prof. Dr. Somporn Kamol-siripichaiporn**

Advisor to CSR Project Lecturer of the Department of Science, Chulalongkorn University

"Illustrating management's commitment to conducting business in responsible and sustainable manners is a key factor in embedding a sustainability culture in an organization."

### **3. Mr. Poomsak Vongchongrungrueng**

Senior IT Strategy Manager (SCG)

"Quality of service and timeliness in solving problems, especially for corporate customers, is AIS's strength."

### **4. Mr. Boonchai Asirawatwanich**

Telewiz

"Synergy with partners in terms of business planning and helping society will lead to sustainability for both AIS and partners."

**Step 6:** Sustainability Development Committee verifies assessment of significant issues to the organization, selection of report content for publishing, as well as report formatting in order to ensure that the report covers significant issues relating to AIS and stakeholders' expectations.

# GRI Content Index

## General Standard Disclosure

- Fully Reported
- Partially Reported
- Not Reported

GRI Aspect	Indicator	Status	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
Strategy and Analysis	G4-1	<span style="color: green;">●</span>	2-3	-
	G4-2	<span style="color: green;">●</span>	2, 3, 7,8	-
Organizational Profile	G4-3	<span style="color: green;">●</span>	4	-
	G4-4	<span style="color: green;">●</span>	4-5	-
	G4-5	<span style="color: green;">●</span>	4	-
	G4-6	<span style="color: green;">●</span>	4	-
	G4-7	<span style="color: green;">●</span>	4	-
	G4-8	<span style="color: green;">●</span>	4, and annual report page 3	-
	G4-9	<span style="color: green;">●</span>	4, 58, 60, and annual report page 3	-
	G4-10	<span style="color: green;">●</span>	60	-
	G4-11	<span style="color: yellow;">○</span>	Not applicable	-
	G4-12	<span style="color: green;">●</span>	22-23	-
	G4-13	<span style="color: green;">●</span>	Annual report page 8, 43, 164, 165	-
	G4-14	<span style="color: green;">●</span>	54-57	-
	G4-15	<span style="color: green;">●</span>	6, 12, 14, 21, 23, 25, 49-53	-
	G4-16	<span style="color: green;">●</span>	Thailand's Private Sector Collective Action Coalition against Corruption (CAC), page 38	-
Identified Material Aspects and Boundaries	G4-17	<span style="color: green;">●</span>	Annual report page 164-166, "General information and other significant information"	-
	G4-18	<span style="color: green;">●</span>	65-68, "Report Preparation"	-
	G4-19	<span style="color: green;">●</span>	66, "Results of Significant Issue Assessment 2013"	-
	G4-20	<span style="color: green;">●</span>	The Aspect is material within the organization, refer to "About this report" and "Assessment of AIS's Key Sustainability Issues" on page 65-66	-
	G4-21	<span style="color: green;">●</span>	The Aspect is material outside of the organization, refer to page 65 "About this report" and page 68 "Result of Stakeholder Survey"	-
	G4-22	<span style="color: green;">●</span>	There are not any restatements of information provided in previous report.	-
	G4-23	<span style="color: green;">●</span>	There is no significant change from previous reporting period in scope and boundary. Please refer to "About this report", page 65.	-
	G4-24	<span style="color: green;">●</span>	64, "Stakeholder Engagement"	-
	G4-25	<span style="color: green;">●</span>	64, "Stakeholder Engagement"	-

GRI Aspect	Indicator	Status	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
Stakeholder Engagement	G4-26	●	64, "Stakeholder Engagement" and "Stakeholder Communication Process"	-
	G4-27	●	Refer to "Result of Stakeholder Survey" on page 68 and "Stakeholder Communication Process" on page 64	-
Report Profile	G4-28	●	65	-
	G4-29	●	65	-
	G4-30	●	65	-
	G4-31	●	65	-
	G4-32	●	69-72, Content Index	-
	G4-33	●	Our financial data are audited by Independent Auditor (Refer to annual report, page 75)	-
Governance	G4-34	●	9-10, annual report page 43-48	-
	G4-35	●	10	-
	G4-36	●	9	-
	G4-37	●	Annual report page 54	-
	G4-38	●	Annual report page 44	-
	G4-39	●	The Chairman of the Board of Director is independent director, refer to annual report page 44	-
	G4-40	●	Annual report page 48	-
	G4-41	●	Annual report page 45, 51, 61-62	-
	G4-42	●	6, 9, and annual report page 45-47	-
	G4-43	●	27-29, 31, and annual report page 52	-
	G4-44	●	9, and annual report page 53	-
	G4-45	●	55 and annual report page 55	-
	G4-46	●	55 and annual report page 45	-
	G4-47	●	55	-
	G4-48	●	CEO Endorsement page 3-4, SD Committee Review Process page 68	-
	G4-49	●	Annual report page 54	-
	G4-50	●	In 2013, there were zero case.	-
Ethics and Integrity	G4-51	●	Annual report page 49-50	-
	G4-52	●	Annual report page 49-50	-
	G4-53	●	Not applicable	-
	G4-54	●	61	-
	G4-55	●	Not applicable: Proprietary information	-
	G4-56	●	37-38 and annual report page 51-56	-
	G4-57	●	38	-
	G4-58	●	38 and annual report page 54	-

### Specific Standard Disclosure

- Fully Reported
- Partially Reported
- Not Reported

GRI Aspect	Boundary	Indicator	Status	Page
<b>General</b>		G4-DMA	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	12, "Sustainability Strategy"
<b>Economic Performance</b>	AIS, Partner, Customer, Community	G4-EC1 G4-EC3	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	58 34
<b>Indirect Economic Impacts</b>	AIS, Community	G4-DMA G4-EC7 G4-EC8	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	15 14, "Telecommunication infrastructure" 17, "AIS Samrak Child Development Center" 15,17,18
<b>Energy</b>		G4-EN3	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	51 and 59
<b>Water</b>	AIS	G4-EN8	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	59
<b>Emissions</b>	AIS	G4-DMA	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	49 and 53
	AIS	G4-EN15 G4-EN16 G4-EN17 G4-EN18 G4-EN19	<span style="color: #FFC107; font-size: 1.5em;">○</span>      	Not available: The implementation of GHG baseline data collection commenced in 2013. The next stage of implementation will enable a more accurate set of data which AIS hopes to report in 2014 Sustainability Report.
<b>Effluents and Wastes</b>	AIS	G4-EN23	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	59
<b>Product and Services</b>	AIS	G4-EN27	<span style="color: #4CAF50; font-size: 1.5em;">●</span>	52-53 and 59
<b>Employment</b>	AIS	G4-DMA G4-LA1 G4-LA2 G4-LA3	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	27-28 60 36 60
<b>Labor/ Management Relations</b>	AIS	G4-LA4	<span style="color: #FFC107; font-size: 1.5em;">○</span>	Not material: AIS keeps employees well informed of operational changes through regular meeting between management and employees. While there is no minimum timeframe set, the communication occurs in a timeframe that is both timely and effective and does not cause conflict with potential insider trading.
<b>Occupational Health and Safety</b>	AIS	G4-DMA G4-LA6	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	37 37
<b>Training and Education</b>	AIS, Partner	G4-LA9 G4-LA10 G4-LA11	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	31  AIS does not breakdown training data by gender as this is deemed not material to our operations given the gender-neutral nature of our work.  27, 31-33 33
<b>Child Labor</b>	AIS, Partner	G4-HR5 G4-HR6	<span style="color: #4CAF50; font-size: 1.5em;">●</span> <span style="color: #4CAF50; font-size: 1.5em;">●</span>	No case of child labor hiring in our operations and partners. No case of forced labor hiring in our operations and partners.

GRI Aspect	Boundary	Indicator	Status	Page
Local Communities	AIS, Community	G4-DMA	●	12 and 15
		G4-SO1	●	14-18, equal to 100%
		G4-SO2	●	None
Anti-corruption	AIS	G4-DMA	●	38
		G4-SO3	●	AIS joined Private Sector Collective Action Coalition against Corruption in 2013, we hope to report this indicator in near future, page 38.
		G4-SO4	●	37
		G4-SO5	●	38
Product and Service Labeling	AIS, Partner, Customer	G4-DMA	●	12 and 14, "Customer Satisfaction"
		G4-PR5	●	45
Customer Privacy	AIS, Partner, Customer	G4-PR8	●	41
Product Compliance	AIS, Partner, Customer	G4-PR9	●	None. We have complied with the NBTC's regulation, refer to page 7, 40, and 42.

- Note:**
1. In this year of transition to the G4 approach, AIS has not been able to fully meet all elements of the indicators. As AIS updates our data management processes for 2014 and beyond, we will be seeking to meet more elements of these indicators.
  2. Information on boundaries contained in About this Report.

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