



Building
**Brighter
Future**

AIS the First Telecom Operator
in Thailand to be selected
as a member of **DJSI**
World class standard





MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM 

AIS has been selected as an index component of the Dow Jones Sustainability Indices (DJSI). We strongly believe that our sustainability will come from a balancing growth of business, delivering the best return to shareholders, integrating with business ethics, development of community, and environment as well as growing with all stakeholders.

The image features a grayscale photograph of a person's hand pointing at a laptop screen. The scene is overlaid with vibrant green graphics, including a large semi-circle on the right, a smaller circle containing the word 'Content', and a series of thin, wavy lines at the bottom. A white circle is also present on the right side of the green overlay.

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Message from the Sustainable Development Committee

Greetings to all AIS shareholders and stakeholders,

It is apparent that the lives of the world's population today have been greatly influenced by the rapid changes in technology. The growth in the use of applications and social networks as well as the rising demand for information access via mobile devices has opened doors to new opportunities and experiences. The traditional need of physically traveling to a school can today be replaced by distance learning on the internet, supported by telecommunication infrastructure and services. Financial transactions, such as cash transfers or bill payments, which previously required physical contact at the bank or ATM, can now be completed through a mobile device. The world is now entering an era where the Internet is everything. Not only does technology allow people to live more comfortably but it also helps to raise the quality of life and increase access to some of life's fundamental needs. More than the economic benefit, technology is also reducing environmental impacts through more efficient use of energy, an issue of ever-growing significance for the world in which we live. However, new risks and challenges have also arisen from these technological advancements, and telecommunication providers such as AIS will require new strategies and approaches to manage them effectively and appropriately.

As the leader in Thai telecommunication services, we work to deliver a strong and trusted network with a reputation for quality and service excellence. Currently, the 3G2100 network of AIS covers more than 98% of the total population in Thailand. This year we are working to build our 4G network on the 1800MHz frequency, which was recently licensed by the National Broadcasting and Telecommunications Commission in November 2015. Sufficiency of spectrum is imperative to growing our mobile telecommunication business and strengthening our competitiveness. This will enhance the ability not only our own business but also that of our partners to create the innovative products and services that better meet the needs



Mr. Kan Trakulhoon

and behaviors of consumers in the digital era. In this way, we can create new opportunities for Thai people to access the telecommunication services that will make their lives more comfortable and convenient. However, accelerating the creation of such networks also enables us to reconsider the social and environmental impact from a new perspective, one that affects the sustainability of the business operations of AIS as a whole.

The Sustainable Development Committee consists of three directors. I am joined by Mrs. Tasanee Manorot and the Chief Executive Officer. The committee was appointed by the Board of Directors to guide management on the policies and strategies for achieving corporate sustainability. The organization is working towards the ultimate goal of being recognized by all key stakeholders as the leading provider of digital services and as a change leader in doing business with the fullest responsibility.

Throughout the past year, the Sustainable Development Committee held meetings every quarter to monitor the implementation of the strategies provided by management. This included advising on the setting of targets and action plans towards achieving sustainability in the next five



Mrs. Tasanee Manorot



Mr. Somchai Lertsutiwong

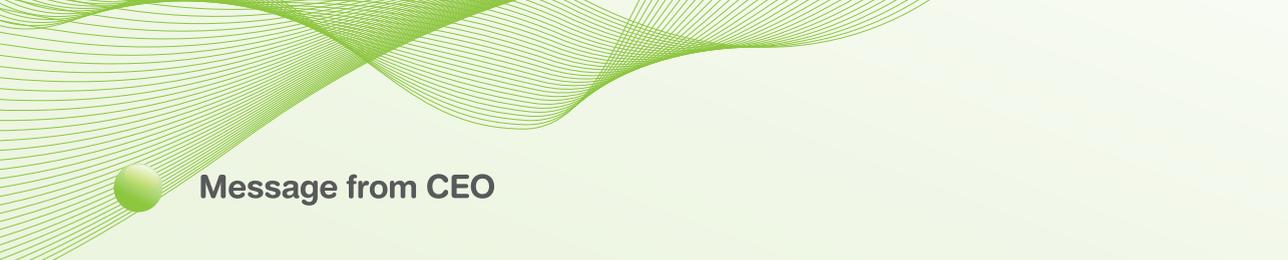
years, reviewing sustainability issues material to AIS, and reporting these to the Board on a quarterly basis. Apart from this, we also encourage all members of the SD team to attend related training and seminars, such as the RobecoSAM Forum, the Stock Exchange of Thailand's agenda on sustainability risk management, to equip them with awareness of the up-to-date trends and knowledge on sustainability issues as well as to bring the international standards for sustainability assessment into the organization.

In reflection of our success in 2015, AIS was selected to be listed in the Dow Jones Sustainability Indices (DJSI) for emerging markets. This was the first year that we had participated in the DJSI assessment, which is conducted through international guidelines and is accepted among investors and leading organizations worldwide. Moreover, we are honored to be part of the MSCI Global Sustainability Index for the second consecutive year and also named as Thailand Sustainability Stock by the Stock Exchange of Thailand.

I and all the board members would like to thank the management and staff at AIS for leading the Company in the right direction. Even though we operate only in Thailand, our company has been recognized throughout the world. I believe that our shareholders, investors, customers, suppliers and all other involved parties will join us in ensuring that this sustainable development of AIS continues in order to strengthen Thai society and grow together as a whole.

Mr. Kan Trakulhoon

Chairman of Sustainable Development Committee



Message from CEO

An awarding of the 1800MHz license from the NBTC to Advanced Wireless Network Co., Ltd. (AWN), a subsidiary of AIS, toward the end of last year has helped us attaining sufficiency of spectrum to grow our competitiveness. Faced with the issue of spectrum shortage during past years, we deployed a variety of engineering innovations to alleviate technical limitation, such as the installation of small cells in areas with dense usage, and also a breakthrough of 6-sector cell splitting, a new technique which AIS was one of the first in the world to deploy. This has helped us increase our network capacity to offer a competitive service to more than 38.5 million customers nationwide.

Equipped with full engineering capabilities, we are pushing forward to ensure we utilize the most out of this valuable spectrum asset for the country to enable all Thais to better access telecommunication service advancement. In fulfilling the NBTC's agenda for national broadband deployment, we set an initial budget of Baht 14,520 million for 4G network where we started building more than 7,000 sites in 42 provinces in January 2016 and will reach 77 provinces by mid-year.

These developments have received a continued acceptance and support from all stakeholders. The challenge that I and AIS people perceive is that we need to balance 3 important factors:

- 1) Generating a strong performance while managing with transparency and honesty to ensure long-term shareholders' return,
- 2) Achieving coexistence and acceptance among the community and society, and
- 3) Establishing work processes that support innovations that are both user-friendly and eco-friendly.

Balancing these three factors is not only a challenge but also an opportunity for us to rethink how we operate our business with sustainable growth. With the challenges and opportunities, we feel an imperative to develop clear policies, strategies, work plans, goals and indicators, where we must involve all levels of the organization, from the board of directors and executives to the employees in order to help push forward together for a successful future.

One of the main areas in which we have always placed great emphasis has been in having AIS people promote understanding among the communities surrounding the base stations we operate so that the communities see the benefits they will receive when they can access communication technologies. This year, in the community area close to our operation, we have helped people in distant villages to access public health and medical services with doctors much more easily: Our developing team has developed an application called "O So Mo Online", a pilot project in which the Tambon Health Promoting Hospital (THPH) at Lak Roi, Nakhon Ratchasima facilitates the work of Village Health Volunteers (VHV) to manage patient data more easily and quickly in their efforts to monitor and control diseases in their area of responsibility.

We have also set up various communication channels for customers, partners, employees, government sector entities, and different social institutions. Through those channels, we are able to acknowledge the problems and expectations of our stakeholders so that we can establish directives for sustainable coexistence and mutual support. In addition, we have set up work guidelines that will help us reduce the impact we have on the environment, which is another "stakeholder" that cannot speak for itself, but which is susceptible to environmental impacts and climate change.





As the CEO, I am very proud to pronounce that our constant efforts to achieve sustainable business practices have been recognized on the international level. In September 2015, we were selected to be included in the Dow Jones Sustainability Index (DJSI). The DJSI is accepted among investors and leading organizations all over the world, and we are one of only 17 telecommunication companies out of a total of 170 in the telecommunication industry worldwide to have been placed on the index. We are also the only Thai telecommunication company to have been selected for inclusion.

Being listed on the DJSI is a rewarding milestone to us but there remains a number of issues we must address to continue our sustainable development. One thing that we at AIS have been trying to emphasize is the need to build up sustainable development into an organizational culture that infuses the work of our people at all levels.

Lastly I would like to thank all the directors, executives, and AIS people whose assistance, diligence and hard work has helped to deliver the best customer experience and driven the organization forward on the path to sustainable development and growth. I would also like to thank all of the shareholders, customers and partners who have helped us reach the important milestone of the 26th year of AIS.

Somchai Lertsutiwong
Chief Executive Officer

Outstanding Achievements in 2015

Awarded membership of Dow Jones Sustainability Indices (Emerging Markets) and named as "Sustainable Stock" by the Stock Exchange of Thailand (SET)

DJSI

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Economic dimension

Awarded license to use 1800 MHz frequency band
and ready to launch 4G services within two months

✓ **Awarded certification for Information Security Management at data centers** **ISO 27001**

✓ **Awarded prize for ASEAN Corporate Governance 2015** for conducting business with good governance among ASEAN

Social dimension

Awarded prize for Best Employer Thailand for 3rd consecutive year
from Aon Hewitt and Sasin Graduate Institute of Business Administration of Chulalongkorn University



Environmental dimension

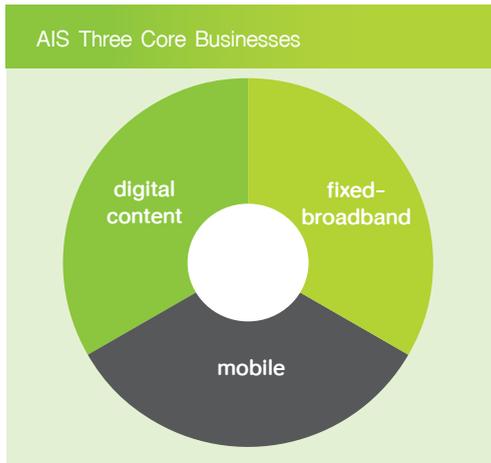
Collaborated with the National Science and Technology Development Agency (NSTDA) to develop the Khiri Lom project, **the very first school which operated on a power supply from natural resource**

Opened the first call center training center in Nakhon Ratchasima **with environmental construction certification from LEED**



Business Overview

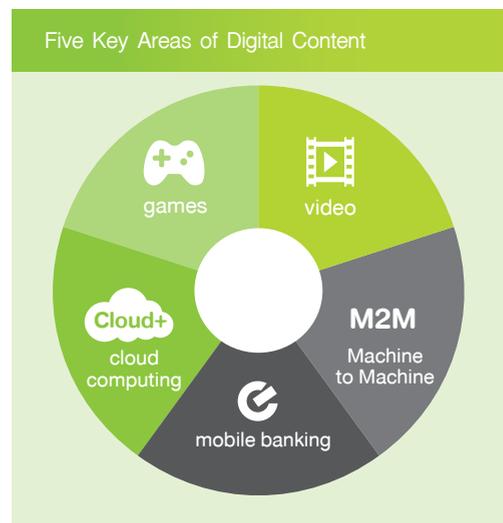
Advanced Info Services Plc. (AIS) is transforming itself to become a “Digital Life Service Provider” by operating three core businesses: mobile, fixed-broadband and digital content.



At present, AIS is the leading mobile operator in Thailand, commanding 52% of market share by revenue and serving 38.5 million subscribers nationwide. The Company had been providing 2G service on the 900MHz network under a concession from TOT which ended in September 2015 and is being continued under the remedy period until further notice from the National Broadcasting and Telecommunication Commission (NBTC). The 3G network with nationwide coverage is operated on the 2.1GHz license, granted by the NBTC in December 2012 and valid until 2027. Moreover, the Company will launch its 4G network in early 2016 on the 1800MHz license, granted by the NBTC in November 2015 and valid until 2033. AIS's currently provided mobile services include domestic mobile services, international direct dialling (IDD) services, and international roaming services.

In response to the increasing significance of the “always-connected” behavior of customers, AIS made a clear decision to commence the fixed broadband business in April 2015 under the brand “AIS Fibre”. With the ability to leverage the extensive fiber optic network nationwide, we can provide the new technology of FTTx service to households. In only 9 months of operation, AIS Fibre already achieved 1.7 million homepasses with 44,000 households as our customers. Driven by our strong brand and currently low fixed broadband market penetration, we aim to be one of the key players in this market within three years.

To stay in an advanced position in the digital era, AIS is officially driving the digital content business by creating a telecom eco-system among talented partners. Our focus is on five key areas, namely video, games, mobile banking, cloud computing, and M2M, all of which will provide convenience to customers and generate new sources of revenues separate from the voice minutes and megabytes of more traditional data consumption.



General Information

Company name	: Advanced Info Service Public Company Limited
Date of registration on the SET	: 5 November 1991
Registered capital	: Baht 4,997,459,800
Paid-up capital	: Baht 2,973,095,330
Head office	: 414, AIS Tower 1, Phaholyothin Road, Samsen Nai, Phaya Thai, Bangkok, 10400, Thailand

Further details of our business, please see “Annual Report 2015”

Financial highlights for three consecutive years

	Unit	2013	2014	2015
Direct economic value generated by AIS group				
• Total assets	Baht (million)	112,026	126,351	181,761
• Total revenue	Baht (million)	150,578	149,329	155,276
Economic value distributed				
• Operating costs	Baht (million)	66,924	74,904	82,618
• Employee wages and benefits	Baht (million)	6,639	7,446	8,078
• Community investment	Baht (million)	126	195	143
• Payment to government	Baht (million)	36,451	29,506	24,115
Payment to providers of capital				
• Dividends	Baht (million)	33,889	35,052	37,042
• Finance costs	Baht (million)	1,002	1,527	1,960
Economic value of AIS group				
• Net profit	Baht (million)	36,274	36,033	39,152
• EBITDA	Baht (million)	63,691	66,428	70,776

Note: Data of 2013 and 2014 operating costs has been adjusted according to the restatements.^(G4-22)

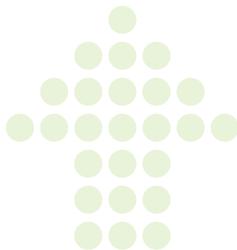
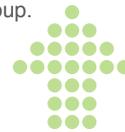
The AIS way to Sustainable Development

The AIS way to Sustainable Development is based on the following three pillars:



A focus on these three pillars drove us forward to gain the trust of investors as our market capitalization has been continued ranking as a top 5 company in Thailand with a position of trust in over 38.5 million customer hearts. In this way, we have been able to maintain our position as market leader among Thailand telecommunications service providers.

AIS's vision and mission is centered upon its current business direction - to become a "Digital Life Service Provider." By adhering to the three pillars cited above, we aim to strengthen its strong business foundations and pursue its long-term goals, with the support and understanding of all of people in the AIS group.



Mission

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

Vision

To lead and shape the multi-media communications market in Thailand and aspire to become the most-admired Digital Life Service Provider.

Good Corporate Governance and Business Ethics



AIS is a certified member of Thailand's Private Sector Collective Action

Against Corruption (CAC).



We have always believed that doing business with integrity, transparency and accountability helps to build trust between us and our shareholders, raise company value, and maximize the long-term returns paid out to shareholders. Since 2002, the Board of Directors has therefore established Corporate Governance Policy in accordance with the guideline of the Stock Exchange of Thailand (SET), while also taking into account the changing economic and social situation. In recent years, we have pushed ourselves to attain international standards of good corporate governance, and have been duly recognized for this by the ASEAN CG Scorecard and other leading organizations. We have also set up the Business Ethics Policy, which forms an integral part of the corporate governance policy, in order to facilitate its explicit implementation.

The Business Ethics Committee has been established and reports directly to the Chief Executive Officer to monitor and promote ethics within the organization via multi-channels, i.e. notice board, intranet, internal e-mail, activities/campaigns as well as annual assessments. We require our employees to acknowledge the Business Ethics Policy and to sign a commitment to conduct business ethically from the first day of becoming an AIS people. The Business Ethics Committee has set up an "Ethics Clinic" as a channel for receiving questions and providing consultancy regarding ethical business practices in compliance with the AIS business ethics policy. In addition, all suppliers and partners are required to participate in conducting

business in an ethical way as clarified in a supplementary document incorporated in business contracts.

As of 2015, we have gone one step further to foster cleaner business practice with the intention of eliminating all forms of bribery and corruption. As instructed by the government, the Boards of Directors therefore prescribed the Anti-Bribery and Anti-Corruption Policy to apply to all directors, management, and employees within the AIS group. We also expect all agents and other intermediaries and associates within or acting on behalf of AIS to comply with this policy.

Interested parties can read the full, official versions of those 3 policies at <http://investor.ais.co.th>. We also published a report on the good corporate governance policy in the 2015 annual report, under the heading "Good Corporate Governance" page 70.



If you suspects any misconduct or fraud described in the policies above, please report directly to the AIS Audit Committee at

AuditCommittee@ais.co.th

AIS is committed to investigating all suspects and protecting witnesses in accordance with our rules under the Whistle Blower Policy, which can be found at <http://investor.ais.co.th>

Operation to promote Good Governance in Organization

Promoting business ethics principles



Organised campaign events and published TVC "Think About Ethics" and "3 Tar Ya Gun Pai" in order to promote ethics policy and practice.



Created awareness on bribery and other forms of prohibited gift-giving as part of the campaign: "Stronger! Are we there yet?"



Required all staff to participate in annual ethics assessment of which the average score of 2015 is 88% passed against target at 80%



Required all new employees to sign an acknowledgement of the AIS business ethics policy on their first day of orientation.



Assessed business partners through ethics questionnaire of which the average score of 2015 is 80.6% passed against target at 70%

For our steadfast commitment to good corporate governance and business ethics, AIS received the "ASEAN Corporate Governance 2015" award from the ASEAN CAPITAL MARKETS FORUM (ACMF). The winner, selected from a roster of ASEAN's top 100 listed companies, is the company with the highest market capitalization and best corporate governance practices on the ASEAN CG Scorecard.

Preventing all forms of bribery and corruption

2002

Promoted free competition and fair trade with all business partners as part of good corporate governance policy

2013

Joined the "Thailand's Private Sector Collective Action Coalition Against Corruption" (CAC)

2015

Published "Anti-Bribery and Anti-Corruption" policy to apply to the all companies and staff within the AIS group

2016

Certified by Thailand's Private Sector Collective Action Against Corruption for having an effectiveness of Anti-Bribery and Anti-Corruption policy and practise

Issued guidance on procurement policies stating that AIS will not do business with any company that uses bribery or corruption.

Upgraded risk assessment to cover all forms of fraud risk

Informed all employees of AIS Anti-Bribery and Anti-Corruption policy via intranet and internal e-mail



Mr. Chavin Chaivatcharaporn, a representative of AIS, received award from the ACMF

The Sustainability Governance Structure of AIS



To manage the sustainability policies and strategies, the Board of Directors shall have responsibility regarding with decision-making with regard to adopting the policy, strategy, and material aspects of AIS. The Board of Directors has, in turn, established the Sustainable Development Committee, which advises the Board of Directors on matters of policy and strategy, and oversees the implementation of management. The Sustainable Development Committee reports to the Board of Directors on a quarterly basis.

To incorporate the sustainable business practices into our business direction and the daily operations of all business units, The Chief Executive Officer, who also acts as a member of the Sustainable Development Committee, has appointed the Sustainable Management Committee which comprises the chief executive of each business department to develop sustainable development policy in compliance with the sustainability strategy and business direction of AIS. The Sustainable

Management Committee reports directly to Chief Executive Officer.

The Sustainable Development Working Group, which comprises 14 representatives from all business units, has been appointed for implementing the plans based on the strategy and policy as well as for evaluating the effectiveness and efficiency of ongoing projects and initiatives.

In addition, We have also established a Sustainable Development Unit, which aims to support the work of the Sustainable Development Working Group and all related committees. The staff under this unit will assist in handling matters and providing updates on news and other information, on topics such as sustainability trends and regulations both at the national and international level. Such updates and information will be shared via various channels, including reporting in meetings, with the aim of ensuring that all of those committees and working groups are always kept up-to-date on the latest trends.

Note: * For a name list and duties of the Sustainable Development Committee, please see the 2015 annual report under the heading "Management Structure" page 56

● Strategy for Sustainable Development (5 Focus Areas)

Our strategy for sustainable development has been well-developed to align with the corporate vision and mission of AIS. Since 2012, the Chief Executive Officer together with top management from all business departments has established a sustainability strategy based on five key stakeholders whose expectations should be taken into account and appropriately managed by us.



5 Focus Areas	Commitment	Material Aspects	Management Approach
Community and Society Bringing our society together	<ul style="list-style-type: none"> To thoroughly understand and take into account of the needs of the direct community, and develop the appropriate strategic, integrated and systematic responses to ensure our social license to operate. 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. 	<ul style="list-style-type: none"> Local Community Acceptance 	Page 17 - 32
Customer Providing the best customer experience	<ul style="list-style-type: none"> To provide the best customer experience while tapping into new markets, through gaining deep insight into people's needs, personalized products and services that meet those needs, and delivering the unparalleled service that says we will do our best to assure you "Live Digital, Live More". 	<ul style="list-style-type: none"> Network Quality and Reliability Customer Privacy Customer Satisfaction Innovation 	Page 33 - 49
Partners Building sustainable partnerships	<ul style="list-style-type: none"> To share the responsibility for our partners' behaviors and actions. To build win-win partnerships through mutual growth. 	<ul style="list-style-type: none"> Dealer Satisfaction Anti-Competitive Behavior 	Page 50 - 57
People Growing our people with their strengths	<ul style="list-style-type: none"> To develop visionary leaders with our brand character. To create opportunities for people to learn and develop so that they can guide AIS toward its goal within the framework of sustainability. 	<ul style="list-style-type: none"> Employee Engagement Human Capital Development Anti-Bribery and Anti-Corruption Occupational Health and Safety Human Rights 	Page 58 - 74
Environment Greening our future	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Emission and Waste Reduction Green Products and Services 	Page 75 - 83

Our Community and Society

Safety ensured with base stations
complied with ICNIRP standard
emitting only
1 V/M
electromagnetic wave

Building trust
and understanding
among community

8 AIS Call
Centers by
the disabled

“O So Mo online”
an innovative application
for society an easier way
to reach health care service in
25 sub-district
hospitals

17 Years
of “Samrak Project”
strengthening family bonds



Our Community and Society

The rapid shift in consumer behavior from traditional voice consumption toward mobile data-centric consumption has been driven by the explosive growth of inexpensive and affordable smartphones. Based on a report by the Electronic Transactions Development Agency (ETDA), Thai consumers spend approximately 5.7 hours per day surfing the internet via mobile devices. On the basis of these trends, AIS as a mobile service provider sees the importance of transforming our business to deliver the goods and services that drive the digital lifestyle of our customers. Starting this year, we plan to quickly deploy our new 4G network utilizing the 1800MHz spectrum. At the same time, we will continue to enhance the capacity of our existing 3G network utilizing the 2100MHz spectrum to ensure that we are fully-positioned to meet consumer demand. In addition, our mobile network service will also be complemented with new digital content and applications that will truly drive the digital lives of the Thai people.

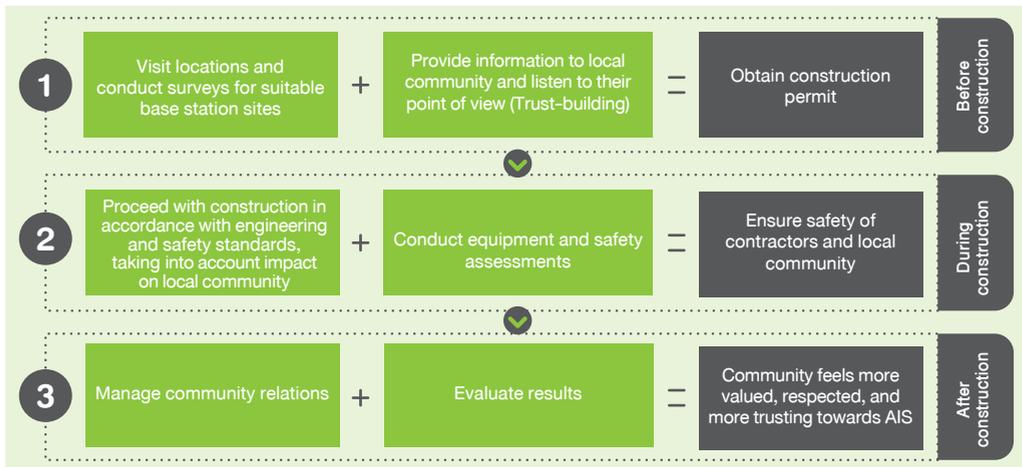
The expansion of our mobile network will not only bring benefits to our business, but also open up new opportunities for Thais to communicate with one another in new ways. It will enable seamless, worry-free mobile transactions; open up new access routes to health and education services; and provide instant access to news media. It is clear that telecommunications services can play a vital role in improving the living standards in local communities and facilitating the economic prosperity of our nation.

With this ongoing network expansion, it is the most important for us to gain the community acceptance that will enable us to continue growing our business. We have formulated strategies and management guidelines which allow us to cultivate good relations both with the local communities affected by our base stations, as well as with society as a whole. Different measures are deployed to help forge sustainable partnerships between AIS and local communities:

- 1) Community relationship management
- 2) Responsibility to society and the country aiming for sustainable social development

Community Relationship Management

1. Building trust and understanding among stakeholders



Before construction, our engineering and community relations team convenes with community authorities to raise awareness, exchange views, and listen to the concerns of community stakeholders and/or local community leaders who reside near the project location. As in the past, these exchanges proceed in accordance with the NBTC guidelines on community liaisons. From our first survey of the location right up until base station completion, AIS's planning and construction process allows us to communicate with and raise awareness among the local community along the way. This system, in turn, allows us to analyze trends in the relationship between AIS and local communities, and thereby reduce the risk of resistance from local communities in the future. It also helps us to formulate contingency plans, in the event that a local community raises serious concerns about the safety of a mast project. In short, at every stage of the planning process, local communities can communicate with AIS and have their views heard.

During the construction stage of any base station, we must seek approval from a general civil engineer in accordance with the standards of the Engineering Institute of Thailand (EIT). Once approval is granted from local authorities, our engineering team will oversee construction to ensure that it conforms to strict quality standards and abides by the terms of the project permit. In addition, the team will conduct routine equipment checks to ensure site safety at all times.

As well as informing local communities of the frequencies that will be emitted by the base station, we also work within the "Safety Standards" set out by the NBTC. This covers, among other things, all AIS engineering equipment, which must conform to the standards of the International Commission on Non-Ionizing Radiation (ICNIRP), and which is also subject to a frequency emissions assessment at every AIS base station. The ICNIRP enforces these measures to ensure the safe functioning of all electromagnetic management. Our plans also include re-visiting our base stations together with a third party such as the NBTC in order to check the levels of electromagnetic wave emissions. The results of these assessments have revealed that



the electromagnetic wave emissions at our base stations are lower than the local and international standard. For example, the ICNIRP safety standard for 2100MHz is set at a limit of 61V/m, while our base stations emit only 1V/m which is in line with the health safety standards used by many countries, including Thailand, and in line with international scientific measures. These findings are supported by the World Health Organization (WHO) and many other international institutions.

In addition to these developments, we are also working on design renovations at our base stations in several locations in order to reduce the visual impact on the surrounding environment. In 2015, we successfully renovated base stations in Had Vorn (Laem Taen, Chonburi), Phayao University, Kasetsart University, Ayutthaya Historical Park and the entrance area of Doi Suthep.

When local communities have concerns or advice to offer regarding an AIS construction project, they can speak directly to our public liaisons office or our community relations team on the ground, or they can pass on their comments to a community leader. The community relations team has full authority for direct and immediate action to resolve cases and concerns. Otherwise, the issues can be raised or escalated to the relevant department. In such cases, the community relations team retains the responsibility for following up and providing updates to the communities. These are just some of the measures used by AIS in order to protect against potential legal proceedings and prevent, in a worst case scenario, the termination of a base station project.

In addition to listening to and responding to concerns and suggestions before and during construction, AIS also organizes community and social relations management activities **after construction**, in order to raise awareness of our work and bring peace of mind to affected communities and community authorities. We provide information to landowners and local residents nearby our base stations. This includes information regarding electromagnetic waves, safe use and safe storage of mobile phone equipment, the benefits of digital technology, and other such topics. We also disseminate information through events and public relations announcements, in a way that is deemed most suited and most accessible to local residents and communities. These methods may include videos, exhibitions on our understanding of electromagnetic waves, quarterly pamphlets given to landlords for distribution among tenants, and community partnership pamphlets sent once every four months to all residents nearby an AIS base station.

In 2015, AIS organized the following key events:



Awareness raising among affected communities at 71 base stations (Full CR)



Knowledge Sharing events on electromagnetic frequencies at 20 base stations



Ms. Vilailak Makim
Community Relations Officer

I am proud to be a part of the AIS community relations team, a small team that leads the Company's social work projects. In our five years of service at AIS, I have seen important progress made on issues of community relations. In particular, I have seen the focus of our organizational and management aims shift towards taking care of local communities and wider society, which is now reflected in many of our policies. At the same time, AIS offer support, consultation and recommendations on AIS's business practices. Each time the AIS community team surveys a new project location, we are able to offer positive dialogue and a commitment from AIS to ensure higher standards of living to local communities, respecting the wealth and potential of such areas. From my perspective in the AIS community relations team, there is always something new for us to learn in our work. Every time I meet with local residents, I learn of new demands and new challenges from ordinary consumers. And in the spirit of community understanding and community engagement, Our community relation team employ our findings to build on the AIS model for sustainable development, which remains our highest commitment.



Ms. Praphai Euamam

a local landowner who lives nearby an AIS base station in Klong Si, Klong Luang, Pathum Thani.

"Not so long ago, this area was completely dark. There were plenty of motorcyclists and pedestrians around, but electricity was scarce and there weren't enough streetlights. In front of my home here, it used to be pitch black. I used to have to take my own lamp just to guide me out to the street. Then AIS came and installed streetlights for us, and all the locals here were very grateful. The area is now much better lit and we feel much safer too."

2. Creating added value from base stations for the safety and security of local communities

In general technical specifications, our base stations require both a primary power system and a reserve power system. We see an opportunity that these power systems can also be extended to power the utility services used within the local community. The "Safer with Streetlights" project was developed from a joint survey conducted by our engineering and community relations teams at our current and prospective base stations. In areas where there are no or too few streetlights to ensure the safety of vehicles and local residents due to an increased risk of crime, AIS installs streetlights and automatic traffic lights in those areas, using power from the nearby base station. Local communities are also insured in the event of a power cut, as those streetlights and automatic traffic lights can still draw upon the reserve battery power at the local base station, which can also be diverted to both landowners and residents to ensure their safety in times of need.

The AIS
"Safer with Streetlights"
 project began in 2015.
 So far, the project has
 installed streetlights at
12
 base station
 locations.

We are also currently in the process of expanding its "Safer with Streetlights" program to cover both existing and prospective base stations all across Thailand.

3. From our strengths as a mobile network operator, to innovations that bring better healthcare to remote communities

From surveying remote areas all across the country during the construction of our nationwide mobile networks, the AIS engineering and community relations teams have found that residents of particular areas not only lack quality communications infrastructure, but are also particularly disadvantaged due to a lack of accessible healthcare services. The number of patients suffering from chronic Non-Communicable Diseases (NCDs), and the number of groups at risk of contracting such diseases, is already considerable and set to rise if current trends continue. A growing public health problem in all countries, NCDs can seriously affect a patient's quality of life, his ability to work, and his ability to stay physically fit. According to a report published in 2009, Thailand is home to over 14 million people who suffer from an NCD, with more than 30,000 deaths per year attributable to NCDs.

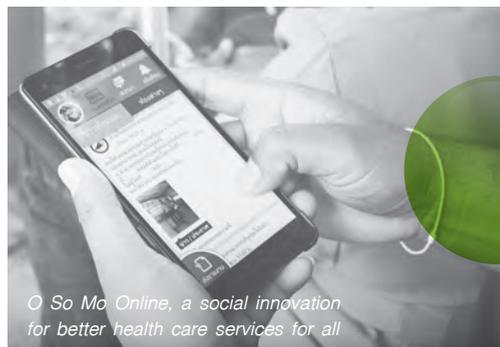
From studying the plight of these NCD patients and at-risk groups, we have therefore joined forces with the Tambon Health Promoting Hospital (THPH), a local public community healthcare provider that works closely with remote communities, focusing on disease prevention, holistic health and care, health risk management, and health behavior modification. By involving local residents and communities, and focusing on the root cause of the health problems they face, the THPH offers an important first defense against NCDs and a basis on which to expand operations. In particular, the THPH focuses on providing healthcare services to the poor and the impoverished, looking after the health of not just individual residents but entire, remote communities.

- **The “O So Mo Online” application: an innovation to ensure better access to healthcare services for all**

From our partnership with the Tambon Health Promoting Hospital (THPH), we have seen that the scope of the THPH's work covers a wide

range of areas, such as health promotion, disease prevention and control, hospital treatment, patient rehabilitation, and health risk management, all of which are applied at the level of the individual, family, community and wider society. Through strong working partnerships with the public, communities and local authorities, the THPH enables sustainable healthcare to thrive in remote areas. The geographical reach of the THPH's activities is extensive, penetrating right down to the level of individual administrative districts (tambon). The THPH model relies on a network of Village Health Volunteers (known in Thai under the “O So Mo” abbreviation), who are the driving force behind the organization's healthcare interventions. Each O So Mo unit monitors health issues in around 10 - 15 villages, with the approval and support of local residents.

Through our partnership with the THPH and O So Mo, the AIS team has acknowledged the normal practices, working behavior, challenges, and limitations of both organizations, with regard to combating public health issues. A key problem we identified is that, for community health to be protected, both public health officials and local residents need to have continuous access to the most accurate and up-to-date information on the ground. However, we also discovered that the THPH and O So Mo did not have any specialized communications technology to support their public health efforts and allow locals to



O So Mo Online, a social innovation for better health care services for all

participate in sharing important information. We realized that this communication gap offered an opportunity for AIS to develop its existing digital technologies in order to serve the needs of community health in a way that is aligned with our philosophy of social engagement, which aims to cultivate shared value between business interests and wider society. In the second quarter of 2015, we therefore launched a pilot study and began analyzing the operation and demands of the THPH in Lak Roi, Muang, Nakhon Ratchasima. We then used our findings to build the O So Mo app, which was launched in Nakhon Ratchasima in September last year.

Our engineering and community relations teams joined forces to provide O So Mo Online training to members of the Village Health Volunteers. The results of this training course were positive, with many trainees reporting that O So Mo Online is both user-friendly and incredibly helpful for the work of the THPH. So far, AIS has extended the service to 25 locations nationwide where the THPH already has a strong presence. We also have plans to develop the O So Mo app further so that it may be used by other public health groups. As such, we hope that our contribution to improving Thailand's public health infrastructure may provide a real boost to the living standards in local communities, in a way that is both effective and sustainable.

- **AIS public health centers for the healthier life of communities**

We have established public health centers with a range of exercise equipment, including exercise bikes, upper body and abdominal fitness stations, leg vibrating machines, walking machines, treadmills, and a stone road for foot massage. Also included at all facilities is a guidebook on how to use the machines and an exercise logbook. These logbooks can later be used to build up individual health performance reports - with the assistance of the THPH - and as a means to promote healthy exercise and correct use of equipment in line with current recommendations from doctors and physiotherapists.



O So Mo officers of Lak Roi THPH, Nakhon Ratchasima

"O So Mo Online" is a user-friendly experience for public health officials and volunteers, with a focus on both simplicity and functionality. For ease of use, the O So Mo interface uses Thai language. O So Mo can also be used for sharing pictures, videos, messages and map coordinates so that members of the O So Mo Online network can communicate with one another in real-time, sharing information on current public health developments in their local communities. O So Mo Online is fast, accurate, and it continues to offer safety and convenience to residents in remote communities."



"Mr. Phipop Dumai
The O So Mo Director in Lak Roi

The O So Mo Director, has the duty and responsibility to disseminate the information received from THPH to a whole swathe of villages via the O So Mo network. In Lak Roi, there are 10 O So Mo villages supported by 145 volunteers. In the past, O So Mo volunteers had to always use telephones to disseminate important information and to communicate with other staff. On occasion, out of the 10 villages under my control, some would be unreachable, and so volunteers would have to drive out to those villages to deliver urgent information by word-of-mouth, and would then have to seek out the local THPH authority on their own steam too. After the launch of the O So Mo app, however, things became much easier, as the local THPH authority could be reached at just the touch of a button. Moreover, the entire O So Mo Online network is alerted whenever new information is shared, and anyone within the network can then contact the THPH directly via the app. O So Mo Online dramatically reduces communication costs and travel expenditures, and it also saves valuable time. It gives volunteers more time to visit local patients, and allows those officials to relay precise information and medical recommendations directly from THPH doctors.



We began providing health facilities in early 2015, and now reach eight centers operating at the following THPH locations:

1. THPH Nong Kanak, Pra Nakhon Si Ayutthaya
2. THPH Ban Nong Waeng, Nakhon Ratchasima
3. THPH Ban Thachai, Suphanburi
4. THPH Nanong Thum, Khon Kaen
5. THPH Nong Phawa, Rayong
6. THPH Ban Phrukam, Nakhon Si Thammarat
7. THPH Mae Pang, Chiang Mai
8. THPH Chom Poo, Phitsanulok

We cooperates with the THPH to monitor and evaluate the use of the exercise equipment, and to determine how this affects the incidence of NCDs in local communities. The THPH then formulates targets to promote need-based services at each THPH, and will produce reports based on its assessments. AIS, meanwhile, will offer fitness prizes through the THPH as a means of boosting morale and offering encouragement to all those who are part of the THPH's target groups.

Our philosophy of corporate social responsibility, for a better society and a sustainable future

AIS THE StartUP 2015

“The New Generation of Digital Partnership”
More Opportunity, More Success

“AIS the StartUp is not just a startup contest, but it is our aim to help startups on their very first step on the path to success.”

StartUp is a new business model as well as young generation of content creator and application developer who have a creative idea in products and service development

As a telecommunication service operator, our philosophy has been built around creating a mobile eco-system. To this end, AIS sees opportunities to join hands with our business partners, including content partners, service partners, and other strategically-relevant companies, to serve all dimensions of Thailand’s market.

In the inaugural round of AIS theStartUp in 2011, only 20 large startups were involved in the program. However, in line with the growth of technology, increasing numbers of smartphone consumers, and the continually rising number of internet users, we are now opening our arms to welcome the most promising and innovative tech startup companies, especially the young generation of content creators and application developers. Through such partnerships, startup content partners and application developers can enjoy the benefit of offering their products and services directly to their target customers via our biggest platform without the need for high capital investment. One important driving force behind this strategy is our alliance with the Singtel Group. From an initial budget of Baht 60 million and 100 startups in 2011, our investment in supporting startups has today grown to an overall equity investment of approximately Baht 1 billion in around 1,000 tech startups. We are very proud to be a part of the success of startups that innovate new products and services for Thailand’s consumers. Some of these startups also cater to the demands of a global market.

In the past 2 to 3 years, we have strived to incorporate the social contribution concept into the program. We therefore placed social enterprise as one of main categories in AIS the Startup in order to support good people to do good acts in a sustainable way.



Local Alike, a community-based tourism platform utilizing community-based tourism as a means of creating sustainable

economic opportunities for locals, is one of the programs we proudly supported in 2014. Local Alike is a great example of a social enterprise applying commercial strategies to maximize improvements in the community by promoting eco-tourism. While there were already many community-based tourism villages in Thailand ready to welcome tourists, there was no reliable platform to help connect them. In collaboration with AIS, this startup was able to develop an online platform to help these communities to connect with their customers with the help of the AIS support network and mobile devices. Today, Local Alike has been selected by the Tourism Authority of Thailand as “a leading community based tourism model” which has grown to include over 30 villages as of October 2015 and is still growing. From this case, it has been proven that this business model can be successful.



In addition, the AIS corporate social responsibility philosophy can be outlined as follows:

1. Supporting the family institution

The family may be the smallest unit in society, but it is nonetheless the most important. AIS believes that communication and open dialogue between family members can strengthen the bonds of love, royalty and mutual care within all families. As such,

AIS is proud to be an intermediary between family members, strengthening those mutual bonds through the most powerful telecommunications technology available.

2. Taking care of our society

Communication is key to social development in Thailand. It is also important for providing social assistance to those in need, preventing conflict between citizens, and protecting citizens affected by natural disasters. As such, development and social assistance rely on an effective communications network. AIS therefore offers support to all members of Thai society through its superior communications technology.

Based on the strategies outlined above, AIS has created a project that aims to give back to society in the spirit of CSR. The project is divided into four parts, as explained below:



2.1 Sarnrak - Support for the family institution

For 17 years, AIS has organized special campaigns designed to support and promote healthy relations between individual family members, within the framework of the Sarnrak - Support for the family institution. We strongly believe that the family is the strongest starting point for achieving positive societal change. As mentioned above, we believe that strong families are the basis of a strong nation. Here are some of the projects we have organized as part of the Sarnrak - Support for the family institution campaign:

- **The Public spot announcement to promote healthy family relations**

From 2014 to 2015, AIS produced a set of three television commercials (TVC) focused on the theme of "Inspiration", and running under the official slogan: "Take inspiration from your family: an endless source of learning". We strive to raise awareness of the importance of the family unit among Thais, with a view to promoting positive perspectives and ideas about family life, and to foster love and healthy relationships in all families.

- **The AIS Family Rally for the Saijathai Foundation under Royal Patronage**

We organize an annual car rally tournament, as a special occasion on which families can spend time together. The rally tournament experience promotes love, trust and loyalty among family members. We plan to continue our annual rally tournament into 2016 and beyond.

The 2015 race marked the 22nd year for the AIS Family Rally, which this year raised Baht 600,000 for the Saijathai Foundation under Royal Patronage.

- **The AIS Family Walk Rally for the Ananda Mahidol Foundation**

This event promotes strong family relations by providing an occasion on which families can spend time together while enjoying the benefits of keeping fit and healthy. The rally also incorporates quick-thinking puzzles and problem-solving activities, for bonding and building trust between the participants, who are obliged to help one another throughout the competition.

The 2015 event marked the 16th AIS Family Walk Rally, which raised a total of Baht 500,000 for the Ananda Mahidol Foundation.

- **The AIS Children's Day**

On the occasion of National Children's Day, AIS celebrates the importance of all our young people, who are the lifeblood of any family. AIS recognizes that young people deserve support and encouragement, to further both their physical



The AIS Family Walk Rally for the Ananda Mahidol Foundation



AIS supported a scholarship to young girl and her family according to Kon Keng Hua Jai Krang project

and their intellectual development. We therefore created a parallel event known as the "AIS Children's Day."

Recently, we have made some changes to the format of the event in order to accommodate not only able-bodied youngsters, but also those who are mentally or physically disabled, including those who are hard of sight or hearing. These changes have been implemented because we recognize that these groups should also be looked after, and should be provided with equal opportunities on the occasion of National Children's Day.

- **The Sarnrak AIS Children's Development Center**

AIS also recognizes the importance of a child's education, especially for pre-school children, who ought to have a place where they can both gain knowledge and express their creative side. At the AIS Sarnrak Children's Development Center, we connect the children's environment with the things they experience in daily life so that we can also involve parents as part of the learning experience. We acknowledge the importance of such cooperation as a means of laying down strong foundations for a healthy and vibrant childhood, which in turn paves the way for the children to grow up happily and become good adults. With assistance from provincial authorities, an AIS Sarnrak Children's Development Center has now been established in five locations: Kalasin, Phitsanulok, Chiang Mai, Nakhon Ratchasima and Krabi.

2.2 Sarnrak - Kon Keng Hua Jai Krang (Good kids, Great hearts)

With the aim of promoting youth role models for Thailand, we created the "Sarnrak - Kon Keng Hua Jai Krang (Good kids, Great hearts)" project, which is run under the slogan: "A strong family need not be rich, but a strong family is made up of strong minds". We strive to support those young people who wish to better themselves and their family, and who are focused on hard work and education as a means of self-improvement, which ultimately paves the way to a better future. With this being so, we continue to invest in helping low-income families through scholarships for highly talented youngsters, up to the level of a master's degree.





in further education schemes via the programs described below:

• **Television Series: "Sarnrak - Kon Keng Hua Jai Krang (Good kids, Great hearts)**

A source of inspiration for any viewer who has experienced hardship or poverty, Sarnrak Talented and Determined showcases real-life role models for our young people and even grown-ups too.

The program first aired in January 2001, and is now in its 15th year. It is currently broadcast via WORKPOINT TV every Saturday from 14:30-15:00 hrs.

• **Sarnrak on the road**

Sarnrak on the road brings together young people to exchange experiences and offer inspiration to one another. Hosted by youth clubs and children's centers throughout Thailand, the project teaches young people how to follow their dreams and identify wrong turns. Now being held for its 18th time, we hope the project will equip participants with the skills they need to become strong adults who are ready to face the future.

• **Sarnrak Youth Camp**

This series of events brings together young people from the **Sarnrak Kon Keng Hua Jai Krang project**, in groups of 60 participants, to exchange experiences, offer inspiration to one another, and take group field trips to exciting destinations. It is a way of broadening the children's horizons and taking them outside of the classroom to gain new knowledge and go in search of new experiences. Each trip takes place over four days and three nights, and the project is currently being held for its sixth time.

• **"Career advice for new graduates"**

This activity is designed to provide opportunities to those young people within the Sarnrak Talented and Determined project who have already graduated, or are still enrolled in either their third or fourth year of higher education. Students get to participate in training courses, and are invited to collect careers advice from our tutors. From writing a resume to preparing for a job interview, the project focuses on personality-development and confidence-building, as well as other key preparations required for success in the workplace. The trip takes place over two days and one night, and is currently being held for its fourth time.

2.3 Sarnrak - Support for Thai society

AIS strives to show our gratitude to Thai society by assisting in Thailand's social development. Our efforts to effect positive change for all of our co-citizens include offering support and relief to those facing hardship in Thai society, such as those affected by natural disasters, no matter where they may be. With these goals in mind, AIS runs the following campaigns:

1. AIS help for flood victims

We have provided sandbags and other flood defences to Thais affected by flooding to assist their recovery and alleviate the damage. Since 2001, AIS has donated more than Baht 20 million to aid schemes for flood victims.

2. AIS help for those affected by cold weather

During the winter season, many Thais experience distress and suffering due to a shortage of warm



clothes and blankets, particularly in the North and Northeast. We therefore produces and distributes blankets to those suffering during winter time. Since 2011, we have donated more than Baht 30 million to winter aid projects.

3. AIS fund for the elderly at the Rajaprajanugroh Foundation

At AIS, we value the importance of the elderly, who have given so much to our society, as loving and caring role models for the next generation. As members of the younger generation, we therefore feel duty bound to show our love and respect for our elders, who have raised us to be the people we are today.

On National Elders Day, 13 April 2002, AIS donated initial Baht 5 million to establish the **"AIS fund for the elderly at the Rajaprajanugroh Foundation."** These funds go toward care and assistance for elderly people in need - with the Rajaprajanugroh Foundation acting as a carer - as well as to victims of natural disasters. Up until now, our joint foundation has raised over Baht 70 million to care for the elderly.



4. AIS Call Centers for the disabled

"Because we believe that if everybody has the opportunity to show their potential, it is ultimately a great service to us all, as we work together for a better Thailand and prosperity for all."

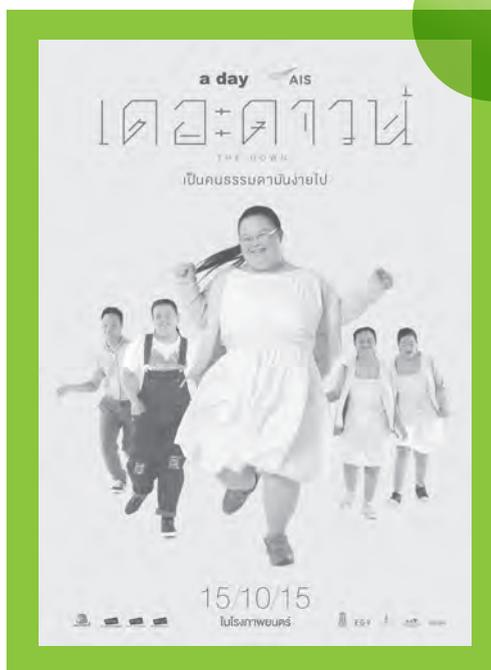
Vilasinee Puddhikarant
Chief Customer Officer



In 2007, we created **"AIS Call Centers for the Disabled"** in the belief that people with disabilities have their own special skills as well as many of the same capabilities as able-bodied people. We therefore strive to provide career opportunities for disabled persons by offering them jobs at our Call Centers. Duties are allocated based on individual abilities: for example, a visually impaired or physically disabled employee may be tasked with operating our call center lines to inform customers of their AIS rewards or to offer new services and promote AIS campaigns; operating our send-receive SMS service for customers; or operating our SMS customer termination services. To take another example, employees who are hard of hearing may be tasked with operating our AIS Call Center Sign Language Web Cam. We invest in special equipment for our disabled staff; we also manage their work environment accordingly, and provide appropriate compensation and other welfare benefits just as we do for all of our general staff. This allows disabled persons to have job security, to use their knowledge and skills to generate income for themselves and their families, to raise their own self-esteem, and ultimately to lead a fulfilling life in a more equal society. We have taken on many hard-working call center officials, who are proud of their company, including disabled employees who are most adept in looking after and serving our disabled customers.

Currently, we have eight AIS Call Centers for Disabled Staff with 78 disabled call center staffs. These centers operate with mutual support from the Thailand National Blind Foundation, Bangkok; The Northern School for the Blind, Chiang Mai; Sri Sangwan Chiang Mai School, Chiang Mai; The Foundation for the Disabled, Chonburi; The Redemptorist Vocational School for People with Disabilities, Nong Kai; Lampang Eye Foundation, Lampang; and Sri Sangwan School Khon Kaen, Khon Kaen. In turn, AIS provides facilities and equipment to ensure that these schools run smoothly and offer the best learning experience to their students. For example, AIS has invested in the Text to Speech Engine (JAWS), which is able to produce sounds via a built-in computer. We have also invested in the PPA Tatip program (PPA), which is able to process text online and then read it out loud to the user. JAWS is programmed to work with English text, while PPA is programmed to work with Thai. AIS also receives assistance from the National Institute for the Blind for research and development purposes, such as the IP Phone: a type of technology that allows telephones to operate via an internet network.

Moving forward, we plan to open up an AIS Call Center for the Disabled in every area of the country, including centers that will allow mentally disabled persons to take up operational and customer service roles.



AIS offers family support with a documentary film:
 "THE DOWN. Being Normal is Too Easy"

THE DOWN is a documentary film created through cooperation between a day magazine and AIS. The movie presents the lives of people with Down syndrome (the genetic disorder trisomy) in a positive way, showing the power and capability of people with Down syndrome to inspire everybody. One of the actors is Ms. Kamonporn Wachiramorn, a member of staff at one of the AIS Call Centers.

We strongly believe in the power of faith, hope, love and inspiration, and through this film, we believe that we can make our society, and the world, a better place to live in. We have helped to produce "THE DOWN" to promote love, warmth and understanding among families, under the slogan of "Strong Thai Families, Strong Thailand," which is part of the "Samrak Support

for Families" project. AIS strongly believes that the family is the most important element in ensuring that all children are able to reach their potential and showcase their skills. When young people are given the opportunity to show their potential, we can rest assured that they will employ their skills to make Thailand a better place for us all, and create a stronger society for the future. We provided a free tickets for the member of the Rajanukul Institute and their family to watch "THE DOWN," for free both in Bangkok and upcountry theatres, and AIS customers were invited to donate to the Rajanukul Institute. Such charitable donations will be used for the development of new systems to help both mentally and physically disabled persons.



2.4 Sarnrak - Support for volunteers

We recognize that our employees possess the potential and love to contribute good deeds to their home towns. AIS therefore places the concept of CSR high up on our list of priorities, by building knowledge for staff development, raising awareness of CSR, and encouraging employees to take part in volunteer activities and public events. In order to effect sustainable and positive change in local communities, we have established the **"AIS Volunteer Project for Sustainable Development."** As part of this project, we invite staff to come together and pitch suggestions for future volunteering activities, and to request funding support. We also ensure that field trip activities are recorded as normal working hours for the employee(s), rather than a day of leave. (Further information on this topic can be found under the "Our People" section, page 67)

Promoting Children's rights

Because children are the driving force behind our country's future, we are dedicated to ensuring that their rights and dignity are both recognized

and upheld. This spirit of fair play helps to build confidence among our young people, and ensure that they grow up to be strong individuals who know their rights and duties as upstanding members of Thai society.

As a strong brand and as Thailand's leading telecommunications provider, AIS is aware of its duties and responsibilities in doing business in a way that not only upholds human rights, but also respects and upholds the rights of children. We believe that the rights of children are an integral part of universal human rights, both of which we strive to prioritize in all of our work. To take one example, the AIS Sarnrak Family Support Project, active for over 16 years, plays a role in upholding fundamental children's rights in accordance with the UN Convention on the Rights of the Child (CRC). These include, for example, the right to non-discrimination, the right to life, and the right to self-development, among others.



Last year, we went one step further, with our announcement of new plans to support the rights of children by adhering to the **Children's Rights and Business Principles (CRBP) project**. This project is headed by the Thaipat Institute with funding and support from UNICEF.

AIS strongly believes that our participation in the CRBP project will help raise awareness and build greater understanding of our business practices among the public. It will also help us to ensure that our development of new products and services is conducive to the rights of the child, not least because children form a large part of our customer base.



Mrs. Wilai Kiengpradoo
Senior Vice President - Public Relations

Being involved in community leadership work helps to broaden our business horizons. We know that local communities support the installation of base stations, for example, because they understand the importance of technology in facilitating communications and ultimately improving our quality of life. But there are still communities which have concerns about the safety of our base stations, especially when our base stations are located near to residential homes. As such, by building a shared understanding and engagement between AIS and local communities, we can help to allay the fears of local residents. We can demonstrate the excellence of our safety standards, and demonstrate that our base stations bring benefits not only in the form of improved communications, but also in many other ways too. It is important, therefore, and equally a challenge, for our team to formulate strategies and procedures by

which to turn doubt and negativity into feelings of optimism. For example, by installing streetlights powered by AIS base stations, we bring light into local communities, illuminate roads, and help to protect local residents from crime in formerly dangerous and dimly lit neighborhoods. To take another example, through our O So Mo Online app, which promotes public health volunteerism at the village level, we offer a quick, convenient, and more effective provision of health and public health services. These are just a few projects, among many others, that AIS is committed to in order to improve living standards for local communities.

When local communities value AIS and the work that we do, naturally it helps our business to develop and expand at a faster pace. It also confers a competitive advantage to AIS over our business rivals, and helps us to build quality [telecoms] networks through which we can use our experience to ensure maximum and lasting satisfaction for our customers, service users and local communities.

Our Customers

Best quality network with
98%
population coverage

Strengthen our network with
52,000
hotspots AIS WiFi

Providing special activities
and privileges for customers
in all dimensions with more than
12,000
privilege partners

AIS LIVE
360°
PRIVILEGES

Serving with various channels
of customer service

Bringing the new experience with
4G ADVANCED

20,000
AIS shops and
distribution channels

5,000
call center staffs

2.1 million
facebook followers



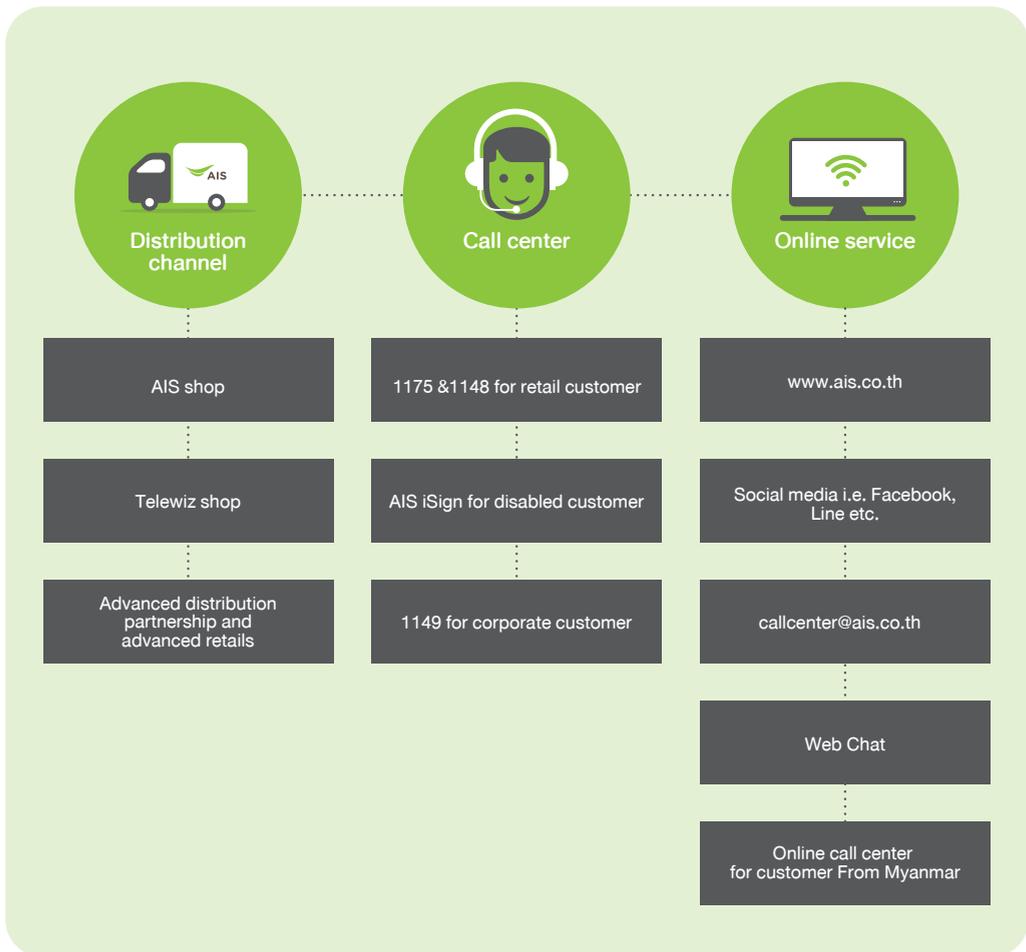
Our Customers

Our corporate vision is to lead and shape the multimedia communications market in Thailand and aspire to become the most admired digital life service provider. “We have always strived to provide the best nationwide mobile network covering 98% of the total population, enabling our customers to be always connected. Our commitment to innovating the products and services that answer our customers’ needs and

to delivering superior service standards as well as our constant adherence to transparent operations will instill trust and loyalty among our customer base.

Ensuring that customers get the best experience from day one

Because every AIS customer is important to our sustainable future, we strive to ensure that we deliver the best customer experience, right from day one.



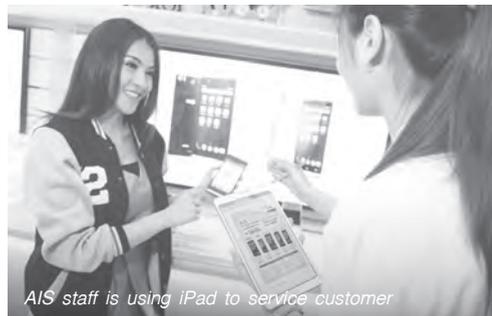
375
Digital Life
Gurus

5,000
Call Center
Staffs

Over the past 6-7 years, the number of social network users has been increasing sharply. AIS has found that a significant proportion of our 30 million customers spend a large amount of time on mobile Internet. To emphasize our leadership position in the area of digital life service, we are the very first operator in Thailand to have opened a social media-based call center under the banner of the "AIS call center social network". The success of this project is proven by our 2.1 million Facebook followers, the highest number of users compared with other operators in Thailand.

We have also taken steps to upgrade the channels we use to communicate with customers in accordance with our Digital Life strategy. In particular, the AIS Shop, Call Center, Online channels and other social media channels have been developed so that customers can access our products and services more easily. We have taken on more than 375 Digital Life Gurus at AIS Shops, who specialize in providing information and advice on smartphones, accessories and apps, as well as offering recommendations and assistance to customers. At our Call Centers, we employ more than 5,000 staffs offering comprehensive customer care. Among our online channels, we offer the AIS iSign service for disabled customers.

We have continued to invest in the development of our New Multimedia Tool: a system for crowdsourcing suggestions from customers, and a channel through which customers can report any service problems. Customers can send their comments to us via text or social media platforms such as Facebook, Twitter and e-mail. The comments are



AIS staff is using iPad to service customer

automatically forwarded to our staff so that they may respond to queries as swiftly as possible – typically in less than 30 minutes.

AIS Shops

The number of AIS Shops has now been expanded to 84 branches, and we have also launched two new AIS Flagship Stores at the EmQuartier and Central Plaza WestGate mall. In addition, we have also rolled out digitization to all AIS Shops throughout Thailand to build new dimensions of customer service as part of the drive toward a digital life:

- **Development of digitized process:** Staff members will use tablets to provide a mobile customer service (Service on Mobility). This will help to overcome restrictions which previously meant that customers could only be served at the counter. It also strengthens our relationship with customers through more personalized service.



AIS Digital Life Arena

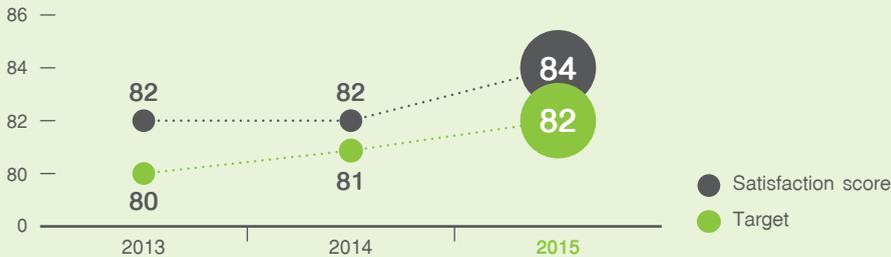
- **Creation of Digital Life Arena:** In line with our concept of Smart Health & Smart Home, we now allows customers to try out certain products before deciding to purchase.
- **Visual Merchandise Wall:** We have introduced the visual merchandise wall to stimulate interest in our product and service offers.

Apart from our own AIS Shops, we extend our customers reach through extensive local distribution channels at more than 24,000 locations nationwide. In 2016, we also plan to renovate our Telewiz partner stores, as part of a new strategy known as

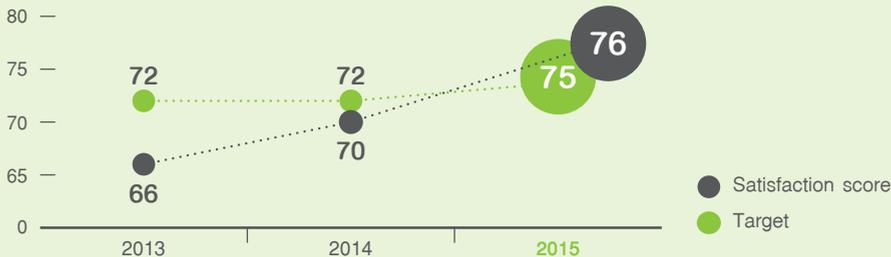
"AIS Shop By Partner" to uplift the service standard to the same level as at AIS Shops.

Additionally, we have introduced the Customer Satisfaction Index as a tool for customers to rate the service at AIS Shops and at those of our distribution partner, Telewiz. This customer satisfaction tool allows immediate feedback for our staff to respond. As a result, customer satisfaction has been consistently improving, reflecting our commitment to delivering the best service to our customers, and that customers recognize these efforts.

Customer satisfaction with service at AIS shop (%)



Customer satisfaction with services at Telewiz stores (%)



Procedure for receiving customer complaints and problem solving



AIS Call Centers

We are fully committed to providing customer service through a comprehensive range of platforms, to better communicate with our customers and record customer complaints. Customers are able to contact AIS through various channels, including by phone, by e-mail or via social media platforms such as Facebook, Line, Twitter, Instagram and the Pantip Web Board.

Our IVR system is designed to provide customized greetings to customers in order to enhance the customer experience with a personal touch. We have also created an interactive menu for various programs in the IVR system to be more convenient and more user-friendly, particularly for the important menus which customers most often require.

Professional Consultancy: Every AIS Call Center member of staff will be tasked with providing consultation and offering recommended services for the benefit of the customer.

One Call Resolution: In cases where a customer is experiencing problems with our services, our member of staff will handle the case under an end-to-end resolution procedure to ensure that the customer problem is resolved within one call. However, some complaints and suggestions from customers will need to be escalated to the related units

within AIS. The units can then review and resolve the issue or set in place the relevant procedures or measures that ensure our operational system actively responds or adapts to customers' needs.

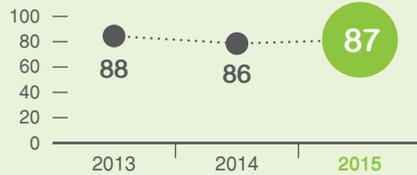
Service Level Agreement (SLA): We set up appropriate SLA to ensure the timely resolution of customer complaints, based on the complexity of each issue. Our Call Center staff are required to keep the customer informed as to the progress of the complaint resolution process via SMS or phone call until the case is resolved. The procedure is designed to ensure customer satisfaction and build the customer's trust that we take seriously any issue that is reported to our Call Center staff.

As part of our performance measurement and improvement process, all AIS Call Center staffs work to the target of achieving a rating of "excellent" on the customer satisfaction survey to ensure that we maintain the highest level of customer satisfaction. This is done through an automated survey system following each call which enables customers to record their level of satisfaction with the service they received. These scores are then collated and reported back respectively to each member of staff. This helps to improve the performance and further the improvement of our Call Center Service as part of our drive toward providing the best customer experience to our valued customers.



Because of our commitment to customer service and our attention paid to every customer, we have been awarded the title of **“The Best Social Media Program of the Year”**. This achievement was awarded to the AIS Call Center team, who have been recognized as providing the best social media-based customer service in Thailand. The team has also been awarded ISO certification from

Customer satisfaction with AIS Call Center services (%)

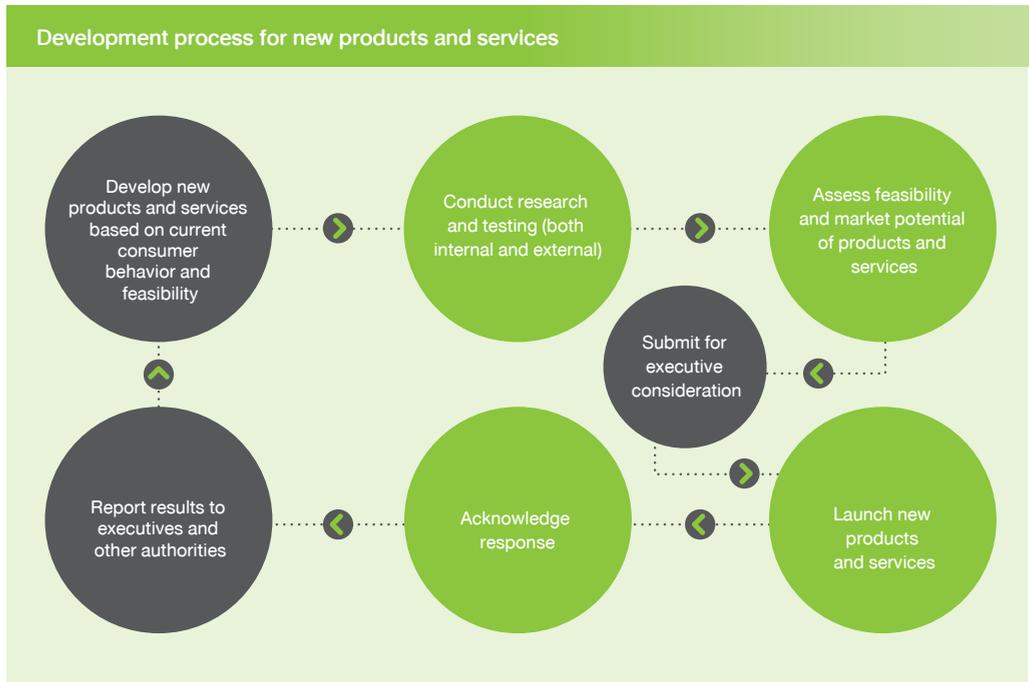


the Office of the Consumer Protection Board (OCPB) for its outstanding contribution to customer-business communications and complaint resolution. We are also recognized as the operator most dedicated to its customers and the most admired company by Socialbakers, the leading global provider of social media analytics tools and statistics for social media usage.



As part of our endeavor to be a Digital Life Service Provider, AIS has introduced new digital technologies at our Call Centers so that we can improve our customer services to be more cost effective as well as meeting the demands of customers who seek greater convenience and speed of service. In addition to making traditional calls to speak with our Call Center staff and automated IVR system, customers can now contact us via a mobile application and social media platforms. This increase in new communication channels between us and our customers helps improve the customer experience with a more effective and convenient service while also significantly reducing our Call Center personnel and operation costs, as well as ensuring our competitiveness in servicing customers.

As telecommunications technology is becoming increasingly efficient, consumers now have access to a wider range of technologies to fulfill their needs. This is an important development, as service providers must stay up-to-date with these changes and adapt their business models accordingly. This means developing products and services that can seize the opportunities created by gaps in the market as and when they arise, and maintaining a competitive advantage amid rising and constantly changing competition. We place a focus on studying consumer behavior, usage patterns, current and future trends, industry dynamics, and market analysis prior to the launch of any new products and services.



AIS conducts a comprehensive internal and external analysis of customer demands, whether they are based on topics such as lived experience, survey data gathered from target customer groups, rivalry with competitors, industry growth forecasts, or trends of consumer behavior. In 2015, our study and analysis of our customers' usage behavior enabled us to develop the following product and service innovations:



- **iSWOP package** is an innovative package for mobile handsets. Launched in 2015, iSwop marks the first time mobile phone service users have had the freedom to convert call credit into data credit, and vice versa, anytime, anywhere, and at the touch of a button. Customers no longer need to worry about when their call and net credits will expire, giving them better value for money than ever before.

- **SIM Safe Save** is a new generation of prepaid SIM cards, developed in the interests of safe customer travel. We joined forces with AXA Insurance to offer special privileges, accident insurance and free income compensation for customers who use SIM Safe Save with no extra insurance premium to pay.



So far, two customers have already made an insurance claim under the SIM Safe Save service.

- **A Partnership with "Tune insurance"** offers special flight accident coverage from Tune insurance, with a cover limit of Baht 300,000. Customers only need to apply for and use any AIS roaming package. This special offer is an extended service from SIM Safe Save for customers who need to travel abroad, allowing them to feel secure throughout their trip.

Upgrading our customer service strategy for the digital era

Last year, we upgraded our customer care strategy to be more reflective of the digital era, launching a project known as **"AIS LIVE 360° special services from every angle"**. AIS Live 360° is designed to offer comprehensive customer care, and is well suited to the lifestyle of the modern consumer. Such consumers are continuously in search of special offers, new conveniences and extra fun. Through AIS Live 360°, we partner with more than 12,000 discount stores where customers can pick and choose on special offers, or use AIS Points to receive discounts on handsets, internet charges, and more.

This campaign received the **"Innovative Mobile Digital Lifestyle Campaign Award"** from the Asia Pacific Customer Service Consortium (APCSC), a prize which is awarded to a new campaign that displays outstanding innovation in responding to customer service and customer care demands in the digital era.

Not only has AIS provided the best customer experience, but we have also tackled customer concerns regarding Internet over-usage. One particular problem that our customers often used to encounter is accidental internet over-usage, or "bill shock", which usually occurred when they traveled abroad and then continued to call home and use social media from outside of Thailand. Previously, in cases such as these, the customer would just have to accept his or her extra charges. In order to protect customers and prevent accidentally-accrued excess charges, AIS created a new SMS alert service to warn customers in advance whenever they travel abroad, when they are nearing the end of a promotion,

ท่องเที่ยวทั่วโลก ไร้กังวล
ด้วยบริการ AIS No Worry Data Roaming



บริการใหม่! AIS No Worry Data Roaming ช่วยดูแลคุณตลอดการใช้งาน Data ในต่างประเทศ

or when their current package is nearly expired, in order to prevent the customer from being charged for unintended service usage. In addition, the **“AIS No Worry Data Roaming”** service, which was launched in 2013, allows customers to control costs with greater transparency, and protect against accidental Internet usage abroad. AIS No Worry Data Roaming automatically stops using data when it connects to a signal that falls beyond the terms of the customer’s current package.

Our development of new services does not stop there. In 2015, AIS created Pre-Roaming Alert for our customers who frequently travel abroad. When the customer arrives at immigration, our system will send an SMS to the customer within 30 minutes of his or her arrival, reminding the customer to apply for a roaming package or, if the customer does not require roaming Internet, to simply switch off all web services while abroad. This service is part of our Educate project to alert customers in advance of their travel. It also demonstrates the importance of a well-timed warning system, which for AIS is known as Right Time, Right Person.

Customer care plan for those who apply for a roaming package



Before travelling

- “Educate”
- Teach customers about their mobile phone usage abroad and what packages are available

While considering

- “Fit Different Needs”
- Offer appropriate package to suit the customer’s needs
 - Set a time schedule in advance for maximum efficiency

Departure day

- “Remind & Alert”
- Send SMS to inform customer of package details, top - up instructions, and precautions when arriving at airport

First use of handset abroad

- “Instant Advice”
- Automated SMS informs customer that service use has begun (SMS is sent immediately when customer activates roaming service for the first time)

While abroad

- “Remind & Protect”
- Inform customer that he/she will not be charged extra for unintentionally using a service or network outside of his package
 - Alert customer when package is almost expired

If service use seems abnormally high

- “Proactive Assistance”
- Limit service access if customer’s service use is exceeding his/her available funds
 - Send warning via SMS and offer customer a more suitable package

Travel home with peace of mind

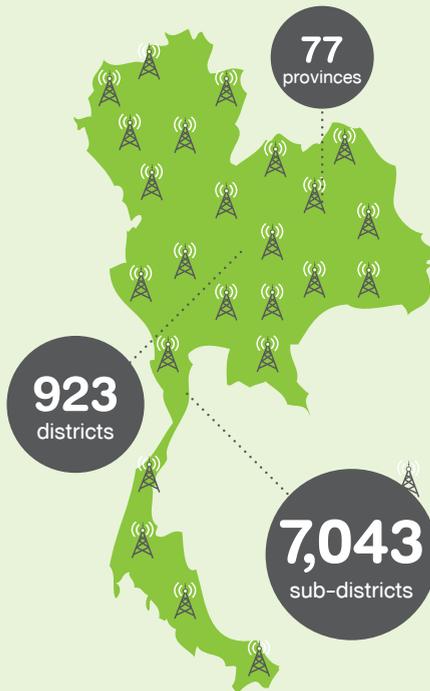
- “Worry Free”
- Check final cost of customer package and compare with original package price, so that customer can be confident that he has not been charged extra for unintentional service use

In addition, customers can dial * 129 to disable the service temporarily without having to call the call center.

A quality network, an AIS network

In 2015, AWN, our subsidiary, was able to expand its nationwide 3G services with extra rural reach via the 2100MHz frequency band. Thailand has an official landmass of 516,966km². Despite the challenges of this size, with around 27,200 base stations, our 3G services were able to reach more than 98% of Thailand's total population, covering 77 provinces, 923 districts and at least 7,043 sub-districts.

AIS Network Coverage



We recently obtained a license from the NBCT to operate on the 1800MHz frequency, and used this band to accelerate the introduction of 4G services through LTE (Long -Term Evolution) technology. In January 2016, we launched 4G services in 42 provinces. We aim to cover all 77 provinces by mid-year and extend service coverage out to 18,000 base stations by year end 2016.

In addition, We continue to develop and expand our telecom network to remote areas, many of which still do not yet have electricity. For example, in Chiang Mai province, we have successfully installed green base stations, which generate their electricity by solar cells, at Doi Mae Jok, Doi Mae Sa, and Doi Pa Piang. We also installed one more green base station in Surat Thani at Khuen Ratchprapha Park. Lastly, we also expanded our green base stations at Doi Mae Yod and Pang Kham View.



Aiming to provide quality and reliable Internet connectivity to the Thai population, AIS has expanded our business into Fixed Broadband services.

We are Thailand's first telecom service provider to offer a pure fibre-optic network with download speeds of up to 1 Gbps. In 2014, AIS Fixed Broadband was able to achieve 1.7 million homepasses; and in 2016, we plan to extend the service to cover 6.5 million homepasses.



In order for AIS to offer a continuous, quality network service, we have introduced an information monitoring and analysis system via our Network & Service Operation Center's (NSOC) 24-hour service. In addition, we have also created the Centralized Fault

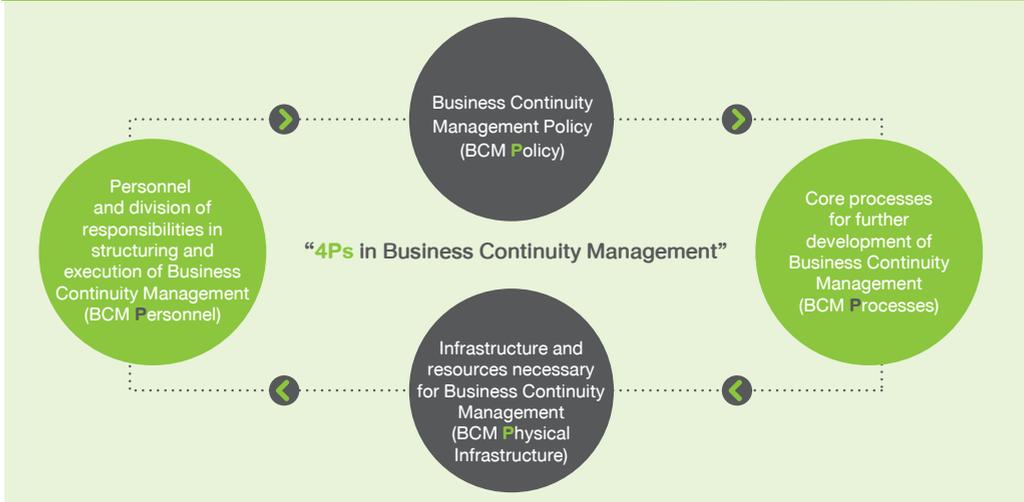
Management System (CFMS), Performance Management System (PMS), and Trouble Ticket System (TTS) to help coordinate customer care and maintain an equitable and effective distribution of customer care across the country.



For the development and improvement of our network service, we have established the AIS Activity Control Management (ACTM) system to minimize the impact of network faults in the provision of services to customers. All

service activity is subject to a systematic assessment of risk and analysis of impact on customers. This includes contingency plans for crashes that occur during or after changes in service activity. We also have a framework and Business Continuity Plan for responding to emergency situations. By adopting these plans and rehearsing these contingencies every year, we can ensure security and confidence during times of crisis or in emergency situations, so that our customers will still be able to contact one another as normal.

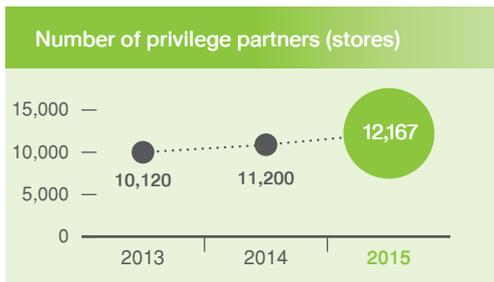
The AIS Business Continuity Framework





Taking care of our customers at every step

Last year, we pressed ahead with upgrades to our customer care strategy, to better reflect the demands of the digital era. We launched the "AIS LIVE 360° special services from every angle" project to look after every aspect of customer care in accordance with the fast-paced lifestyle of the modern age. This means a focus on personalization, convenience, enthusiasm, and fun. We have five key strategies serving five aspects of customer care, with more than 12,000 partner stores. Thanks to AIS Live 360°, not only can our customers get the best customer care experience available, but our partner stores also increased their sales revenues by an average of 10% - 20%.



Ensuring the safety of customers' personal information

The rapid change of technology and the growth of online communities encourages extended transactions via mobile devices. This represents an opportunity for us to capitalize on the mobile financial services market. Even though this market is still limited, it is nonetheless a growing source of online revenue for certain business sectors. In 2015, the total value of online business conducted via AIS mPAY was Baht 21,242 million, an increase from Baht 17,271 million in 2014. This demonstrates that our customers are growing more trusting of AIS's network security, and more confident of using mobile financial services. At the same time, as customers' personal information is much more easily shared by customers, both voluntarily and non-voluntarily, this means that online business must implement standards and measures for the protection of sensitive information, taking into account the potential risks and damages from misuse of information.

Policy applied to staff at all levels

We have in place policy, processes and practices for protecting customers' personal information. Our information and technology security policy applies to staff at all levels and is aimed at ensuring the maximal security of our computer and information systems.

Our approach to managing the security of our customers' personal information begins with honoring our responsibilities toward those customers, as outlined in our Corporate Governance Policy and our Business Ethics Policy. For operational practice, we launched the "Information and IT Security Regulation" which is overseen by the Information & Technology Committee, comprised of senior executives from related business divisions. In 2015, AIS was awarded certification for Information Security Management (ISO 27001) at our data centers. This represents a significant milestone for AIS's security systems with regard to meeting international standards, increasing our competitiveness and growing our customers' trust.



Ms. Booskorn Tanasomboonkit
Vice President - Information Security

In this era of our growing digital economy, we face challenges such as greater access to information and the limitless expansion of the online world. For AIS, therefore, as a service provider which relies on information to sustain our business, it is vital that we meet our customers' expectations with regard to privacy. At AIS, we are aware of the importance of customer privacy, and we are committed to the proper handling of all of our customers' personal information. We prioritize safety and security in its handling of customers' personal information, and we are dedicated to protecting the sensitive information which we store on behalf of our customers. We have in place working procedures which allow us to reach our performance targets and to continuously improve the quality of our customer service. In all of our information processing procedures and systems, and among related personnel, we recognize the importance of building trust in the way that we handle our customers' personal information. The same also applies to our suppliers and other intermediaries. Our customers can therefore be confident that, here at AIS, we ensure that their privacy is protected as firmly as possible.

At present, AIS is also in the process of establishing a "personal information protection policy" in accordance with regulatory mandates outlined by the NBTC and other related government agencies. The policy objective is to ensure that we have clear operational guidelines in place with regard to information access and use of information. The scope of our draft policy includes discussion on key customer privacy issues, such as time limitations on the storage of data and informing customers before collecting their personal information. In addition, the policy's mandates apply specifically to all levels of staff, suppliers, partners and contractors.

Building knowledge and raising awareness on IT security

We have organized training for our staff in order to enhance their knowledge of IT security systems, customer personal information security, and related international standards at the levels of User, System Administrator and Developer. For example, we are training our system developers in accordance with safe software standards (SSDLC); and raising awareness of Data Privacy Protection among employees whose duties involve handling personal information, including rights issues with regard to accessing customers' personal information. We have also arranged for staff certifications on topics related to administrative management, such as CISM, CISSP, GPEN, CEH, SEC+, CCNA, CCNP, CCDA, ISO/IEC 27001 Lead Auditor, ISO/IEC 27001, Lead implementer, etc.

In addition, we require all employees to study and pass the examination on "handling and protecting customer's personal information". In 2015, all AIS staffs were able to pass the test.

For customer data security, we deploy the following practices for online transactions and access:

- A One Time Password (OTP) is required when accessing personal data upon using services and purchasing products online;
- Customers are required to use their national ID to verify their identity when performing transactions;

- Access policies and procedures are in place that mandate both internal and external accessibility to different IT systems, operational data and personal information;
- Ongoing awareness programs advise customers to take privacy precautions;
- Structuring of data privacy levels ensures efficient management and operation.

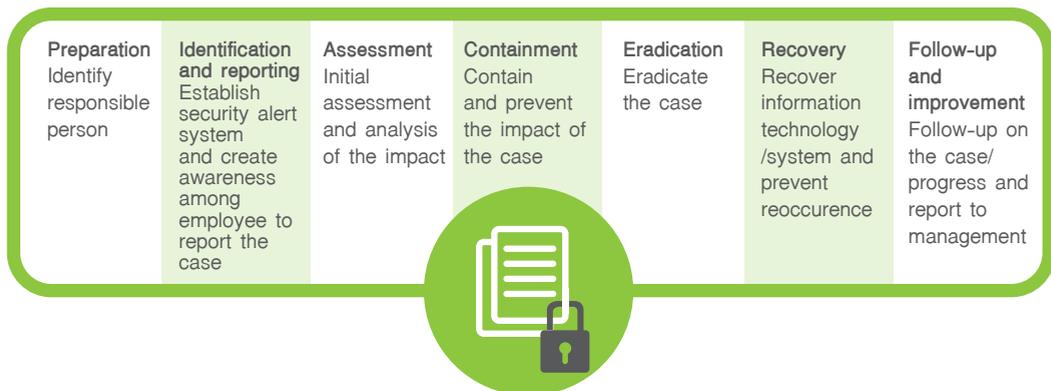
Customers may report or file complaints on data privacy through our call center. Additionally, we have a Complaint Management Center to handle complaints from state agencies such as NBTC and OCPB as well as from our executives.



Processes for effective supervision

- **Organization Management:** We have in place a structure of governance that takes full responsibility and authority for protecting the security of customers' personal information. This involves the establishment of an Information and IT Security Committee, which is comprised of senior executives from related business divisions and is responsible for overseeing policy implementation, while a specialist unit is also dedicated to information security.
- **Risk Management:** We prioritize IT risk management within the framework of AIS's wider risk management structure. Risks that we encounter are dealt with by order of significance and in accordance with our business strategies.
- **Security Assessment:** We arrange for a computer and information system safety assessment in order to ensure that the Company is acting in accordance with our internal rules of access to these systems. We also invite external agencies to conduct security assessments, in order to ensure that the assessments are independent and not affected by internal biases.
- **Incident Management:** We have in place a system for managing incidents in which AIS's security policies are suspected of having been violated.

Security incident management procedure



Number of complaints received in relation to violations of customer privacy			
Detail	2013	2014	2015
Number of customer privacy complaints raised	248	412	271
Number of actual violations of customer privacy after case investigation	0	0	0

*Note: The figure for 2014 represents only customer complaints, while the figure for 2015 has been adapted to show only privacy complaints that have now been fully investigated.

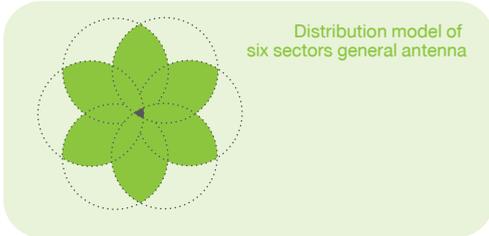
Developing product and service innovations to help you Live Digital, Live More

One of the key developments of economic growth is the evolution of technologies with the ability to enhance communications and create new opportunities for product and service innovations. At the same time, the abundance and availability of these new technologies in the market also leads to the emergence of new competition. To differentiate ourselves and build a competitive advantage, we believe in creating innovation within the organization through our own people and our internal expertise. This strategy will support us to move forward, consolidate our lead and remain ahead of our competitors.

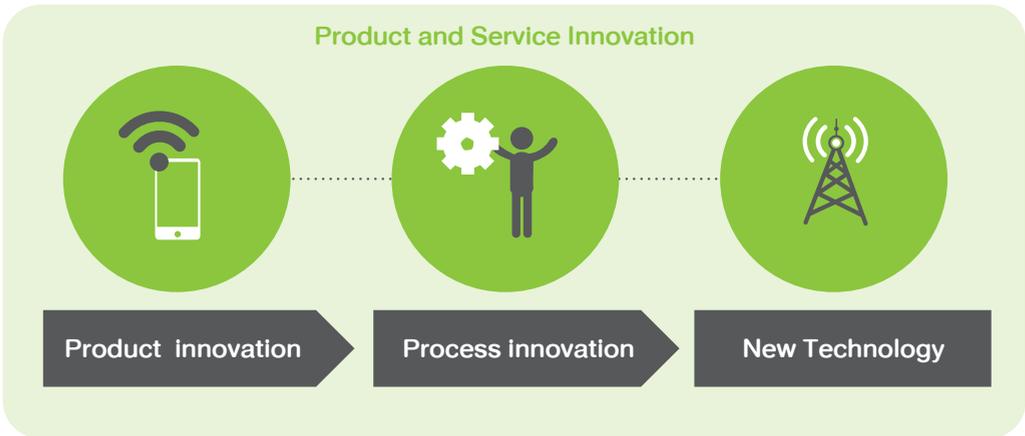
AIS actively encourages the creation and production of new innovations, which we believe to be a vital part of driving our company forward. Our company culture also plays a role in this, with creative innovation representing one of our key performance indicators, as outlined in the Corporate Balanced Scorecard. We have divided our process for building innovation into three strategic areas: **1) Product and service innovation**, which aims to create new sources of company revenue by tapping

into both existing markets and emerging markets; **2) Process innovation:** to improve our delivery of services - no matter which area of business; to increase the effectiveness of our services; and, in particular cases, to meet a demand for new services which arises from product and service innovation; and **3) New technology:** conceived and developed by AIS to promote or replace existing technology, thus enabling us to optimize the efficiency of our services and move forward ahead of our rivals.

One example of an innovation that has been created as a result of our own strength and planning is a project undertaken in order to overcome frequency limitations and provide services to over 38 million customers. Developed in conjunction with Huawei, one of our business partners, the project is aimed at increasing bandwidth without having to increase our frequencies or base stations. As part of this project, we have created a new frequency innovation known as the "3G 2100MHz 6-sector." Normally, one base station carries only three antennae, a system which is also known as 3-sector. Each of these sectors utilizes its own bandwidth. Therefore, to increase the bandwidth, more antennas are installed and engineering configuration is applied. The 6-sector innovation effectively doubles the network capacity and allows us to handle a tremendous amount of service data,



without having to increase our frequency or number of base stations. This means that we can operate more efficiently, and it has helped us to save on base station installation costs, which in 2015 amounted to Baht 5,100 million. In addition to Huawei, many more service providers have joined forces to become part of the Singtel network, which has also led to further innovation. Likewise, Huawei has benefited from this partnership by taking these innovations and offering them to Huawei customers in other regions.



In addition, we have installed Small Cell technology, also known as mini base stations, in areas where service use is highly concentrated, such as markets, condominiums and central business districts. This allows our customers to enjoy continuous service access, and will also help us to lessen the visual impact of our base stations near tourist hotspots and residential areas.

The achievement was reflected by an increasing customer engagement

We are committed to measuring our levels of Customer Engagement (CE). This is a key component of our company strategy, and for this purpose, we have created key performance indicators and targets. In our annual CE surveys, we base our investigation around five key criteria:

- Brand royalty
- Brand trustworthiness
- Feeling that AIS treats its customers fairly
- Pride in brand
- Love of the brand

Last year, the level of CE at AIS was higher than at other service providers. It has been proved that our trust among customers has been accepted continuously.



AIS SEVP-Operation and Prof. Bundhit Eua-Arporn of Chulalongkorn joined hand for the new era in cooperation of Big Data analysis.

“AIS joins forces with the Faculty of Engineering, Chulalongkorn University, a new partnership for research and development into analysis systems and Big Data collection systems, aimed at improving the quality of our services.”

At present, AIS has over 37.8 million service users, with this number set to keep on rising according to current trends. This makes us the Company with the largest customer base in all of Thailand. We will continue to study the demands of service users in every group and every category in order to best understand the experience of our customers, wherever they may be, or whichever service they may use. We will also continue to launch campaigns and marketing promotions and offer special privileges to our customers in order to best meet the demands and changing lifestyle of all of our service users. Suffice it to say, that in this rapidly changing and complex world that we live in, we have an enormous challenge ahead of us.

Source: Hoon Inside (9 December 2015)

Our Partners

0% fatality rate from a safety organizational culture as well as human right awareness

AIS sustainable supply chain

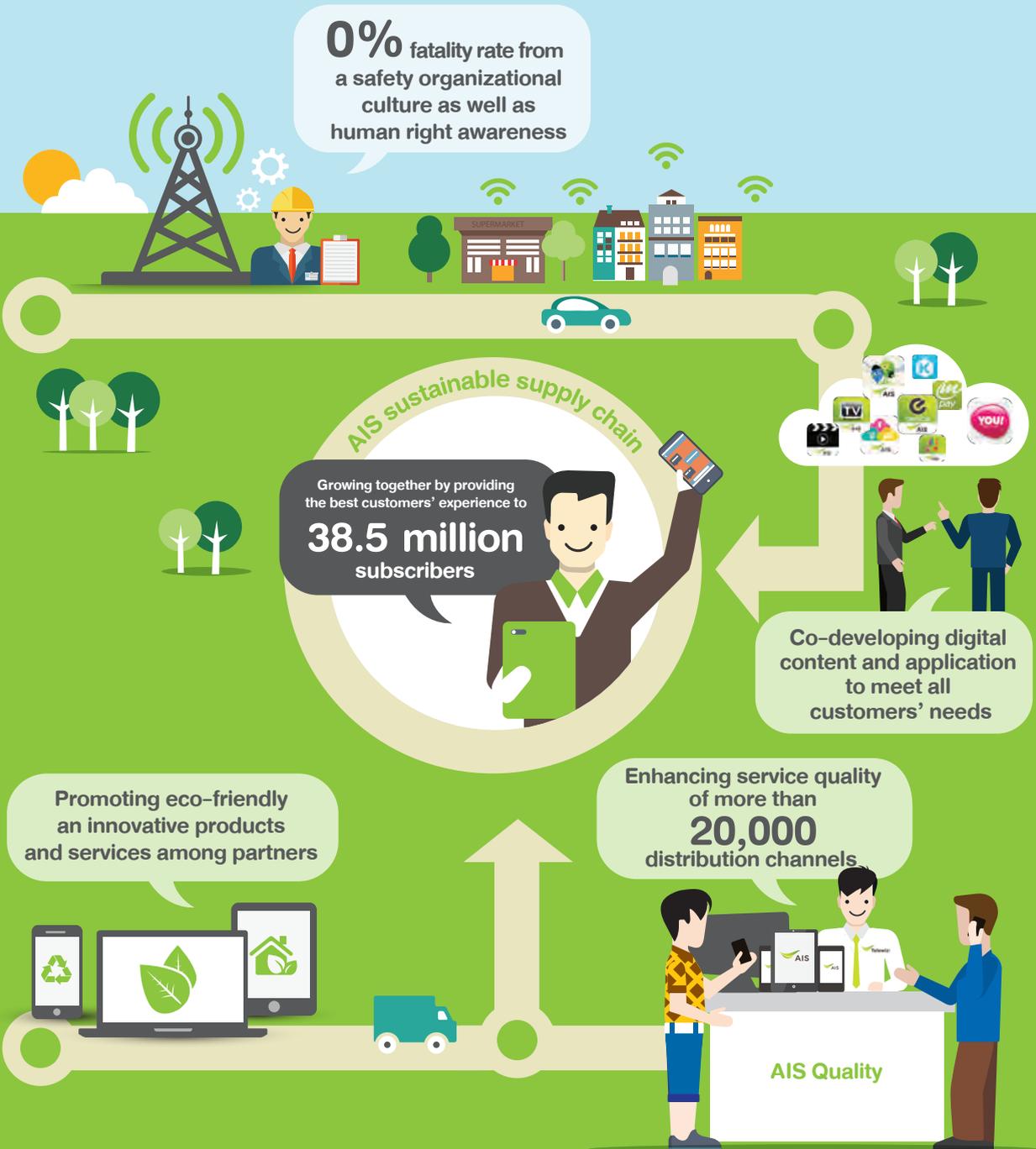
Growing together by providing the best customers' experience to **38.5 million** subscribers

Co-developing digital content and application to meet all customers' needs

Promoting eco-friendly an innovative products and services among partners

Enhancing service quality of more than **20,000** distribution channels

AIS Quality



Our Partners



In today's highly competitive market, creating customer satisfaction and long-term trust begins right from the very first stage of the buying process with useful sales advice and continues after the purchase through high-quality after-sale services. Therefore, cultivating a strong network of professional business partners is essential for us to create business sustainability and long-term growth. To this end, we collaborate closely with our allies by exchanging knowledge and experiences as well as brainstorming new ideas to create the innovations that will differentiate AIS from our competitors and ultimately deliver customer satisfaction.

Ensuring customers' best experience

Every one of our partners along the value chain is a touch point with our customers and a co-provider of the quality products and services that we deliver to our customers. In selecting our business partners, we have established a clear procedure and criteria that place emphasis on business potential and transparency as well as the ability to deliver quality products and services to our customers. Furthermore, our partners must not violate human rights such as child labor, forced labor, or any form of illegal labor, and shall conduct their business with ethics. Ethical business practice is one of the key elements in our agreement with all of our partners.

Before a prospective partner enters into a business relationship with AIS, we set a clear business outline for each type of partner. For example, we provide any partners who are given the right to operate a Telewiz shop with a Telewiz operational manual and support them with various activities and measures to help them understand their roles and responsibilities. This includes training them on how to operate a shop, manage their human resources, and evaluate performance, as well as introducing them to best practices on matters such as workplace hygiene and safety. The aim of this support and training is to ensure that all Telewiz shops share the same standards nationwide, project a positive image of the brand, continue to improve the quality of Telewiz, deliver satisfaction to their customers, and promote cleanliness and safety for their shop and staff.

In addition, we have been uplifting the operational standard of our partners in the areas of knowledge improvement, competitive edge and business direction in parallel with our organizational culture. This will lead to better understanding and sustainable development for our partners as well as empowering them to move forward with us in the face of high-competitiveness and fast-changing technology market conditions.



Developing and enhancing our partners' business

We are committed to ensuring that representative sales stores under the AIS brand deliver a consistent level of quality services. In order to ensure that we provide fast and complete services to our customers, we also plan to increase the number of branches under the AIS brand. To this end, we have created opportunities for new high-potential partners to join the AIS Shop management initiative with the aim of developing their ability to deliver the AIS standards in sales and service quality. Through this initiative, we are better able to maintain our position as a leader in telecommunication services and ensure that our customers always receive the best customer experience. Another partner development initiative is the "Telewiz Uplift" program aimed at developing partners already managing Telewiz shops. With a focus on enhancing Telewiz Shop management standards in the areas of sales and services, the program aims to prepare Telewiz shops to be developed into AIS Shops in the future. With regard to AIS Shop branches, our group of partners consisted of 10 branches in 2015 and it is planned to increase this number to 82 branches in 2016.

Recognizing the importance of maintaining high standards in the performance of our partners, we have also established a set of principles for quality measurement called "Service Quality for Telewiz (SQT)" in order to develop the quality of sales and service in Telewiz Shops. We are also currently revising the criteria to better correspond with ongoing market contexts on a quarterly basis.

We will, however, inform the shop in written form in advance of any such changes. Last year, the SQT results for the evaluation of Telewiz Shops found that Telewiz Shops passed SQT standards at a rate that has increased from an average of 81 monthly points to 90 points. Our aim now is to develop Telewiz shops to the same standards as AIS Shops.

Policies for fair and appropriate profit sharing

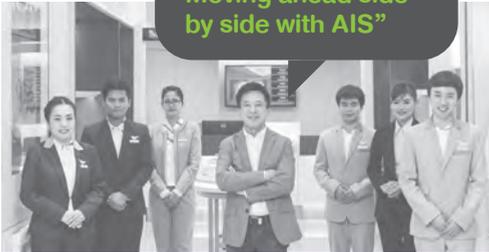
We have set up concrete profit-sharing policies for partners in each type of business. By establishing a profit sharing model that is competitive when compared against the industry benchmark, we are able to attract high-potential partners and retain existing partners. This policy is always communicated to partners before contracts are signed or business is conducted together.

Developing communication channels

In our continuous efforts to facilitate understanding and deliver maximum benefits to our partners, we have applied new technologies and developed new communication channels. As the receiving and sending of information and news now takes place through a variety of channels and in diverse forms, we constantly strive to develop the solutions that respond to consumers' needs and fulfill our vision of being a full digital life service provider. We have developed the following communication channels for our partners, customers and employees:

- **Partners:** Communication channels which are fast, easy to use and always on. To enhance our partners' competitive potential, we developed the AIS Channel Magazine application as a fast and efficient communication channel for keeping them up-to-date with the latest marketing information on sales and promotions. In addition, we also communicate via SMS, MMS and online channels to provide a complete 360-degree model covering the needs of all partner groups. In addition, partners can also contact us through the Channel Contact Center if they need to report any problems.

“Committed to the development of potential, Moving ahead side by side with AIS”



Mr. Adisak Sukhumwithaya
Authorized AIS Shop,
Jaymart Public Company Limited

I have been doing business with AIS for a long time. In all the time that has passed, the AIS management team has demonstrated professional business management and adherence to an organizational culture with more clarity than others. I will be happy and willing to take up the business opportunities for which AIS gives me its trust without hesitation and will work on these opportunities professionally to achieve the best results.

I am very proud that I have been chosen and given the right to run an AIS Shop. I must thank AIS for having created opportunities for partners so that they can show their potential in driving a business. I see this as a far-sighted vision of AIS which goes beyond that of competitors. And this can also be seen as a very challenging role, where you need to prove your professional business skills as we have competitors in this market who compete fiercely in this arena. However, I am confident that AIS can remain number 1 in the market because in the past, AIS has already demonstrated to me that it is better able than others to develop new products, services and technologies in many different forms in response to the changing needs of customers. It also creates opportunities for trade to grow sustainably with partners. I am confident and firmly believe in the business administration of AIS and I am happy to offer quality products and services to our customers with full efficiency so that they get the best.

The mutual relationship that we have is not merely one of business trade partners but we have become close friends as well. We cooperate very well with each other. AIS has shown its firm determination to develop its partners in terms of organization, products and services and to care for and develop the potential of partners in a really professional manner. I appreciate that AIS manages and performs its business above ordinary standards. This is evident from the various awards that AIS has won. These can be seen as rewards for the pride they take in their business and are clear proof of the strengths of AIS.

- **Customers:** Interactive websites for customers. Communication with clients is also important to us. As such, plans are currently being made for the creation of an interactive website to serve as a sales channel. This will enable customers to find information on our partners and implement transactions via an online system, further increasing our partners' business opportunities.
- **Employees:** Channels that develop the potential of our sales staffs. There is no denying that technology plays an important role in communication during the digital age. However, we still consider AIS employees to be the most important factor in ensuring that information and news is forwarded to our partners. It is, therefore, our policy to provide knowledge training on our products and services and organize various activities aimed at developing employees' communication skills so that information is always shared with partners in an accurate, prompt and efficient manner.



Strengthening our partners with knowledge

We support our partners in developing the skills and capabilities of their employees in an appropriate way. For Telewiz employees, classroom courses on topics such as stress training has also been supplemented by E-learning since 2015. Our channel service support team also provides in-store coaching and personal teaching every month so that Telewiz employees enjoy the same development opportunities as AIS employees. The potential

of our distribution representatives is developed through support from our account executives staff, the channel service support team, and communications via a website specifically set up for distributors. In 2014 – 2015 we added the Young Telewiz Management Program (YTMP) to prepare the heirs of Telewiz partners to become the new generation of managers (The 2nd Generation). The program is organized as a continuous curriculum over 2 years. In year 1, the content covers the structure and form of the business and the fundamental working practices of AIS. This includes marketing and products, customer service, accounting and finance, technology and IT as well as HR management. Year 2 focuses on deeper and more advanced aspects of financial administration and organisational administration so that the next generation of Telewiz managers are encouraged to feel that they are a part of the AIS management team. This also ensures that the administration of distribution channels can be carried out with the highest efficiency.

“A business management policy using both head & heart in working with partners”



Dararat Wichitsophaphan,
Authorized Telewiz Shop Partner
Mahanakorn Communication Co., Ltd., Bangkok

Over the entire period of more than 20 years that have passed in my position as an authorized Telewiz partner, I never thought about leaving AIS. I have remained loyal because I like the basic working policy of AIS, which uses both the head and heart in its cooperation with partners, mixing eastern and western ways of working. AIS does not only aim for business profits but also maintains friendships and cares for its trade partners so that they grow their business to be strong, stable and sustainable. Our customers can use quality products and services with full efficiency, gain the highest profits, and return the benefits to Thai society, as well.

“I feel very proud because the signboard in front of my store has the shape of a smile which is the symbol of AIS. When customers see it they also smile with confidence in the quality of our products and services. As for all the new products and services that AIS has developed and given to the Telewiz shop for us to pass on to our customers, I really dare to say that I strongly believe they are the best because in all the time that has passed, what I’ve experienced is that AIS considers consumers to be very important and takes a high responsibility for providing what they need. AIS also won’t let franchise entrepreneurs like me shoulder all the responsibility by themselves or let them feel stressed when providing services to our customers.

AIS is like a part of me and I feel as if we just cannot be without each other. I also never thought that I should turn anywhere else, I just thought that I wanted a little shop to grow bigger, for example to grow it from a Telewiz shop into a Telewiz Plus shop and then to develop it further into an AIS Shop. For every opportunity that AIS offers me, I won’t hesitate to take it up. Even if the way in front of us is not sprinkled with rose petals, I am happy and ready to proceed side by side with AIS in all circumstances.”

"I firmly believe this is the strongest brand and I'm ready to grow with it"



Nutsara Bunphrom
Authorized AIS Buddy, Lat Lum Kaeo Branch, Pathum Thani Province

"When AIS first suggested doing business together under the name AIS Buddy, I was quite worried about whether I could do it well because the AIS Buddy stores have many different services so I had to learn about working in sales, services and different systems. However, I decided to try it out because I already trusted the brand and in the end I could feel that it was the right decision. Now, I am proud that I cooperate in the business with AIS through an AIS Buddy store. AIS offers training and work coaching and continuously promotes Buddy stores through various channels so that customers come in to use our service. What the clients like is that we are close to where they live, that we offer extensive services, and that they can enjoy more convenience. As a result, the turnover of the store has increased in all areas, in SIM devices and through various promotional campaigns.

I firmly trust in the AIS name and believe that it is the number one mobile phone network in Thailand so I can be sure that the products and services of AIS can increase the income of the store. It just needs the AIS brand and customers will walk in and use the services. You almost don't need to put things on offer for sale. AIS has products and services that fully support the needs of customers, which helps the store to operate its business without any difficulty."

Establishing annual dealer satisfaction surveys

We organize annual dealer satisfaction surveys for partners from all groups: Telewiz shops, Advanced distribution partners (ADP), and Advanced retail shops (ARS). The main purpose of the surveys is to use the information gathered to enhance customer satisfaction and support the dealers to achieve sustainable business growth.



Supporting fair competition and non-dependency on one partner

We have always maintained a policy of free and fair business competition. As such, we do not, by any means, seek or obtain competitors' information through unlawful or unethical practice. This is part of our Business Ethics Policy, which is enforced and applied throughout the organization and among all entities within the AIS Group. Furthermore, it is also a key component of our purchasing procedure that we do not conduct business with operators who engage in bribery or operate in collusion with other bidders. This covers joint agreements between us and either private sector or government institutions on the setting of tender prices, obstructions in trade, monopolization, and market dumping. We are committed to demonstrating that we are honest and transparent in our business operations with all partners and dedicated to being a good corporate citizen within our society.

Supporting the development of new innovations for products and services in the digital field so that customers can Live Digital, Live More

Under the vision of AIS to be a sustainable content business, it is imperative that the roles of all business partners are clearly defined. This applies to cooperation both with companies operating in Thailand, such as GMM Grammy, CTH, RS, Mono, Samart, as well as with international firms, such as Google and Microsoft. In addition to our partnerships with established corporations, we are also actively engaging in seeking out new tech startups whose innovative products and services can complement our own products in serving the market. In return for supporting these startups PR and marketing services, we are able to offer our customers a wider range of innovative products that support them to Live Digital, Live More.

We support and cooperate on the creation and development of applications in a wide variety of fields, for example with the electronic book business through AIS Bookstore, the development of online administration systems, and educational application services, such as AIS U-Academy.

We focus on 5 key areas of digital services:

- Video content delivered through application services on mobile phones and the AIS PLAYBOX on the AIS Fibre network
- Games on mobile
- E-Money services
- Business Cloud services
- M2M (Machine to Machine) services



AIS, led by CEO, Mr. Somchai Lertsutiwong, organized the “Go Digital, Grow Together” event to join forces with partners for the creation of new business opportunities with the aim of moving forward and growing together. He also expressed his gratitude for their collaboration and for providing the best products and services that enable customers to live their lives in the digital age as they needed and with a full digital experience.

Understanding the responsibility of being the leading mobile telecommunication service provider in Thailand, we have been promoting the growth of startups since 2011. During the 5 years since the “AIS The Startups” project was launched, over 1,000 projects have been submitted by startup entrepreneurs. In 2015, the new application services developed by startups and marketed by us to our customers included StockRadars, an





application which provides stock analysis services; Local alike, a service supporting sustainable tourism; and Noonswoon, a professional matchmaking service. In December 2015, two tech startups supported by us also achieved further recognition in a regional contest for startup entrepreneurs. First place and runner-up prizes went to AIS The Startups 2015 teams for their Flow Account and Social Giver applications. The Social Giver team went on to become overall winner of the “Singtel Group-Samsung Regional Mobile App Challenge,” a competition organized in cooperation between the Singtel Group and Samsung to find the top digital solutions and applications in the region.

The Flow Account team has since been contacted by companies in the Singtel Group to explore possibilities for marketing the service in their countries. These collaborations between AIS and tech startups represent a means of creating sustainability in common business operations.

In order to provide a range of services that cover a variety of sectors, we collaborate with partners who provide content services and those who develop applications. Working together, we analyze the market and develop research plans. From this, we then brainstorm ideas and develop the new types of services and content that directly respond to consumers’ current and future needs. Investments have also been made to raise the standards of our service equipment so that it corresponds to the new types of services being offered. Examples of this include the development of the Video Platform and

the Calling Melody Platform system. Presently more than 3 million people use the Calling Melody service. Working with our partners in this way constitutes a strong cooperation that goes beyond ordinary business partnerships.

Looking ahead, AIS foresees further changes in the ways our customers access content due to the increasing popularity of smartphones. With SMS in entertainment becoming less popular, we have been cooperating with our partner companies to develop new smartphone-friendly services and applications that will create new experiences for our customers while also supporting the growth of our partners’ businesses.

We alone cannot provide all the new ideas and innovations required to develop the services that will transform us into a digital life service provider. To achieve this, we need a strong eco-system built on close cooperation with high-potential partners.



Singtel Group-Samsung Regional Mobile App Challenge

Our People

Supporting equal job opportunity for
78 disabled
call center agents in 2015



73 training hours
on digital transformation
to prepare our people
for sustainable success



Best Employer
Thailand for
3 consecutive
years



from Aon Hewitt
and Sasin of Chulalongkorn



Cultivate social conscience with
15,216 hours
of 39 volunteer projects
to return to society

Our People

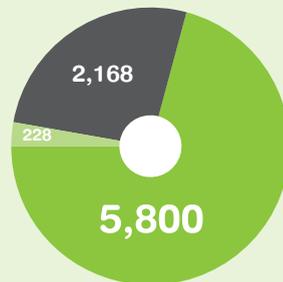


“People are our most valuable resource. By delivering the service excellence and innovations that enhance the quality of life of our customers, they drive AIS to be an industry leader and enable us to develop the Thai telecommunication industry.”

AIS believes that our 11,885 employees represent a valuable resource and driver for success in the digital era. Our people create new innovations through their brainstorming, maintain a focus on progress that leads AIS to become an organization of sustainability, and support the new learning processes and team co-operation that enable us to offer outstanding services to our customers. The telecommunication industry in the digital age faces a shortage of expert personnel. Well aware of the challenges that this situation presents, our management has cultivated a culture of employee engagement within the organization, as well as implementing measures to shape and develop leaders at all levels of the organization. Through these strategies, we can mitigate the risk of limited expert personnel and prepare for business expansion in the fast-moving digital world.



Total 2015 employee
11,885 persons



Total employee broke down by age (persons)



Below
30 years old



30-50
years old



Over 50
years old

Human Resource Management Strategy to Create Employee Engagement

The human resource management strategy and action plan of AIS are created under the supervision of the management and the Human Resources Department. Responding to the needs of employees and the conditions of the business, the strategy is developed in compliance with both local and international laws. A culture of employee engagement has been created so that employees feel happy as a member of the AIS family. We foster a working environment that resembles a family atmosphere in which employees are motivated to support and advise one another. In setting goals and objectives, supervisors and teams work together, creating a sense of engagement towards mutual success and avoiding needless pressure. Through the “Friends help friends” project, employees who are in need, such as from high medical expenses, will be able to receive support from their colleagues who have been made aware of the situation through internal communications.

Besides creating an environment of employee engagement, we have put in place an organizational structure and working systems that have been developed to encourage work efficiency and happiness at work. We also have a compensation scheme and performance evaluation system that are linked with individual performance, ensuring appropriate compensation and job security. In addition, we assist our employees to develop their own individual professional career path. For example, we organize “Career Next Day” to provide our employees with information on vacant positions in various business units. Employees also have opportunities to move within the organization, to realize their full potential, and to grow in their professional fields. Through our network of domestic and foreign business partners, we also provide opportunities for employees to learn and share their work experiences, which will also enhance their potential to progress towards becoming future leaders. The personnel development plans mentioned above help us retain its high-potential employees.

We also support employment in all regions of the country through the expansion of our mobile networks and services in those areas. In addition, we provide opportunities for all employees to relocate their work to their hometown when any suitable positions become available. By providing employees with the opportunity to work in their hometown and stay close to their families, this creates a sense of employee engagement and job security in our regional teams. Whether they are in regional or central areas, all employees receive the same treatment and support from AIS. We also extend our care to employees’ family members, such as providing scholarships to employees’ children, and strengthening family bonds with special activities on special occasions, such as Father’s Day and Mother’s Day.

From the success in implementing our human resource policies, we have been highly recognized, both internally and externally. The results of a survey on employee engagement in 2015 were at 82%, surpassing the target of 77% and higher than the results from 2014. These results confirm the high employee engagement that exists in AIS. In terms of external recognition, we were awarded the “**Best Employer Thailand**” for the three consecutive years in 2015. Moreover, our subsidiary, Advanced Contact Center Co., Ltd. (ACC), was selected as the “**Best of the Best**” from an assessment conducted by Aon Hewitt (Thailand) Ltd., a human resource consulting firm, and the Sasin Graduate Institute of Business Administration of Chulalongkorn University.





Vilasinee Puddhikarant
Chief Customer Officer

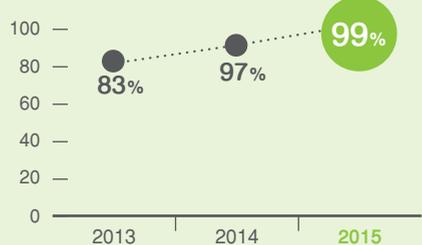
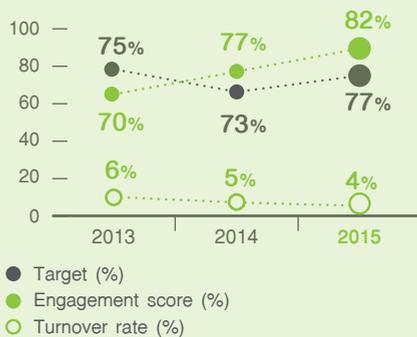
"As an executive, I am proud that our employees truly understand and have a passion for our company, which leads to a high level of employee engagement. This is reflected in the Employee of Choice awards that we have won.

"I believe that having good quality team members in our company can bring us success in the longer term. Everyone in AIS, myself included, is glad and proud to receive this award because we all work for this company together. When we entered this competition, we could not be sure that we would win this award, although we always had a slight hope for it. However, the most important part of participating in this project was that our company has learned and grown from it. We wanted to know whether we were on the right track or not.

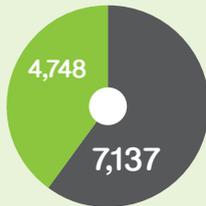
"That AIS received this coveted 'Employee of Choice' trophy gives our employees more confidence in encouraging their relatives and friends to apply for a job at our company." Mrs. Vilasinee Puddhikarant views this as a chance for AIS to have more quality people join the Company and the fact that AIS won this award two years straight makes a significant difference to its ability to attract high-potential employees.

"Formerly, when we set up study trips, our guests wanted to learn about our technological expertise. Today, our visitors are keen to know about our human development. This is a significant change after we have won this prestigious award."

Continuously improve in employee engagement score which resulted to a decreasing on turnover rate



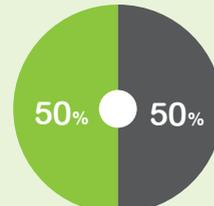
Total employee involved in employee engagement survey (%)



Total employee broke down by gender (persons)



Proportion of male & female directors in the Board of Directors (%)



Proportion of male & female executives (%)

Equal opportunity on job hiring

We have established personnel management practices pursuant to labor laws and other relevant laws, especially with regard to human rights. We have studied the UN Global Compact on Human Rights and is confident that our business practices are in compliance with its standard. We engage in business by respecting the individuality and diversity of job applicants and employees in the organization without discrimination. We set clear principles for all employment processes, including recruitment, compensation and remuneration management, performance management, employee development planning, and career planning. Each employee has a fair chance to work in all positions based on position requirements, educational qualifications, experience and other necessary requirements. According to the code of business ethics, we shall treat all employees fairly with dignity and respect. Equally, however, all employees are forbidden from engaging in any form of harassment involving physical or verbal behavior that offends other people based on race, gender, religion, age, and physical or mental disability.

In line with the above policy, we have continually

opened Call Centers which employ physically disabled people. The recently opened Call Center in Khon Kaen is the 8th AIS Call Center which employs people with disabilities. We do not discriminate against people with disabilities, seeing their potential to be developed through training and become important members of the AIS family who are loyal to the organization and part of its success. With their personal experience, the physically disabled employees can also provide a more understanding service for customers with physical disabilities, increasing our competitive advantage through better customer service. Moreover, the royalty of these employees can help decrease staff turnover and reduce recruitment costs at our Call Centers. Last year, AIS Call Centers employed a total of 78 disabled staff who worked either on contract or as full-time employees.

Compensation and fringe benefits are the same for employees with disabilities as for those without disabilities **“because we don’t see that they are different.”**



In terms of employment policy, we offer job opportunities to all soon-to-graduate students in various institutions by organizing job guidance activities. Held at various educational institutions every year, these activities help prepare soon-to-graduate students for their future careers and provide them with AIS corporate information to help their decision making.



Building an Excellent Organization

We have developed a corporate culture based on the concept of Triple I: Individual Talents (smart, good and competent), Idea Generation (creative), and Infinite Changer (ready to adapt and make unlimited changes). This strong corporate culture is based on our 10 organizational values that indicate our desired organizational direction. These FASTMOVING values are Forward-looking,

Accountability, Service-minded, Teamwork, Meritocracy, Openness, Vision focus, Initiatives and Improvements, Non-bureaucracy, and Guard Against Irrationality. We include these values in our recruitment process in order to ensure that the right candidates are selected.

In order for our employees to remember and adhere to these values, a new Corporate Culture Theme is developed each year and its standards of behavior communicated to all employees. In 2015, we transformed ourselves into a digital life service provider. As such, focusing on only one or two values would not be enough and so the find-U culture theme was then established. The find-U culture comprises the values of Fighting Spirit, Innovative, New Ability, Live Digital Life, and Sense of Urgency. We have incorporated the find-U culture into the working environment in several ways, such as employee relationship development, corporate innovation promotion and leadership development.

FASTMOVING

Forward Looking

Accountability

Service - Minded

Teamwork

Meritocracy

Openness

Vision Focus

Initiatives and Improvements

Non - Bureaucratic

Guard Against Irrationality



Promoting Fair Remuneration and Motivating Talented Individuals

We aim to have talented employees in the organization and realize that compensation is a very important factor that helps us to achieve both our short- and long-term goals in this respect. As such, we provide appropriate compensation and fringe benefits for our employees. Moreover, we have developed a compensation management policy based on the operating results and each employees' performance as outlined below.

Short-term Compensation: We provide an appropriate and fair remuneration rate compared to other companies within the same industry. This enables us to attract and retain talented employees in the organization by offering a competitive compensation package that includes wages, employee benefits and so on. Furthermore, AIS provides a variable bonus scheme based on each year's operating results and each employee's performance.

Long-term Compensation: We have developed a compensation management policy in order to retain and motivate our employees to work toward achieving the Company's long-term organizational goals. These compensation rewards include an annual pay rise, allowances, a provident fund and a savings cooperative. Management-level employees receive long-term incentives in the form of Performance Share based Payment (PSP), which can be converted after a 3-year performance review upon the achievement of organizational goals. This encourages a sense of ownership with the Company and increases employees' work efficiency. Assistant Vice Presidents or higher level executives receive an Economic Value Bonus (EV Bonus) for adding value to the organization in accordance with its defined goals. Executives also receive appropriate compensation as motivation and reward for creating long-term benefits for the organization.

We use the principles of internal equity and external equity in our compensation management policy, focusing on fairness and transparency based on each individual's performance. All employees have been informed of this policy. Each year, the overall compensation is considered at a meeting of

the management from all departments so as to provide fairness and transparency. Furthermore, a professional consultant is engaged to provide impartial advice and information on the compensation management decisions.

We review and revise the compensation and benefits we offer on a regular basis based on research of companies in the same industry as well as other leading companies. The compensation and benefits are adjusted according to the current economic condition and long-term organizational achievement. The employee compensation and benefits provided are set at the same level as other companies in the same industry in order for them to be competitive and motivate our employees.

Last year, we adjusted the starting rates for new graduates as well as the wages for other employees affected by these revised starting rates.



AIS uses the 3 Ps policy to determine employees' pay :

1. **Pay for Performance** : Based on the results, behavior and potential of the employees
2. **Pay for Position** : Based on duties and responsibilities
3. **Pay for People** : Based on specific skills required by AIS

Apart from the fair and transparent compensation structure, we regularly review and revise our employee compensation every year. This includes conducting research of companies in the same or similar industry and/or obtaining data from consultants so that we are able to retain the talented employees that are vital to maintaining our position as the market leader.

We set appropriate employee compensation plans based on each employee's duties, responsibilities, experience, and educational qualifications, without discrimination. Such employee compensation plans include the following benefits:



Nursing room with professional doctor



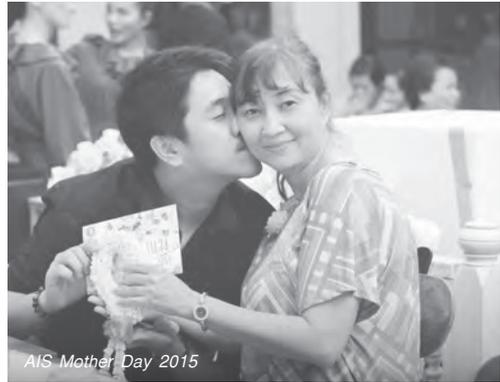
Physical Therapy Room

Fair and Transparent Performance Evaluation

We have a comprehensive performance evaluation policy. Utilizing our Key Performance Index (KPI), we evaluate employee performance aligned with our business plan. All employees have been informed of this policy. A 360° evaluation is conducted for some positions so as to gather employees' opinions and ensure fairness and transparency. After the performance evaluation, the employees' managers/supervisors discuss the results with the employees to compliment them on good performance and advise them on performance that needs improvement for the benefit of both the employee and the organization.

The performance evaluation has been designed to be appropriate for each employee level and is revised annually to be aligned with each year's budget. Competencies are evaluated to determine the skill, ability and behavior of the employees so that a plan can be set to enhance the knowledge and ability of the employees. Knowledge and skill evaluations are performed on people due to be promoted in order to ascertain the level of improvement required in each employee's knowledge and skill in order for him or her to be prepared to take on the higher position. Evaluation results are used for both short- and long-term career development planning.

- Bonus, compensation, allowance and remuneration
- Annual health check-up, health insurance, life insurance and accident insurance
- Nursing station with doctors and physical therapy room
- Marriage allowance, gift for hospital visit, funeral allowance for employees and their families
- Relocation allowance, accommodation allowance
- Uniform, device and safety equipment at work, including safety helmet and fall protection equipment
- Provident Fund
- Social security fund and workmen compensation fund
- Savings cooperative
- Scholarship for employees and their children
- Retirement gifts



Employee Involvement and Participation

We encourage employee involvement and participation for the benefit of both the employees and the organization. As such, we listen to the opinions and suggestions of our employees through a variety of convenient communication channels, such as a People Champion, supervisors, a dedicated telephone number and a webboard. We also welcome employee participation by inviting their ideas with regard to major organizational changes.

Apart from the above-mentioned employee involvement with regard to organizational development, we allow all employees to report issues relating to unfair practice or violation of the code of business ethics. Under the Whistle Blower Policy, we have set up a confidential channel as part of the report and investigation process. Employees reporting any such instances are protected under written policy.

A process upon receipt of grievance



Employees are protected under the Whistle Blower Policy.



Employee volunteering 2015



Employee volunteering 2015

Encouraging Volunteerism

Apart from promoting ethics among employees, we encourage our employees to get together and engage in various activities, such as a golf club, bike club and ethics club. Those activities bring our employees closer together, encouraging them to spend time with each other, creating bonds and fostering a sense of engagement with their jobs and loyalty to the organization.

In 2015, we launched our “AIS Employee Volunteer” project, which encourages our employees to propose projects or activities that contribute to the community and environment in various provinces, particularly their hometown provinces. Resulting from this initiative, we organized two volunteering

activities in which over 600 of our employees participated. We also allow our employees to engage in volunteering activities on their working days and we also provide monetary support. Examples of the volunteering projects we support include working on or developing school buildings, playgrounds for children, canteens, toilet facilities, and recycle banks for children.

AIS believes that employees who are dedicated to the community are happy to create good things for their families and the organization as well.

Number of Projects in 2015	Amount	Number of Participating Employees	Working Hours
39	Baht 2.5 million	634	15,216



1,377
employees
received
safety training
in 2014

8,562
hours
on safety
training
in 2014

Safety, Health and Working Environment Policy

Focusing on the life quality and well-being of our employees, AIS provides a good working environment in order to promote healthy work-life integration and good health among our employees. As such, we provide two fitness rooms in our office buildings, and we also organize corporate sports activities and sports clubs so as to strengthen the bonds among our employees.

We also provide all our employees with annual health check-up programs that vary according to their age. We also offer life insurance and health insurance for all employees. In terms of health insurance, the employees may choose the type of coverage that best suits their needs from among three available plans that include inpatient/outpatient treatment coverage, dental coverage and accident insurance. In addition, we provide a social security fund and provident fund for current and future collateral purposes.

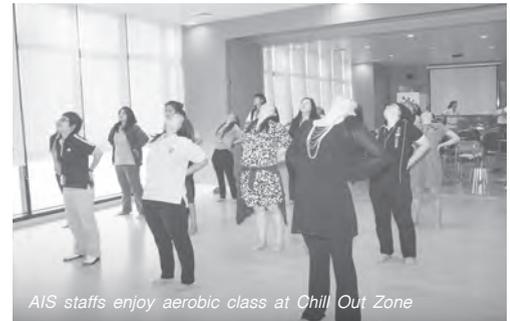


Furthermore, we have established a Safety, Health and Environment Committee (SHE) that comprises representatives from management and employees. The Committee is responsible for planning, managing and promoting safety in the workplace; establishing safety rules and procedures; providing safety equipment; providing training courses; and monitoring and evaluating compliance. In 2015, in prompt accordance with the Committee's recommendations, we promoted environmental activities and projects, renovated our fire exits and elevators, and established crime preventive measures outside of the office building.





Focusing on preventing work - related injuries and illnesses as well as managing safety risks, AIS complies strictly with all relevant laws and regulations. This includes the provision of safety equipment as well as a handbook and regulations on safety in the workplace. To support our policy of establishing a 'zero accidents' target, AIS provides training courses about safety in the workplace for the employees to prevent work - related injuries and illnesses. These include fire prevention advice and fire drills.



In 2016, AIS will enhance our safety, health and environment plan and measures, as follows:

- Analyze risk factors relating to occupational safety and health so as to develop preventive measures without delay. Monitor employees' health and organize health check-ups on a regular basis.
- Establish a healthcare provider and plan/develop health activities with clear key indicators.
- Organize health contests, such as for weight loss, and the reduction of cholesterol and blood sugar levels.
- Encourage employees to continue their studies by adjusting their working time accordingly.
- Adjust health examination programs according to each age group, especially for employees over 50 years of age.
- Provide employees with nutritional information.



Employee Development and Leadership Promotion Policy

We are committed to keeping our promise to our employees that “**AIS is ready to grow together with you**” by promoting our employees’ potential in line with our business strategy and goals in order to drive the organization to sustainable development with a culture of employee engagement. We encourage and support the learning processes that drive our employees’ career development. As such, the Assessment Center has been established to identify our employees’ potential. The assessment results are then used to develop each employee’s individual development plan and prepare both the employee and the organization for success in the highly competitive telecommunication business during the “Digital Economy” era.

We aim to become a learning organization that promotes self-learning and knowledge sharing through a variety of efficient platforms and channels. These channels include the Knowledge Management Portal, available through the corporate intranet, and the establishment of a community of practitioners to facilitate knowledge exchange. Regional training centers have also been established to develop our employees’ potential. Furthermore, we are developing experts within the Company and providing channels through which employees can share their knowledge with each other. The objective is to apply existing employee knowledge for the development of other employees,



On - Boarding Program

work processes and the organization as a whole. Last year, the average time spent on for each full-time employee was 73 hours and the total investment in training was Baht 111,978,597.

Personnel Development Plan Pursuant to Employee Life Cycle

Training development plans are developed in accordance with the organizational structure and learning style that matches each employee’s duties and responsibilities, as well as their position in the employee life cycle. This process starts with the On-boarding program for new employees. This is followed by Manager and Specialist Development programs for lower and middle management, as well as executive development as they follow their career path.

On-boarding Program

The On-boarding program is provided for new employees. The program combines the learning styles of seminars and digital self-learning. The objectives of the On-boarding program are to provide understanding about the organizational background, management, business direction, regulations and context; establish the organization’s culture and core values; help new employees to understand their roles and duties through mentors who will advise and teach them to work and perform their duties according to the business direction; and promote good relationships and build a network within the organization.



First Line and Middle Manager training and development

Manager and Specialist Development Program

This development program is provided for employees who are promoted to the position of manager or specialist. The objectives of the program are to prepare promoted employees for their new roles and duties and ensure the highest level of efficiency in policy implementation.

Executive Development Program and Succession Plan

As previously stated, we have developed a risk management strategy and succession plan. This involves filling leadership positions in the Company by developing the business competencies and leadership abilities of high-potential employees to ensure continued success in accordance with our mission. The first step is to identify the critical positions that have a significant impact on the organization. Then, the next step is to assess high-potential employees' leadership readiness through a 360° evaluation. In the next stage, we establish a leadership development program covering various aspects, such as transformation innovation, leading bold change, and coaching in the form of group coaching or one-on-one coaching.

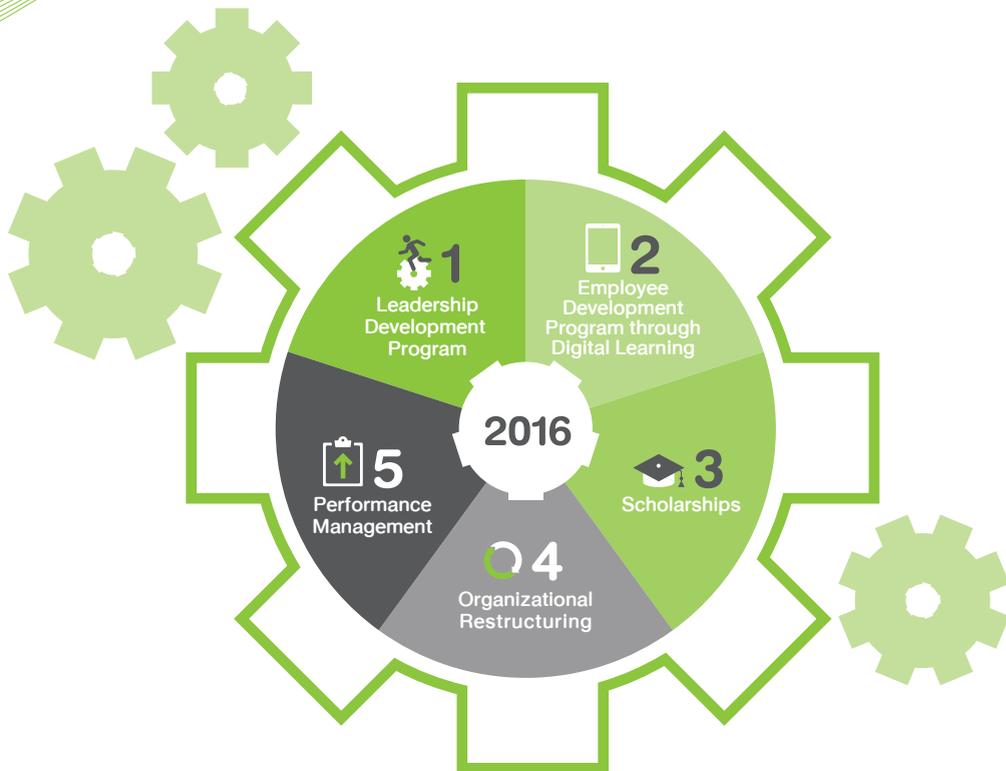
Moreover, we have joined the Executive Development Program of the Singtel Group international conglomerate, including the Game for Global Growth (GGG) and Regional Leadership in Action (RLA) programs. The objectives of both programs are to develop and promote the leadership skills that are essential for competing in the digital age.

In addition, the programs also promote Innovating to Win, a strategy for sustainable growth, and networking among telecom companies to share business perspectives and apply a wider range of knowledge in the organization. The ultimate goal is to develop executives who have the vision, leadership and potential to promote the organization on an international level.

Personnel Development Program in 2016

We have established a policy of developing employees under the concept of "Prepare Our People for Success", focusing on enhancing employee well-being and developing the new abilities that will drive the organization to achieve successful transformation into a digital life service provider.

We have created a career path and progression strategy to develop high-potential employees and provide the Company with continuation in terms of our organizational objectives. In order to maintain business competence and the ability to drive the organization, the Personnel Development Program is focused on the following areas:



- 1) The Leadership Development Program for Succession Planning requires an individual analysis of each employee in order to prepare and develop high-potential employees on an individual basis. The subsequent personal development plans will also be used as part of a risk management process and to develop leaders for critical positions.
- 2) The Employee Development Program through Digital Learning aims to prepare employees to support the development of the organization in line with the business directions that will drive the organization to be transformed into a digital life service provider. The program utilizes digital learning to reflect the organization's digital life services and maintain the employees' telecommunication business competence.
- 3) Master's Degree Scholarships are offered to AIS employees as well as to third-party partners to update their knowledge in support of future business expansion. This not only promotes our corporate image but also results in AIS regularly receiving the Employer of Choice Award.
- 4) Organizational Restructuring responds to the business needs and provides opportunities for employees to realize their full potential according to their personnel development program.
- 5) Performance Management is conducted in a complete and systematic manner. Its application is the responsibility of all leaders, particularly in our coaching culture, which offers employees and groups of employees the opportunity to grow their skills and fulfill their career aspirations.



Ms. Kantima Lerlertyuttitham
Chief Human Resource Officer

“One of the elements that is often ignored when assessing the achievement of a company is staff competency. In reality, it is crucial. A successful organization is an entity that can develop its people to grow by always matching supply with demand. This means that employees seek career advancement, while the organization expects high-quality employees in return”.

A successful organization relies primarily on human elements to drive other agendas. Therefore, it is undeniable that the Executives must always place importance on this aspect and work on it systematically and continuously. This issue is not confined to the support team. For an organization to achieve its goals, it is important that the Executives effectively manage the organization’s people and the many related areas such as competency enhancement so that the employees will grow along with the Company. Equally important is finding new talent to ensure that we have enough people in our team and that we work together to meet our goals and operate our business in the right direction. Often, companies suffer because they are short of personnel who have grown together with the organization. The result of this approach is a scramble to find high-potential employees from the limited human resources available.

“As a business partner of AIS, the Human Resources Department needs to understand the organization’s business trajectory and business plan in order to design the strategies that can upskill employees and improve their capabilities so that they become a force driving the Company forward into the future. We are bound and determined to reward employees’ great devotion through continuous training and appropriate remuneration. We also offer the opportunity for them to demonstrate their potential to grow with the Company in the long run. This is what the Executives and the Company are committed to providing our employees with under the concept of Put People First with 6Ps: (1) Put the Basics Right, (2) Place The Right People, (3) Prepare Our People For Success, (4) Partner To Business, (5) Professional HCM, and (6) Performance Driven.”

People Performance Table

Description	Unit	2013	2014	2015
Total number of employees	persons	10,338	10,986	11,885
By gender				
- Male	persons	4,183	4,436	4,748
- Female	persons	6,155	6,553	7,137
By age				
- Over 50 years old	persons	200	232	254
- 30 - 50 years old	persons	5,012	5,335	6,741
- Below 30 years old	persons	1,644	1,822	4,890
• Ratio of permanent employees to total number of employees	percent	66	67	69
• Total number of new hire employees	persons	860	973	1,123
• Ratio of new hires to total number of employees	percent	13	13.5	14
• Total employee turnover	persons	413	366	428
• Ratio of turnover to total number of employees	percent	6	5.1	4
• Total number of employees laid off by the Company	persons	0	0	0
• Percentage of employees who received formal performance reviews	percent	100	100	100
• Average training hours	hour/ person	379	96	73
• Average Training expenditure	THB	12,311.70	10,064.98	13,857.02
• Number of fatalities	persons	0	0	0
• Number of work-related injuries	persons	0	6	5

Note: The performance data does not include daily staff.

Our Environment



Bringing solar power to community and base station in rural area with no access to electricity

Save **24,890 tCO₂**
by switching from air-cooled containers and enclosure to fan-cooled alternatives



The hydropower project : utilizing the hydropower and solar power in providing electricity for communities along Thailand's border

"Green Network"
60%
energy saved from environmental friendly construction according to the LEED, world-class standard



316 Tons paper saved
and **Baht 46 million** cost saved
from secured electronics services



AIS Call Center Development Center



service



Our Environment

“We achieve sustainable development when we are able to operate our business without creating any negative impacts on the environment. At the same time, it is also essential that we mitigate the potential effects of environmental changes on our business. To this end, we set innovative business operation and management as a priority. In order to minimize our operational impact on the environment, we develop and provide eco-friendly products and services. Simultaneously, we also introduce measures aimed at managing the risks and potential impacts caused by changes to the environment, especially climate change.”



The Environment and Our Operations

Over the past several decades, the environment has changed dramatically, both locally here in Thailand and on a global level. Increasing production volumes in the industrial sector, higher energy consumption in the transportation and services sectors and the depletion of forest areas are the main factors leading to an increase in the greenhouse gas emissions that contribute to global warming. Business operations that require a high volume of resources result in climate change, drought, severe storms and flooding. The negative consequences of these situations often require a lengthy period of recovery. Even when heavy investments are made in preventive measures, the problems eventually return to once again disrupt the business and service sectors.

The severe flooding that hit Thailand in 2011 affected operations at 1% of our base stations. While

this temporarily impacted our customers and our business, we were fortunately well-prepared to manage the situation due to already having our business continuity plan in place.

Nevertheless, to minimize the impacts of similar occurrences in the future, we conducted a risk assessment in order to establish a support procedure for managing the situation in the event of any future floods. We also improved our business continuity plan by clearly defining the steps to prepare for and deal with disaster situations. Such measures include ensuring the continuation of services in the affected areas by mobile vehicles, having a supply of femto cells for temporary installation, and raising the height of base stations in the vulnerable areas to 2 meters above the ground to prevent the base stations from being flooded.

The Mobile Telephone Center and Data Center, which are essential to the provision of our services, now also have their own specific procedures for preventing damage from flooding. Permanent flood protection walls have now been erected at all existing exchanges in the vulnerable areas and several flood prevention plans are now in place and ready for immediate implementation. At all new locations, we will also further reduce the risk of flooding by incorporating additional flood protection features into our new exchanges and data centers.

All of these emergency plans are designed to ensure the continuity of our services. Moreover, the plans enhance our ability to respond to the high demands for communication services from people and organizations during the natural disasters.

Creating eco-friendly products and services

While the telecommunication products and services do not have as much impact on the environment as those of other industries, we nevertheless realize the importance of committing to these global issues and understanding the expectations of our customers and service users who are concerned about these issues. For these reasons, we decided to become part of a sustainable environment and preserve it for future generations. In order to do so, we have committed to creating innovative and eco-friendly products and services



that are beneficial for everyone. As a result, our customers have more alternatives and more varieties of products and services that respond to their needs in this digital era.

Financial Services via mPAY

AIS mPAY or E-wallet is convenient and time-saving application that enables users to make financial transactions via a mobile phone, anytime and anywhere. AIS mPAY can be used for paying public utility bills, credit card payments, processing money transfer transactions or reserving cinema tickets. Incorporating a high-security international system and standards, the AIS mPAY application is supported by cooperation with our high-value strategic partners-MasterCard and Thanachart Bank. This is not only delivers convenience to customers but also provides easy access to financial service for all Thai people, which is especially beneficial for villagers from remote communities who still face difficulties in performing essential tasks due to the distance involved. This service, in turn, reduces waste and green house gas emissions from traveling to perform financial transactions. Customers can also feel safe as they do not need to carry large amounts of cash with them. Also with cooperation from 2 other service providers, True and Dtac, we are now able to connect these online wallet systems without any network restrictions. This can be seen as joint work among service providers to set and raise new E-wallet standards for the industry and to create a cashless society in compliance with the country's digital economy policies.

Encouraging our customers to receive invoices via eStatement

We have been continually improving its invoicing service system for customers. Since 2012, we have encouraged customers to switch from paper invoices to eStatements or to receive the necessary information via online or SMS channels. This initiative helps reduce paper usage and deforestation.

- **eStatement:** This invoicing system allows us to send an invoice to customers via email. Currently,



4,169,246 customers use eStatements, up from 4,035,536 customers in 2014. As a result, in 2015 we were able to reduce the amount of paper used by 28 tons (5.5 million sheets) and envelopes by 25 tons.

- **Sealed Statement:** For customers who still chose paper invoices, we used recycled paper



and reduced the invoices to only one sheet. This method helped reduce the amount of paper used by 223 tons. In 2015, we also resized the invoicing paper from F4 to A4 which further reduced the amount of paper used by an additional 37 tons.

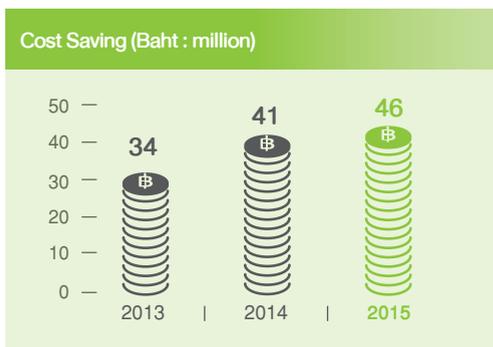
- **PDF statement on CD ROM:** For 43,200 corporate customers, invoices were written on a CD ROM in PDF format. From this initiative, we were able to reduce paper usage in 2015 by 157,332 sheets equating to 0.80 tons. In addition, eliminating the need to use 43,200 envelopes also saved 0.20 tons of paper.



- **Posting invoice of AIS and AWN (a subsidiary) together** also helped reduce the amount of paper used by 2 tons.

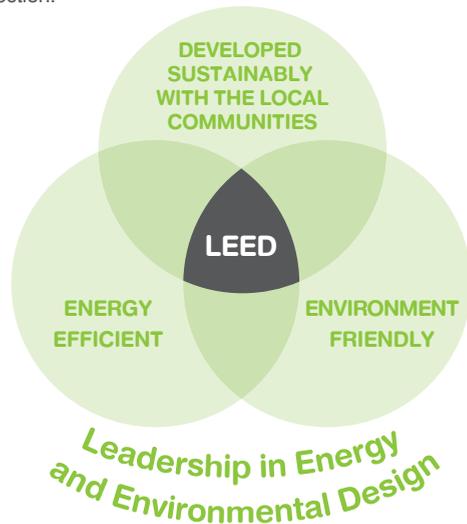


From all of those initiatives, we were able to reduce the amount of paper used by 316 tons, representing a financial saving of Baht 46,504,800.23.



Promoting sustainable growth via Green Network

As a telecommunication service provider, our main source of power for producing and delivering services for our customers is electricity. This causes great challenges for expanding business opportunities while maintaining energy efficiency in our operations. Therefore, we have prepared various measures to overcome those challenges. These measures can also serve as a good example for other telecommunication service providers in Thailand in realizing the importance of a “Green Network.” The main measures aimed at effective energy consumption in 2015 are addressed in the following section.



Launching a green training center according to LEED standards in Nakhon Ratchasima

Personnel Development Centers were initiated in rural areas from the desire to improve our human resource reserves in order to be able to continue operations in all circumstances. This initiative was also based on the desire to create sustainable growth for our business in collaboration with local communities. Therefore, we focused our recruitment on employing people from the local communities in which we operate. In addition, we also expanded the scope of plans for this project to include a reduction of environmental impact. With its eco-friendly

concept, the Skill Development Call Center project was initiated in Nakhon Ratchasima. It is planned that the center will be completed and ready for its grand opening in 2017. This Call Center is the first pilot project developed under the Leadership in Energy and Environmental Design (LEED) standards based on 3 key characteristics: energy efficient, environment friendly, and sustainably developed with the local communities. As of now, the project has received EIA approval from the National Environmental Board. The Nakorn Ratchasima Call Center will be built with double layered glass in order to reduce the effects of the external temperature. In this way, the building will be able to save 60% of energy used on its air conditioners. In terms of the power used inside the center, the building is designed to include a solar energy system on the roof-top. Once the construction is completed, the center will also create 1,700 jobs for the local community.

Supporting infrastructure sharing to reduce environmental impacts

The main objectives of this infrastructure-sharing initiative are to improve the quality of the national telecommunication services, to respond to the increasing demands, and to expand our service areas around the country. We ensured that all participating businesses share the same infrastructure and equipment, while also supporting compliance with the policy of the National Broadcasting and Telecommunication Commission (NBTC). This procedure reduced redundancy in the installation of unnecessary base stations, which represented another step to decreasing environmental issues.

In the past year, we operated under the Advanced Wireless Network Company Limited, an AIS subsidiary, in cooperation with DTAC Trinet Company Limited. Through this cooperation, we installed approximately 2,000 towers in order to support and respond to the needs of users from both AIS and DTAC Trinet around the country. This cooperation also served as the first pilot program with plans now in place to expand the collaboration in the future.

Gathering information on greenhouse gas emissions from our operations

2015 was the third year in which we determined to gather our Carbon Footprint information and greenhouse gas inventory (GHG Inventory). An external company with expertise in GHG Inventory was hired to manage the process. Data were collected from all business sectors within the organization in strict compliance with the guidelines of the World Resource Institute (WRI). Once collected, the data were processed to calculate the value of our greenhouse gas emissions based on the guidelines of ISO-14064.

Our 2016 target for reducing the Carbon intensity of the emissions to be

4%



Based on the data collections mentioned above, we determined our 2016 target for reducing the Carbon intensity of the emissions to be 4% in comparison to the Data Traffic of our services. This target also complied with the national agenda of preparing readiness for climate change between 2015 and 2050. In addition, the Ministry of Natural Resources and Environment is determined to reduce greenhouse gas emissions to 7-20% in 2020.

**Save
Baht 185
million
per annum**

improving technology
with high-efficient
use of electricity

**Save
27,907
tCO₂
per annum**

by using
a new high-efficient
technology

Developing technology to improve the effectiveness of electricity usage

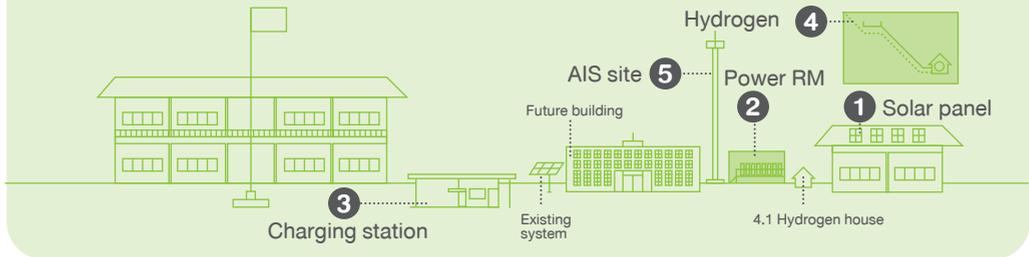
1. We have replaced more than 70% of the air-cooled containers and enclosures used for outdoor base station equipment installation with smaller fan-cooled alternatives. This has enabled us to save both capital expenditure and the cost of energy, which translates to a reduction of Carbon emissions. The total savings on electricity costs amounts to Baht 165 million per year. In other words, the Company will break even on the expenditure from this changeover within 1.3 years. The total reduction in Carbon emissions is 24,890 tCO₂ per year. Following these successes, we plan to use the smaller containers with fan-cooled systems for all new base stations that will be constructed in the future.
2. A pilot program of using new technology to supply power to High Efficiency Rectifiers will be launched in 2016. The current rectifiers, which are the power source of our base stations, have an efficiency of 92%. However, starting from 2016, the new production technology will increase the efficiency of the rectifiers to 95.5%. With better efficiency, more activities can be powered from the same amount of electricity. With this new technology, we can save approximately Baht 20 million per year and reduce Carbon emissions by 3,017 tCO₂ per year.
3. A pilot program of changing from fluorescent light bulbs to LED bulbs, which can work longer with less power, is currently in progress. The program

started with the main mobile phone control exchanges in and around Bangkok. The purpose of this pilot program is to observe whether or not the LED bulbs can provide enough light. From this program, we estimate that we will save 40-50% of energy usage per year with the breakeven point at 1-1.5 years.

Encouraging the use of alternative energy for services

1. We started to use alternative energy to supply the power for our data centers by executing a pilot program of using solar energy to produce electricity for the TELLUS1 Data Center at Navanakorn. This involved the installation of a 160 kWp solar cell panel. From this, we were able to save costs on electricity totaling approximately Baht 1 million per year as well as reducing Carbon emissions by 146 tCO₂ per year. We estimate that we will reach the breakeven point in 10 years. Following the success of this pilot program, we now plan to implement the use of solar panels to generate power for our base stations as an ongoing project. The target stations are those in the areas without access to electricity, thus enabling us to increase our capacity to serve users in those areas. This plan is intended to comply with our strategy of being the network leader in providing equal access to information technology for all people.
2. We collaborated with the National Science and Technology Development Agency (NSTDA) to follow the initiatives of H.R.H. Princess Maha Chakri Sirindhorn in providing electricity for all communities along Thailand's borders. This initiative began with a hydropower generation project in Khiri Lom Village of Prachuap Khiri Khan Province. The hydropower project supplied power to the small base stations and the Internet center in the community. In this village, we also supported testing of the effectiveness of combined energy from both hydropower and solar power sources. This pilot program aims to use the existing natural energy while also sustaining nature and the environment.

A pilot hydropower project at Khiri Lom village according to H.R.H. Princess Maha Chakri Sirindhorn



3. The long distance control and command project is used to measure the system and check the battery via computer networks that are connected between base stations. The primary benefit of this project is that our staff do not need to travel long distances to perform the measurements at the actual locations. This has resulted in reduced energy usage and improved effectiveness in terms of rapid problem solving. The project was activated in a total number of 10,000 base stations at the end of 2013.
4. A project of using clean energy as an emergency energy source instead of using diesel generators was implemented. In this project, we use fuel cells which do not create loud noise and pollution, unlike diesel generators. These fuel cells are ideal energy sources for generating emergency power in those areas that have strict controls on pollution and loud noise. Currently, this project is being used in Koh Payam, which is an area of natural beauty and a popular beach for tourists in Ranong. The project has not only provided us with an effective way of preserving nature, but also created new business opportunities for us to service customers wherever they are.

Disposing of operational waste through proper and environmentally friendly methods

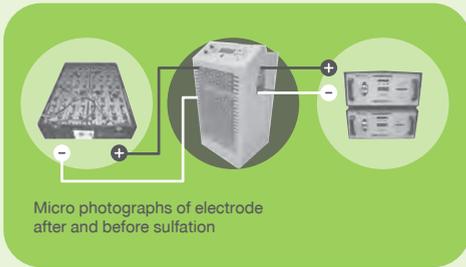
Our business is in the telecommunication industry which is considered a service sector industry. The service sector releases very little pollution and greenhouse gas emissions into the environment compared with the production industry. From our operations, most of our waste consists of mobile phone batteries. In order to take care of this issue, we encourage our customers to dispose of their used mobile phones Lithium batteries properly even though we are not the mobile device manufacturer. We place boxes at all AIS shops for customers to deposit their old batteries. We also engage with certified companies with expertise in the safe and clean disposal of electronic waste to dispose or recycle of the batteries in a way that causes no harm to the environment.

In terms of lead-acid batteries from the rectifiers at our base stations and the UPS of telephone exchange control centers, we sell the expired batteries to environment friendly companies with expertise in recycling lead-acid batteries. The companies then process and reuse the lead parts without creating any pollution to the environment. Following these steps, we also engage with those certified companies to supervise the disposal or recycled process.



Battery Reconditioning Using Process

Step 1 Desulfate by pulse conditioning technology



Microphotograph of a battery plate covered in heavy Sulfation build up (lead sulfate crystals).



PowerPlus removes these sulfate crystals and expose the active material of the battery plates. More active material means stronger batteries.



Step 2 Test battery efficiency again before reusing



Battery Efficiency Data

%	12v	24v	36v
100%	12.6	25.2	37.8
90%	12.5	25.0	37.5
80%	12.4	24.8	37.2
70%	12.3	24.6	36.9
60%	12.2	24.4	36.6
50%	12.1	24.2	36.3
40%	11.9	23.8	35.7
30%	11.8	23.6	35.4
20%	11.6	23.2	34.8
10%	11.3	22.6	33.9
0%	10.5	21.0	31.5



Step 3 Monitoring and sampling for testing between use.



Environmental Performance Table

Description	Unit	2013	2014	2015
Energy				
Energy consumption				
Total energy consumption	Terajoule	1,855	2,156	2,364
• Direct energy consumption	Terajoule	81	99	100
- Diesel consumption	Liter	1,532,786	1,872,603	1,765,601
- Benzene consumption	Liter	811,286	1,000,949	1,144,857
• Indirect energy consumption	Terajoule	1,774	2,057	3,263
- Electricity consumption	Megawatt-hour	492,968,451	571,650,929	628,840,463
Energy saved from office				
• Total amount of energy saved from offices	Megawatt-hour	14,576,225	22,480,000	-67,861*
Waste				
• Total amount of disposed and recycled UPS batteries from base station	Unit	1,115	5,043	5,307
Climate change				
Direct greenhouse gas emissions				
• Total amount of direct greenhouse gas emissions (scope 1)	Tons of CO ₂ Equivalent	6,572.42	7,239.39	7,377.15
- Fixed fuels	Tons of CO ₂ Equivalent	1,814.27	554.17	324.44
- Mobile fuels	Tons of CO ₂ Equivalent	4,758.15	6,685.22	6,956.24
Indirect greenhouse gas emissions				
• Total amount of indirect greenhouse gas emissions (scope 2)	Tons of CO ₂ Equivalent	252,050.27	292,285.12	321,559.71
- Electricity	Tons of CO ₂ Equivalent	252,050.27	292,285.12	321,559.71

Note : * The reduction of energy saved from offices was caused by the expansion of working space in 2015. However, since we have replaced the fluorescent light bulbs to LED bulbs in last quarter of 2015, the energy saving result will be affect in 2016 performance.

The image is a cover page for an appendix. It features a light green background with several abstract green shapes. A large, dark green circle is positioned in the upper center, containing the word "Appendix" in white, bold, sans-serif font. To the left of this circle is a large, light green circle with a white circular cutout. In the bottom right corner, there is another large, light green circle. The background is decorated with thin, wavy green lines that create a sense of movement and depth.

Appendix

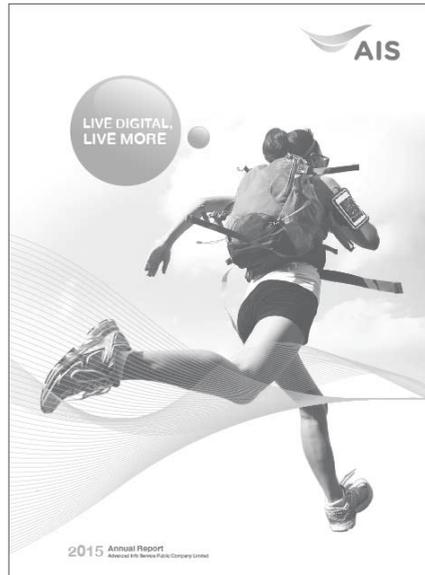
About This Report ^(G4-18, G4-20, G4-21)

The AIS sustainability report 2015 is the fourth consecutively published report aimed at disclosing the mechanisms, policies and strategies for the management of the impacts on the economy, society and the environment as well as reporting on performance of AIS on the management of those impacts. The report has been prepared in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI) Version 4 (GRI G4) at Core option. More information on the disclosure of data in accordance with the indicators of the reporting guidelines can be found in the tables on page 89 - 91 of this report.

The scope of this report covered the performance of the AIS operations, subsidiaries, and direct and indirect stakeholders for the period from 1st of January to 31st of December 2015 unless otherwise specified and annotated.

In-depth data on the business operations, governance structures, good corporate governance, business ethics, internal audit and risk management, awards, and important events in the last year as well as the Company's turnover are presented in the Annual Report 2015, which is available in a hard copy or an online version at: <http://investor.ais.co.th>

^(G4-29)



Process for Defining Report Content ^(G4-18)

- Stakeholder Inclusiveness

We have engaged with stakeholders in all business processes of the Company and set up guidelines for engaging with key stakeholders in our Corporate Governance Policy and Code of Business Ethics in order for the board, managers and employees at all levels to act accordingly. These regulations and policies can be found at: <http://investor.ais.co.th>. In terms of communication, we have therefore appointed relevant functions dealing directly with each group of stakeholders to act as contact centers and gather feedback from various channels to understand the expectations and suggestions of different groups of stakeholders. Details are presented in the following table. The expectations and/or suggestions gathered from stakeholders are examined and defined regarding their materiality for the Company, and presented to the management and/or the committee for consideration or further instruction.



For more information, ^(G4-31)
please contact:

Sustainable Development Unit
Advanced Info Service Plc.
414 AIS Tower 1, 22nd Floor, Phaholyothin Road,
Samsen Nai, Phayathai, Bangkok 10400
Tel: (662) 029 3277 Fax: (662) 029 5165
Email: AISsustainability@ais.co.th

(G4-24, G4-26, G4-27)

Stakeholder Group	Engagement Channel	Frequency	Expectation of Stakeholders
Community	• Community Relations	Daily	<ul style="list-style-type: none"> • Participation from the Company to strengthen community • Safety from installations of AIS base stations in the communities
	• Opinion box/ compliant box at base stations	Daily	
Business Partner (Sales representatives/ sub-contractors/ content developers/ retail shops)	<ul style="list-style-type: none"> • Dealer satisfaction survey • Call Center • Sales personnel • Evaluation through service provider standards at Telewiz Shops • Value-added service unit 	Once a year	<ul style="list-style-type: none"> • Fair treatment of all business partners • AIS employees' expertise in responding to questions and providing assistance • Attractive and fair rewards
		Daily	
		Daily	
		Monthly	
Employees	<ul style="list-style-type: none"> • Employee Engagement survey • Web board for employees on intranet • The CEO Talk Weekly 	Once a year	<ul style="list-style-type: none"> • Career development opportunities • Attractive and fair compensation
		Daily	
Customers	<ul style="list-style-type: none"> • Customer satisfaction survey through <ul style="list-style-type: none"> - Call Center - Sales personnel - Sales representative - Social network • Complaints and suggestion from the above channels 	Daily	<ul style="list-style-type: none"> • Network quality • Provision of complete and transparent product and service information • Customer privacy • Safety when using products and services
		Daily	
Shareholders and Investors	<ul style="list-style-type: none"> • Shareholder meeting • Analyst briefings • Phone and online conferences • Opportunity day • Roadshow • Company visits • Investor Relations and Compliance Department 	Once a year	<ul style="list-style-type: none"> • Strong growth of business performance • Consistency in dividend payment • Good corporate governance • Equal access to information • Provision of transparent and sufficient information
		Twice a year	
		Quarterly	
		Quarterly	
		18 times	
Government	<ul style="list-style-type: none"> • Business Relations unit 	85 times	<ul style="list-style-type: none"> • Compliance with telecommunication laws and regulations • Quality and network extension in accordance with government conditions • Digital inclusion • Fair competition
		Daily	

• **Defining material aspects and boundaries**^(G4-18, G4-23, G4-25)

From the expectations of each group of stakeholders as identified above, we have conducted materiality assessment in accordance with the GRI reporting guidelines. We have analyzed current and future risks and opportunities for our business together with the opinions from key stakeholders, namely local communities, business partners, employees and customers, because these groups are most important for our business operations. We have also analyzed the impacts of our operations on the environment. The process in which we defined material aspects is as follows:

Step 1



Identification of material aspects through an examination of indicators in accordance with the GRI reporting guidelines, other international standards for telecommunication and sustainable business operations, business trends, and risk and opportunity factors for the telecommunication industry. We considered sustainability context of the telecommunication business and included stakeholder expectations when identifying material aspects.

Step 2



Prioritization of material issues from step 1 based on an assessment of 1) what has an influence on stakeholder assessment and decision and 2) what is significant for AIS' economic, environmental, and social impacts. Each material aspect has consequently been weighted and allocated a priority level as followed:

- 1 point = The aspect is of lowest importance for stakeholders/the business operations of the company.
- 2 points = The aspect is of low importance for stakeholders/the business operations of the company.
- 3 points = The aspect is of medium importance for stakeholders/the business operations of the company.
- 4 points = The aspect is of highest importance for stakeholders/the business operations of the company.

Step 3



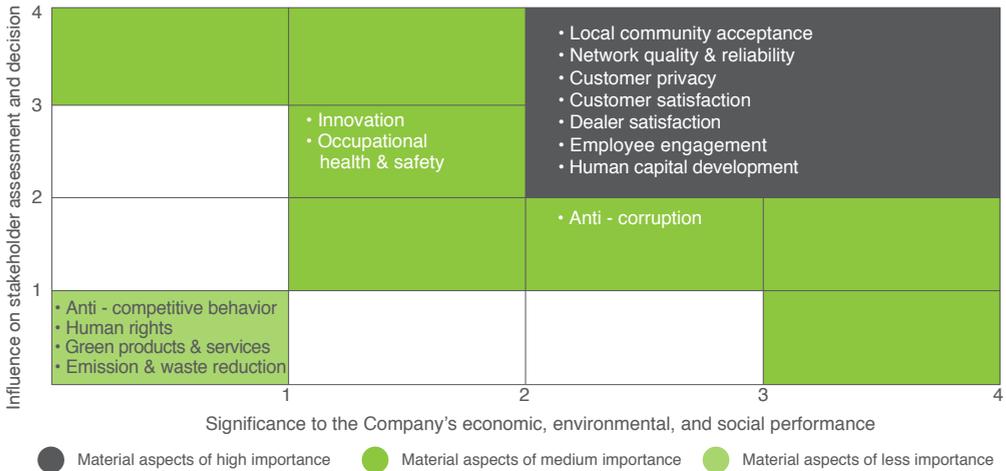
Validation of material aspects by presenting the material aspects which had been prioritized to the relating functions so that they could verify each material aspect before presenting to the Sustainable Development Working Group, the CEO and the Sustainability Committee for examination and presenting to the Board of Director of the Company to seek approval as the final step. This is to ensure that the aspects which were identified as material covered the expectations of stakeholders and the business strategy for sustainable growth. It was also to ensure the completeness and appropriate prioritization of these material aspects.

Step 4



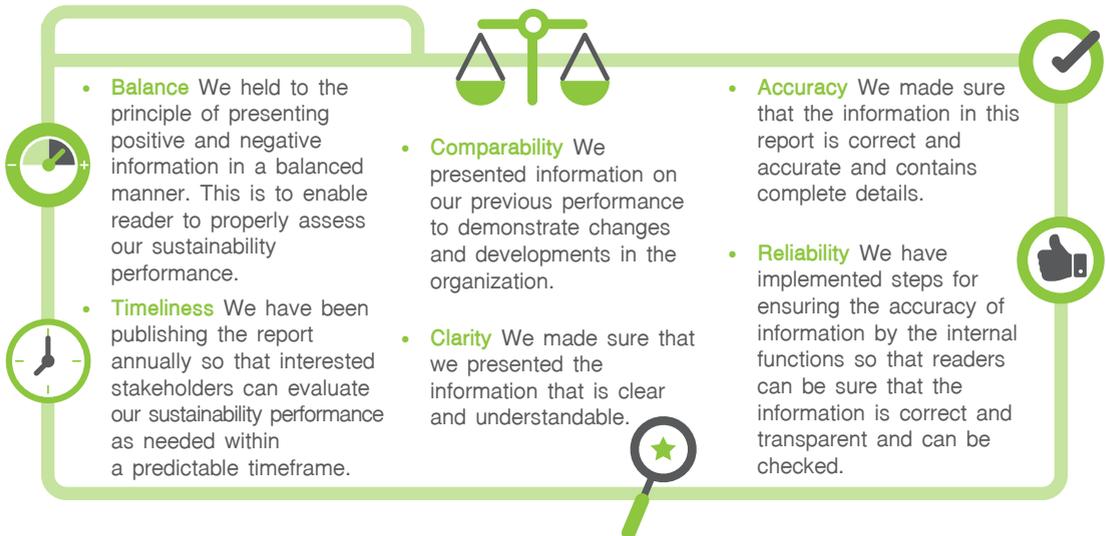
Review Upon the release of this report, AIS will set up processes for stakeholder engagement to gather their views regarding the inclusiveness and appropriateness of the contents of the report.

- **Presentation of material aspects in this report**^(G4-18, G4-19)
- Material aspects of high importance (brown area) : contents relating to management approach, performance, targets and indicators
- Material aspects of medium importance (green area) : contents relating to management approach, performance and indicators
- Material aspects of less importance (light green area) : only contents relating to management approach and performance



Process for Defining Report Quality

In the reporting process, we implement steps for assuring quality of the content in accordance with the GRI guidelines as follow:





GRI Content Index

GRI Aspect	Indicator	Status	Page	Note	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	●	6 - 7	-	-
Organizational Profile	G4 - 3	●	10	-	-
	G4 - 4	●	9	-	-
	G4 - 5	●	10	-	-
	G4 - 6	●	9	Thailand only	-
	G4 - 7	●	10	-	-
	G4 - 8	●	9	Also refer to Annual Report page 194-201	-
	G4 - 9	●	10, 59	Also refer to Annual Report page 10-11	-
	G4 - 10	●			
	G4 - 11	○	-	Not applicable	-
	G4 - 12	●	50	-	-
	G4 - 13	●	Annual Report page 16-17	-	-
	G4 - 14	●	76	Also refer to Annual Report page 45	-
	G4 - 15	●	12, 19, 31, 62, 78, 79, 92, 94	-	-
	G4 - 16	●	12, 31	Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and UNICEF	-
Identified Material Aspects and Boundaries	G4 - 17	●	Annual Report page 202-205	-	-
	G4 - 18	●	85, 87, 88	-	-
	G4 - 19	●	88	Materiality matrix	-
	G4 - 20	●	85	The aspects are material within the organization.	-
	G4 - 21	●	85	The aspects are also material outside the organization.	-
	G4 - 22	●	10	Refer to table's note	-
	G4 - 23	●	87	There is no significant change from previous reporting period in scope and boundary.	-
Stakeholder Engagement	G4 - 24	●	86	-	-
	G4 - 25	●	87	-	-
	G4 - 26	●	86	-	-
	G4 - 27	●	86	-	-

General Standard Disclosure

- Fully Reported
- ◐ Partially Reported
- Not Reported

GRI Content Index

GRI Aspect	Indicator	Status	Page	Note	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.
Report Profile	G4 - 28	●	85	2 nd paragraph	-
	G4 - 29	●	85	1 st paragraph	-
	G4 - 30	●	85	Annually	-
	G4 - 31	●	85	-	-
	G4 - 32	●	85, 89 - 91	-	-
	G4 - 33	●	Annual Report page 102	Our financial data are audited by independent auditor.	-
	Governance	G4 - 34	●	14	Annual Report page 56
G4 - 35		●	14	-	-
G4 - 36		●	14	-	-
G4 - 37		●	12, 85, 86	Stakeholder inclusiveness/ Also refer to Annual Report page 73	-
G4 - 38		●	Annual Report page 46-50	-	-
G4 - 39		●	Annual Report page 59	The Board of Directors.	-
G4 - 40		●	Annual Report page 64-65	-	-
G4 - 41		●	Annual Report page 59-62, 74	-	-
G4 - 42		●	14	Also refer to Annual Report page 61 - 63	-
G4 - 43		●	14	Also refer to Annual Report page 63 (The Scope of Authority and Duties of the Sustainable Development Committee) and 75 (Board of Directors' Meetings)	-
G4 - 44		●	Annual Report page 71-72	-	-
G4 - 45		●	14	Annual Report page 82 - 83	-
G4 - 46		●	14	Annual Report page 82 - 83	-
G4 - 47		●	14	Annual Report page 82 - 83	-
G4 - 48		●	14, 87	Step 3 - Validation	-
G4 - 49		●	12, 85, 86	Stakeholder inclusiveness/ Annual Report page 73 - 71	-
G4 - 50		●	-	There were zero (0) case in 2015.	-
G4 - 51		●	Annual Report page 66	-	-
G4 - 52		●	Annual Report page 65	-	-
G4 - 53		●	Annual Report page 65	-	-
G4 - 54	●	Not applicable	Proprietary information	-	
G4 - 55	●	Not applicable	Proprietary information	-	
Ethics and Integrity	G4 - 56	●	12 - 13	Also refer to Annual Report page 70 - 75	-
	G4 - 57	●	12	-	-
	G4 - 58	●	12	-	-

General Standard Disclosure

- Fully Reported
- ◐ Partially Reported
- Not Reported

GRI Content Index					
GRI Aspect	Boundary	Indicator	Status	Page	Note
General		G4 - DMA	●	4 - 8, 12 - 83, 85 - 88	-
Economic Performance	AIS, Partners, Customer, Community	G4 - EC1	●	10	-
Indirect Economic Impacts	AIS, Community	G4 - EC8	●	8, 9, 17, 21 - 31, 44, 50 - 75, 79	-
Energy	AIS	G4 - EN3 G4 - EN6	● ●	83 75, 80, 83	- -
Emissions	AIS	G4 - DMA G4 - EN15 G4 - EN16	☹ ● ●	77 - 83 83 83	- - -
Effluents and Wastes	AIS	G4 - EN23	●	83	-
Products and Services	AIS	G4 - EN27	●	76 - 82	-
Employment	AIS	G4 - DMA G4 - LA1	● ●	17, 29, 59 - 64 74	- -
Occupational Health and Safety	AIS	G4 - DMA G4 - LA6	● ☹	65, 68, 69 69, 74	- -
Training and Education	AIS, Partner	G4 - LA9 G4 - LA11	● ●	70, 74 74	- -
Human Rights	AIS, Partner	G4 - DMA G4 - HR10	● ●	31, 62 13	- through Ethics questionnaires
Local Communities	AIS, Community	G4 - DMA G4 - SO1	● ●	17 - 32 18 - 20	- -
Anti-corruption	AIS, Partner	G4 - SO4	●	13, 51	Also refer to Annual Report page 75
Product and Service Labelling	AIS, Customer	G4-PR5	●	36, 38, 49	-
Customer Privacy	AIS, Partner, Customer	G4 - PR8	●	47	-

General Standard Disclosure

- Fully Reported
- ☹ Partially Reported
- Not Reported

Note: GRI Content Index is prepared in accordance with GRI reporting guidelines. For more information on the meaning of each indicator, please visit <https://www.globalreporting.org>

Report on The Compliance of The Ten Principles of United Nation Global Compact (UNGC)

Although, AIS has not submitted our commitment to comply with the UN Global Compact, however, in 2015, we have studied and adopted its guideline to enhance our practice for sustainable development, which can be summarized as follows;

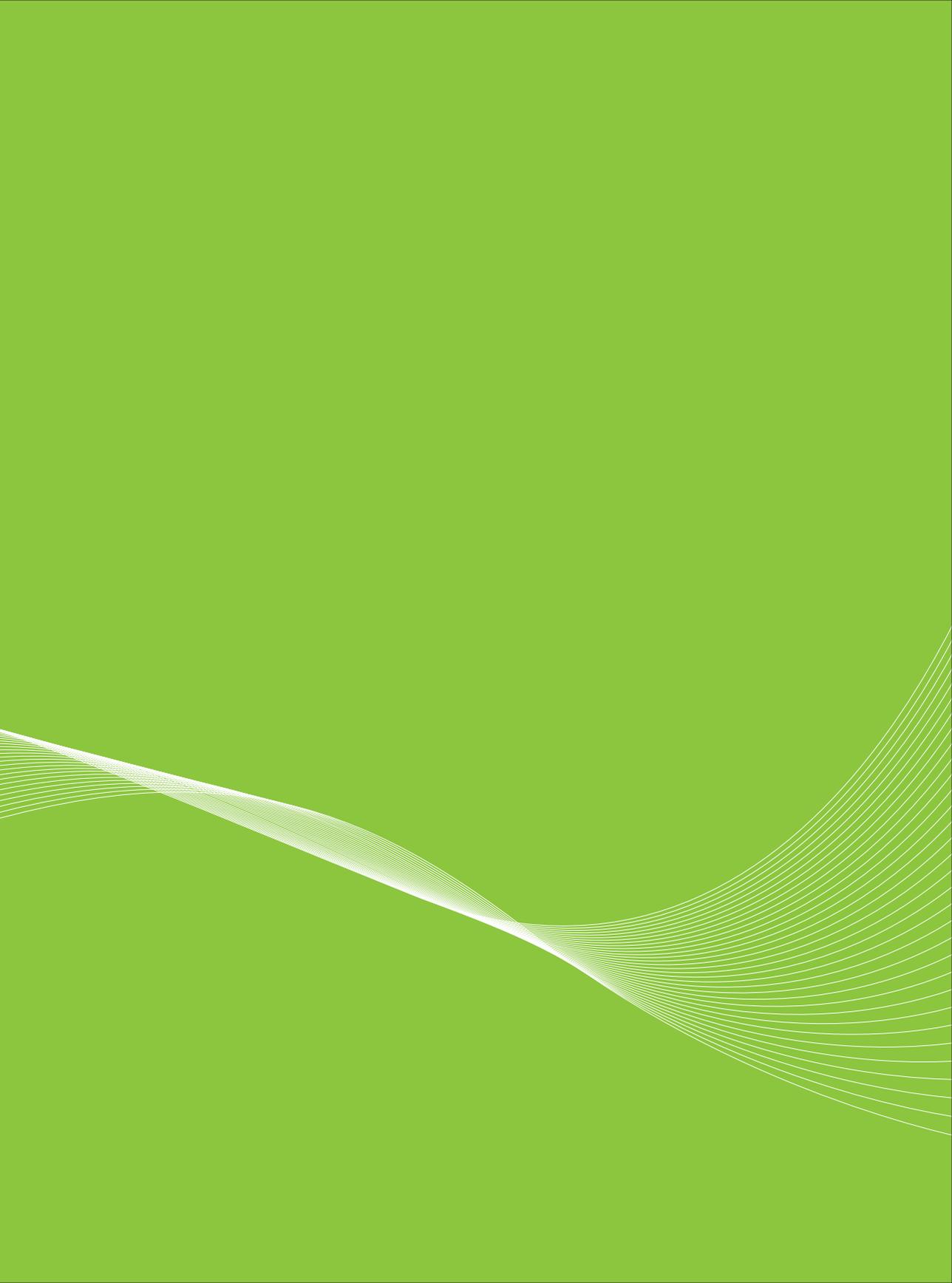
UNGC principles	AIS action	Page in SD report or other documents
Human Rights	<ul style="list-style-type: none"> • Clearly stated the practice on human rights in Corporate Governance Policy and Code of Business Ethics • Signed a declaration to support children's rights through Children's Rights and Business Principles (CRBP) • Incorporated the human rights clause in business agreement/contract 	<ul style="list-style-type: none"> • Code of Business Ethics, page 6 • Corporate Governance Policy, page 18 • SD Report, page 31, 51, 62
1. Businesses should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> • Under the process to identify the proper practice 	-
Labor	<ul style="list-style-type: none"> • Opened variety of channel to hear staff voices and give opportunity for freedom of association 	SD Report, page 66
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> • Incorporated the human rights clause in business agreement/contract 	SD Report, page 51
4. The elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> • Promoting Children's Right • Incorporated the human rights clause in business agreement/contract 	SD Report, page 31, 51
5. The effective abolition of child labor	<ul style="list-style-type: none"> • Supporting equal job opportunity for 78 disabled call center agents • Provided equal job opportunity under human rights policy 	SD Report, page 58, 62
6. The elimination of discrimination in respect of employment and occupation		

UNGC principles	AIS action	Page in SD report or other documents
<p>Environment</p> <p>7. Businesses should support a precautionary approach to environmental challenges</p>	<ul style="list-style-type: none"> Committed to develop environmentally-friendly products and innovation as part of our sustainability strategy Incorporated the environmental responsibility in Corporate Governance Policy and Code of Business Ethics 	<ul style="list-style-type: none"> SD Report, page 16, 75 - 82 Code of Business Ethics, page 5 Corporate Governance Policy, page 18
<p>8. Undertake initiatives to promote greater environmental responsibility</p>	<ul style="list-style-type: none"> Committed to develop environmentally-friendly products and innovation as part of our sustainability strategy Incorporated the environmental responsibility in Corporate Governance Policy and Code of Business Ethics Created environmentally-friendly products and services 	<ul style="list-style-type: none"> SD Report, page 16, 75 - 82 Code of Business Ethics, page 5 Corporate Governance Policy, page 18
<p>9. Encourage the development and diffusion of environmentally - friendly technologies</p>	<p>Created environmentally-friendly products and services</p>	<p>SD Report, page 75 - 81</p>
<p>Anti-corruption</p> <p>10. Businesses should work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> Prescribed the Anti-Bribery and Anti-Corruption policy to apply to all directors, management, and employees within the AIS group Created awareness of business ethics to AIS staff through variety of channel and activities Certified as a member of the "Thailand's Private Sector Collective Action Coalition Against Corruption" (CAC) 	<p>SD Report, page 12 - 13</p>

Report on the Compliance of the United Nation Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) was adopted in 2015 by the UN's 193 member states as a guideline to global sustainability. Advanced Info Service Public Company Limited (AIS) as a Thailand's citizen and leader in digital life service then studied and selected the suit goals that we can drive in term of digital life. In this first year of studying, we would like to report our existing practices which are aligned with those SDGs as follows;

SDGs	AIS action	Page in SD report or other documents
Target 3 - Ensure healthy lives and promote wellbeing for all at all ages	<ul style="list-style-type: none"> Developed "O So Mo" application to help people in remote areas have better access to health care services Established AIS fund for the elderly at the Rajaprajanugroh Foundation 	SD Report, page 8, 22 - 23, 29
Target 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Conduct "Sarnrak Kon Keng Hua Jai Krang" project for more than 17 years Sarnrak Children's Development Center 	SD Report, page 26 - 28
Target 5 - Achieve gender equality and empower all woman and girls	<ul style="list-style-type: none"> Provided equal job opportunity under human rights policy 	SD Report, page 62, 74
Target 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Provided equal job opportunity under human rights policy Promoted local hiring AIS Call Center for the Disabled 	SD Report, page 17, 58, 60, 62, 74
Target 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Message from CEO Business overview Vision and Mission Foster innovative products and services that make customer "Live digital, Live more" 	SD Report, page 6, 9, 11, 33 - 38, 40 - 41, 43, 47 - 48
Target 10 - Reduce inequality within and among countries	<ul style="list-style-type: none"> Message from the Sustainable Development Committee AIS Call Center for the Disabled Variety of products and services with affordable price that meet every needs 	SD Report, page 4, 8, 17, 38, 58
Target 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Supporting Family Institution Sarnrak 	SD Report, page 25 - 28





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