

DIGITAL FOR THAIS



AIS Sustainability continues to go from strength to strength



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

DJSI recognizes AIS' success for the second consecutive year (DJSI 2015-2016)

AIS believes that ongoing corporate sustainability provides the people of Thailand with complete access to a comprehensive telecommunication digital technology network and services and digital life style experience. We also welcome the continuing confidence and acceptance of what we do from all our stakeholders. Everyone at AIS continues to commit to providing the very best digital telecommunication service for the people of Thailand.

CONTENT

01 Message from the Chairman and Chief Executive Officer	02 Operational Highlights 2016	04 Business Overview	
06 Vision and Mission	07 Strategy for Sustainable Development – 5 Focus Areas		
	10 Our Community and Society 	28 Our Customers 	49 Our Partners 
	63 Our People 	89 Our Environment 	
Appendix			
102 About This Report	107 GRI Content Index	112 Report on The Compliance of The Ten Principles of United Nation Global Compact (UNGC)	114 Report on the Compliance of the United Nation Sustainable Development Goals (SDGs)





Message from the Chairman and Chief Executive Officer

2016 is a significant year for AIS's business operations. First and foremost, our success in the additional spectrum auction for 4G and 3G services helped fortify AIS's long-term competitive strength in our key business. This will establish sustainable business growth in the long-term, enable us to strengthen our leadership position, and create stable returns for our shareholders. Naturally, we must always be aware of changes in the business environment. For us at present, this is especially the case in terms of consumer lifestyles which change in response to the new technologies that become available, leading to new opportunities as well as new challenges.

This is the second year in which AIS has pursued its vision of being the leading digital life service provider, and we have implemented numerous changes within the organization as part of this ongoing strategy. We expanded into new business segments, like high-speed internet services and digital content. This created changes in business structure as well as the development to build the right people for our new business direction. To keep pace with the changing markets and consumer lifestyles, we adapted a new way of work in collaboration with strategic partners. We have moved into an expanding role in a wider social context as well as an increased awareness of environmental impacts on investment decisions.

With the infrastructure and telecommunications services we have developed over many years, AIS is strongly positioned to bring progress to communities and support the development of society as a whole and facilitate a higher quality of life. With a network that extends not only to urban centers but also to remote rural communities across the country, we provide wider access to important services such as education and health care. Working towards a better quality of life for all Thai people remains an important goal that will continue to drive our business into the future.

This year, 2016, marks the second year in which AIS has been selected for inclusion in the Dow Jones Sustainability Indices (DJSI). It is also the second year we have been included in the 'Sustainable Stock' list of listed companies assessed by the Stock Exchange of Thailand. This independent and external recognition have also been the guiding principal that keeps us pushing to develop internally and focuses on transparency and good governance. As we pass from generation to generation, these are the guiding values that enable us to achieve continued growth for our business and for Thailand as a whole.



Mr. Kan Trakulhoon

Chairman of the Board of Directors



Mr. Somchai Lertsutiwong

Chief Executive officer

Operational Highlights 2016

Enhance 'digital life' for Thais with integration of mobile connectivity, Fibre to Home, and digital contents and services.



Strengthening leadership position

Mobile business



THAILAND'S NUMBER 1 NETWORK
serving 41 customers, approx. 50%
revenue market share

98% **2G** coverage
98% **3G** coverage
98% **4G** coverage

Capturing growth

Growth in mobile data revenue

20%

Strong demand for mobile data supported by higher smart device penetration, and better data speed.

3.6GB 29%

average data usage 4G subscribers increased 1.8

Fixed broadband business



301,500

subscribers
5.2 mn homepass
in 28 cities



- Lift up broadband speed with better technology at affordable prices for Thais
- Create new revenue stream and leverage value from existing mobile business

Digital life services provider



AIS PLAY IIA: AIS PLAYBOX

- Embarking on exclusive contents, live and VDO entertainment



AIS Business cloud

- End to end, one stop service for Thailand 4.0
- Supporting both corporates and SMEs cost efficiency and mobility



Mobile Money

- Partner with banks and financial institutions to create most convenience way to access financial services

Commit to deliver sustainable return

DJSI 2015 – 2016

We are the one and only Thai telecom selected to be in DJSI family 2 years in a row



70%

Dividend payout from 2017 onwards

Being certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption

Create new possibilities for Thai society through digital technology

Expand 3G and 4G accessibility for Thais by providing AIS LAVA smartphone and affordable -price packages



6.7 units of AIS LAVA sold in 2016

4.09 units of AIS LAVA sold in 2015

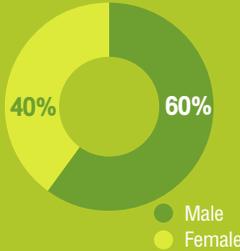


12 call centers operated by disables

117 disabled employees
2,947 service transactions for disabled customers in 2016

With our operational and financial strengths, AIS provides over **12,000** Job opportunities

Employees by gender



Best of the Best Employer Award 2016

by Aon Hewitt

Khiri Lom village project according to H.R.H Princess Maha Chakri Sirindhorn

Providing over **100** students

access to electricity and 3G technology for education

AIS Volunteering

2015 39 projects Bt **3.0** mn

2016 40 projects Bt **3.2** mn

Committed as Green Network

Proportion of base stations using high quality fans in substitute of air conditions

2015 70% | **2016** 100%



Awarded **LEED PLATINUM** Training and Development Center at Nakhonratchasima

Achieve target on carbon intensity of



1.8

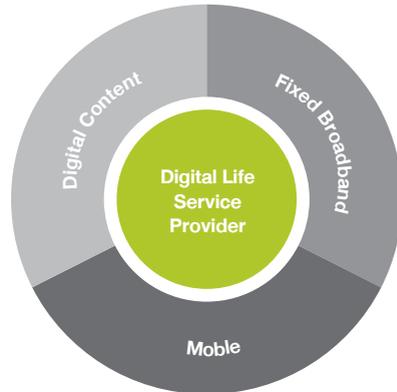
PUE at AIS data center lower than normal rate of 2.0

Bt **50.5** mn

Lower operational cost is supported by customers using electronic billing system

Business Overview

Advanced Info Service Plc. (AIS) aims to be the 'Digital Life Service Provider' operating in three core businesses: mobile, fixed broadband, and digital content. AIS is the leading mobile operator in Thailand with 50% revenue market share and is serving more than 41 million subscribers nationwide as of the end of 2016. For more than 26 years of service, mobile business continues to be the largest revenue contributor of AIS' total revenue. With the strength of current spectrum holding, AIS can provide quality 2G, 3G and 4G networks and other various services. Furthermore, the new 900MHz license was granted in June 2016 and is valid until 2031. The 900MHz frequency is used to deploy 2G network as well as to help strengthen both coverage and capacity for 3G and 4G networks. Currently, AIS' 3G network is operated on 2100MHz license and is valid until 2027. 3G coverage is more than 98% of Thai population. At year-end 2016, AIS' 4G network, operated on 1800MHz license which is valid until 2033, reached nationwide coverage of 98% of total population and expected to increase capacity and expand more in year 2017. Moreover, mobile



services of AIS include domestic voice and data connectivity, digital contents, video streaming, mobile financial service, International Direct Dialing (IDD) service, and International Roaming service.

In addition to the mobile business, in early 2015, AIS started a new fixed broadband business under the brand 'AIS Fibre'. In the second year of operation in 2016, AIS Fibre has shown an accelerated growth as we continue to expand coverage and scale up the business. In the meanwhile, the fixed broadband market is expanding and the demand for better speed and quality for at-home connectivity grows, AIS Fibre could attract customers with its differentiation of FTTH (Fibre-To-The-Home) technology and with affordable price to upgrade from ADSL. This year-end we reported a revenue increase of 616% YoY and subscriber growth of 6.8 times from 44k at the end of last year to 301,500 with 5.2 million available homepass. AIS will continue to ramp up the service for next year and target to become a major player in the market within 3-5 years.





The last part of AIS' core business is digital content. Going towards the digital transformation, AIS as a Digital Life Service Provider has been developing and improving many digital contents and services to serve customers. AIS cooperates with the content creators and providers to build up a telecom ecosystem to grow together. Among the five key

areas namely video, game, mobile banking, cloud, and M2M, the examples of our success in 2016 were the popularity of AIS PLAY, a video-content mobile application, and the launch of the Cloud Enterprise business. Ultimately, AIS' digital content will enhance and extend our integrated service and strive AIS for future growth in the digital society.

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

Financial highlights for three consecutive years

Unit: Million Baht

General Information	2014	2015	2016
Direct economic value generated by AIS group			
• Total assets	126,351	181,761	275,670
• Total revenue	149,329	155,276	152,150
• Service revenue (excluding IC)	117,990	120,621	122,561
Economic value distributed			
• Operating cost	74,904	82,618	82,991
• Employee wages and benefits	7,446	8,078	7,184
• Community investment	188	143	90
• Payment to government	29,506	24,115	15,589
Payment to providers of capital			
• Dividends	35,052	37,042	36,509
• Finance costs	1,527	1,960	4,236
Economic value of AIS group			
• Net profit	36,033	39,152	30,667
• EBTDA	66,428	70,776	62,949



Mission

- We commit to deliver superior, innovative and responsible 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 build win-win growth with our key stakeholders.

Vision

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





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 senior 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 AIS.





5 Focus Area	Commitment	Material Aspects	Management Approach
<p>Community and Society Bringing our society together</p> 	<ul style="list-style-type: none"> To thoroughly understand and take into account 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 10-27
<p>Customer Providing the best customer experience</p> 	<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, providing the 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 Data Privacy Customer Satisfaction Innovation 	Page 28-48
<p>Partners Sustainable partnerships</p> 	<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 49-62
<p>People Growing our people with their strengths</p> 	<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 Engagemen Human Capital Development Anti-bribery and Anti-Corruption Occupational Health and Safety Human Rights 	Page 63-88
<p>Environment Greening our future</p> 	<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 89-100

The Sustainability Governance Structure of AIS



To manage the sustainability policies and strategies of AIS, the Board of Directors is responsible for all 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 management team on matters of policy and strategy, and oversees their implementation. 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 the Chief Executive Officer. The Sustainable Development Working Group, which comprises 14 representatives drawn 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 Sustainable Development staff 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 is 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 list of names and duties of the Sustainable Development Committee, please see the 2016 annual report under the heading "Management Structure" page 57

Our Community and Society

2G 3G network
cover of the country



Success

Expanding our 4G network to cover 98% of the country's population within 1 year

5.2 homepass

homepass have access to High-Speed Broadband with 100% Pure Fibre Optics



AIS WiFi
80,000 hotspots
can access to a job
opportunity
12,000 people

Management Approach

- Develop extensive and quality digital infrastructure for all Thais to enhance their wellbeing
- Support the 'Thailand 4.0' policy in driving the economic growth through innovations
- Develop Thai people's potential and build knowledge and understanding of digital technology
- Promote social innovation
- Uphold human rights and provide equal opportunities

Challenges and opportunities

Advancement in telecommunication technologies plays a vital role in driving the country's economy and business sectors. It helps businesses and nation to enhance a competitive edge, reduce operating costs, and help overcome impediments in developing the country. At the same time, fast-changing technology also influences consumers' lifestyles in many ways. It allows us to overcome the limitations of time, place, or even social status. This enables the nation to improve wellbeing of the people, reduce social inequality, as well as enhance access to fundamental services and extend financial inclusion. These are considered to be both challenges and opportunities for the public and private sectors - to invest in the development of technology infrastructure, and to encourage consumers' learning for an effective technology adoption.

Long-term Objective

To be the creative leader in the Thai telecommunications market and be the most recognized digital service provider.

Indicators

- Network quality & reliability
- Number of telecommunications and broadband service users
- Number of innovations in 2016
- Success rate of renewal rental agreement for telecommunications service areas
- Number of viewers of the educational clip on using technology effectively
- Number of Village Health Volunteers ('Aor SorMor') accessing the Aor Sor Mor app.
- Corporate Image Survey 2016



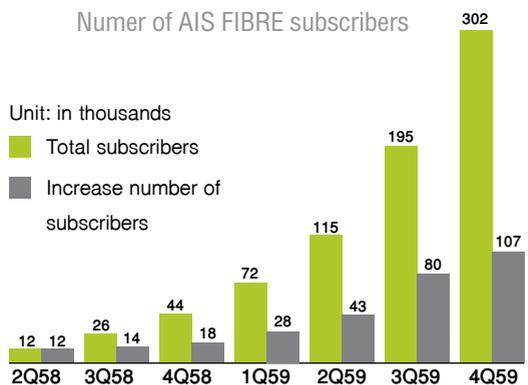
Develop extensive and quality digital infrastructure for all Thais to enhance their wellbeing

Following the acquisition of 1800MHz and 900MHz mobile spectrum licenses last year as well as securing additional spectrum through collaborations with business partners, AIS has strengthened its 3G and 4G services for more than 40 million customers who now enjoy faster mobile internet with greater coverage. With 3G and 4G networks currently covering 98% of the population, AIS is offering wider 3G and 4G services at affordable prices, allowing consumers to access better technology and have greater choices that meet their various demand.

In addition to the extensive wireless networks, in 2016 AIS is quickly implementing its high-speed internet broadband, “AIS Fibre”, which provides services through 100% pure fibre optics with faster speed and better quality than current technology, whether it be ADSL, which has issues with copper wire degradation as a result of Thailand’s climate, or DOCSIS technology, which is limited in terms of distance. This introduction of AIS Fibre services

is revolutionary in Thailand’s broadband internet industry. Our entrance to this business has driven the industry to compete on and bring about the widespread development of fibre optic internet services, and, in turn, gives consumers greater access to more effective high-speed internet technology.

In 2016, AIS was able to expand the AIS Fibre network to cover 28 provinces, higher than the 24-province target. The network now covers over 3 million households, and as AIS Fibre offers a variety of reasonably priced packages, the number of AIS Fibre users has since been growing continuously.





AIS Maritime

AIS has joined with communications satellite provider Thaicom Public Company Ltd. (THCOM) to launch “AIS Maritime”, which offers mobile voice call and internet services at up to 2.7 Mbps for the first time through communications satellite to the Gulf of Thailand, and Southeast Asia. This allows offshore workers, such as oil platform and cargo vessel workers etc., to contact family and friends. AIS is the first company in Thailand to bring innovations in telecommunications technology for use with communications satellite systems, and since 2013, AIS and Thaicom have been trialing mobile network services on HTMS Krabi.

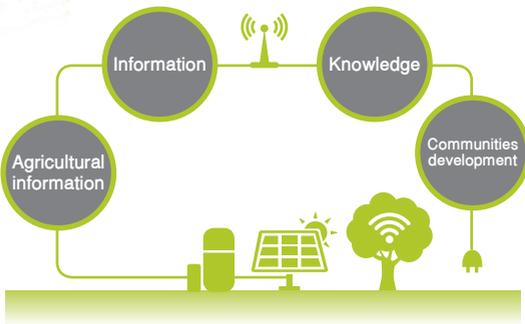
Other than AIS Maritime’s low-cost packages helping to reduce communications costs between offshore workers and their head offices, it also helps to increase operation efficiency through Value Added Services, such as Mobile Digital Video Recording (mDVR), which enables head office based staff to monitor the safety of offshore workers and offshore operations through mobile handsets or screens at head offices.

ICT and Integrated Renewable Energy project for marginalized communities initiated by Her Royal Highness Princess Maha Chakri Sirindhorn

The limited electricity and access to telecommunications systems of distant, remote and border communities has an ongoing effect on developing the quality of life and education of children and youths in those areas. One such project aimed at tackling this issue is the Ban Khiri Lom Border Patrol Police School, Prachuap Khiri Khan Province, founded by H.R.H. Princess Maha Chakri Sirindhorn, which acts as a learning centre supporting over 100 students who lack modern teaching equipment.

AIS has therefore collaborated with various government agencies, including the Information Technology Foundation, the Border Patrol Police Headquarters, NECTEC, and Wildlife Sanctuary authorities, to implement the “ICT and Integrated Renewable Energy project for marginalized communities initiated by H.R.H. Princess Maha Chakri Sirindhorn”. We joined in the design and development of hydroelectric and solar energy systems, which are considered clean energy sources that do not directly impact the environment. These energy sources not only supply electricity to the school, but charging stations also allow students to charge electric lanterns for use at home.





The Remote Monitoring System is another innovation deployed for this project which enables officials to monitor the operations or malfunctions of remote equipment. In addition, teams of AIS engineers visit areas to share knowledge on sustainable energy use with teachers, students, and locals in marginalized communities in order to provide a continuous energy supply for everyone in the long term, while also preserving natural resources.

As for the installation of wireless internet systems for prototype classrooms at schools in isolated areas, our team of engineers has invented a way of installing broadcast equipment on trees. This process enables us to connect a signal from ground level to hilltops, while remaining in harmony with the landscape and without the need to fell trees.

The AIS prototype classrooms for schools in isolated areas are equipped with computers, high-speed wireless internet systems, and 3G communication equipment to provide the teachers, students, and local community members with access to news sources, agricultural knowledge, and any new knowledge they can find. In support of computer studies, eDLTV (eLearning-on-demand) is a system where teachers can record any lessons they wish beforehand. This eliminates the need for students having to wait for lessons according to set timetables, and helps facilitate the creation of schedules that

are suitable for both teachers and students. All of these are important tools in further developing the quality of life, and the quality of education.

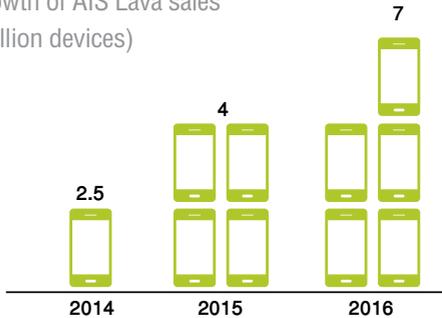
The Ban Khiri Lom Border Patrol Police School, Prachuap Khiri Khan Province, was the first pilot center established under the ICT and Integrated Renewable Energy project for marginalized communities initiated by H.R.H. Princess Maha Chakri Sirindhorn. Today, this school has 105 students ranging from pre-primary up to primary grade 6. In 2017, AIS aims to expand this project to 6 other marginalized communities, in order to build an educated society, open up opportunities to education, and reduce the social inequality of electrical energy access between communities.

AIS Lava low-cost smartphone

In addition to our focus in building quality networks, AIS has teamed up with Indian mobile handset manufacturer, Lava, to produce the “AIS Lava” smartphone which supports 3G and 4G technology, provides high voice quality, and delivers faster speeds than 2G technology. These smartphones are aimed at low income consumers with prices starting at a few thousand baht, and therefore opens up opportunities to all consumer groups, allowing wider access to AIS smartphones and 3G and 4G technology. Furthermore, low-cost smartphones also grant new business opportunities to AIS as they can be marketed to the lower income group - the main group in the country. With the sleek appearance of the AIS Lava, complete functionality, and quality which parallels that of smartphones in the ten thousand Baht range, the AIS Lava has become hugely popular with Thai consumers. At present,

over 15 million devices have been sold, helping achieve continuous growth in people’s access to smartphone technology.

Growth of AIS Lava sales
(million devices)



Special packages for the visually or hearing impaired

“Everyone has the right of equal access to public service in his country.”

(The Universal Declaration of Human Rights)

Special packages for the visually or hearing impaired have been designed to cater to the different needs, and allow people born with disabilities to have access to basic telecommunications services. For the hearing impaired, packages are steered towards internet use, SMS and MMS messaging, while packages for the visually impaired focus on buffet style voice call services, with options for daytime or night-time buffets. Both groups of individuals are granted access to these privileges at special prices. For details, please visit: <http://www.ais.co.th>

Support the ‘Thailand 4.0’ policy in driving the economic growth through innovations

Thailand 4.0 is the government’s policy which seeks to drive the economy through innovation and build a Value-Based Economy through 3 key transformation:

1. Shift from producing commodities, to producing “innovations”
2. Shift focus from trade in goods to “trade in services”
3. Shift from economic drive through industry, to drive through “technology, creativity, and innovation”

These changes will be carried out in 4 elements:

1. Change from Traditional Farming to Smart Farming, by farmers becoming entrepreneurs and more affluent
2. Change from being Traditional SMEs which require constant government assistance to entrepreneurs and high potential start-ups (Smart Enterprises)
3. Change from relatively low value Traditional Services to High Value Services
4. Change from a low-skilled workforce to a highly-skilled workforce with knowledge and expertise

Source: Department of Local Administration website

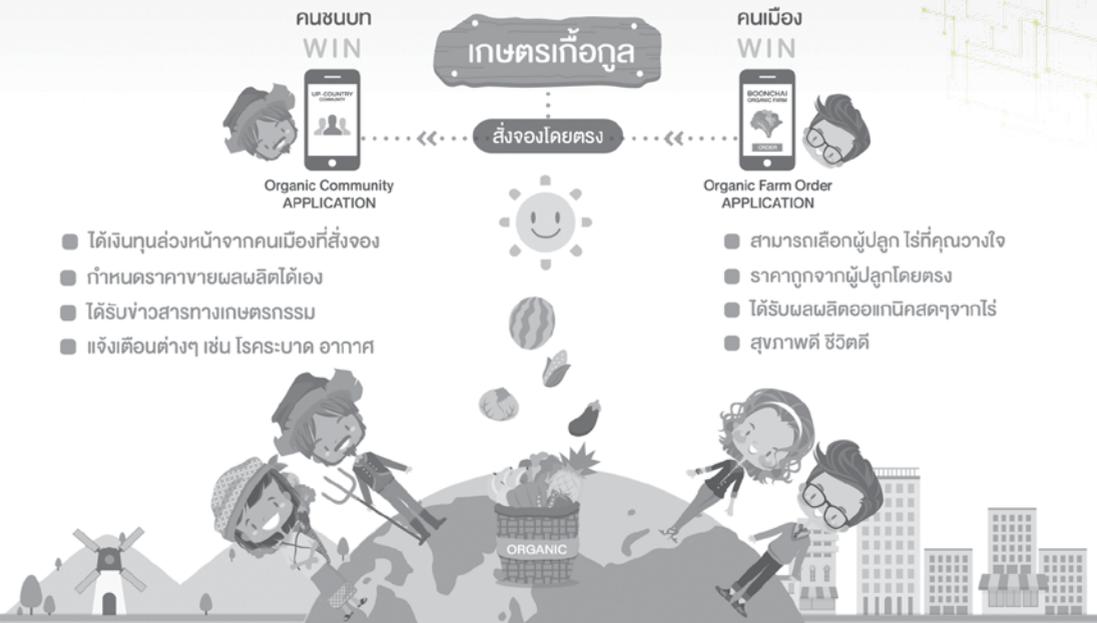
Considering businesses' relevancy and the elements of change according to the Thailand 4.0 policy, AIS is primed to support Thailand's development by providing the infrastructure needed to enact the policy, elevating the lives of Thai people through the promotion of knowledge to keep pace with the country's developments.

Farmhug" application - The beginning of the Digital Agriculture Platform development project

In line with our objective to use digital technology to help elevate the agricultural sector, develop the quality of life for farmers, and bring about high-value modern farming, AIS has launched the "Digital Agriculture Platform" project by surveying the agricultural issues of locals to collect data for

analysis. In 2016, when rice prices crashed, the "Farmhug" application was developed as a prototype of modern farming which would help alleviate the problems farmers were experiencing. It was first trialed with internal staff, allowing them to order organic rice from rice farmers for their own consumption or as a gift for the New Year. Farmhug offers over 10 types of rice available, such as Aromatic Black, Brown Lanna, Brown Jasmine, Ruby Red, Noppakao, Leum Pua, Riceberry, Red Jasmine, Gaba rice, and other aromatic varieties. In addition, we enhance the convenience of payment services through our own AIS mobile payment application, mPAY. The number of orders through the Farmhug application proved it to be an initial success, accounting for total sales of 1,454 kilograms of rice.





City-to-Farm Agriculture Assisting” (CFAA) Pilot Project

The pilot “City-to-Farm Agriculture Assisting” project is an application platform which helps address the needs of different groups along the supply chain by connecting between farmers, agricultural producers and consumers in the cities. The purpose is to provide better marketplace for farmers to sell their goods at reasonable prices to sustain their families without having to face the low prices of middlemen, and match with consumers in cities who want good quality agricultural products at reasonable prices through online channel.

The pilot City-to-Farm Agriculture Assisting project is a win-win solution for both parties, and was awarded the Champion of WSIS Prize 2016 under the ICT Application: e-Agriculture category in the WSIS Forum in Geneva, Switzerland. Those interested may find additional information here: <https://www.youtube.com/watch?v=LMOPCmDD2o4>

Work together with the Market for Alternative Investment (MAI) to promote growth among Startups

The world of the internet leads to a vast number of new entrepreneurs and new businesses. From the perspective of a large organization, AIS sees the shortcomings of these businesses, namely a lack of experience and marketing knowledge. For this reason, in addition to the “AIS The StartUp” project launched in 2011, each year AIS teams up with government agencies and various organizations to provide knowledge and spark ideas in the new generation of startup entrepreneurs. In 2016, AIS in conjunction with the MAI, the securities public listing market in Thailand for alternation investment, organized the “Prepare for the business world, dream to the Capital Market” seminar, with the main topic of promoting startups to grow through collaboration with various agencies, and aiming to access capital market through listing of new shares (Initial Public Offering-IPO) on the MAI. The Thai Capital Market is considered comparatively strong in the region, and offers good opportunities for private companies to public capital access. The event itself featured successful startups, investors, and the President of MAI sharing their experiences.

Develop Thai people's potential and build knowledge and understanding of digital technology

“AIS - Aware for Digital Life”

Nowadays, mobile phones have become a key element in the day-to-day lives of Thai people, due to their ability to connect people quickly, and the convenience they offer in making our lives easier. Other than using mobile phones for voice calls and text messaging, consumers today tend to use their devices as tools to store and record important information, such as photos, bank account numbers, copies of their ID card, and various passwords. This presents safety and security risks to user particularly in case of the lack of awareness of how to use mobile phone appropriately or device being stolen. “AIS-Aware for Digital Life” is a project which focuses on educating how to use mobile phones in an appropriate way, building awareness on the dangers of their misuse and loss, and offering tips and tricks that can benefit the user, such as building phone locking discipline by creating a fingerprint password, regularly updating various software and applications, or installing antivirus software etc. The project shares the information via the Samrak website and social media. Furthermore, in the last year, AIS supported the CBS Academy project, with Far East DDB, for the 2nd year. The project's format provides opportunities to creative 3rd - 4th year university students to enter works into competitions entitled “Walk, don't chat” and “Digital Diet for Healthy Relationship”, with the chance to win scholarships of 100,000 Baht each (3 prizes). In addition to the prizes, selected works will be publicized via video clips to promote life in the digital era, with AIS providing the financial support. For those interested, please see: <https://youtu.be/67j5lvi3lbM>



Informative seminars on the safety of base stations

AIS organizes seminars to educate the people, the media, and local officials on the benefits and dangers of electromagnetic waves. Experts in this field are invited to give the talks and build correct understanding among all stakeholders. In the previous year, these talks have been organized through 9 events across the country's various regions - the North, Northeast, Southwest, the South, and the Central region. In cooperation with government agencies and journalist associations, we have arranged for another 15 informative seminars in 2017, to further build understanding across the wider population. The electromagnetic wave emissions from AIS base stations, which cause health concerns among the people, are better than the standards set forth by the National Broadcasting and Telecommunication Commission (NBTC). Other than this, the construction of AIS base stations strictly complies with the NBTC regulations and ensures people's safety through their strong stability and their ability to withstand 130kmph wind, storms, and earthquakes. When selecting base station locations, AIS places importance on the communities, and takes special care of the environmental visibility, while always raising awareness in the communities and carrying out public discussions before the construction.



C.A.M.P. AIS (Creative and Meeting Place)

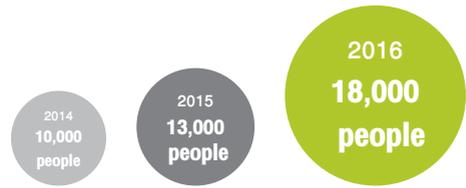
The 24-hour Library Café, the first in Thailand, offers a place for the new generations to get inspired, love learning, and spend time furthering their ideas or simply getting together.

The lifestyles of new generations has shifted toward freedom of time and places. Younger generation expresses their enthusiasm and ideas more through social media, and spend lots of time outside of homes, as shown by the statistics they usually spend more than 13 hours a day outside of home.

C.A.M.P. AIS provides the answer to the new generation’s lifestyle by using digital technology to help facilitate and offer a space in which to develop their potential. It provides a place to inspire creativity, to meet with each other, as well as to spark innovations for the country. C.A.M.P. AIS was opened under the combined concepts of an open office, a library, and a café, and is equipped with high-speed internet up to 1 Gbps, the global speed standard, and 300 Mbps WiFi services. The C.A.M.P. is arranged with zones for meetings, a Digital Library with over a thousand books, and electronic payment services through AIS Digital money for added convenience when purchasing food and beverages in the C.A.M.P.

In addition to the zones and services in the C.A.M.P., there are also inspirational activities inviting the “new generation idol” to share their experiences and ideas. These activities are broadcast live via AIS LINE and AIS PLAY so that all Thai people have access to view and listen to them online. Those who are interested can enjoy these services 24 hours a day at the MAYA Shopping Centre, Chiang Mai.

Average number of monthly users per year



Promote social innovation

“Aor Sor Mor Online” App-Quality network innovation for society

From the strengths of being the largest service provider covering more population in the country than other businesses, and the understanding built with local people when we go out to construct our base stations, we see the difficulties of collaboration between Tambon Health Promoting Hospitals (THPH) and the network of Village Health Volunteers (VHV). The difficulties stem from the extensive and far reaching areas that fall under their responsibility, causing problems in communication between THPHs, VHV, and also patients in those areas. This has an impact on access to health and public wellbeing information, so when serious incidents occur, such as epidemics, it means that disease prevention and control can only be reactive, rather than proactive.

The “O So Mo Online” application is an online social network specifically for public health communications between the two agencies mentioned above. The application helps improve work effectiveness and leads to greater proactivity. The first place to use this application was the Ratchasima in 2015, and currently the network of THPHs and VHV covers 88 locations nationwide, increased from 70 locations in 2015.



AIS is continually developing the application's functions and expanding the app to enable all VHV's to gain access to it, and without limiting the app to AIS network users only, in order to truly benefit community health for all. At the same time, community relations teams from AIS visit local communities to introduce the O So Mo Online app, sharing knowledge on the benefits of digital technology, and teaching VHV's how to use smartphones correctly and safely.

At present, AIS is learning and developing the O So Mo Online app in order to meet the needs of its users in various areas, and the individual needs of specific groups, as well as learning how to expand the user group to cover other levels of community health service providers.

AIS Safe & Care application

A service innovation which was developed in 2016 from the safety concerns regarding the disappearance of family members, AIS Safe & Care allows users to go about their lives with greater peace of mind, confident in the safety of family members with the following beneficial functions:

- Locate family members any time, any place
- Set a Safe Zone, with warnings sent via mobile phone every time a family member enters or exits the pre-assigned Safe Zone.

It can also send SOS signals with real-time location to family members on emergency situation or a safety risk

- Track and protect lost phones, as well as remotely delete all device data if a phone is lost or stolen to protect against personal information leaks
- Control the user's internet usage

With a variety of affordable packages starting from 49 Baht, there are currently over 7,000 AIS Safe & Care subscribers. More information on AIS Safe & Care can be found at <http://www.ais.co.th/SafeCare/>



Safer with Streetlights - Lighting Communities

Since November 2015, AIS has been installing street lights which use power from our base stations to provide lighting for communities where electricity is scarce, or which are situated in remote locations, helping reduce the risks of crime and accidents in those areas. In 2016, Safer with Streetlights expanded to 180 new locations, and now totals 230 locations nationwide.

Uphold human rights and provide equal opportunities



Call Centers for the Disabled Project

AIS Call Centers for the Disabled” is a project that has been ongoing now for 9 years, since it was first developed and launched through our collaboration with the Foundation for the Blind in Thailand under the Royal Patronage of H.M. The Queen. The project opens opportunities for the visually impaired to work in AIS call centers. Utilizing digital technology, the centers provide the necessary work tools, for example, technology which can capture and narrate keyboard movements or on-screen messages, thus enabling visually impaired staff to know what they are typing in response to customers. By developing potential at work, managing the work environment accordingly, and providing equal remuneration and welfare, we have taken the first step in opening up opportunities for the visually impaired. The equal work opportunity helps them to overcome social barriers, achieve career stability, able to earn for the living and families, and build their pride in social acceptance. At the same time, AIS has achieved a call center workforce who are dedicated to their work, and proud of the organization they work for.

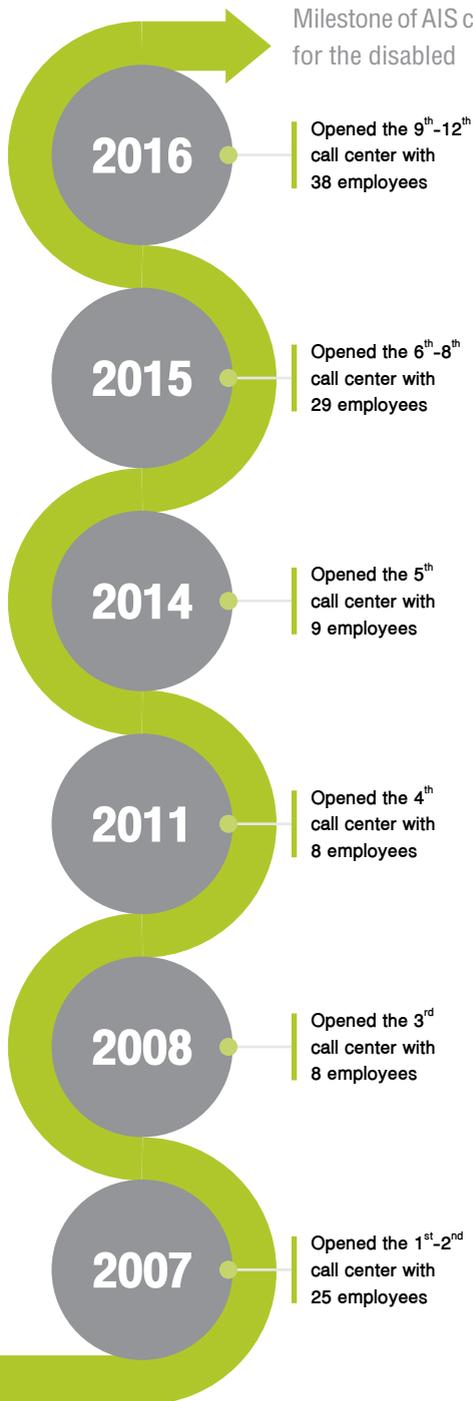
In 2011, AIS expanded these opportunities for less-abled people into other areas, including

opportunities for the physically disabled and the hard of hearing. Staff members with physical disabilities and the visually impaired are assigned duties to notify customers of special privileges, offer services, present various campaigns, and operate send-receive SMS services and SMS cancellation services for customers. Likewise, staff with hearing impairments are assigned duties which utilize their abilities; they are assigned to sign-language call centers which operate via webcam, known as AIS iSign, to support customers who also have hearing impairments. With the addition of AIS iSign, we have helped build call center services at AIS which distinguish our customer services among our competitors.

There are currently 117 call center employees with disabilities: 45 members with visual impairments, 8 members with hearing difficulties, and 64 members with physical disabilities. We have 12 Call Centers for the Disabled at various locations across the country, and it is our objective to expand these call centers nationwide. No. of Call Centers for the Disabled and staff per year



Milestone of AIS call center for the disabled



Our intention and promise to uphold children's rights

AIS fully recognizes the importance of children's rights in relation to business practices throughout every link of the value chain. We publicly announced our support for children's rights through participation in the "Children's Rights and Business Principles (CRBP)" project since 2015. The project is supported by both the Thaipat Institute and UNICEF, and ensures that the business operates under principles that respect the rights of children and prevents any actions that may infringe upon these rights, including the roles of the workplace, the marketplace, the community and the environment. These are the factors which lead the organization to follow responsible business practices in accordance with the Universal Declaration of Human Rights, under our pledge that: "AIS will try to understand and assess the impacts of business practices throughout every link of the AIS value chain, including both positive and negative impacts on the rights and lives of children according to the CRBP framework, so that we can acknowledge, understand, and appropriately respond through our policies and business principles."

From the 2016 assessment, we can see that throughout our business processes, from upstream to downstream, AIS has operated entirely within Thailand's labor laws and adhered to human rights, as well as encouraged our business partners to operate within the same laws. Our policy and measures to protect human rights covers the inclusion of certain criteria, such as respecting human rights, and not using illegal or child labor forces in our code of business ethics, purchasing regulations



and policy, supplier code of conduct, as well as prescribed selection criteria of distributors to conform to labor laws and not use a workforce under the age of 18, etc.

Furthermore, in 2016 AIS held training events and workshops to promote knowledge and understanding of how to operate while respecting and supporting children's rights, as well as building processes with employee involvement. The employees involved in these events came from a variety of fields, such as operations, finance,

purchasing, and public relations. As part of their involvement, the employees participated in evaluating the impacts, risks, and opportunities in relation to children's rights throughout AIS's current business procedures, helping put forward concepts which allow AIS to develop its policies and projects that truly support children's rights.

The details of such activities are as follows:

- 1) **Training Session** - To evaluate impacts and find an approach to respect and support children's rights
- 2) **Exercise Session** - To assess the impacts of core activities on children's rights
- 3) **Workshop Session** - To achieve work practices by which the organization can incorporate children's rights into business policies and corporate management procedures

Petcharat Soprom(Nui)
Community Relationship
Department.



“My experience of being tasked to work in the Community Relationship Department and assigned to travel to remote villages has given me a chance to observe closely and understand the lifestyle of the people living around the cell sites in different regions of Thailand. Sometimes I have to visit areas where the local people still lacks basic accommodating technologies. We travel there to provide support for the people living around the rural cell sites through activities or projects such as the “Aor Sor Mor Online” application (an application for public health volunteers) and the “Aunjai Street Lighting” project as well as giving support to the communities’ product and tourism publications by publishing them in the Mitr Chumchon Magazine. When we visit each site, we occasionally find products or traditions that have been

passed along for generations but are now fading or almost lost from the village people’s lifestyle. When we visit the people in the rural cell site areas to support them in promoting products and tourism, it not only creates opportunities to increase the community revenue but also helps to preserve the fading traditions and local products. We are also delighted that the Aunjai Street Lighting project has now passed the 2 year milestone since its launch because the AIS Community Relationship Department sees the importance of having functional street lighting in rural areas. The lights have an automatic on-off system to illuminate the area and can use electricity from the AIS cell site in the event of any malfunction in the main power grid in the village to provide greater comfort and safety to the community.

When I go to the local communities, I am not just an AIS employee. The villagers consider me as part of their family, which is what I am most proud of from being a part of the AIS Community Relationship Department team.

I was born in the Thai Yai tribe. After my parents separated, my mother took me and 2 of my older siblings to Thailand. My siblings and mother work from job to job, depending on who is hiring so we have to move around most of the time. One day my mother asked my grandparents in the Chiang Dao district of Chiang Mai to take care of me and it was there that I finally got in to school. Once in a while my mother would send me money but it was always such a small amount, so I decided to work in the orange farm on the weekends and school breaks to earn enough money for my tuition up to 9th grade. One day, my teacher showed my class the “Kon Geng Huajai Grang” TV show and asked us to send in an essay, but no one in my class did except me. At first I thought I wouldn’t get chosen but I waited and prayed with hope in my heart. Then one day I received an acceptance letter from the Sarn Ruk Kon Huajai Grang project to provide



Miss Sangduen Loongta (Fai)

Joined the project in 2008. At the time, she was in the 8th grade at school in Ban Muang Mana, Chiang Dao district, Chiangmai province. Currently she is studying in the 4th year of medical school at Phayao University.

me with funding to cover my education up to finishing high school. After that, I found my own way in to medical school. Now I am in the 4th year of medical school and I am very proud of myself and also very thankful to AIS for having this amazing project that has given me a new future and a new life.

Working on projects for social responsibility as Thai citizens under “Sarnrak”



Sarnrak Support for the family institution

“Sarnrak supports the institution of the family”, “AIS Family Rally for the Saijathai Foundation” and “AIS Family Walk Rally for the Ananda Mahidol Foundation”: These projects serve to support Thais so that they consider the importance of the family and jointly care for developing loving connections and stable family relations through activities in diverse forms. Activities encourages the family members to spend time together and have been organized continuously in this way for over 20 years from 1993 until now.



Sarnrak Kon Keng Hua Jai Krang (Good kids, great hearts)

This program was launched in 2001 to provide help funds for families and study grants for youths until completion of their Bachelor degree. Stories from young people participating in the program are also broadcast via media and social networks such as YouTube and Facebook for more targeted and extensive viewing.

Over the entire operation of the Sarnrak Kon Keng Hua Jai Krang project, more than 700 youths have received study grants and over 140 have completed their Bachelor degree. Altogether AIS has provided study grants amounting to a total of more than 36,700,000 Baht.





Sarnrak Support for Thai society

- **“Cooperation with the National Institute for Emergency Medicine as a service provider for the 1669 - life hotline application”**

AIS customers can call an ambulance in the event of an emergency via the EMS 1669 application. The system can inform the National Institute for Emergency Medicine about the location coordinates automatically so that paramedic teams can be sent out to help emergency patients promptly.

- **“AIS health grounds”** in cooperation with tambon health promoting hospitals in locations around AIS base stations where the communities lack equipment to support exercising: Community health grounds are created with various types of exercising equipment and usage instructions as well as



exercising note-taking forms to facilitate close and continuous follow up on the health of the people in the communities. This is also provides a role model for the people in the communities to care for their health by exercising. At present, there are 12 such AIS health projects in 10 provinces.



Sarnrak Support for volunteers

“AIS Volunteering for sustainable social development”: This project creates opportunities for staff to join together on programs and activities for the betterment of society. AIS provides financial support for the activities in the programs that are chosen annually. In 2016, a total of 800 members of staff took part in the program, which is an increase from the previous year, in which a total of 634 people took part. AIS provided financial support of more than 3.15 million Baht, an increase compared to 2015, in which the company provided support amounting to 3 million Baht.



Our Community and Society Performance Table

	Unit	2014	2015	2016
Community and society investment				
Charitable donation	Baht million	45	34	29
Community investment	Baht million	2	19	12
Sponsorship and marketing campaign to support social activities	Baht million	142	91	153
Total	Baht million	189	144	194
Community and society engagement				
Community engagement score ¹⁾	%	N/A	98	98.6
Total number of projects under the AIS Volunteering for sustainable social development campaign ²⁾	projects	N/A	39	40
Total number of staff volunteering ²⁾	persons	N/A	634	800
Total volunteering hours ²⁾	hours	N/A	15,216	19,200
Compliance				
Total compensation or fine for illegal sitting	Baht million	0	0	0
Total number of dispute case concerning human rights	cases	0	0	0

Note :

1) The method of Community Relations Index has been adjusted in 2015. As a results, 2014 data cannot be compared.^(G4-22)

2) The AIS volunteering for sustainable social development was established in 2015.

Our Customers



Our Customers



Challenges and opportunities

In recent years, the development of telecommunication services and technology has entered a new era, in which connectivity is no longer simply a matter of communication between two people. With the advent of the “social age”, telecommunication services and technology have expanded to connect a growing number of individuals and groups, both to one another and to the wider public. One effect of such changes is that news media and entertainment, for example, are now extremely accessible and are delivered instantly to connected devices. Consumer behavior has also changed accordingly, as the demand for round-the-clock connectivity has placed greater demands on network speeds and network coverage. Individual customer groups have also developed increasingly diverse demands and expectations, as well as new worries and anxieties too, such as cybersafety and data protection. In another five to ten years, these factors will continue to gain in importance as the world

Management approach

- Build an extensive and quality network
- Deliver the best customer experience with “AIS Thailand’s Number 1 The Best Service with Heart.”
- Aim to establish the company as a comprehensive Digital Life Service Provider
- Uplift customer data protection

enters the era of 5G. This will be accompanied by new technologies that will allow us to build connections between more devices and equipment than ever before, while new, creative services will fulfil the needs of the digital lifestyle. This will include, for example, smart homes designed for convenience and safety, and equipped with devices that stay connected to their residents at anytime and in any place; we will see smart cars driven by information; and even smart cities that use technology to help deliver safer and more convenient public services.

These developments create demand for more comprehensive digital telecommunication services and infrastructure, and can therefore be thought of both as a challenge and an opportunity for network providers as they strive to maintain business growth and pursue new sources of revenue. Such challenges must be overcome in order to respond to society’s current demands, to help improve the lives of its citizens, and to build new opportunities and new business potential across a wide range of industries. As part of its current business model, AIS is focused on becoming a “Digital Life Service Provider”. AIS also aims to be an industry leader both in terms of service delivery and in creating new business opportunities, as is noted in the recent campaign: “**AIS Thailand’s Number 1 The Best Service with Heart.**”

Long-term targets for success

To be a market leader in Digital Life Services and the most admired provider

Indicators

- Extensiveness of network coverage
- Network quality
- Customer satisfaction regarding service delivery
- Number of customer using digital service channels

Build an extensive and quality network

	2014	2015	2016
Population coverage of 2G mobile network	98%	98%	98%
Population coverage of 3G mobile network	97.7%	98%	98%
Population coverage of 4G mobile network	-	-	98%
Number of AIS WiFi service points	28,000	54,000	78,000
AIS Fibre coverage (number of homes within fibre coverage)	420,000	1,900,000	5,200,000

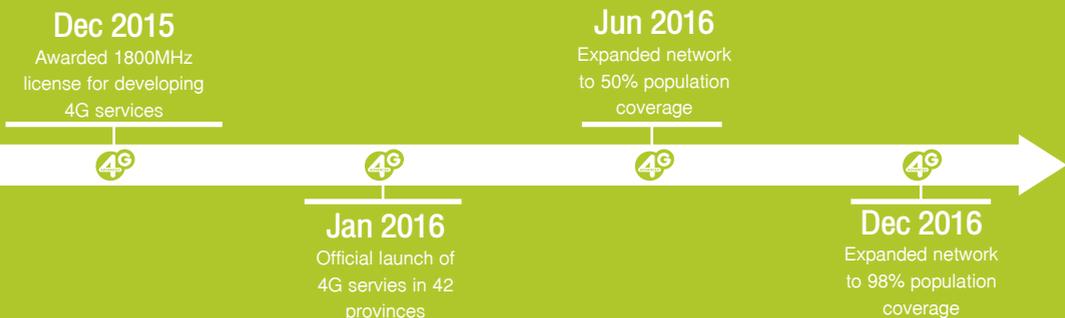
*AIS launched 4G network in 2016.

AIS is a market leader in Thailand's telecommunication industry, offering quality 2G, 3G, and 4G wireless networks across 900/1800/2100MHz frequency bands, AIS WiFi services, and high-speed AIS Fibre home broadband services. In 2016, AIS had over 41 million service users, giving it the largest market share of Thailand's market.

Over the last 26 years as an industry leader, AIS has focused on developing the coverage, reliability, and quality of its network, in order to deliver uninterrupted voice call and data services at

anytime. At present, AIS's 2G, 3G and 4G network coverage extends to 98% of the population, and over 80,000 WiFi service points nationwide. Due to increased data demand driven by increased smartphone connectivity, which resulted in increasing need for more spectrum to support new digital technology, AIS has moved towards becoming a Digital Life Service Provider with three core businesses: mobile phone services, high-speed internet services, and digital content services.

Marked 98% of 4G coverage in one year from the date of obtaining license



After being announced as the winner of the 1800MHz spectrum auction in December 2015, and being awarded its 1800MHz license accordingly, AIS was able to launch its 4G services at the beginning of 2016. AIS has accelerated its network expansion to 98% population coverage in just one year.



In addition to its 4G network expansion, AIS focuses on expanding its 3G mobile services to remote areas in order to respond to the demand for both voice calls and data usage from the local populations in such areas. This has given many Thais the opportunity to access the digital world even in remote area.

Building on the speed and success of its network installations of previous years, AIS has also introduced 4x4 MIMO technology to deliver services such as LTE Advance (Carrier Aggregation) services in key urban areas and ensure greater efficiency in high-speed data transmission. This new technology deployment was enhanced on our mobile network to support customers whose devices are ready for 2CA (1800/2100) and 3CA (900/1800/2100) technology. AIS also aims to further expand the use of this technology in 2017, in order to support its growing number of customers.



Strengthening the network with “AIS Super WiFi”

To enhance user’s experience in building and department store, besides of 3G and 4G service, AIS offers the “AIS Super WiFi” high-speed internet service with Wireless AC technology based on IEEE802.11ac standards, which can support data transmission at a speed of up to 650 megabits per second. When combined with “AIS WiFi” services, by the end of 2016, AIS had over 78,000 WiFi service points nationwide. Further details can be found at <http://www.ais.co.th/superwifi/>



	Fastest high-speed package	
	AIS SUPER WiFi	AIS WiFi
AIS SUPER WiFi	650 Mbps	10-100 Mbps
AISWiFi	225	10-100 Mbps
Network support	.@AIS SUPER WiFi, @AISwifi	@AISwifi

Improving digital life with the “AIS Fibre” home internet service

Thailand’s home internet services have utilized ADSL technologies which suffer from quality and stability issues, as they made of copper wires that are not suitable for use in Thailand’s hot and humid climate. Due to these shortcomings, and in response to the growth in customer demand for data services, AIS launched its AIS Fibre home internet service in 2015. AIS Fibre is built 100% from fibre optic technology, and is therefore regarded as a

decent option for customers seeking to access quality high-speed internet. It is also an upgrade for the whole industry, offering a new benchmark for the delivery of high-speed internet services in Thailand. AIS’s Fibre packages are designed for various usage needs, offering a range of maximum speeds from 20 megabits per second up to 1 gigabits per second. AIS Fibre can also respond to lifestyle issues faced by digital age consumers. For example, the launch of “Dorm Net”, the first pre-paid broadband internet package in Thailand which caters to the demands of university students who live in dormitory to access the high-speed broadband internet services. AIS does not charge installation or router fees; subscribers are not required to sign up to an annual contract; and when the service usage has expired customers can top-up via AIS’s One-2-Call SIM.

Partnerships with international network operators to deliver digital roaming services

Key developments in AIS roaming services”

2013

Launched 3G roaming service and expanded value roaming service package to cover 50 countries

2014

- Launched roaming fair service for AIS customer who subscribed package without using of service
- AIS 3G2100 becomes first service to offer roaming data services in Myanmar
- Low-cost roaming package covered 102 countries worldwide

2015

- Partnered with Tune insurance to offer free accidental insurance privilege for customer who sign up and use of roaming package
- Low-cost roaming package covered 110 countries worldwide

2016

- Launched SIM2FLY - a low-cost roaming SIM covering more than 30 countries across Asia, Europe, and US with price starting from Baht 399.
- Launched Roam Like Home package priced at just 350 baht per day covering 40 countries worldwide
- Low-cost roaming package covered 128 countries worldwide
- Expanded 4G roaming network to cover 74 countries and 121 networks worldwide



In addition to providing quality network services at home, AIS has partnered with network operators abroad in order to expand its 4G Roaming service to cover more than 74 countries and 121 networks worldwide which is considered to have the highest number of connected roaming partners in Asia. At the end of 2016, AIS had 200,000 - 300,000 roaming customers per month, or around 3 - 5 million per year. This compares to the statistics that there were 7 million visitors arriving in Thailand in 2016, and 2 million visitors who left to visit countries abroad.



In 2016, AIS launched “SIM2Fly” - a low-cost roaming SIM starting from just Baht 399 covered more than 30 countries worldwide.

AIS’s Pre-Roaming Alert, a free roaming notification service was also launched for customers’ peace of mind. By default, customer will receive the alert to apply for a package or switch-off roaming data when they pass a departure point at the airport, so that they don’t incur unexpected roaming fee. Credit will also be limited to 2,000 baht. Similarly, the AIS No Worry Data Roaming service informs customers when their package is nearly used up or when they are using an incorrect network abroad. AIS also allows customers to monitor their remaining service usage and the expiry date of their package in real-time, and also offers customer assistance services in case of an emergency when travelling, such as a lost handset. In such cases, if

the customer calls +662-271-9000, AIS can send out a new SIM with the same number immediately (calls are free for AIS Serenade customers).

Building strength with quality, trusted networks

Delivering network quality, reliability, and comprehensive coverage are among AIS’s first and most important strategic priority. In light of these goals, AIS has established standards and indicators that allow the company to analyze network usage experience from the perspective of the customer. Such areas of analysis include network quality gap, successful call rate, drop call, as well as download and upload speed etc.

For monitoring and management on network quality, AIS regularly monitors and test both voice call services and data services in order to uphold national standards set by the NBTC. As a result, the quality of both voice call and data services is above the minimum requirement of the NBTC. For example:

- Successful call rate (which refers to when one phone connects to another phone in the same network) must be no less than 90%. And for calls between networks, the success rate must be no less than 85% between 8 pm - 9 pm.
- Drop call rates between phones within the same network must be less than 2% between 8 pm - 9 pm.

For more details, please see the report on AIS’s quality of service <http://www.ais.co.th/corporateinfo/th/regulatory.html> AIS has also established a Network Quality Management (NQM) unit, which is responsible for monitoring other additional aspects, such as:

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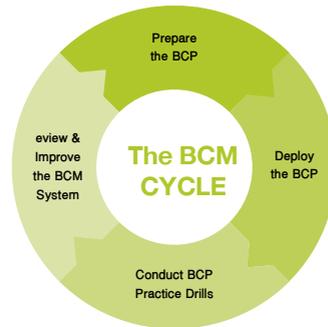
- Network Reliability Index (NRI), which measures the reliability of network. NRI has been included as one indicator in the Corporate Balanced Scorecard, and the report on quality measurement are submitted to the management meeting on a monthly basis.
- Network Quality Gap (NQG), an indicator to measure AIS's network quality comparing with the quality of other operators. This includes speed to open Facebook page and photo download speeds. The measurements are based on systematic statistics testing as well as the real experience when using the network on the move (drive/walk test).

AIS also hires external experts for conducting customer satisfaction surveys on AIS's network quality, so that AIS can compile customer feedback in terms of both quantitative and qualitative data, as well as verbatim survey answers.

Providing assurances that the AIS network can be relied on even in emergencies

AIS has established a business continuity framework in order to protect network disruption in emergency situations, such as fires or floods. The framework is regulated and controlled by the AIS's enterprise risk management team. Testing programs are conducted at least annually. Further details of AIS's business continuity management can be found 2016 annual report under the heading "Risk management, internal control, and internal management."

AIS business continuity management framework



Deliver the best customer experience with "AIS Thailand's Number 1 The Best Service with Heart."

To respond to the challenges of building lasting and sustainable relationships with its customers, AIS has focused over the last 26 years on building a diverse and high-quality range of products and services, and strong relationships with its customers through privilege programs. On customer service, AIS has always been a market leader continuously and has consistently introduced new innovations to better serve its customers.

Last year, AIS has continued to enhance its digital services, by using advanced technologies in customer services, and by applying long-term customer insights. AIS customer service has developed to become a digital service which gives customers more convenience and faster service speeds, and fulfills the different demands of each individual through personalization. AIS has prioritized the intelligent use of advanced technology through every stage of its customer experience, so that customers can enjoy superior and excellent services, which sets AIS apart from other competitors, and remain number one in customer service.



AIS conducts deep analyses of customer data and builds its understanding of authentic customer demands by offering customers relevant information on products and services via a range of online and offline channels. AIS evaluates its offering of products and services to each individual customer; it also has a system for processing offers in near real-time and an insight collection system that connects with CRM. In recent years AIS has experimented with these systems and achieved excellent results. The average value is eight times higher than the average value achieved by using Facebook and Google to market products and services in the past.

Delivering services through diverse service channels



AIS Shop and representative stores

AIS has expanded its AIS Shop branches to 91 locations and its AIS Shop partner stores to 22 locations, while another 21 Telewiz shops have been upgraded to come under the AIS brand. Digital technology has been used to serve customer at AIS Shops nationwide such as a service on mobility - by using tablets so that employees can deliver customer services right from any location and customers do not need to go to the counter, introducing a new Service Vending Kiosk,

and providing sample solution to enable customers to interact with devices connected to the Internet of Things. Consumer behavior has been changed dramatically

in the last two to three years. Increasingly, customers prefer to conduct transactions autonomously via self-service channels. In 2014, therefore, AIS developed smart service kiosks and smart bill-paying kiosks, so that customers can make certain transactions unassisted, and also to reduce waiting times at the counter. In 2016, 49% of customers used the service kiosk compared with those who used the counter. This change in customer behavior allowed AIS to upgrade some of its front-of-counter staff to Digital Solution Advisors to enhance both in terms of sales and services, bringing increased benefits to both the individual employees and the wider company.

AIS Contact Center

The AIS Contact Center provides a range of customer service channels to support every types of customer service

1. Voice call service channel
1175, 1148, 1149, 1185, *1175, *1185
2. Multimedia service channel
E-mail, Web Chat, iSign, Ask Aunjai
3. Social media service channels
Facebook, Pantip web board, Twitter, etc.

Developing sales and digital services

1. Providing customer services via the Omni-Channel, integration of online and offline
AIS has started to connect its online and offline customer service channels by expanding elements of its mobile, website, and application channels. In terms of sales, customers can now



choose home delivery or collection at a nearby AIS Shop branch, and can make product inquiries, learn about service usage, and purchase other additional products.

2. AIS has been developing its Digitized Self-service channels since 2014, as part of its strategy to become a Digital Life Service Provider. This includes developing digital content and new applications to cater to the changing habits of today’s customers, and by providing 24-hour access to digital services. For example:

- 2.1 My AIS App services, which bring together every service all in one application, let customers find out about their data usage, package applications, service usage and other information, and also allow customers to apply for roaming services or AIS Fibre services anytime, anywhere.



- 2.2 AIS has launched “Choose the package you like” - a service for purchasing and changing mobile phone packages via the AIS website. Customers can choose voice



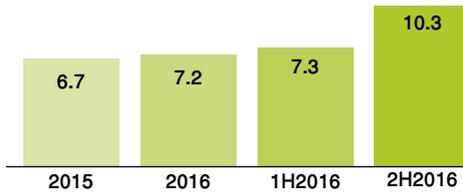
call and data service packages, or choose a package according to their service usage needs.

- 2.3 Since 2014, AIS has been developing its voice call service delivery channels, such as the IVR *1175 service. The AIS Contact Center developed the “IVR *1175 Easy Self-service” by combining multiple services most commonly sought

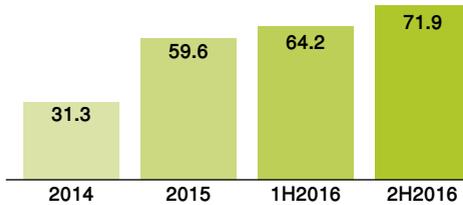
Customers can access the services they need and enjoy higher customer satisfaction with the Dynamic IVR technology menu, which can offers a service menu tailored to each customer based on his or her customer profile information. As the development of *1175 continues, *1175 is now a popular service and its usage volumes are continuously increasing

In 2016, Advanced Content Center Co. Ltd. won the “Best Customer Self Service Innovation Award 2016” from the Avaya Technology Forum in the United States and the Global customer experience benchmarking survey organized by KPMG. The organizers found that service provision from AIS’s call center staff and AIS’s IVR services were rated more highly than the self-service systems from 10 leading companies worldwide, from a survey of 124 service providers across 29 countries.

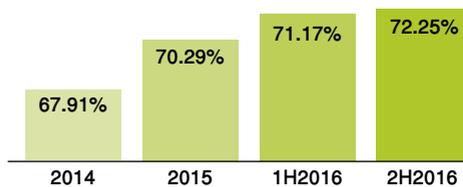
IVR Productivity (Mil.Call)



IVR Revenue (Mil.Baht)



%IVR CSI



2.4 AIS has also continued to develop service delivery via multimedia and social media channels, for example:

Social Media Customer Management

The Social Manager Tool was developed in order to manage the experience of customers who contacted to AIS via multimedia or social media channels. When customers encounter a problem or are not satisfied with AIS's services, and post a message regarding the experience on multimedia or social media, AIS's Social Manager Tool will detect the customer's message in real-time and relay the information to a member of staff automatically, so that staff are able to receive complaints and respond to them as fast as possible.



Launch of Ask Aunjai Virtual Agent

"Ask Aunjai Virtual Agent" is a new service that uses Intelligent Chatbot technology to carry out customer services. The system structure and development are not only provided the information of products and services, but also responding to customer's message such as chitchat or update trends and technology to customers.



Concept and character of Ask Aunjai

- ✔ Responds to questions in an easy-to-understand manner
- ✔ An intelligent and intuitive system
- ✔ Create value both to AIS and customer

Currently, there are over 50,000 inquiries made via our Ask Aunjai service every month. Of these, over 35,000 are deemed to be successful in providing a solution for the customer, equivalent to 72% of all inquiries.

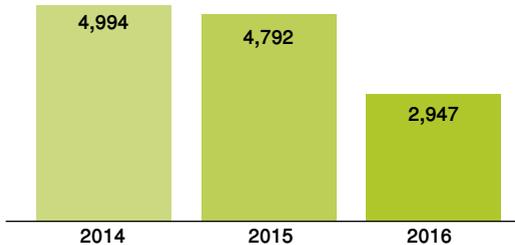
AIS Contact Center Website

AIS provides a contact center website in conjunction with the Ask Aunjai Virtual Agent service with these specific aims in mind:

- To provide a self-service online portal.
- To provide a range of digital data services.

The focus is on improving customer self-service transaction to minimize the progress involved and to improve the convenience to our customers. These include an activating of new SIM card, changing mobile package from pre-paid to post-paid. AIS customers with hearing impairments are still able to access our services through the AIS iSign channel which provides sign language and a webcam interface.

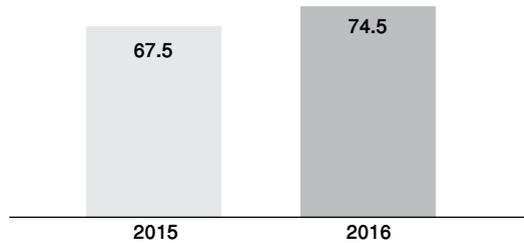
Number of hearing-impaired customers who used AIS iSign (persons)



The AIS Contact Center website is a self-service center for providing customer with initial information and service solution with an intelligently digital designed and user-friendly. The website provides details of the latest technologies on the market and has approximately 120,000 hits per

month, with an increasing trend. You can access our website for more information at https://aiscall-center.ais.co.th/th/online_service/empowering

Total transaction via digital service channels
Unit: million transactions



Quality employees providing quality service

Our employees are highly valued assets and the driving force behind AIS’s continued success. As such, AIS places particular significance on the development and training of our staff, especially in the field of technology where we currently employ our “Digital Gurus”. These “Gurus” have specialized knowledge and skills related to the various platforms currently available, such as IOS, Android and IOT and are able to provide solutions to a huge number issues in the field of digital communications.

1) Customer Engagement Survey (CE)

AIS partnered with Gallup, an independent research firm, to make quarterly assessments in five key areas: loyalty to the brand, confidence in the brand, feeling that the brand deals with its customers fairly, pride in the brand and love of the brand. Gallup also assesses the levels of customer satisfaction on the subject of Service Quality (SQ) in AIS Shops as well as call centers, to better understand the quality of services available from AIS. In



doing this, Gallup assesses several aspects of AIS employees when dealing with customers such as friendliness, honesty and their ability to find solutions to customers' issues.

2) Customer Satisfaction Index (CSI)

AIS surveys our customers every time they use one of our call center services or AIS shop. AIS employees can then view the results of these surveys in real-time on their dashboard screens. Alternatively, in the case of customers calling our Call Center, they are asked to complete a survey over the phone once their query has been dealt with. AIS is then able to use these data to make improvements to each service quickly and efficiently.

3) Net Promoter Score (NPS)

This assessment provides a deeper level of understanding to the customer satisfaction index by evaluating the feelings of customers towards the AIS brand. Customers are asked if and to what extent they will continue using AIS as well as being asked to rate on a scale of 1-10 whether they would recommend AIS to others.

CSI results in AIS shops

	Actual	Target
2015	87%	87%
2016	88%	88%

SQ results in AIS shops (score/5)

	Actual	Target
2015	4.41	4.26
2016	4.44	4.41

NPS Results

	Actual	Target
2015	28%	9%
2016	35%	28%



Aside from analysis of quantitative survey, AIS endeavors to measure customers' satisfaction by continuously analyzing the Voice of Customers (VOC) in the following areas:

1. Identifying customers' top 10 concerns each month to inform company practice in dealing with customer complaints. Carried out together with the relevant units in order to identify the causes and find innovative solutions, whether by designing new instruments and services, or by modifying company policy, this process changes a negative issue into a positive experience for all involved.
2. Monitoring comments about AIS on website chatforums such as Pantip, the AIS Facebook page, or the AIS website chat rooms. These invaluable insights support the continuing development of our company and services by enabling us to respond to customers' issues in the best possible way. The relevant departments report to management monthly on the ever-changing needs of our customers.
3. Responsible unit will report the complaint and concern of customer to the top management every months.

AIS call centers are raising the level of customer service in the industry to new heights. Also used for employee training and development, the latest one is being built in Nakhon Ratchasima at a cost of over 1 billion Baht. Due for completion in the 3rd quarter of 2017, it will provide another training and development center and generate over 1,000 new jobs in Northeast Thailand as part of our plan to share company income into other provinces. The center will also reduce the traffic experienced by

customers contacting the company by up to 50%, compared to the total amount of calls made to AIS.

Building stronger ties with our customer

1. Continuing to deliver quality services which cater to the constantly evolving needs of our customers
2. Increasing collaboration with privilege partners from 12,000 in 2015 to 15,000 in 2016 to cover customer's needs in all dimensions. The privileges were granted in the form of QR codes, which AIS customers could scan with their mobile phones to receive instant rewards.
3. Upgrading the AIS serenade program to cover financial aspects and investments, as well as presenting new and exclusive packages, and exclusive rewards that leave a positive impression on our customers. Over the past 12 years, AIS has operated an "Always Exclusive, Always On Top" policy to become the first company that regularly rewards loyal customers. Serenade customers have received various benefits, including reserved parking in leading shopping malls and free entry to Bangkok Airways' executive lounges. Presently, the serenade program has 3 levels of membership, Emerald, Gold and Platinum, with a total of 2.99 million members. The Emerald membership was added in 2015 to extend the special privileges on offer to a new group of AIS customers and provide more opportunity to lower ARPU customer to form their group in line with the minimum usage of serenade program so they can receive serenade privilege program.



In our efforts to respond to the specific needs of our customers, AIS must first understand their lifestyles and tendencies. AIS has carried out research into the behavioral patterns of customers so that we can provide personalized services to each segment of our customer base. This dedication to the requirements of our customers means that today the AIS serenade program is the number one of customer service program in Thailand, both in terms of the service provided, and the experience given to our customers in stores or via call centers. The serenade program brought up to 89% of serenade members satisfaction. The NPS score also increased from 37% in 2015 to 46% in 2016, as further proof of the AIS serenade program's success. AIS serenade has set itself up as a prime example to the Thai telecommunications market of how a company can keep its valued customers satisfied and made to feel special.

	2014	2015	2016
CSI - Serenade	87%	87%	87%
NPS - Serenade	15%	37%	46%

This year the program reached its 12th year, and to celebrate, AIS has set up “The Ultimate Pride” campaign with the aim of providing a boost to the special privileges on offer to our serenade members in the following areas:

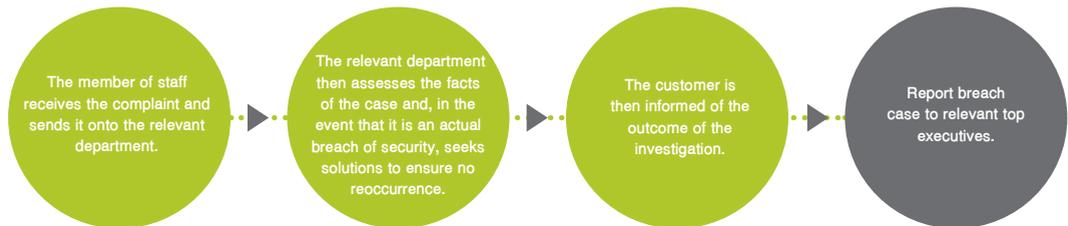
- **“Ultimate Digital Life”**- offering a wide variety of privileges for digital lifestyle, including special discounts for phones
- **“Ultimate Pretty and Lucky Number”** - offering pretty or lucky numbers
- **“Ultimate Wealth & Investment”** - partnering with financial institutes for valued offerings in finance, investment, and insurance
- **“Ultimate Surprises”** - a chance to win special experience throughout the year such as a dream trip for special customers
- **“Ultimate Lifestyle Privileges”** - discounts, reserved parking and complementary drinks at airports.
- **“Ultimate Dining”** - a special discounts from famous restaurants.

Churn rate means
Customer who ported-out, disconnected, or being terminated due to overdue payment or fraud.

As a result, churn rate of serenade customers is lower than 1% of total customers, while a normal churn rate is 2.6% of total customers. This was a prove of success on AIS serenade program.

Managing customer comments and complaints

The process of dealing with complaints from customers who suspect a breach of their personal data.



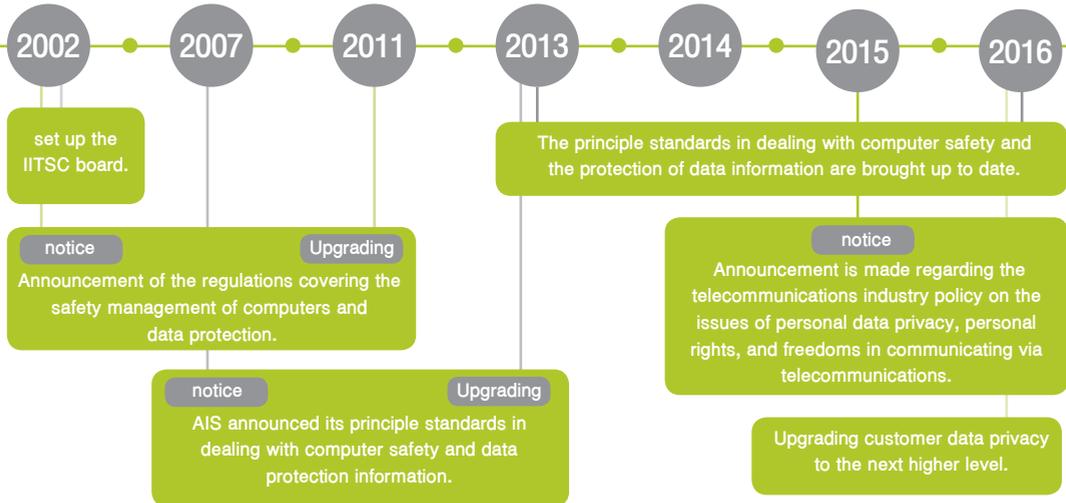
AIS is trained with mindset to treat “complaint as a gift” to the company. We place high value on such complaints as they allow us to make the necessary modifications to our services in order to improve what we offer our customers. AIS always contacts customers who have made complaints to update them on the progress being made with their complaint and ensure that their original negativity can be turned into as positive an experience as possible.

There are many avenues of complaint open to AIS customers: directly in store, through our call centers, by email, on our social media pages, by letter or through our website. Each avenue is assessed and evaluated by AIS in the form of customer satisfaction surveys. We also work closely with government agencies and independent organizations such as the National Broadcast and Telecommunications Commission (NBTC), who offer another channel for making complaints as well as being a partner in our solution finding process.

Last year, based on the suggestions of our customers as well as the findings of various research projects we carried out, we made alterations to our services. For instance, we designed an automated voice system that increases the convenience and speed with which a customer’s inquiry is dealt when they contact our call center. This involves an intuitive system that analyzes the customer’s history of inquiries in real time and offers the services most relevant to them based on this analysis. We also developed technology that enables our employees to make fast and efficient decisions when dealing with customer calls. Called Super Screen, this technology is capable of analyzing customer data, selecting suitable promotions, and applying for or changing customer packages accordingly, all on a single screen. This has reduced human error in dealing with customer inquiries and has been successful in calculating the customer’s requirements to offer them a tailor-made package in an increasingly speedy and efficient manner. This solution was developed from suggestions made by our customers.

Uplift customer data protection

An extremely important area of AIS's drive to improve the safety of the information technology industry and customer data privacy.



Due to the increase in the use of the internet and social media - whether for communication, purchasing goods online, accessing the latest news, or even sometimes acting as a place to store personal details - personal data privacy is constantly being compromised, both deliberately and unwittingly. The preference of teenagers and members of generation Y to share their location and personal photos means that controlling personal online security has become increasingly difficult, and that more people are at risk of cyber- crime than ever before. Sometimes personal data information is stored without that person's knowledge or permission, such as via websites which store personal data from visitors to their site including mobile phone information, which is then used for their own business objectives. In the case of downloading and using applications, they too can be used to force customers into giving over personal

data information from their Facebook account, for example.

However, the collection of customer data can also play an important role as companies seek to respond to their customers' needs, such as through upgrades to services or by increasing the options of products for sale by the company to meet the needs of its customers more precisely. Data analysis is carried out in order to improve network quality in an effort to suit consumer behavior or to appeal to particular customer groups in the marketing of useful services. Therefore, the collection of customer data, when concluded in the right way can be of use to service providers and customers themselves. AIS has provided important information regarding our data privacy protection policy which is available for our customers to understand on the AIS website at http://www.ais.co.th/aboutais/files/dataprivacyprotectionpolicy_th.pdf



Measures put in place to prevent data breaches, keep information technology systems safe and secure customer data privacy

AIS is confident that the measures we have put in place to secure customer data privacy and keep our information technology systems safe are efficient and effective. AIS customers can rest assured that we are doing all we can to ensure their data is kept private and not shared. AIS has merged the management of safe information technology systems and customer data privacy into the risk management plan, to manage the risks involved and/or reduce their effects to ensure that our customers can be confident that their data is being kept as private as they intend it to be. The safety of our customers is of utmost priority to AIS. The measures in place to keep data safe and secure begin with our policy and extend into all areas of the company through our prevention, detection, correction and improvement (P-D-C-I) process.



1. Prevention

Preventing cyber data breaches by

- Limiting employee’s access to customer personal data by responsible task. This ensures that our employees are unable to view all of our customer’s data and information.
- Preventing the release of customer data to third parties so as to reduce the risk of our customers’ personal data privacy being breached.
- Organizing staff training and promoting understanding of our data protection policy, beginning on the first day for new employees.
- Building an awareness in our employees of the customer data protection, as well as continuously providing them with the latest industry knowledge through company channels such as our intranet. Our employees are also tested on the knowledge and training they have received, on the issue of data protection and personal data privacy, every year. Last year 100% of our employees took the exam with every single employee passing.

2. Detection

Monitoring for any unusual activity by

- Setting levels for different types of unusual activity according to their potential negative



effects and risks. This initial stage of detection is carried out by the shift manager with our internal detection committee also providing annual support in detection operations.

- Bringing in independent detection agents from outside the company to test the security and efficiency of AIS information technology systems and guide us on what our next steps should be.

3. Correction

Fast recovering unusual incidents by

Setting a service level agreement based on its difficulty and potential negative effects.

4. Improvement

Improving debugging operations in order to

Prevent repeat mistakes at the human level and on the information technology system level.

The Information and IT Security Committee (IITSC)

P-D-C-I is carried out under the responsibility of the Information and IT Securities Committee. Comprised of top executives and management representatives from each department of the company, the committee is responsible for the following areas:

1. Specifying and applying company policy regarding data protection and information technology measures.
2. Designating a team to be responsible for data protection and information technology in the company.
3. Ensuring that AIS has the most up-to-date technology, equipment and programs for use in securing company data and keeping company information technology systems safe.

4. Organizing the necessary training and providing the latest information on the topic of data protection and securing information technology systems, for employees at every level.

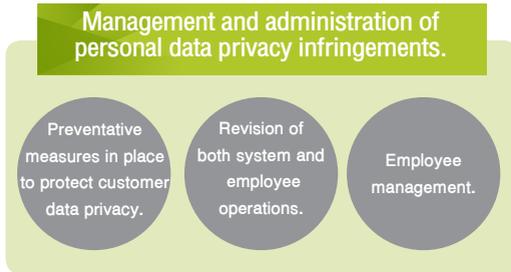
5. Setting up regular testing of our data protection system and information technology systems against security breaches and infringements.

6. Working with outside agencies to ensure the protection of data and that information technology system security is being utilized.

In 2016, AIS established a cooperation on relevant knowledges and standards of IT security and customer information protection with the Singtel group, which incorporates Singtel of Singapore and Optus of Australia. Both of these companies are market leaders in the field of telecommunications and also well placed to offer advice on personal data privacy since they have been working in accordance with their long established national laws on data protection since 2012 and 1988 respectively. AIS is not only benefit from the useful knowledge that these two companies can provide in raising the level of our prevention strategies, but can also use the information we receive to advance our policies relating to personal data privacy laws, which we expect to come into force in Thailand in 2017.

With the knowledge gleaned from our partnership with the Singtel Group, AIS has been able to advance our P-D-C-I strategy even further to strengthen its capabilities in the field of data protection and information technology system safety. The following are the ways in which we have been able to apply these initiatives ;

Framework for the prevention of customer data privacy breaches at AIS



1. Practical applications of our policy regarding the personal data privacy of our customers to ensure that we are acting in accordance with relevant laws on the issue, both domestic and international. This will be managed by a designated department within AIS that will have customer privacy as its main directive.
2. Implementing measures that combat the distribution of our customers' personal data through limiting access to and controlling the use of that data.
3. Revising the operations of our systems and employees through stern testing of their data security capabilities. Carried out by departmental managers as well as independent external agencies, these tests will examine the robustness of our systems against international standards.
4. Limiting access to customers' personal data to a carefully selected group of trustworthy employees who will receive relevant training in how to prevent customer personal data infringements and will be

regularly tested on their understanding of that information. These employees will only be allowed to access the data within the confinements of designated AIS offices and will not be allowed access from anywhere else.

5. AIS places the utmost importance on managing any personal data infringements and has processes in place to swiftly and confidently deal with any personal data breaches so as to limit their negative effects. These infringements are of the utmost urgency and so are directed straight to the highest level of management at AIS, who deal with them as appropriate.

Making use of digital technology in the fight against personal data infringements

Huge numbers of AIS customers have developed a preference for conducting activities online and via our applications. AIS has therefore presented various products and services through these channels in response to customer demands and constantly changing lifestyles. Due to the rise in online activity, AIS has worked to prevent customers' personal data infringements. To this end, AIS has utilized some of the latest technologies in the fight against personal data breaches and for the protection of online activity as outlined below:

1. Multi-Factor Authentication which uses features such as the one-time password for customers to access 'My AIS' or our e-service to check their account balance, apply for packages or pay bills.
2. Informing our customers of how to use technology in the safest way possible that still maximizes the potential of that technology. Increasing awareness of the



importance of thinking before sharing on social media platforms. Making our valued customers aware of the risks to their online personal data privacy through channels such as our Facebook Fan Page and our YouTube channel.

^(G4-50) However, last year AIS encountered one incident of an employee breaching personal data privacy restrictions. In response, AIS immediately proceeded to investigate under the Reporting and Investigation of Misconduct and/or Fraud and Whistleblower Protection Policy. This speedy reaction meant that our investigation was able to identify and remove the offending employee with immediate effect. AIS also pressed charges to the full extent of the law and was able to compensate the victim of the infringement appropriately.

AIS also opened up our premises to allow the NBTC to investigate our data protection process on two separate occasions. The first occasion in October 2016 included AIS publishing documents clarifying the incident mentioned above. AIS also presented documents defining the measures in place to prevent any recurrence of such at AIS. These documents cleared AIS of any fault and proved that the employee previously mentioned was fully culpable. Shortly after, the NBTC released the results of its investigations to the public, clearing AIS of any wrongdoing in the incident.

Despite being cleared of any wrongdoing in that incident, AIS has strived to keep data protection security as tight as possible, either through our day-to-day operations, or in our information technology systems by

1. Increasing area restrictions, especially in the offices where access to customers' personal data is allowed.
2. Restricting the use of mobile phones and other devices that can record data, such as USB flash drives.
3. Increasing security to protect customers' personal data through a double password system; each time an AIS employee wishes to access personal data, they and one other employee must each enter a password.
4. Improving computer and email security by restricting external distribution and/or copying of personal data.
5. Reducing data breach risks by distributing the assignment of duties within AIS, with department heads overseeing which employees have access to personal data.
6. Developing internal information technology systems so that they do not show personal data and limiting the system's ability to publish our customers' personal data on the central system. These developments have been examined by experts from the NBTC.



Year	Number of inquiries submitted to AIS from customers concerned about the dissemination of their personal data	Number of inquiries submitted to the department in charge of data protection from customers concerned about the dissemination of their personal data	Cases in which it was proven that there had been dissemination of personal data
2014	412	9	-
2015	271	13	-
2016	321	11	1

Transform to become the Digital Life Service Provider

AIS want to become the Digital Life Service Provider by expanding the services we offer to include much more than just mobile phone services in response to our customers' changing needs. AIS began offering a broadband Internet service named "AIS Fibre" in 2015, making AIS the first company in Thailand to offer fibre optic technology. By 2016, the number of homes signed up to our fibre optic broadband internet service had tripled in size compared to the second quarter of 2015, the year of its inception. This increase was due to the quality of the internet provided, the continued expansion of fibre coverage, the attractive pricing of the product, as well as an increase demand for a fast and reliable internet service. AIS set the goal of being the key broadband internet provider on the market within 3 years.

Further to our fibre optic broadband service, AIS has been working in partnership with various companies to offer our customers even more digital services, including the Life TV and Video service which can be accessed via a mobile device, the AIS PLAYBOX which is a digital home entertainment system, financial transaction services through the mPAY application, and a Cloud data storage service for AIS customers.

The 5 fundamentals of our digital content

1. Video
2. Games
3. Mobile financial transactions
4. The Cloud
5. Machine-to-Machine (M2M)

More detail about our digital content are available on our annual report, under the chapter titled, "Products and Services".

Our Partners



Our Partners



“The telecommunication business has been increasingly playing more roles of connecting people and things around us. AIS has placed emphasis to continuously develop telecommunication technologies and services through cooperation with international strategic partners, such as the Singtel Group who have an expertise and strength in its business practices. The partnership enables AIS to strengthen our potential and readiness for the age of the “Internet of Things” and to become the leading digital life service provider in Thailand. It is a great opportunity for our business partners to grow together with us toward sustainability. AIS would like to express our gratitude to all partners for your ever-present trust and close relations.”

Mr. Hui Weng Cheong
President

Challenges and opportunities

“Providing the best customer experience” remains at the very core of AIS and its business. Last year, AIS has launched full 2G, 3G and 4G services covering 77 provinces all across Thailand as well as broadband internet services in 28 provinces. To maintain a position of leadership in the telecommunication business and to become a leading digital life service provider in Thailand, AIS aims to build and extend a strong network of business partners and together provide services from the heart to all customers.

Trends in technological development lead to changes in the customers’ behavior. Today, many customers enjoy using digital products and services that are convenient and fast. This leads to the continuous changes and growth in telecommunication, multimedia and IT products and services. It is a new opportunity as well as a new challenge for us to drive new development

and innovations which can serve customer’s changing demands. This relies on strengthening our cooperation with high-potential business partners as well as enhance their skills and capabilities.

In addition, the ever-growing world of online platform for products sales, gaming, videos, music and even financial transactions has created the rise of young developers of content and applications. Known as “Startups”, this new generation of developers uses new forms of low-investment marketing channels via online content and applications to reach a more diverse and larger numbers of consumers. By building a cooperative network with these startups and developers, AIS finds the benefits in working with creative and high-potential partners as well as developing AIS into a large-scale platform linking the needs between AIS customers and the startups. This is AIS concept of a strong business-ecosystem to fulfill the needs of AIS, our partners and customers.



Management Approaches

- Setting new standards for doing business together
- Creating balance in doing business together
- Opening up to new partners to extend the business and increase competitiveness

Last year, the Risk Management Committee considered and evaluated risks that may occur from the supply chain, including economic, social and the environmental dimensions. Issues that might cause risks to the reputation of AIS or interruptions to its business operations were analyzed. These included,

for example, the effects of dependency on a particular business partner, the safety of mobile devices produced by partners, the leaking of customer information, bribery and corruption, etc. Experts on sustainable development and enterprise risk management executives were invited to share their input and provide more insightful information. Based on the outcomes of the meeting, the important findings were summarized and responsible working lines were charged with the management and assessment of the identified risks. The overall risk levels and chances of occurrence remain manageable within the risk appetite of AIS.

AIS core business	Groups of business partners	Material issues for AIS and partners' sustainability
Mobile phone	Sub-contractors	3 8 9 10
	Landlords	7 10
	Mobile device producers	2 3 4 5 8 9 10
	Roaming service providers	1 2 4 7 9
	Distribution partners	1 2 4 5
	Privilege partners	1 2 9 10
AIS Fibre	Sub-contractors for installation	1 2 3 4 9 10
Digital content	Content, games and application developers	1 2 4 6 10
	Startups	1 2 4 6 10
	Cloud service providers	1 2 3 4 5 6 9 10

- | | |
|---|---|
| ① Customer satisfaction | ⑥ Innovations |
| ② Product and service quality | ⑦ Fair competition |
| ③ Customer health and safety | ⑧ Human rights |
| ④ Customer information protection | ⑨ Human resource management and staff knowledge |
| ⑤ Correct and sufficient information disclosure | ⑩ Environmental and social responsibility |

Long-term success goals

To build win-win and sustainable partnership with the aim of becoming the number 1 digital life service provider in Thailand.

Indicators

- Number of partners in distribution channels
- Number of employees of distribution partners receiving training and skill development
- Dealer satisfaction with AIS
- Customer satisfaction with Telewiz
- Number of startups taking part in the AIS the StartUp program

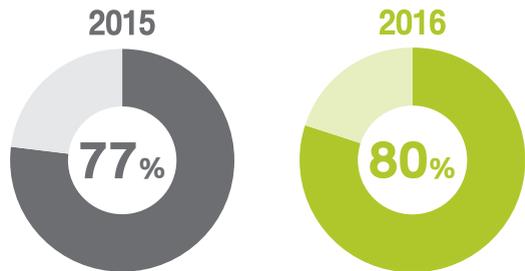
Setting new standards for doing business together

Distribution partners for mobile business

At present, AIS has business partnerships with distribution representative stores spread across the country, including, 43 AIS Shop by Partners, over 431 Telewiz shops, over 1,100 AIS Buddy shops, over 22,000 wholesale and retail shops, and over 50 large-scale distribution partners.

- Lifting the level of quality and developing capabilities among partners

Customer satisfaction with Telewiz shops



1. AIS Channel Conference

Every year AIS holds a partner forum to inform AIS's business direction and significant marketing policies to its business partners. The top executives of AIS will present the goals and strategies as well as discuss on cooperative approach.

2. The "Telewiz Uplift" program

With the competitive pressure as well as the sophisticated and diverse demand of customers for speed and convenience, AIS business direction is gearing toward expanding the distribution channels network, and developing the potential of our channels to ensure their competitiveness at the forefront of the market.

In 2015, the "Telewiz Uplift" program was first introduced to the selected key potential partners. The program focuses on selecting the high-potential Telewiz partners in existing prime area of each province and discusses with them on the

participation, criteria, selection process, and achievement objectives. Participating partners are developed in terms of their business operation to become an “AIS Shop By Partner”, equivalent to the service standard as an AIS shop. AIS also work with them to develop the business and programs to enhance skills and capabilities of their staffs. By the end of 2016, there were a total of 43 AIS Shops By Partner.

3. The AIS Buddy program

The program intends to develop the existing high-potential retail channels at a sub-district level to become an AIS Buddy through a support of technological tools and equipments for sales and services and training.

At present, there are a total of 1,130 shops in the AIS Buddy program, an increase from 1,000 shops in 2015.



Benefits to Telewiz shops

- Higher customers traffic to shops due to service standard and brand appearance
- Staffs gained more knowledge and capabilities in sales and services

Benefits to AIS

- Improved sales and service standards of partners to the same level as AIS own shops
- Improved quality of products and services delivered to customers



Benefits to AIS Buddy shops

- Higher sales volume and capability to attract customers
- Increased compensation due to more extensive transactions

Benefits to AIS

- Increased distribution reach out to sub-district in each province
- Improved AIS brand awareness

4. Development of digital tools for sales and services

The “AIS Easy App” was developed to make it possible for AIS partners to move away from working through a computer screen to working via mobile phones, tablets and smart card readers and thus create a more flexible and efficient way of working. “AIS Easy App” supports key service and sales transactions, such as postpaid registration, prepaid SIM registration, number portability and mobile phone package sales. In the near future, “AIS Easy App” will become the main application used to support more comprehensive and convenient cooperation between distributors and the AIS sales team.

Time needed for postpaid registration in the traditional approach



15 minutes

Time needed for postpaid registration with AIS Easy App



2-3 minutes

Apart from the communication with distribution partners via sales team, we also deploy communication through SMS, MMS and online channels. An important step last year was the development of the AIS Channel Magazine from its print-publication format to the new form of a mobile phone application. This enhances the convenience and ensures reach out to distribution partners. AIS Channel Magazine provides the distribution partners with information needed such as sales and service promotions, rewards and compensation, as well as

useful knowledge on health and everyday living. This forms part of the full 360 degree response to the needs of distribution partners. In addition, a series of AIS Channel Talk, the monthly videoclips on the Company’s YouTube channel is also launched to enhance communication.

Benefits to AIS partners

- Increased sales opportunities due to diversity and convenience of services and sales process
- Reduce transaction time

Benefits to AIS

- Reduction of documentation process
- More convenience for both customers and partners

5. Skill and capabilities development for partner staff

Total number of staff from distribution partners who received training and skill development



	2015	2016
	9,289 people	14,577 people

AIS supports the skill and capability development of the staff from our distribution partners. Focusing on training that is based on real-situation scenarios, we support learning via an E-Learning and specifically created websites. AIS has also organized monthly on-site visits to give advice and to provide one-on-one learning.

In 2016, AIS organized different training programs for the distribution partners as follow.



- “Strategic Change Formulation” program was organized for the owner of Telewiz shops. The focus was on the development of capabilities in analyzing market conditions, planning and thought process for handling the fast-changing situation.
- “Moving Forward Building Team Dynamics” program was developed to strengthen Telewiz shop managers’ understanding of their roles and duties in communicating effectively and helping their teams achieve success.
- “Digital Life Guru & New Device Setting” program was developed for the sales and service staff to provide basic knowledge on the provision of services and basic usage functions as well as the different settings of the communication equipment.

6. Performance assessment and criteria for fair compensation to distribution partners

The quality of sales and service among distribution partners is an important issue. AIS has applied assessment tools in order to ensure that all distribution partners perform in line with the agreements and guidelines made between AIS and the partners for the best business performance. The assessment are applied on monthly basis and divided according to the main groups of distribution partners as follow:

- The Telewiz shops are evaluated by a tool called “Service Quality for Telewiz (SQT)”, which assesses service quality by detail criteria and targets.
- AIS Shops by Partner are evaluated based on the “Service Quality Assurance for AIS Shop by partner (SQAA)”. This evaluation tool is applied to develop and control the quality of service to

meet AIS service standard. There are 3 core indicators: customer satisfaction, success in the introduction of different services, and staff skills and knowledge.

- Sub-contractors for installation of AIS Fibre are assessed based on customer satisfaction survey. AIS call center staff will take customers survey immediately after the completion of installation at home. Alternately, customers can also make evaluations at the service counter.

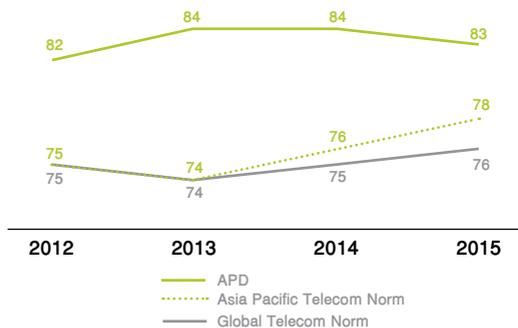
In determining compensation for distribution partners, AIS has compared the rates offered by other service providers in combination with the competitive conditions in the market. This enables AIS to provide compensation that is attractive and sufficient to reward partners who exhibit strong potential so that they are motivated to stay with AIS. Additionally, AIS provides special rewards for partners who can operate successfully in correspondence with set targets and the expectations of customers. A satisfaction survey is used as an element in appraising eligibility.

7. Distribution partner satisfaction survey and feedback

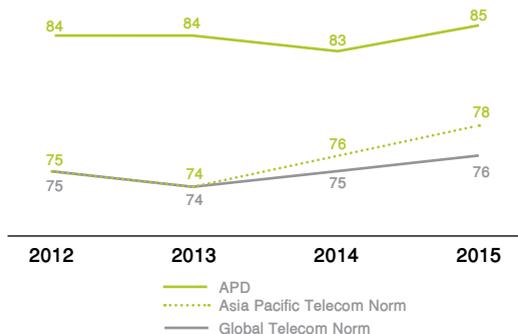
AIS cooperates with the Nielsen Company, an independent assessor, in designing and performing the Dealer Satisfaction Survey (DSI). This survey is applied annually to sub-contractors installing AIS Fibre, Telewiz shops, wholesale distributors, AIS Buddy partners, advanced retail partners and large-scale distribution partners, such as modern trade retailers and IT product retailers. The survey covers all aspects of cooperation between AIS and partners and is used to support the development toward satisfaction of partners working with us. This

in turn leads to strong and sustainable business relations over the long-term. Based on regional and global benchmarking, AIS has achieved high levels of satisfaction compared to the average.

Result of Dealer Satisfaction Survey
DSI-ADP



DSI-ARS



AIS has established a Channel Contact Center as a channel through which to receive complaints and suggestions from partners as well as for coordinating with responsible business units in order to solve problems promptly. Partners can also raise their voice via the AIS sales teams that are responsible in the relevant location.

AIS also visits distribution partners' shops on a weekly basis to check on issues, problems, and

suggestions for further development, along with the general market survey.

Distribution partners for internet broadband business

AIS launched its fibre internet broadband business under the brand "AIS Fibre" in mid-2015. Initially, AIS implemented a sales channels via AIS call centers, AIS service centers and Telewiz shops. Since the 4th quarter of 2016, AIS has been working together with Jaymart and iStudio as partners to increase its coverage of distribution channels. AIS also has more than 50 partners who are both distribution partners and sub-contractors for installation. Majority of these partners have developed from servicing satellite installation and ADSL internet installation. AIS has plans to increase the number of these partners to 100 in order to handle the growth of AIS Fibre client numbers.

The challenges that AIS faces in the cooperation with the distribution partners for AIS Fibre are educating them about fibre broadband and the quality control of the installation work as well as attaining positive customer feedback and satisfaction for further customer referral.

In order to manage these challenges, AIS has taken the following steps:

1. Installation training and assessment tests for installation workers
2. Supervisor team to provide support and random inspection of the installation jobs
3. Satisfaction surveys via phone call with all clients within 1 week after installation

The successful expansion of distribution channels through business partners in the last year resulted in an increase in the proportion of sales



made through business partners to around 50% of total sales. Working with partners has also helped increase the total sales per month from 7,500 in the beginning of 2016 to more than 35,000 in the end of 2016. The customer satisfaction with the installation service provided by sub-contractors also continued to improve and reached 94.29% while the customer satisfaction for using AIS Fibre service also increased to 89.36%.

- **Set standards for operational transparency**

Following AIS's public announcement in 2013 of an intention to operate business with transparency, guard against bribery and corruption, and support fair competition, AIS started in 2014 an extended year of risk evaluation of any potential bribery and corruption both internally and across the value chain of our business and later announced policies against bribery and corruption. Directives on this issue were added into the Company's Code of Business Ethics and the Supplier Code of Conduct to ensure their awareness of AIS's business practice and conforming to our policy. These standards are also issued as criteria for partner selection, and set as conditions within business contracts.

In 2015, AIS issued an assessment test to all business partners on knowledge and understanding of the AIS's practice on business transparency. With the target KPI, the test results were used to evaluate the effectiveness of policy communication and further develop knowledge tools to enhance the awareness among business partners. In addition, we also provide reporting channels for partners directly to the Company's Board of Directors to report any observed misconduct.

In 2016, AIS continued our determination to ensure transparency in all of our business operations. The CEO issued communication letters to all business partners to emphasize on AIS's transparent business practice and promote the participation toward improved transparency for business operations. Meanwhile, assessment tests to partners on code of business conduct were continued with higher aim and targets. Partners found to be in violation of the committed code of conduct will be considered for the termination of business operation with AIS.

Test results of knowledge and understanding of business ethics among business partners	2015 Target: 70% Actual result = 80%
	2016 Target: 68% Actual result = 89%

AIS's Purchasing Policy also stipulates that the selection of business partners must be fair with each partner and care must be exercised in terms of conflicts of interests. AIS has also organized the partner audit by internal auditor as well as independent external auditor for the partner's sales record, accounting, and operations. The audits are run annually and randomly to ensure that the business operations of all partners are accurate and transparent.

- **Development of social and environmental responsibility in business operations with all partners**

Under the the Supplier Code of Conduct, all AIS partners are required to operate with full consideration of any impacts that their business activities might have on the environment, society,



human rights, and legal work force employment. AIS deploys the following measures to ensure operational execution:

1. Set employment criteria to partners participating in the “Telewiz Uplift” program. The Telewiz shops participating in the program to become “AIS Shop By Partner” are required conform to the employment of aged not less than 18 years old as stipulated by law, fair working hours and compensation structures as well as appropriate benefits and welfare.
2. All new partners must pass the initial evaluation in terms of environmental awareness and social responsibility before they can become AIS business partners. These conditions are also included in the business contracts between AIS and its partners. AIS is also assisting partners with the communication and training to ensure full understanding and compliance among partner employees.
3. Criteria are set for all distribution partners stipulating their responsibilities on product and service quality, safety, the protection of customer information, the disclosure of complete and accurate information about products and services, and fair conduct with all customers. This also covers the quality of information as well as displaying signage and leaflets that present necessary information in such a way that it can be seen clearly by customers, with important information in large size font and the details clearly presented. For the protection of

customer’s personal information, AIS also limits the partner’s right of access to information and performs periodical audits.

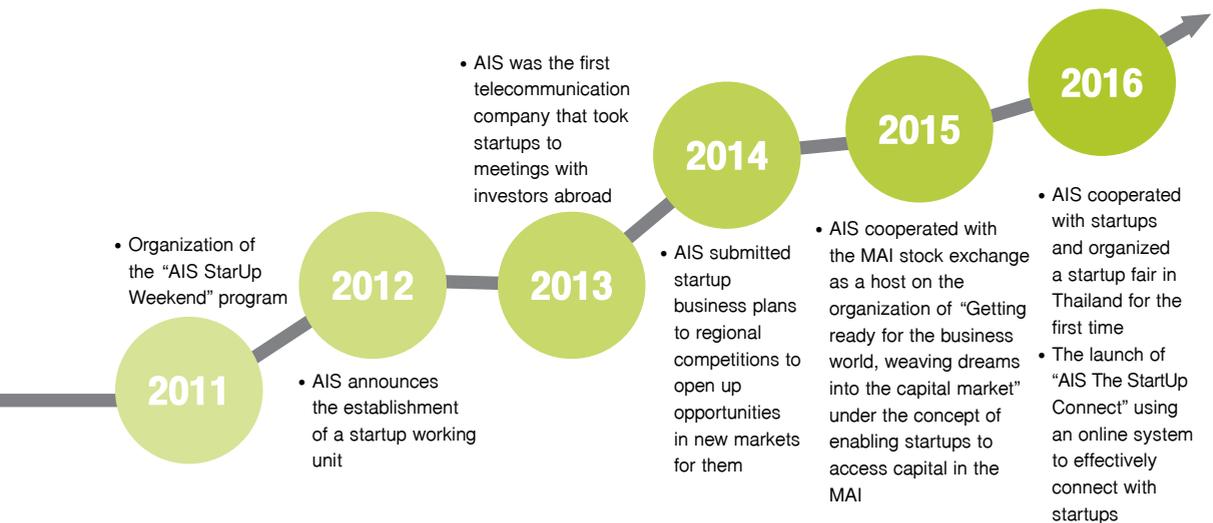
Creating balance in doing business together

Due to the diversity of our partners and distribution channels, AIS requires clear guiding principles for managing our operations and strategies in a balanced manner so that all partners can do business together. AIS has established the following guidelines for the operations:

1. In selecting the appropriateness of prospective partners and the creation of new businesses, AIS takes into consideration for each type of partners i.e. business model, partner potential and capabilities, location, types of products and services offered, and the customer segment etc.
2. Establish clear rules of cooperation, define the service area covered by each partner, and ensure the division of products and the creation of diversity to prevent conflicts of interests
3. Determine clear and equal operation evaluations to ensure fair compensation and benefits
4. Communicate the AIS’s business direction and policies regularly to keep partners informed as well as engage in regular visits by the working and management teams to support the partner’s work, to solve any problems and to listen to viewpoints and suggestions or complaints

Open up to new partners to extend the business and competitiveness

Development of cooperation between AIS and new startups



Bringing the country forward with digital technology and innovations is an important issue that plays a significant role in increasing the nation’s economic value in line with the government’s 4.0 model for Thailand. AIS is committed to becoming the number one digital life service provider in the country. To support this objective, cooperation with startups enables AIS to be involved with the development of new products and services that respond to the needs of service users’ digital lifestyles.

The cooperation between AIS and startups was launched in 2011 as AIS had foreseen the potential of startups in increasing business opportunities. Collaboration was first implemented through the “AIS StartUp Weekend” project. The approach of this project was to invite startups to submit business plans to be entered in competitions and from these to

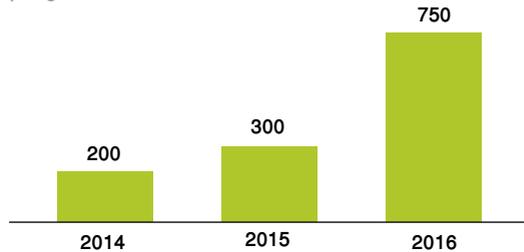
select the startups that presented the most potential and which had business frameworks that were in line with the AIS business plan. Under this concept, AIS was the bridge helping to connect the business of startups with the main business of AIS. In addition, social media channels were made available for news and updates to the startups.

At present, given the limitations of conducting the program in the form of a competition that is held only 1 or 2 times per year, this approach no longer corresponds to the growth in demand of consumers nor keeps up with the expansion of the business. AIS has therefore adapted the approach to provide opportunities for startups to present their business plans to AIS for consideration throughout the year under the “AIS the StartUp Connect” program. In this new approach, there is no need for startups to

compete with other business participants. Changes have also been made to the process of submitting a business plan, which is now handled online and includes interview and arrange an appointment to discuss the project in person, or via video conference. This online system provides each startup applicant with their own personal dashboard that enables them to monitor the progress of their business plan presentation to AIS.

As AIS is committed to be a full-scale digital life service provider, the concept of working with startups in 2016 was developed from its previous form to a new concept: "AIS takes new business ideas closer to their destination by supporting startups along each step of the journey towards providing the most creative digital solutions in Thailand". AIS supports startups from the first idea of a business plan, through the development of products and services, the creation of a marketing plan, and reaching new customers and new markets.

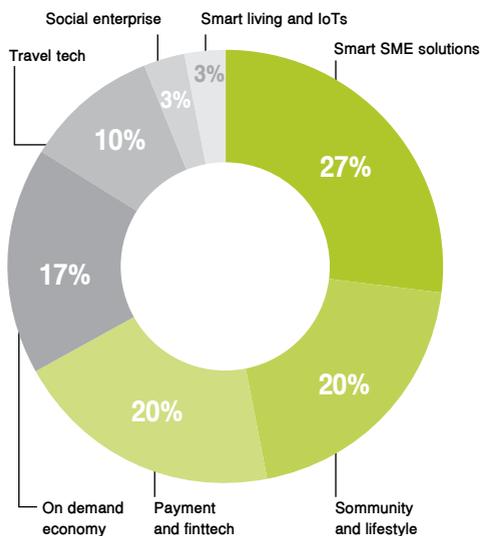
Number of startups (teams) participating in the programs



29 projects from 19 startups that helped strengthen the products and services of AIS in 2016, for example iTAX, Golfdig, Infographic Thailand

In supporting startups, the role of AIS does not limit to only internal collaborating with for AIS business but also extends the cooperation to the national level. As AIS actively works to support government policies, for which startups are one of the main drivers of economic growth and the sustainability of the country, we sponsored "the Startup Thailand Fair" and organized as a major public event covering different sectors of the government. In such event, we arrange exhibition and keynote sessions to encourage startups on the development of their business plans and to apply their abilities to support the development of the country.

Type of startup business within AIS theStartUp program



Delivering value that is more than just providing technological service



Develop people

During the entire time in which AIS has been organizing programs for startups, this has not only brought benefits for the startups and AIS, but it also created positive “domino effects” for the associated sectors of society and business. Since the program launch in 2011 until now, startups have submitted more than 2,000 business plans to AIS for appraisal. Considering the number of startups that have submitted business plans, AIS has taken part in the development of potential and the enhancement of new ideas for more than 10,000 new entrepreneurs.

Create jobs

The starting point of the startup programs is to enhance ideas and to simulate new-generation entrepreneurs with potential so that they can work on developing their great ideas. When these startups grow and have become established, this means that new entrepreneurs have entered the market and created more jobs. For example, the Infographic Thailand company was founded by just a handful of people but now the number of staff has reached 30-40, while the company called Ookbee, a digital book and magazine provider now employs over 300 people.

Create digital tools for SMEs

The majority of the startups that have become AIS partners are technological business entrepreneurs developing diverse content and applications under the concept of using technology to reduce limitations in living. The various contents and applications that have been developed can also be used as business tools by SME entrepreneurs. With prices that make the applications accessible and with the abilities to respond to all kinds of all working requirements, SME entrepreneurs can utilize the applications to become Smart SMEs, which now account for 27% of all SMEs. One example of an application that supports Smart SMEs is FlowAccount, an online accounting program for new businesses. It is easy to use and has a system that allows entrepreneurs to manage their business and taxes systematically with starting prices from as little as 83 Baht per month or 990 Baht per year.

Partners Performance Table

	Unit	2014	2015	2016
Investment to support and develop partners				
Training and Development	Baht million	1.7	3.7	2.1
Total number of partners' employees who received training	Person	9,289	13,174	14,577
Total amount of investment in shop renovation ¹⁾	Baht million	16.3	137.8	162.2
Building relationship				
Dealer satisfaction score on AIS (wholesale partners)	%	84	83	82
Dealer satisfaction score on AIS (retail partners)	%	83	85	85
Compliance				
Total compensation or fine for anti-competitive business practices	Baht million	0	0	0
Promoting business ethics				
Partners who received a formal letter on cooperation to conduct their business with AIS's code of business ethics, anti- bribery and anti-corruption policy, and human rights practices.	%	100	100	100
Partners who received a formal assessment on compliance with AIS's code of business ethics, anti- bribery and anti-corruption policy, and human rights practices. ²⁾	%	N/A	100	100
Partners' assessment score ²⁾	score/target	N/A	80.6/70	89/68

Note :

1) In 2014, the investment to renovate partners' shop covered only Telewiz shop. However, AIS has expanded to cover all retail shop and AIS buddy shop since 2015.

2) The assessment on business ethics was firstly established in 2015.

Our People



Our People

“AIS employees are the heart of our organization’s success. That success is measured not only by employee satisfaction, but also by the development of employees to meet the future changes. As AIS aim to grow our business, we place focus on developing our employees new abilities and potentials for future growth.”

Kantima Lerlertuttitham
Chief Human Resources Officer



Challenges and Opportunities

AIS is developing ourselves from being the number one mobile phone service provider in Thailand to becoming the leading digital life provider and a young agile organization that keeps pace with the changing business environment and technologies. In this significant evolution of the company, “people” are our most vital ingredient toward becoming an organization of success that produces solid economic return as well as depicts good governance for business sustainability.

Another key challenge is a growing diversity among the personnel of AIS. Now comprising more than 70 percent of our organization, those from Generation Y are beginning to play a larger role. As recent graduates, they have new perspectives of the world today. A key development objective of our people, in addition to preparing our employees for continued change, is therefore to minimize the differences and help our employees of every generation to work together and view the goals of the organization with the same focus. As we all aim toward the same direction, everyone in AIS must get ready to move forward together and help AIS to be a “Sustainable Organization”.

Management Approach

- Enhance HR policies and practices toward being “strategic business partners”
- Instill a corporate culture toward the changes of the digital age
- A holistic approach to employee wellbeing
- AIS Academy - Leadership development and employee training
- Ensure employees’ occupational health, safety, as well as a quality of life
- Build employee engagement in AIS
- Deliver good people to the greater society

Goals for Long-term Success

Be a Sustainable Organization

Indicators

- Employee engagement evaluation results
- Employee safety, occupational health and well-being evaluation results

Enhance HR policies and practices toward being “strategic business partners”

Focusing on people is a change that must be made from the level of HR management policies, shifting the structure and the role of HR from focusing on HR Operations according to traditional and common standards, to the Strategic Management of Business Partners. HR need to understand the business and the direction of the business operations of AIS for both the short and long-term, as well as the transition AIS has made toward becoming a digital life service provider. HR staffs are encouraged to understand their own roles as business partners, and begin the journey to develop the people within AIS while also continuing to find new personnel to add to and enhance the strength of the organization.

For the development of successful business partners, AIS focuses on methods that adhere to the principles of our “Put the People First with the 6P Strategies”. These include:



1 Put basic right - This refers to HR policies that are clear, cutting-edge and up-to-date, and that support operating procedures that are transparent, accurate and comprehensive.

2 Place the right people - This refers to the placement of personnel who have the competency, the knowledge and the ability to carry out their work in the appropriate positions that will deliver the greatest benefits within the structures defined.

3 Prepare our people for success - Because our people are the key to the organization’s success, the development of our employees needs to be done continually and consistently so that they too can grow as the organization grows.

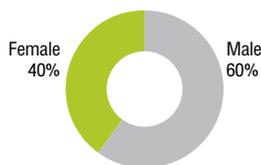
4 Partners for business - This means that HR has a deep understanding of the business direction and is included in the strategy-making process and preparations for the efficient management of company resources. It also means that HR provides professional personnel management advice to the various departments and organizations of AIS

5 Professional in HCM - This refers to the ability of HR staffs to support the business plans of AIS, as well as the continued development of Human Capital Management knowledge and practices so that they are efficient and up-to-date at all times.

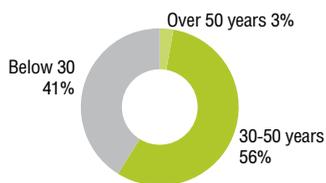
6 Performance driven - The establishment of systems and procedures for evaluating employee job performance not only drives the performance of the organization, but also ensures fair remuneration for employees in accordance with their roles and performance.

At AIS, we believe our employees are the key to driving force of AIS toward success in this digital age that demands for innovation and advancement.

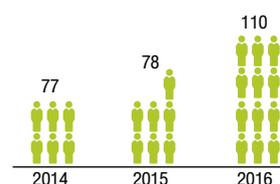
Total AIS employees 12,073 pax
(excl. daily staffs)



AIS employees by Age
(excl. daily staffs)



Call Center Employees with Disabilities



For this reason, our HR management focuses on development and care for different generations within AIS to build a strong foundation that drives us forward.

Instill a corporate culture toward the change of the digital age

AIS currently has more than 12,000 employees from a diverse range of generations, including Baby Boomers, Gen X and Gen Y. Managing such a wide variety of personnel is the key. Employees from different generations all work together as a team due to AIS’s strong belief in our “Generation Connected”. It is a concept that supports productive work behaviors that are moving forward in the same direction, lifestyles that are connected to digital systems, and harmonious coexistence that includes the imparting and sharing of the experience and strengths of all, from one generation to another.

In addition, we also have diversity of genders, values, languages, nationalities and culture-based characteristics. One of the important tasks of HR

management is to manage such differences without discrimination, so that everyone can work together side-by-side under the same corporate culture and aim toward the same goals. This management begins with consistency of policies and personnel administration regulations that are put forth according to the labor and human rights laws of the country. It also includes a review of policies from previous years to ensure they are in accordance with the principles of the UN Global Compact on Human Rights. This includes issues of equality in the recruitment process, the management of compensation and benefits, performance evaluation and employee development. AIS is also committed to providing opportunities for those with disabilities to find employment with AIS, as well as placing an emphasis on supporting local employment.

As AIS is expanding its operations throughout various regions of the country, we are providing opportunities for employees at our central offices to request transfers to work in their hometown/region when there is a job vacancy, allowing them to support their families and develop their local communities. In 2016 there were 30 employee transfer requests of this kind.

Generation	Male	Female	Total	%
Baby Boomer	147	92	239	2%
Gen X	1,652	1,750	3,402	28%
Gen Y	3,145	5,421	8,566	70%
Total	4,994	7,263	12,207	100%

Remark: BB = aged 59-62 years; X = aged 36-51 years; Y = 20-35 years

AIS employee and the opportunity to return to their hometown



Varunee Srikhum
Sales and Service Division
(Duration of Employment: 6 years)

“Because my mother is unwell, I wanted to be able to care for her more closely, so I requested a transfer from the AIS Shop at Future Park Rangsit to the Phitsanulok branch (cross-regional area transfer). After submitting my request, thanks to AIS and the diligence of our organization, they allowed my transfer to be completed within only 2 weeks’ time. I feel very grateful that I work for an organization that is attentive to the needs of its employees and their families. When my mother heard the good news, she was very happy and comforted to know I would be able to care for her much more closely. Thank you to AIS for giving me the opportunity to work here and for understanding the feelings and needs of your employees.”

The Corporate Culture of AIS

Because the creation of excellence takes a long journey, AIS perseveres in motivating, educating and managing our corporate culture via the “Triple I” concept. Triple I includes **1) Individual Talents** (AIS promotes talented, good people), **2) Idea Generation** (AIS is an organization of creativity and innovation) and **3) Infinite Change** (AIS is always ready to accept and to create

change). These principles in conjunction with clear direction and consistency can help to lead our organization to reach our goals in leaps and bounds, whether in terms of personnel or overall business. That is the core of our corporate culture driving us toward being a “Digital Life Service Provider” .

The Corporate Culture of AIS is designed to align with our business strategy and define a set of desired behaviors for sustainable business. It is the fundamental to operate our HR management framework that helps to align internal planning in the same direction. Likewise, we are also clarifying and reinforcing the AIS culture with our



“FIND-U” Corporate Culture Theme, adapted from our 10 “FASTMOVING” Core Values. We are working to make these a part of the DNA of every AIS employee through our proactive strategies, such as making them an important part of the recruitment process, and beginning to cultivate this culture within our employees from their first day as part of the AIS family. During our orientation and Onboarding Program, we provide workshops and various educational materials that aim to convey the meaning and behaviors of the AIS corporate culture, as well as to emphasize that the stronger our united corporate culture, the better we will each be able to carry out our individual duties and the more we will be able to work well with others both inside and outside of our specific departments. This will also engender positive communication and greater

mutual understanding between employees, which lead to satisfaction and close relationships within our organization. Last but not least, it will result in our organization achieving its goals and objectives, as well as the development of our employees at all levels.



Somchai Lertsutiwong
CEO

What we must accomplish is a change of corporate culture through the 'Find U' concept, which consists of 1) a Fighting Spirit-each of our employees must have a fighting spirit in order to face the increased competition. Next is 2) Innovation-we must develop our creativity, both in our work methods and our innovations. This is followed by 3) New Abilities-we must be ready to learn new things that we have never learned or done before, for example, service center employees developing broader, more comprehensive understanding and expertise, and learning to provide fixed broadband services in addition to previously only providing mobile services. Then, in order to adapt to being a provider of 4) Digital Services, employees must have a clear understanding of all the services AIS provides to its customers, which includes knowing how to use these services themselves. Lastly, we need a 5) Sense of Urgency-our employees must be fast in the digital transition in order to meet the needs of our customers immediately.

Creating an Innovative Organization Because Creativity is at the Heart of Each of Us



The AIS INNOLYMPICS FESTIVAL is an exhibition and competition for creative ideas, the inspiration for which came from the need to create a greater, stronger corporate culture of innovation, which is the 2nd "I" in our Triple I Concept. "Idea Generation" The AIS INNOLYMPICS FESTIVAL was organized by our Innovation Center, to provide an opportunity for employees from every line of work to present their own innovative creations within the "Internet of Things" context, with an emphasis on creating change and making a difference. The goal of the event was to showcase and exchange information and innovative experiences, as well as to provide inspiration for other employees, thus leading to the creation of more products and services, the adaptation of work processes, and the presentation of new ideas. Above all, it will lead to employee participation in driving the organization forward in a direction that will create a greater competitive advantage from process and product innovations that better meet the needs of our digital life customers.



In addition to the AIS INNOLYMPICS FESTIVAL, we organized a variety of activities throughout 2016 as follows:

- InspireTalk: A creative seminar on topics and issues trending both domestically and internationally with a number of guest speakers coming to share their expertise.
- InSpire OutSpace: An off-site tour activity, organized with the cooperation and support of our business partners, such as Index Creative Village.
- The “EUREKA Awards” Project: An ongoing project in operation since 2010, where AIS employees can showcase their problem-solving skills with regard to the work processes of the organization, in order to generate increased efficiency by reducing the number of steps in working procedures, increasing revenue, creating new sources of revenue and/or improving the quality of services. This year, 96 projects were presented, up from the 81 projects in 2015.

A Holistic Approach to Employee Wellbeing

The “Put the People First with the 6P’s” strategy has been in operation consistently under the framework of “A Holistic Approach to Employee Wellness”. This includes, for example, promotion of proper knowledge and skills for the job career advancement, developing leaders who are equipped both physically and mentally for their jobs, good working relationships between employees and their supervisors and colleagues, and work environments. It also includes the creation of environments that are appropriate for work, promoting work incentives that allow AIS employees to work together as family and share advice one with another. Executive management at all levels also work closely with their staff in order to promote an openness to listen to employees’ suggestions for the development and improvement of the organization, as well as to ensure that the policies and goals of the organization are communicated thoroughly and efficiently to all employees.



- The Spot Awards: A program that rewards employees who display commitment to their duties and responsibilities, promoting greater teamwork. This is a motivational tool that encourages employees to join together to find new work methods and improve work systems within their own departments.

Remuneration that is both fair and motivating

AIS recognizes the importance of fair treatment and care of every employee in our organization. In addition to the professional development of our employees, we understand that remuneration which is both fair and motivating is an incentive and an important strategy in retaining valuable employees. This is an area on which management places high priority and which we review annually, by comparing our compensation packages with those throughout the industry, and holding to the principles of equality, consistency with the performance of the

organization, and individual employee performance. AIS also hires independent consultants to conduct research and obtain data on wages and benefits in our labor market to be evaluated against the current AIS remuneration rates and criteria, as well as to monitor methods and forms of compensation management in other leading corporations. This helps us to better analyze and develop the AIS compensation model for our employees, so that it is both appropriate and continues to motivate current employees and those interested in working with AIS in the future.



AIS uses the 3-Ps principles in determining employee remuneration as follows:

Pay for Performance: Based on the results, behavior and potential of employees

Pay for Position: Based on employees' duties and responsibilities

Pay for People: Based on specific skills required by AIS

Employee benefits that supports employees motivation

In addition to the minimum welfare and benefits stipulated by labor laws, AIS also designs for additional benefits based on feedback from surveys and suggestions from employees via the Welfare Committee, as well as from information gleaned from surveys of the practices of other leading companies, both nationally and internationally. Some of these benefits include:

- Bonuses, allowances, and additional compensation for reaching targets
- Annual health check-ups, appropriate to the age and work type of individual employees

- A wide variety of health insurance programs whereby employees can choose the health insurance plan that best fits their needs
- Life insurance and accident insurance
- A nursing station with a team of medical specialists and physical therapists
- The AIS Chill-out Zone, which includes a fitness center with professional trainers, a table-tennis room, an aerobics room and a karaoke room
- A library
- Special allowances, such as a wedding allowance and funeral allowance for employees and their families
- Safety devices and equipment for certain types of at-risk jobs
- The Provident Fund
- Social security fund and workmen compensation fund
- The AIS savings cooperative
- Scholarships for employees, both national and international, and for the children of employees
- Retirement gifts

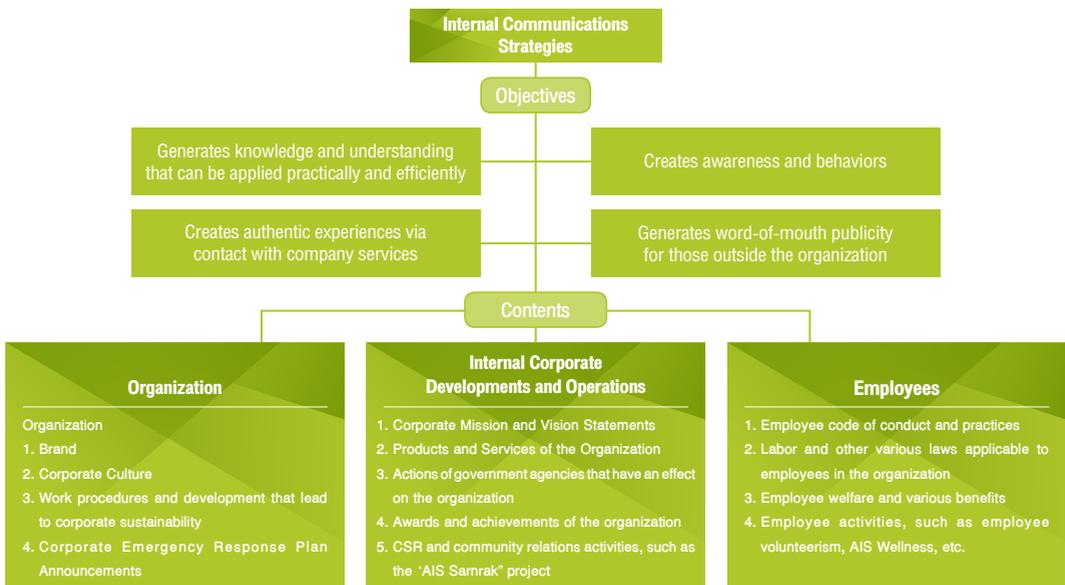




Employee communication and participation

The Digital life transformation and our internal communications mechanisms

Becoming a fully digital and innovative company means that every unit of our organization must make changes in order to keep pace with the forward movement of the organization. This includes the methods and forms of internal communications with employees, which must be fast, accurate, complete and timely, and must ensure that all employees are kept thoroughly informed. In 2016, therefore, AIS upgraded its internal communications strategies per the following objectives:



Procedures for the above will consider the use of communications tactics and media that are consistent with the unique characteristics of each generation of employees and the vision of the organization. We have also adapted and revised the types of communication from their original format,

such as email, SMS and intranet, so that they are up-to-date and more in line with the lifestyles of employees. Such as:

- **“Social Intranet”** an intranet innovation which is cloud-based and has been developed by combining modern forms of social media, through

which employees are able to have access to internal information at all times, both in website and mobile application formats. Social intranet uses a two-way communication format, namely, employees can choose to like, share or post comments and views on a variety of AIS topics. This provides yet another channel whereby employees can be heard and where management can follow and hear their views at any time. The sharing of this information, however, must be within the boundaries of those within the organization only, in order to prevent leakage of any sensitive company information or data. Social intranet also allows employees to create their own chat groups, like a virtual office or group discussion room. This helps to connect employees one with another, facilitating faster, more efficient work because employees are able to connect and discuss matters at any time. In addition, employees can join together to form clubs/societies or to bring those with similar ideas together in one place, including ethics clubs, golf clubs, cycling clubs, etc., which strengthens relationships and friendships between employees.

- **Cisco Jabber** a new collaboration application which assembles all communications systems together in one place in order to provide greater convenience for employees and reduce travel and environmental costs. Cisco Jabber can run on a variety of platforms, whether on a PC, notebook, tablet devices or mobile smartphones. It can be used for phone calls via computer, video conferencing and phone conferencing.



- **Town Hall** a communication format for special occasions and cases where AIS has important news that must be communicated to and understood by all employees. The CEO will send a message to all employees to gather together. After communication of the information has been completed, there is an opportunity for employees to ask questions and offer comments and suggestions. For regional staff, the Town Hall meeting will be carried out using video conferencing technology so that all employees have equal access to information.





- **CEO Talk Weekly 5 Minutes**” a project initiated by the CEO in order to have the opportunity to communicate with all employees on a weekly basis, helping employees to be aware of key developments within AIS, as well as to provide explanations for various happenings. This takes only 5 minutes, so as not to interfere with employees’ work schedules, and special guests are invited to participate in various discussion items. The CEO Talk Weekly is broadcast every Friday morning at 10:00 a.m., and just like other channels, employees can submit questions or comments via Live Chat during the broadcast.

In addition to the above forms of communication, AIS employees are also able to submit communication or feedback via their department representatives or supervisors, and by phone, web and email channels, as well as via the HR management team.



Communication via the People’s Champion Project

Although this digital technology era provides us with many tools that enable rapid communications, it cannot be denied that technology has its limitations. The “People’s Champion” project was initiated in 2015 with the selection of representatives from each department throughout the organization. Selected for their good interpersonal and creative thinking skills, these representatives serve as central figures for their colleagues in athering feedback and opinions from within each department which is then conveyed to HR and corporate management. They also serve as ommunication channels and connectors between employees within their own departments and between employees and the organization as a whole. They are called People’s Champions, as leaders in creating change, builders of relationships between employees and the organization, generators of laughter and joy, and optimizers of efficiency via various activities.

Complaints Channel for Actions that Violate the Code of Business Conduct

Our “Whistle Blower Policy”, which has been published on the company’s social intranet and the AIS website, specifies that employees who notice actions that violate our Business Code of Conduct must have a variety of channels through which to inform the Board of Directors. This can be done confidentially, and requires measures in place for the protection of employees who provide the information as well as procedures for investigation of the facts.

Learn more about the Whistle Blower Policy at <http://www.ais.co.th>



The AIS Process after Receipt of a Grievance from an Employee



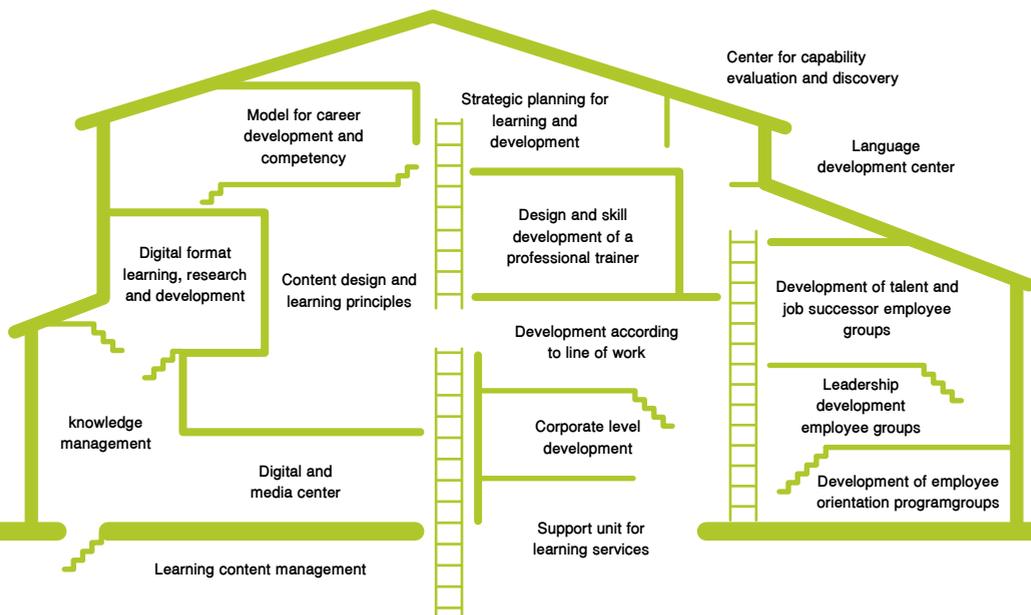
AIS Academy-Leadership development and employee training

As AIS has undergone a transformation from being a mobile phone service provider to becoming a digital life service provider, the HR department has also undergone restructuring from being a HR development department to being the AIS Academy, a center for learning and employee development, in order to accommodate the aforementioned changes, as well as to prepare AIS people for self-development that is in line with the transition and business direction of the organization. AIS focuses on Holistic Employee Well-being under the concept of preparation for success.

Our HR development plan has therefore been prepared in accordance with our business direction and the desired goals and achievements of AIS, using technology to help support the learning process via our online intranet system. We have also begun plans for the introduction of a mobile learning application via employees' mobile devices, in order to enhance the development and training of our personnel, and so that from this point on, employees can access needed information and knowledge from anywhere and at any time, within the confines of a security system determining access to company information. Our employee development and training model will be developed with a great deal of variety and appropriate to the learning styles of each employee. Classroom learning continues to be used for training in procedures and for building greater participation, as well as for working in groups. Additionally, we also have the AIS Assessment Center, where assessment results are analyzed in conjunction with annual performance evaluations for career growth planning and individual development plans, because we believe that future employee growth is the responsibility both of the organization and the employees themselves.



Infrastructure for learning development and promotion for employees under the “AIS Academy” program



With the rapidly changing business environment, whether in terms of technology, consumer behaviors or increasing competition, as well as the rapid growth of social media and various multimedia channels in a wide range of formats, products and services must also be provided in a wide range of formats in order to meet the needs of each type of customer group and each varying lifestyle type.

In order to meet those needs with a high level of quality, employees must receive systematic and continuous learning and skills development, as well as leadership development within the organization. The AIS Learning and Development Center was therefore established in 2016 with the goal of becoming a center for continued learning and development within AIS, as well as for AIS partners. It aims to provide employees with

knowledge, skills and the right attitudes, and to help them put that knowledge to use in their individual roles and responsibilities in order to deliver quality products and services and to create the best customer experience for all our customers.

The AIS Academy continues to develop a Digital Learning system that fits with the learning styles of each employee and that helps AIS continue to grow as an innovative organization. As stated, our digital learning system is designed to suit the learning styles of each individual employee, using the premise of each employee lifecycle within the organization, from their first day of work until their preparation for retirement. AIS is preparing the development of an employee competency model, which involves a shared planning and assessment between employees, their supervisors and the HR

management team, in order to lay the foundation for the skills needed to perform their duties and for career development. This system will be far more accessible to employees and better able to stimulate learning than the traditional classroom.



43 hours/average per person
Training in the AIS Academy in 2016 of full-time employees.



77 million baht
Funding invested in the AIS Academy in 2016

Return on Investment

- New employees who are well suited to the job and meet the necessary requirements
- Better retention of talented employees
- Boosted staff morale with more concrete policies and remunerations pursuant to abilities
- Helped employees achieve work objectives with an effective development format

HR Development throughout the Employee Lifecycle

• Development Plan for New Employees

AIS has a development plan for new employees, incorporating a variety of learning formats, both classroom learning and self-learning via electronic systems. We focus on providing new employees with a clear understanding of our organization and the context for basic business operations. We also work to instill an appreciation for the culture and values of AIS and to build an understanding of their own individual roles, whereby more senior employees serve as mentors to offer advice, provide work training and help to ensure that new employees can perform their duties well and be happy within our organization.



• Development Plan for Management, Experts, and Role-based Administration

We also have a development plan for employees who have been promoted to managerial or specialist positions so that they are aware of their changing roles as policy recipients who must then help to ensure those policies are carried out in the most efficient manner possible. We focus on courses that promote the role of leaders who are ready to change and adapt. These courses help to cultivate them as coaches, able to more effectively offer counsel and advice to their subordinates.

In addition, AIS has also partnered with its affiliate, the Singapore Telecommunication (SingTel) Group, in its management development program with the Game for Global Growth (GGG) and Regional Leadership in Action (RLA) courses, which are part of the development plan for management. These courses help participants come in line with our business trajectory for driving the organization toward our role as digital lifestyle providers. They focus on the promotion of leadership and the creation of new innovations. They also support relationship-building and knowledge-sharing between companies within the group, with members coming from a variety of regions, and help us raise our standards to international levels.



- **Career Path Development and Professional Advancement Plan**

AIS has begun career path development and advancement planning for employees, which is a tool that allows collaboration between AIS and its employees in helping to set work goals, lay a foundation for career planning in both the short and long term, and carve out a path for steady growth. It helps employees to recognize their strengths and weaknesses, and shows them methods for developing the skills they need in order to be aligned with our business direction. Thus, the career path development and advancement plan also provides another indirect benefit, which is that of providing motivation and incentive for talented employees to remain with the organization.

- **Succession and Leadership Development Plan**

AIS has also set forth a strategy and plan for risk management and the development of leaders in key positions throughout the organization via the “New Way of Succession Plan”, in order to maintain competitive capabilities within our industry. We have clearly defined indicators and a process for the selection of managers who have the job performance and the proper qualifications for participation in the project. This process is based on their job performance over a 3-year period, as well as an ability test. From these, we are able to create an individualized management development plan, whereby the AIS Academy will present a course prepared for both the current and next stage of their development plan.

The Process of Creating an Individual Development Plan



Determine the scope and guidelines for an Individual Development Plan that supports the organization's goals and personal responsibilities



Develop an Individual Development Plan and stated goals



Work towards self-development according to the plan and monitor progress

Risk Factors for NCDs



Drinking alcohol



Smoking



Lack of exercise



Eat fat, sweet, salty



strain



The AIS Wellness Program began with a statistical analysis of the rate of injuries and illnesses of AIS employees throughout the previous year. From there, the results of the analysis were used in the preparation of various activities to help encourage employees to have better, more sustainable health, both physically and mentally, with a focus on changing habits and lifestyles for the better.

The AIS Wellness Program received great support from the management team of AIS, and was added to the Corporate KPI or goals of the organization during the management level business planning conference. In 2016 the number of AIS employees who participated in the AIS Wellness Program was even higher than the target set. Examples of the project throughout the past year

include inviting medical experts to help educate employees on the analysis and assessment of their own health, preventative care, including how to prepare and eat nutritiously, managing emotions, exercise and proper muscle stretching techniques. Additionally, we also expanded the scope of the project to include the families of employees as well, with our “Doctors for Your Mothers, Doctors for Your Fathers” project, whereby employees could bring their parents to receive medical examinations from doctors and specialists from hospitals selected by AIS. AIS employees were also able to pass on the knowledge they received throughout the project to members of their own families as well, such as proper muscle stretching and exercises.

Steps for implementation of the AIS Wellness Program were as follows:



Step 1

“Know Your Health” Employees are required to receive an annual health checkup and to complete a preliminary health and lifestyle assessment including, for example, eating habits, exercise, stress levels and relationships with coworkers and supervisors. The use of equipment to measure employees body mass index (BMI) as well as total body water, muscle mass, bone mass and body fat percentage and mass helps employees to become more aware of their health and age-related issues and thus place greater importance on care of these aspects.

3,000 staffs
joined AIS Wellness Program

72%
of employee engagement score in the survey of health-conscious organization

*data as of 31 July 2016



Step 2

“Improve Your Health” AIS organized lectures by medical professionals to help educate employees about the reasons for and importance of basic self-care and how to modify their lifestyles for better physical and emotional health. This included, for example, food and nutrients needed by the body, causes and prevention of office syndrome and how to manage stress in the workplace. In addition to awareness activities, we also organized practical activities, inviting physical therapists to give advice and teach employees about how to manage muscle stiffness in various parts of the body that occurs as a result of sitting or standing for long periods of time while working and how to adjust their work tables and chairs in order to better prevent muscle pain. AIS also put together a video regarding various aspects of healthcare, signs indicating calorie amounts in foods and snacks throughout the training, and recommended guidelines for improving health after receiving medical examinations, etc.



Step 3

“Enjoy your rewards” The Fit and Fun activity was organized by AIS to encourage employees to have healthy bodies through exercise, increase muscle mass, and reduce body fat, which is a major cause of disease and NCDs. The Fit and Fun activity included competitions in team format, and was carried out over a 3-month period. The format of the activity was divided into education and awareness, creating motivation with rewards, and health examinations. The number of employees who participated was 5 times higher than the target number set.

The success of the AIS Wellness Program has been that all the employees who participated in the program have a deeper understanding of how to care for their own health in a preventative manner, and they are able to pass on this knowledge to their own families and those around them. The value of this achievement is greater than can be measured in numbers and statistics alone. Because of this, throughout the past year, the AIS Wellness Program has expanded its coverage to include the care of employees’ families as well, providing health check-ups for parents of employees, and has partnered with leading hospital groups to provide special discount rates on medical fees and checkup fees for additional programs provided to employee families.

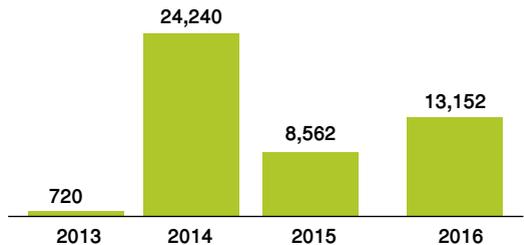


AIS's occupational safety, health and work environment procedures function in accordance with the Occupational Safety, Health and Environment Act 2011, and are managed by our Occupational Safety, Health and Environment Committee. The committee has been elected as representatives of the management and employees to be responsible for planning and managing care and activities for employee awareness and safety in the workplace, as well as to set guidelines and procedures for work safety, provide protective equipment, and provide training and education for employees on workplace safety. The Occupational Safety, Health and Environment Committee provides ongoing assessment, monitoring and review of procedures and operations. Assessment results for the past year resulted in proposals for the development of a fire drill application, improving elevator maintenance, and measures to prevent and reduce crime in areas surrounding our office buildings.

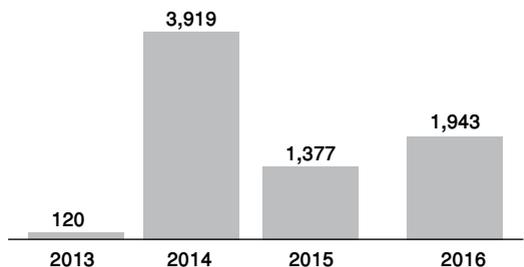
In addition, AIS also provided training for workplace safety, including training of safety officers for all levels of work, safety training for new employees, electrical work safety training, basic firefighting training and fire evacuation drills, etc. We also created manuals for safety and operational regulations, carried out planning for safety in operations, and provided proper tools and personal protective equipment. We also instituted a Zero Accident policy and target for accident rates within the AIS group.



Total number of hours that AIS employees spent in attendance of Occupational Health, Safety and Environment training courses.



Total number of employees who attended Occupational Health, Safety and Environment training courses. (persons)





Human Rights Awareness

In addition to the creation of a corporate culture that promotes unity and harmoniousness as well as an awareness of the human rights of our own AIS employees, building employees respect for one another and teaching them how not to violate the legal rights of another person is yet another important factor that has been added to our management practices and business code of conduct. All employees must receive training and assessment to help achieve greater understanding of this issue, and must be aware of the punitive measures and the channels for grievances in cases of abuse or witness of abuse.

In 2016, the human rights issue was elevated further to include and take into account the rights of children who could be affected by the business processes of the company, as AIS announced its intention to participate in the “Business Operations

that Respect and Support Children’s Rights” program. This program was developed jointly by the Thaipat Institute and UNICEF and launched in 2015. As part of AIS’s commitment to participate in the project, AIS joined with the Thaipat Institute to organize a workshop for awareness and education and to establish the involvement of employees in pointing out areas that could potentially be at risk for the violation of children’s rights and to propose measures to further promote respect for children’s rights throughout the organization. The results of this workshop were compiled and presented to senior management for consideration and further action.

Build Employee Engagement in AIS

Building engagement between employees and the organization is considered to be an important strategy in the retention of talented employees, which can in turn create value and a competitive advantage for the company. However, engagement, according to AIS’s definition, is not limited to encouragement and morale for employees in their daily work, but rather, the indicator for success is when employees feel proud to be a part of the AIS family, and when they talk about the good and the positive happenings within the organization to their families and those around them and invite them to become a part of the success as well.





Ms. Mit-ta Boonlert
Public Relations Officer (23 years old)
Activities Department,
Public Relations Division
(Duration of employment: 1 year)

“Working at AIS has given me the opportunity to hone a variety of new skills, to meet and connect with new people, and to be a part of many activities that benefit society. The work system at AIS is convenient, fast, and professional due to the use of various communication tools and equipment. This makes it easy to communicate with colleagues and supervisors, both within and outside of our individual departments, in an efficient manner. When there are obstacles in our work, we are able to contact colleagues and superiors in other departments in a timely manner. They are always willing to give helpful advice, ensuring that the results of our work are the best and most efficient they can be. I feel that in addition to the great work experience I am receiving from being here, I’m also benefitting from the warm friendships of those I work with as well.



Employee engagement is also another means by which the organization can attract capable and talented candidates to want to work with AIS as well, albeit amid fierce competition in the labor market and personnel shortages in the digital technology field.

Survey results of employee engagement in the previous year found that AIS employees had up to 80% engagement with the organization. In 2016, the engagement survey has been more focused on leadership role in accordance with the corporate target on to build up the role model. The 2016 score is 76.14% lower than 77% target. AIS also in-depth analyzed the engagement level survey results for each year, coupled with demographic perspectives, such as gender, age, duration of employment, rank of the employee in the organization, etc., in order to find ways to improve, review and develop at every level, from individuals to departments to the organization itself and even to the upcoming policies for the years to come. Results of the assessment indicate that the People’s Manager roles in each department had a great effect on increasing the level of engagement throughout the company. Because of this, AIS’s HR management department made plans for developing leadership roles by partnering with employee representatives the People’s Champions through a variety of activities.



Deliver good people to the greater society

AIS Volunteerism for Sustainable Social Development

“AIS people must be both talented and good.”

This is the theme from which many projects have originated. Beginning with encouraging our employees to help and support one another under the “Friends Help Friends” project, which has become a center for the kindness and generosity of AIS employees who want to contribute when they find that a colleague is in need. Assistance can be shared in the form of monetary or material aid, in addition to the welfare and benefits provided by AIS. Since 2015, this has expanded and grown to include greater society as well, under the project name “AIS Volunteerism for Sustainable Social Development”. AIS encourages its employees to present innovative ideas and concepts for development or providing solutions to problems in both communities and society at large. To do this, we developed a strategic plan to inspire and propel employees to join the “AIS Volunteerism

for Sustainable Social Development” project throughout 2015–2017. This project develops people who are both talented and good for the betterment of society, creating engagement between employees and the organization, and creating goodwill in communities toward the business operations of AIS as an organization that has good governance and operates responsibly.

The AIS Volunteerism for Sustainable Social Development” project brings the concept of social responsibility into the daily work processes of our employees, educating them, cultivating greater awareness among them, and encouraging them to participate in contributing to society.

The format of the project focuses on providing opportunities for employees to propose projects that will improve their hometowns or places where they have existing family relations. AIS then provides funding of up to 100,000 baht per project and we support our employees by allowing them to carry out these volunteer activities as part of their work days and not counting them towards their leave allowance.

Each year the number of employees participating in these projects has grown. In 2016, some 800 employees participated and 40 different projects were presented by AIS employees from all over the country using a budget of over 3 million baht.

Performance	Unit	2015	2016
Support of employee volunteerism			
• Number of projects	Projects	39	40
• Number of employees who participated	Persons	634	800
• Number of work hours used by volunteer employees in contributing to society and communities	Hours	15,216	19,200
• Company funding allocated to volunteer projects or activities	Baht	3,000,000	3,154,454
• Number of schools developed under the project	Schools	33	35
• Number of communities that received aid	Communities	39	40



We are very proud that the “AIS Volunteerism for Sustainable Social Development” project has inspired our employees themselves to group together under the name “Glad to be of Service” in order to share news and stories of volunteer accomplishments and projects, to partner together for further activities and projects, and to help one another when someone is in trouble or experiencing difficulties.



Best Employer Awards 2016

Due to our success in implementing our human resource policies and strategies outlined above, AIS has been highly recognized, both internally by our own employees and externally by organizations such as Aon Hewitt (Thailand) Ltd. and jobsDB Thailand.

Companies in the AIS group have been rewarded for our organization’s successful HR management with the Best of the Best and Best Employer Awards from the Sasin Graduate Institute of Business Administration of Chulalongkorn University and Aon Hewitt (Thailand) Ltd.

- Best of the Best Employer 2016
- Best Employer 2015
- Best Employer 2013
- Best Employer 2011

In order to be a recipient of this prestigious award, the primary criterion is that an organization must be outstanding in its ability to create a positive

experience for its employees. This includes, for example, by creating a good working environment, planning for the progressive development of its employees, implementing a good corporate culture, the ability to establish the organization’s corporate branding so as to attract capable and talented candidates, delivering very high performance results, the ability of the company’s leadership to bring employees together with a shared vision and mission, and high employee engagement within the organization.





In addition to the awards outlined above, AIS was also the recipient of the “Leading Organization where Thai Employees Want to Work Most 2016” award by jobsDB. The 3 main areas of distinction for AIS as an organization were, firstly, candidates received better benefits (monetary incentives, bonuses, medical expenses); secondly, AIS is a well-known and reputable organization; and lastly, AIS has good values (environmental, societal and humanitarian).

Employee Performance Table

	Unit	2014	2015	2016
Investment in Employment				
Total number of employees	Persons	11,058	11,885	12,207
By gender:				
• Male	Persons	4,456	4,748	4,944
• Female	Persons	6,602	7,137	7,263
By age:				
• Over 50 years	Persons	232	254	375
• 30 - 50 years	Persons	5,335	6,741	6,800
• Under 30 years	Persons	5,491	4,890	5,032
Ratio of permanent employees to total number of employees	%	68	69	70
Total number of new hires	Persons	1,123	1,123	844
Ratio of new hires to total number of employees	%	15.5	14.0	9.9
Total number of employees who resigned voluntarily	Persons	400	363	591
Ratio of employees who resigned voluntarily to total number of employees	%	5.5	4.5	7.1
Total number of employees laid off by the company	Persons	0	0	0
Percentage of employees who received formal performance reviews	%	100	100	100

Employee Performance Table

	Unit	2014	2015	2016
Investment in Employee Development				
Training hours	Hours	1,257,864	588,810	1,064,922
Training expenditure	Million Baht	111	112	111
Occupational Safety and Health Survey				
Number of employee fatalities	Persons	0	0	0
Number of work-related injuries	Persons	6	5	0
Number of employees with work-related health issues	Persons	0	0	0
Compliance				
Number of disputes due to labor law violations	Cases	0	0	0
Compensation fees or fines for legal violations	Million Baht	0	0	0
Number of complaints about human rights violations within the organization	Cases	0	0	0
Percentage of employees who received training on respecting human rights per the Code of Business Conduct	%	100	100	100
Percentage of employees who received reviews on their knowledge and understanding of respecting human rights per the Code of Business Conduct	%	N/A	100	100

Remarks:

1. The information in the table above consists of fulltime and monthly contract employees. It does not include daily contract employees.
2. Employee reviews of knowledge and understanding of respecting human rights began in 2015.

Our Environment

28%

Reduction in carbon footprint
Achieved against target of 4%



Awarded 'LEED Platinum'

The Training and Development Center for call center at Nakhon Ratchasima



100%

Green base stations by using high-quality fan cooling system in replacement of air conditions

185 million Baht

Electrical costs can be saved each year from operating green base stations



Challenges and opportunities

During the network expansion to support the increasing of customer's mobile data usage, which inevitably results in increased energy consumption, the challenge of creating balance between the widespread coverage of network and the responsible consumption of energy is therefore important for AIS. To achieve the goal, AIS is committed to "develop innovative and environmentally-friendly products and services for a great comfort which inspires the people of today and meet the needs of future". AIS has also set a target to reduce the annual carbon emission compared to the data traffic by 4%, in line with the Thailand Master Plan, developed from the 21st session of the United Nations Framework Convention on Climate Change (COP21).

Long-term Objective

To be the leading environmentally friendly innovator

Management Approach

- Grow sustainably as the Green Network
- Synergize environmentally friendly innovations with the digital lifestyle services
- Inspire employees to use resources to the most efficiency
- Comply with the national environmental laws and apply environmental responsibilities to various policies as a common practice

Indicators

- Carbon footprint emission rate
- Operating costs which can be reduced through developing energy-efficient technology
- Number of customers who receive electronics statements
- Amount of energy consumption which can be reduced through developing energy-efficient activities
- Environmental regulation compliance

Grow sustainably via the Green Network

Green Network

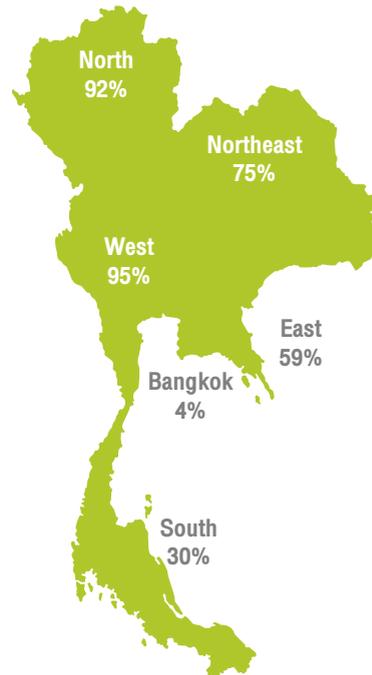
- ✓ Provide a network that uses energy with greater efficiency
- ✓ Reduce greenhouse gases while handle cost of operation by switching from air conditioning to fan-cooling



Incorporating technology and alternative energy into our networks

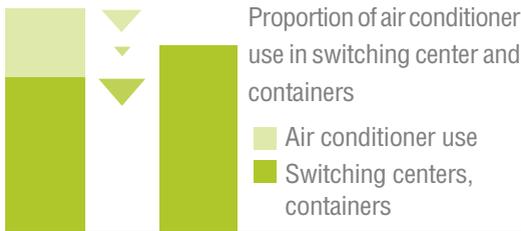
Since 2008, AIS has begun the study on the development of new environmental-friendly technology within our mobile network operation. The initiative began from an attempted use of alternative energy for base stations and switching centers to service our customers in remote areas. The aim was to enhance Thai people to have equal access to communications, help reduce social inequality and enhance economic distribution to rural areas. Our “Green Network” concept has since continuously evolved while we set our achievement in “Determining to be the Thai telecommunication service provider that delivers an energy-efficient and eco-friendly green network”. By utilizing various technologies and alternative energy in the network operation, we have effectively reduced the energy consumption and greenhouse gas emissions from the air conditioning units. Key environmental programs we implemented are as follows:

- **Base station using high-quality fan cooling system:** According to the standards for the based station container unit, based on the average temperature in Thailand, the temperatures inside container must not be more than 5 degrees higher

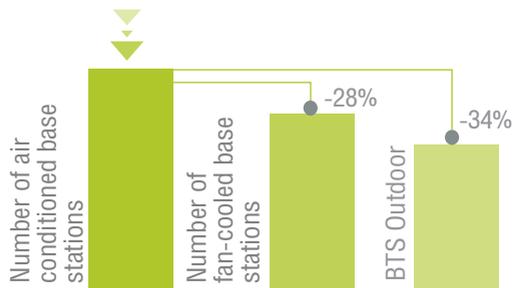


than outside temperatures in order to ensure the functioning of equipment. In the past, one container required the use of 1-2 large air conditioning units, leading to reasonably high energy consumption. Since 2008, AIS has begun incorporating high-quality air ventilation with the based station in Nong Khai province to test its efficiency in maintaining the interior temperatures of container so that equipment operated correctly. The trial found that high quality fan-cooling was equally as efficient at maintaining temperatures and network equipment as air conditioning was. AIS then gradually began to replace air-conditioners in all based stations with high quality fan-cooling system, and from this change, investment capital has been reduced by 10% to 20% per year, while network costs have also declined by approximately 30% per month.

Reduce CAPEX by 10% - 20%



Reduce network OPEX by 30%



- **Installing solar panels to generate electricity on more than 30 base stations** in remote areas that do not have access to the power grid. This enables the Thai people in those areas to access telecommunications technology, while reducing environmental impact from using clean energy from sunlight.



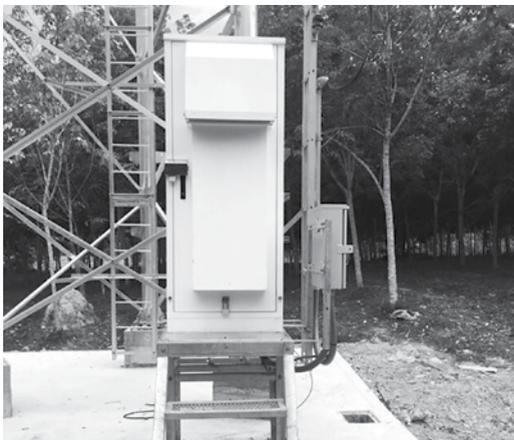
- **Using alternative energy as a fuel source for generators** in areas with restriction on noise pollution and environmental control. On Koh Phayaman island in Ranong province, AIS utilize clean energy from biodiesel to generate electricity for the base station, making AIS the first telecommunications provider in Thailand able to provide services on Koh Phayam.



- **Building switching center and data centers with low electrical consumption** through the installation of insulated walls which can retain temperatures in switching center and data centers for longer, without the need for air conditioning. Currently, there are 1 switching center and 2 data centers using this insulated wall.

Changing outdoor base station equipment - Switching from large containers to small enclosures

By completing up to 80% in reducing the size of base station equipment containers to the smaller, fan-cooled enclosures, AIS have reduced significant amount of greenhouse gas emissions, capital investment and electricity costs. Throughout this project, AIS have switched the original air conditioned containers to the smaller, fan-cooled enclosures at 4,590 base stations, which equates to a saving of 165 million Baht per year, and will receive the return on this investment in just 1.3 years. This changes reduced our carbon emissions by up to 24,890 ton of CO₂ per year. With the proven success of this project, all future base stations will be designed to include fan-cooled enclosures.



Efficiency value : a value that indicates an activity uses the same amount of electricity as before, but can complete the activity using less energy

New requirements for high-efficiency, low-energy network equipment

Under the new system requirements, AIS has increased the efficiency of rectifiers from 92.5% in 2015 to 95.5% in 2016. Using high efficiency rectifier to generate electricity to base station can use electricity efficiency and save approximately Baht 20 million of energy cost per year and save carbon emission by 3,017 CO₂ annually.

AIS data centers are designed according to eco-friendly standards which can save up to 3,750,000 kWh of electricity, reduce carbon dioxide emissions by up to 2,103.75 tons CO₂e, and cut energy costs by up to Baht 12.75 million per year

Creating eco-friendly standard for data centers

The AIS Green Design Data Centers are specially designed to be energy efficient. They utilize Water cooling systems to cool the equipment and servers with a Power Usage Effectiveness (PUE) of just 1.8. This means that for every one unit of electrical energy supplied to equipment and servers, AIS uses only 0.8 units of electrical energy in cooling that equipment. This PUE value of 1.8 is a reflection of how efficient the systems' design is when considering Thailand's hot climate, in which systems would normally have an average PUE of 2.0.



AIS has also begun installing 160 kWh solar rooftop at one of AIS data center so that it can generate its own electrical energy. Once the installation is complete, it is estimated that carbon emissions could be reduced by 146 tCO₂ per year and electricity costs can be reduced by up to 1 million baht per year. At this rate, we would see a return on investment in approximately 10 years.

Presently, the data center is used not only to support communications services, but also used for AIS Business Cloud service which launched in 2016. This service allows our users to rent cloud space for their servers, storage, and other facilities instead of having to invest massive amount of fund to build a private one. These services effectively help reduce the country's energy consumption by eliminating the need to construct additional data centers.

The Training and Development Center for call center employees with LEED Platinum certification

The construction of AIS Training and Development Center in Nakhon Ratchasima province to support our customer service expansion to local areas, is expected to create over 1,000 jobs and be the substitution workplace in the case of emergency situation. Construction is set for completion in mid-2017, and the site additionally acts as a backup office in the event of emergency situations. This training and Development for Call Center was designed in accordance with the American "Green Building Standards", or Leadership in Energy and Environmental Design (LEED), and is able to help reduce energy consumption by up to 60%. The building has received such recognition

based on the following evaluating principles: allocating 50% of the total project's area to be 'green space'; having a water resource management system to utilize rainwater for the project, to treat used water for use in the project's bathrooms and watering plants etc.; design office building that uses as much natural light as possible, while also reducing the heat as much as possible; utilizing LED lights for interior lighting and adopting energy efficient interior cooling system to reduce energy consumption; and installing solar cells on the roof to help generate electricity for the building. In accordance with LEED building standards, the Training and Development Center for call center is able to help reduce energy consumption by up to 60%.

Green Building Standards : refers to buildings which are responsible, care for the environment, and use a variety of resources efficiently throughout their lifespan.

Organizing the collection and analysis of data regarding the release of greenhouse gases

Since 2012, AIS employs an independent consultant to collect data and create index related to the emission of greenhouse gases from the operation according to the guidelines laid out by 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 in every aspect of business operations.

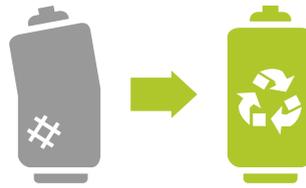
In 2016, AIS began to collect data by themselves and using 3-year collected data in analyzing the risks involved with greenhouse gas emissions as well as the effect that these emissions will have

on the climate change. This includes analyzing the likelihood of business operations interruption due to the effects of global warming. From such collected data, AIS have set the target to reduce the intensity of carbon emissions compared to the data traffic by 4 percent per year. To achieve the target, AIS has proceeded from the policy to activity level, for example; setting the environmental responsibility as one of the good governance policy and the procurement policy and protocol, such as encouraging employees to use electricity wisely and switch off the light every time before leaving the office, setting up competitions in energy conservation, promoting long distance meetings via video and telephone conference, and inventing innovative technologies that can be used for remotely monitoring batteries and base station equipment from the head office without having to travel to the area for inspection.

According to the data collected in 2016, we have been successfully reducing the amount of our carbon emissions, when compared to the data traffic by 28% achieved against target.

Recycling our network system instruments and responsible disposal ^(G4-EN3)

1. Electronic waste from the telecommunications industry can easily be resold, recycle or reused whether that waste is a battery to store energy for the base station, switching center, related equipments, old mobile phones or used fiber optic cables. In 2016. AIS applied the following electronic waste disposal.



- Batteries used as backup power sources in base stations or switchboards that have reached the end of their lifespan will be given to the government authorized Specialist Company to recycle and dismantle some useful parts and reuse in the correct manner which does not produce pollutants harmful to the environment.



- Cables and wires that have reached the end of their lifespans will also be given to the government authorized specialist company to recycle effectively by separating out of important parts such as the metals and copper. The copper will be reused as a part of electronic device in the electronic industry.



- As for old 2G or 3G mobile phones that our customers exchanges for new smartphones under the electronic industry. Specialized company to recycle e-waste in the obsolete equipment box in AIS Shops nationwide. These obsolete mobile phones will be sent to RMG Recycling Company which bided for mobile phone and battery wastes to recycle and export for disposal in other countries. The RMG Recycling company is authorized by the Department of Industrial Works to dismantle, transport, store and dispose wastes to be recycling or disposing that make the best use of limited resources at its most efficiency and concern safety and environment.

2. Bringing IPTN routers reuse in the EDS Business: Upgrading the AIS network from 10G to 100G last year has made the MX960 generation of IPTN routers outdated for use with our new upgraded network. Consequently, our EDS network which uses the MX80 generation of IPN routers were not enough in number to service the extended needs of our network. Changing all of the routers on the network would require high cost. AIS considered and decided to reuse the unused MX960 IPTN routers to replace the MX80 IPN router, as these routers are able to take on the extra workload. Not only does this solution reduce the amount of electronic wastes on our part, furthermore, it also reduces the operational cost up to Baht 21 million.

Synergize environmental-friendly innovations with the digital lifestyle services



AIS mPAY application - the complete online financial services solution

The AIS mPAY application offers a complete set of financial transaction services via mobile phone. Available 24 hours a day for full convenience, these services include bill payments, mobile top ups, and product/service payments at our business partners' stores. The application's security has the highest standards both internationally (PCI-DSS or Payment Card Industry - Data Security Standard) and domestically (in accordance with the standards set by the Bank of Thailand). The mPAY application also helps customers save time and money spent traveling to AIS service shops, government offices and banks to make transactions manually. Customers are able to use our innovative digital banking services to deposit, withdraw and transfer money between and within all of Thailand's leading banks at any time of day, safely and conveniently, all from their mobile phone.



Note:

In 2016 the definition of users changed from those who installed the mPAY app and used its services to include those customers who contacted mPAY service representatives of AIS.



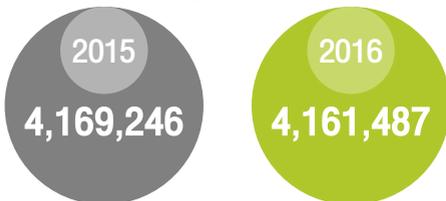
By using the online services provided by the application, customers are helping to reduce greenhouse gas emissions as well as saving paper and reducing deforestation in every stage of the process.

Increasing the options for our customers in how they receive their billing information

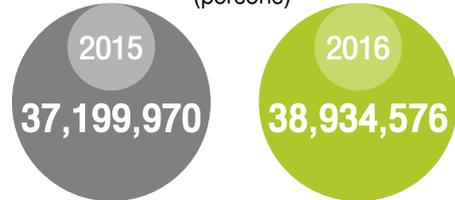
AIS has provided alternative ways in which our customers can receive their billing information to respond to their ever-changing lifestyle needs. For example, our customers can now receive billing information via email, by SMS message, through the 'AIS app' and through our eService. This means that our customers now have a choice of ways to keep on top of their expenses, all of which are safe, convenient and more personalized than ever before. Our corporate customers can receive their billing information as a CD Rom which contains PDF statements on service details, reducing the need for paper. Costs for customer billing have decreased for AIS, while customers also benefit from the improved convenience of 24-hour a day availability for checking their statements.

Operation result

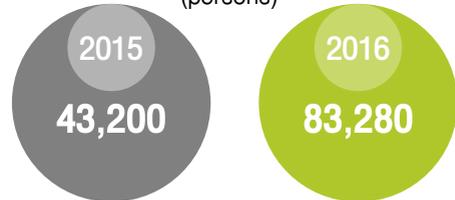
Number of subscribers using eStatement (persons)



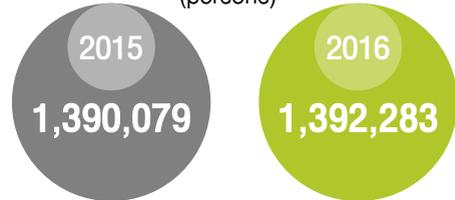
Number of subscribers receiving sealed statement (persons)



Number of subscribers receiving PDF statement (persons)



Number of subscribers using eService (persons)



Total operation cost saved from electronic channels (millions Baht)

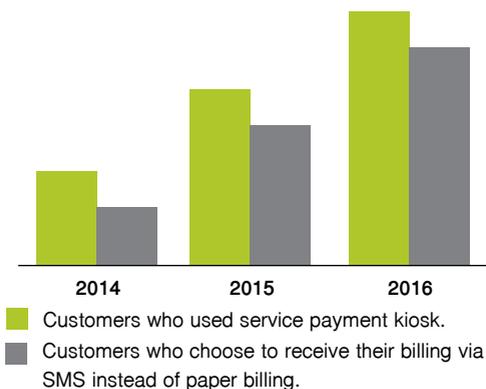


Amount of paper saved/Amount of trees saved



Service payment kiosk

This method of payment provides AIS customers with a highly convenient means of settling their AIS invoices, utility bills and credit card payments. It also significantly reduces the customer traffic at counter services in AIS service shops. This reduction in store traffic means that our employees are able to move into other areas of the business to increase productivity and develop their own skills. At the same time, our customers can enjoy a fast and convenient service by using payment kiosks. In 2016, 49% of AIS customers used service payment kiosk compared to those who used in-store services. AIS has also increased the number of ways to reduce deforestation by giving our customers the choice of receiving their invoices via SMS to reduce the use of paper invoices. In 2016, 49% of AIS customers used service payment kiosk compared to those who used in-store services.



Encourage efficient use of resources among employees

Driving activities through 'riving activities' on the awareness of using natural resources efficiently

AIS have chosen 'people champion' from each business unit to assist AIS in driving the business

direction and communicating important information to their colleagues. The people champions have been invited to create the activities within their business unit on efficiently use of natural resources efficiently within their business unit. Examples of the last year's activities include a power-saving competition between floors in AIS offices to see which floor could use the least electricity, a competition to use the least paper, and a campaign to increase awareness of the need to reduce water wastage in the office.

Besides these drives to raise awareness of the need to use power resources efficiently, AIS also set up the "reforestation on 9 forests throughout the country". This project was established as a dedication to our dearly departed Royal Highness, King Bhumibol Adulyadej, and attracted huge numbers of volunteers from all over the country who succeeded in planting a total of 12,828 trees.



The campaign to use less paper and improve office machinery efficiency

As part of our drive to become an environmentally friendly company, AIS inspires our employees to use less paper and reduce deforestation by using both sides of paper in the printing process and also utilizing our social intranet and board portal for the analysis of data in meetings instead of printing this



information on paper. Furthermore, AIS will be improving the ways in which we use office machinery so that maintenance and usage go hand in hand to ensure a longer lifespan of each and every machine we use. As for outdated computers that are no longer suitable for use in the organization, AIS will be donating these to schools and other educational facilities in rural areas.

SAVE Project

In 2012, AIS began the “SAVE Project” in our head offices, along the Phaholyothin Road area of Bangkok. This project was conceived of as part of our drive to make our employees environmentally aware, and to increase energy efficiency at the site. One of the ways in which we achieved this was to elect a “SAVE Agent” from each floor of the building who would be responsible for communicating the ways in which they could help use less energy to their colleagues on the same floor. The SAVE Agents made poster displays on PR boards in each of our office buildings and on other digital media as a way to promote the campaign and inform their colleagues of the various ways in which they too could help save electricity. In addition to this, a power-saving competition between floors in the building was set up to see who could use the least energy, with the winners being awarded special prizes. This helped create an atmosphere of energy conservation and meant that, as a company, we were doing our fair share in helping to reduce the effects of global warming.

After the first 3 years, AIS found that although the number of AIS employees had increased, AIS was able to reduce the use of electricity in the office

by 5.55% compared with the year before the ‘SAVE Project’ began.

Comply with the national environmental laws and apply environmental responsibilities to various policies as a common practice

As AIS is a company operating in Thailand, we have a duty to comply with the laws and regulations of the country so that AIS can show our loyalty to the nation as well as to protect the Company against any risks of administrative fines from lawsuits against any government sectors. Since it was established, AIS has always operated within the line of the law in all aspects and has in place specific regulations regarding the environment. As a result, AIS has never been punished for breaking any environment related laws.

AIS has elevated our environmental awareness at the corporate level by incorporating environmental responsibility into AIS’s good corporate governance policy and code of business ethics, as well as a procurement policy that must be adhered to by everyone at AIS including its board members, executives and all employees.

Furthermore, last year, AIS started a pilot project in our Northern office which aimed to raise employee awareness of the sustainability practices in our business operations. This program covered the ways in which AIS could continue to make strides in reducing its impact on the environment and the dangers currently facing the brand and its financial status. AIS plans to roll out this program to cover other regional offices and head offices within 2017

Environmental Performance Table

	Unit	2014	2013	2016
Energy				
Total energy consumption	Terajoule	2,156	2,364	2,903
• Direct energy consumption	Terajoule	99	100	143
- Diesel fuel consumption	Liter	1,872,603	1,765,601	2,824,990
- Benzene fuel consumption	Liter	1,000,949	1,144,857	1,316,778
• Indirect energy consumption	Terajoule	2,057	3,263	2,760
- Electricity consumption	Kilowatt per hour	571,650,929	628,840,463	766,685,946
Amount of wasted from the operation				
• Disposal and recycling of UPS batteries used in base station	Unit	5,043	5,307	3,555
Climate change factors				
Direct greenhouse gas emission.				
• Direct greenhouse gas emission (Scope 1)	Ton of CO ₂ equivalent	7,239.39	7,280.68	11,438.06
- Fixed fuels	Ton of CO ₂ equivalent	554.17	324.44	953.96
- Mobile fuels	Ton of CO ₂ equivalent	6,685.22	6,956.24	10,484.10
Indirect greenhouse gas emission.				
• Indirect energy consumption (Scope 2)	Ton of CO ₂ equivalent	292,285.12	321,559.71	392,276.77
- Electricity	Ton of CO ₂ equivalent			

The background is a solid green color with a subtle gradient. In the top right corner, there is a white, stylized circuit board pattern consisting of lines and dots. The word "Appendix" is centered in the middle of the page in a white, bold, sans-serif font.

Appendix

About This Report

Objective

This AIS sustainability report was intended for the disclosure of information on environmental, social, as well as governance policies, strategies and operations of AIS. The report focuses on material issues that may affect the abilities of AIS and subsidiaries to conduct their business operations in a sustainable manner with continued development and growth over the long term. The report is structured according to the 5 key focus areas: community and society, customers, business partners, employees and the environment.

Scope and Boundary ^(G4-18)

AIS compiled this 5th annual sustainability report in accordance with the Global Reporting Initiative (GRI) G4 guideline “Core Option”. ^(G4-32) The, consideration was also paid to achieving the principles of the UN Global Compact (UNGC) as well as to enhance AIS’ business practices in line with the United Nations’ Sustainable Development Goals (SDGs). More details on this can be found on pages 107-115

The scope and boundary of information presented in this report consists of information on AIS and its subsidiaries as stated in the Annual Report 2016 under “General information and other significant information”, page 230. This sustainability report includes information gathered both directly and indirectly from key stakeholders. The information contained the annual data of 2016 (1st of January

2016-31st of December 2016) ^(G4-28), unless otherwise stated. Numerical data dealing with results applies the same data as those published in the audited annual financial statements of 2016. ^(G4-33)

In-depth data on the business operations, governance structures, good corporate governance, risk management, internal control and internal audit, awards and milestones of 2016 as well as the operating performance are presented in the Annual Report 2016, which is available in a hard copy or an online version at: <http://investor.ais.co.th>.

We want to hear from you

Contact information:

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Tel : (66) 2029 3277
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Email : AISSustainability@ais.co.th

Process for Defining Report Content ^(G4-18)

Stakeholder Engagement ^(G4-24, G4-25, G4-26, G4-27)

Changes in technology, the economy and business competitiveness lead to the behaviours and expectations of consumers' and various groups of stakeholder's becoming more complex. While AIS development and business operations are affected by the decisions and expectation of the 5 key stakeholder groups, which are community, customers, business partners, employees and the environment,

AIS also needs to understand the perspectives and expectations of other groups of stakeholders. AIS has engaged with those stakeholders through a feedback and voice from related business units. ^(G4-37)

The received information will be used for determining AIS's business direction and development so as to meet a stakeholders' expectation and increases the long-term creating shared value.

^(G4-24, G4-25, G4-26, G4-27)

Stakeholder Group	Engagement Channel	Frequency	Expectation of Stakeholders
Community and Society 	<ul style="list-style-type: none"> Community Relations Opinion box/ compliant box at base stations 	Daily Daily	<ul style="list-style-type: none"> Engaging with community to strengthen community's well-being Ensuring the safety of AIS base stations
Business Partners 	<ul style="list-style-type: none"> Dealer satisfaction survey Call Center Sales personnel Evaluation through the Service Quality of Telewiz standard Value-added service team 	Once a year Daily Daily Monthly Daily	<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
Employees 	<ul style="list-style-type: none"> Employee engagement survey Web board for employees on intranet The CEO Talk Weekly 	Once a year Daily Every Friday	<ul style="list-style-type: none"> Career development opportunities Attractive and fair compensation Appropriate work allocation Feeling of being valuable for the organization Occupational health and safety
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 Daily	<ul style="list-style-type: none"> Network quality and reliability Provision of complete and transparent product and service information Customer data privacy Safety when using products and services

(G4-18, G4-24, G4-25, G4-26, G4-27)

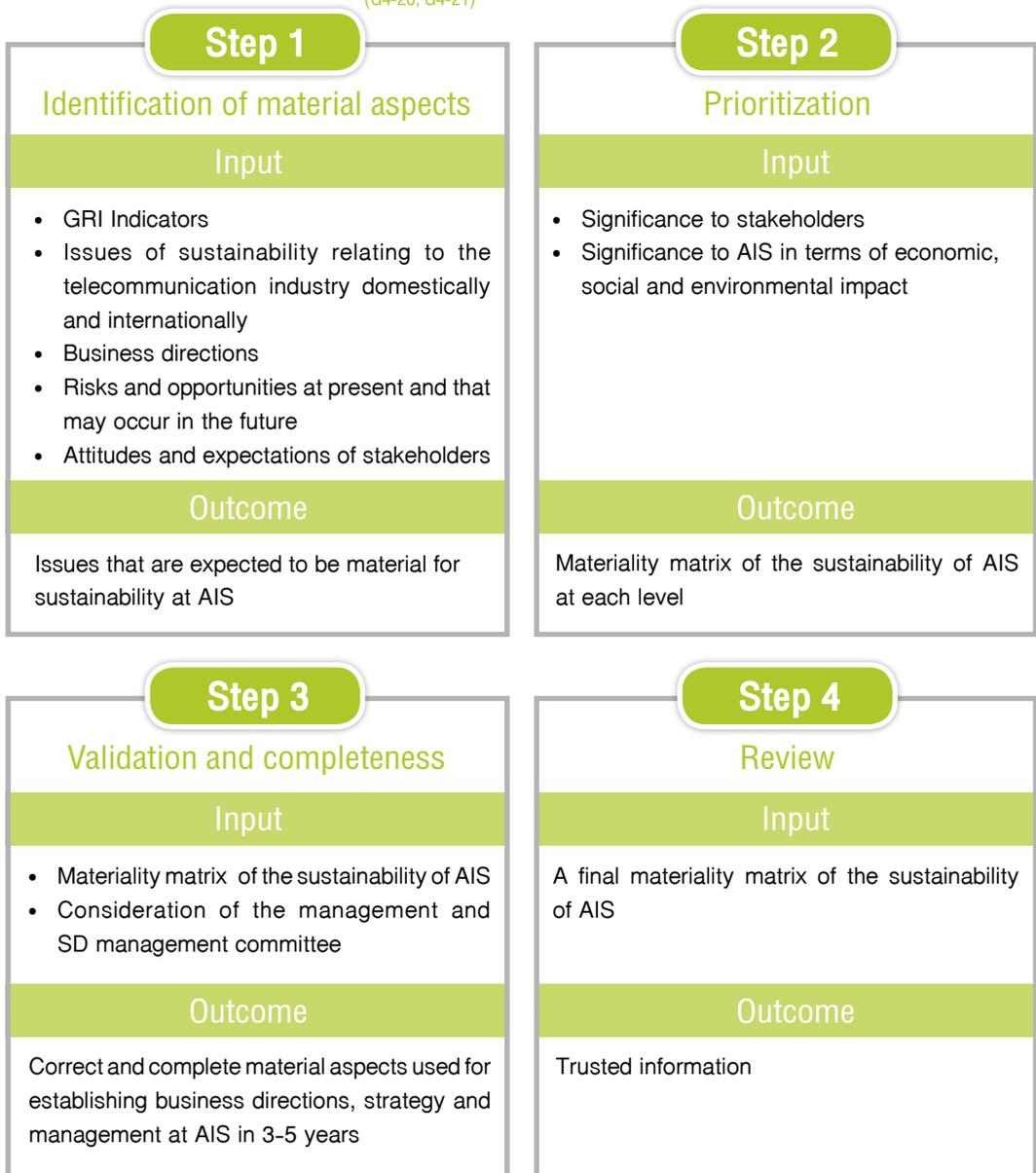
Stakeholder Group	Engagement Channel	Frequency	Expectation of Stakeholders
Shareholders and Investors 	<ul style="list-style-type: none">Shareholder meetingAnalyst briefingsConference call and online meetingSET Opportunity dayRoadshowCompany visitsInvestor Relations and Compliance Department	Once a year Twice a year Quarterly Quarterly 22 times 103 times Daily	<ul style="list-style-type: none">Strong growth of business performanceConsistency in dividend paymentGood corporate governanceEqual access to informationProvision of transparent and adequate information
Government agencies 	<ul style="list-style-type: none">Business Relations Department	Daily	<ul style="list-style-type: none">Compliance with telecommunication laws and regulationsQuality and network extension in accordance with government conditionsDigital inclusionFair competition
Press 	<ul style="list-style-type: none">Press release via online channels and phoneActivities to build up relationKnowledge sharingSponsor	Daily Quarterly Monthly Daily	<ul style="list-style-type: none">Ensuring of organization managementParticipation in press activitiesKnowledge sharingIncreasing of efficiency on working together



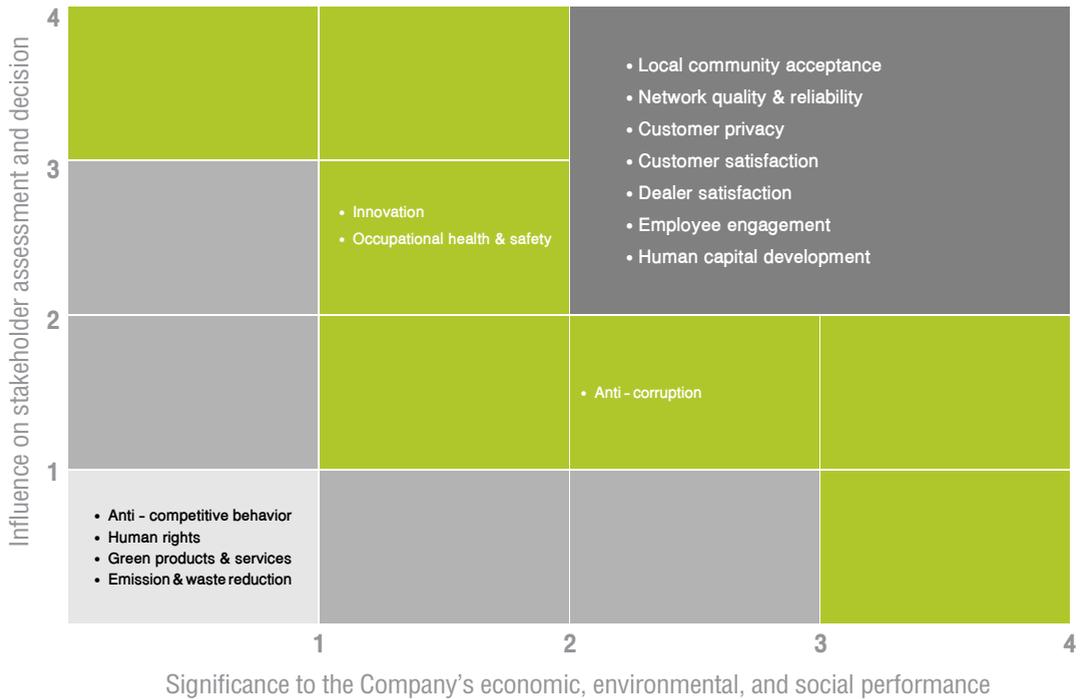
Process for defining material aspects ^(G4-18, G4-20, G4-45)

AIS defines the material aspects that represent the main variables in the determination of business direction and management over the next 3-5 years by using the Global Reporting Initiative (GRI) version 4 guidelines.

(G4-20, G4-21)



Material aspects for sustainability at AIS ^(G4-19)



Presentation of material aspects in this report

- Material aspects of high importance : disclosure shall covers performance, targets and indicators
- Material aspects of medium importance : disclosure shall covers performance and indicators
- Material aspects of less importance : disclosure shall covers performance only

Process for Defining Report Quality

1. **Balance of information** : AIS adhere tightly to the presentation of information that is balanced, both positive and negative, so that readers can evaluate our work outcomes on sustainability with accuracy
2. **Comparability of content** : AIS present information on previous work results to show the changes and developments that have occurred in the organization
3. **Accuracy** : AIS carry out verifications to be sure that the information in this report is correct, accurate and contains full details. All information in this report was reviewed and approved by the Board of Directors.
4. **Timeliness** : AIS prepare this report annually so that interested stakeholders can evaluate our outcomes of work performance in terms of sustainability as needed within foreseeable timeframes
5. **Clarity** : AIS present clear and easy to understand information to readers
6. **Reliability** : AIS implement steps for the verification of information through internal working units so that readers can be assured of correct, transparent and verifiable content

GRI CONTENT INDEX



General Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
Strategy and Analysis				
G4-1	1	4	-	-
G4-2	1	38-46	-	-
Organizational Profile				
G4-3	5	230	-	-
G4-4	4-5	9, 25-28	-	-
G4-5	5	230	-	-
G4-6	5	230	Thailand	-
G4-7	5	230-233	-	-
G4-8	4-5	223	Mobile and fixed broadband customers	-
G4-9	5, 87	19, 25-33, 111, 222-228	-	-
G4-10	87	-	-	-
G4-11	-	-	Not applicable. In Thailand, the formal collective bargaining agreement has been enforced with the state-own enterprise only. However, AIS has been developed a communication and feedback channels for employees as stated in page 71-73 of sustainability report.	-
G4-12	51	-	-	-
G4-13	-	-	No significant changes	-
G4-14	11, 29, 51, 64, 90	45, 83-89	-	-
G4-15	22	76	1. Children's Rights and Business Principles (CRBP) 2. Thailand's Private Sector Collective Action Coalition against Corruption (CAC)	-
G4-16	-	-	1. Thailand Business Council for Sustainable Development 2. Thailand's CSR Club	-

General Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
Identified Material Aspects and Boundaries				
G4-17	-	230-233	-	-
G4-18	102-105	-	-	-
G4-19	106	-	Materiality matrix	-
G4-20	105	-	All aspects are material within the organization as identified in 'step 1 (input)'	-
G4-21	105	-	All aspects are material outside the organization as identified in 'step 1 (input)'	-
G4-22	27	-	Change in method of Community Relations Index	-
G4-23	-	-	No significant changes	-
Stakeholder Engagement				
G4-24	103-104	-	-	-
G4-25	103	-	-	-
G4-26	103-104	-	-	-
G4-27	103-104	-	-	-
Reporting Profile				
G4-28	102	-	-	-
G4-29	-	-	1 st Jan 2015 - 31 st Dec 2015	-
G4-30	102	-	Annually	-
G4-31	102	-	-	-
G4-32	102, 107-112	-	-	-
G4-33	102	106-110	The financial data are audited by independent auditor.	-
Governance				
G4-34	9	57	The Board of Directors	-
G4-35	9	-	-	-
G4-36	9	-	-	-
G4-37	104	74	-	-
G4-38	-	47-51, 58-59, 66	-	-
G4-39	-	47	Mr. Kan Trakulhoon is an independent director.	-



General Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
Governance				
G4-40	-	65	-	-
G4-41	-	62, 71, 91-100	1. Page 62 - The scope of Audit Committee no. 7 2. Page 71 - more than one-third of the Board is independent directors and more than half is non-executive director	-
G4-42	9	-	-	-
G4-43	9	72	Page 72 of annual report - Orientation and Continuing Training for Directors	-
G4-44	-	72	Board and Chief Executive Officer Assessment	-
G4-45	9, 105	59-60	-	-
G4-46	9	59-60, 83-84	-	-
G4-47	-	83	Annually	-
G4-48	105-106	-	1. Step 3-Validation and Completeness 2. No.3 of Process for defining report quality	-
G4-49	-	74	Communication with Stakeholders	-
G4-50	47	45	1 Case of breaching of customer data privacy was reported.	-
G4-51	-	66-70	Remuneration for Directors and Management	-
G4-52	-	66	The Leadership Development and Compensation Committee will determine necessary and appropriate remuneration in both monetary and non-monetary terms for the Company's directors, members of the sub-committees, and the Chief Executive Officer, including senior executives reporting directly to the Chief Executive Officer.	-

General Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
Governance				
G4-53	-	66	The Directors' Compensation Survey published by the Stock Exchange of Thailand and the Thai Institute of Directors Association shall be considered annually. The remuneration for directors and members of the sub-committees shall be proposed, respectively, to the Board of Directors meeting and the Company's general shareholders' meeting, which is held on an annual basis.	-
G4-54	-	-	Not applicable due to proprietary information	-
G4-55	-	-	Not applicable due to proprietary information	-
Ethics and Integrity				
G4-56	-	71-78	-	-
G4-57	-	75-76	We have ethics hotline, e-mail: aisbusinessethics@ais.co.th . as well as whistleblowing mechanism. All calls/ messages are confidential and employees can remain anonymous.	-
G4-58	-	75-76	We have ethics hotline, e-mail: aisbusinessethics@ais.co.th . as well as whistleblowing mechanism. All calls/ messages are confidential and employees can remain anonymous.	-



Specific Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
DMA and Indicators (Category: Economic)				
G4-DMA	2-61	-	The reported aspects are material across the organization. Further details of process for defining determining material aspects, please see page 103-106	-
G4-EC1	5	113-114	-	-
G4-EC7	2-3, 12-21, 52-54, 59-61	-	-	-
G4-EC8	2-3, 12-21, 52-54, 59-61	-	-	-
DMA and Indicators: (Category: Environment)				
G4-DMA	90-100	-	The reported aspects are material across the organization. Further details of process for defining determining material aspects, please see page 103-106	-
G4-EN3	100	-	-	-
G4-EN6	93-94, 99	-	-	-
G4-EN15	100	-	-	-
G4-EN16	100	-	-	-
G4-EN23	95-96, 100	-	-	-
G4-EN27	92-94, 96-98	-	-	-
DMA and Indicators: (Category: Social)				
G4-DMA	11-87	-	The reported aspects are material across the organization. Further details of process for defining determining material aspects, please see page 103-106	-
G4-LA1	87	-	-	-
G4-LA6	88	-	-	-
G4-LA9	76, 88	-	-	-
G4-LA11	88	-	-	-
G4-HR10	57	-	Through ethics assessment	-
G4-SO1	18-20, 82	-	-	-

Specific Standard Disclosures	Page		Omission/Note	External Assurance
	Sustainability Report	Annual Report		
DMA and Indicators: (Category: Social)				
G4-SO4	-	75-76	Make an awareness campaign about conflict of interest for managements, employees and partners	-
G4-PR5	39, 41	-	-	-
G4-PR8	48	-	-	-

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, since 2015 we have studied and adopted its guideline to enhance our practice for sustainable development, which can be summarized as follows;

UNGC principle	AIS action	Page	
		Sustainability Report	Annual Report
Human Rights			
Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights.	• Participation in the “Children’s Rights and Business Principles (CRBP)” project since 2015	22	-
	• Special packages for the visually or hearing impaired	15	-
	• Equal opportunity in job hiring and benefit providing	21, 66	-
	• Promotion of human rights awareness	83	-
	• Incorporating of human rights practise into company’s policies	66	71
Principle 2 - Make sure that they are not complicit in human rights abuses.	• AIS’s supplier code of conduct	57-58	-
	• All new partners must pass the initial evaluation in terms of environmental awareness, social responsibility, and human rights.		



UNGC principle	AIS action	Page	
		Sustainability Report	Annual Report
Labor			
Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> Employee communication and participation 	71-74	-
Principle 4 - The elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> Incorporating of human rights practise into company's policies: personnel administration regulations 	66	-
Principle 5 - The effective abolition of child labor	<ul style="list-style-type: none"> Incorporating of human rights practise into company's policies: personnel administration regulations 	66	-
Principle 6 - The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Equal opportunity in job hiring and benefit providing 	21, 66	-
Environment			
Principle 7 - Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> Our environment 	90-100	-
Principle 8 - Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> Our environment 	90-100	-
Principle 9 - Encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> Our environment 	90-100	-
Anti-corruption			
Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Anti-Bribery and Corruption Policy Participation in Thailand's Private Sector Collective Action against Corruption (CAC) Fraud Risk Management Policy 	76-77	-

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



Advanced Info Service Plc. supports the SDGs

SDGs	AIS action	Page	
		Sustainability Report	Annual Report
	<ul style="list-style-type: none"> Removing the obstacles of learning and education for 100 students at Khiri Lom school 	13-14	-
	<ul style="list-style-type: none"> Sarnrak Kon Keng Hua Jai Krang (Good kids, great hearts) 	25	-
	<ul style="list-style-type: none"> Expand 3G and 4G accessibility for Thais by providing AIS LAVA smartphone and affordable-price packages 	3, 14-15	11
	<ul style="list-style-type: none"> Accessibility to telecommunication service 	2-3, 30-31	5
	<ul style="list-style-type: none"> Aor Sor Mor Online application 	19-20	-
	<ul style="list-style-type: none"> Ensure employees' occupational health, safety, as well as a quality of life 	78-81	-
	<ul style="list-style-type: none"> Removing the obstacles of learning and education for 100 students at Khiri Lom school 	13-14	-
	<ul style="list-style-type: none"> Sarnrak Kon Keng Hua Jai Krang (Good kids, great hearts) 	25	-
	<ul style="list-style-type: none"> Respect to all forms of diversity; gender, generation, physical condition, age of employees 	21, 66, 87	59
	<ul style="list-style-type: none"> Integrated Renewable Energy project for marginalized communities initiated by Her Royal Highness Princess Maha Chakri Sirindhorn 	13-14	-
	<ul style="list-style-type: none"> Incorporating technology and alternative energy into AIS's networks 	91-93	-
	<ul style="list-style-type: none"> Equal opportunity in job hiring and benefit providing 	21, 66	-
	<ul style="list-style-type: none"> Abolition of illegal child labor in all business processes 	22, 58	-
	<ul style="list-style-type: none"> AIS the StartUp program 	59-61	-
	<ul style="list-style-type: none"> AIS mPAY application - the complete online financial services solution 	96	28
	<ul style="list-style-type: none"> AIS Research and Development and Innovation Projects 	-	34-37
	<ul style="list-style-type: none"> Aor Sor Mor Online application 	19-20	-



SDGs	AIS action	Page	
		Sustainability Report	Annual Report
	<ul style="list-style-type: none"> • Equal opportunity in job hiring and benefit providing • Expand 3G and 4G accessibility for Thais by providing AIS LAVA smartphone and affordable-price packages 	21, 66 3, 14-15	- 11
	<ul style="list-style-type: none"> • Energy efficiency and reduction of GHG emission • Precautionary action to prevent risk from climate change in AIS's network 	90-100 -	- 45
	<ul style="list-style-type: none"> • Business ethics, anti-corruption and anti-bribery • AIS Safe & Care application • Safer with Streetlights - Lighting Communities • Sarnrak projects 	51, 57 20 20 25	75-76 - - -



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