



## Section 1

# Business and Performance

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## SECTION 1 BUSINESS AND PERFORMANCE

# 1. Organizational structure and operation of group companies

### 1.1 Policy and Business Overview

Total Access Communications Public Company Limited (“the Company”) is one of the leading telecommunications operators in Thailand. The Company was established in 1989 to operate in the fields of telecommunications, mobile business, and internet Wi-Fi. Through its subsidiary, dtac TriNet Company Limited (“dtac TriNet”), a wholly-owned subsidiary of dtac, the Company provides telecommunications services with a comprehensive 5G, 4G, 3G, and 2G technology network which allow customers to use voice service, high-speed internet services, domestic mobile phone services, roaming (International Roaming), long-distance telephone services (International Direct Dialing “IDD”), and other value-added services. The Company provides telecommunications services with 4G technology using the 1800 MHz, 2100 MHz, and 700 MHz spectrum together with the 2300 MHz spectrum in cooperation with TOT Public Company Limited (“TOT”), as well as 3G technology telecommunications services via the 2100 MHz and 900 MHz spectrum (which was switched from 850 MHz since October 2021), and also 2G telecommunications technology using 1800 MHz spectrum. The Company also offers 5G services on 700 MHz and 26 GHz in major locations across the country. The Company and dtac TriNet provide services under the “dtac” brand, which has at the end of Q4’21 a customer base of approximately 19.6 million in Thailand, consisting of 6.2 million Postpaid and 13.4 million Prepaid.

In 2018, dtac TriNet and TeleAssets Company Limited, which is 99 percent held by dtac TriNet, entered into an agreement with TOT for roaming on TOT’s 2300 MHz spectrum to provide 4G services alongside the Company’s 2100 MHz spectrum. The partnership agreement with TOT will expire in August 2025. Since 2012, dtac TriNet holds a license to operate on the 2100 MHz spectrum until its expiry in December 2027. dtac TriNet participated in a spectrum auction held by NBTC in 2018 and won the licenses to operate on the 1800 MHz and 900 MHz spectrum bands until the licenses expire in December 2033.

In June 2019, dtac TriNet participated in the 700 MHz spectrum allocation held by NBTC. The license was awarded in December 2020 and will expire in December 2035. In February 2020, dtac TriNet participated in the 26 GHz auction, and won the license in the same month – the license will expire in February 2035.

The Company also operates in the business of selling and distributing mobile handsets. Along with providing telecommunication services, handset and starter kit sales allows the Company to offer full services and various value-added promotions, including providing handset subsidies, when acquiring new Postpaid customers. Various promotional campaigns that featured mobile handsets not only contributed to higher smartphone penetration, but also helped to both maintain and expand the customer base. At the end of 2021, the Company had a smartphone penetration of 88.8 percent of the total customer base, reflecting an increase from 87.5 percent of the total customer base from 2020. Revenue from handset and starter kit sales accounted for 10.9 percent of the Company’s total revenues.

In addition, the Company continues to address market needs beyond core connectivity, and has strengthened its portfolio of adjacent services, resulting in 15 percent growth in revenue from last year.

The Company’s ambition is to increase and enhance ways of incorporating digital service channels when offering products and services. By accommodating customer demands for a digital lifestyle, the Company helps to support Thailand’s digital transformation while enabling increased convenience and customer engagement.

#### 1.1.1 Company’s Purpose and Strategy

##### Company’s Purpose

Empowering societies-Connecting you to what matters most.

##### Strategy

- **Value-focused network**

The Company strives for growth opportunities by providing voice service, high-speed data experience, and high-quality connectivity to the mass market. The Company introduces its new brand promises, “Empowering you to live the life you truly want”, focusing on three brand benefits: “Made for you”, “Incredible flexibility”, and “Delightful experience”, and delivers on these promises through seamless connectivity for all, driving sales and distribution through an omni-channel approach and increased digitalization in operations. The Company continues to demonstrate its importance in



connecting customers and society at large to what matters most through the provision of reliable connectivity and relevant services that benefit their everyday lives. Throughout 2021, the Company consistently ensured that network investment continues to yield improvement in customer experience and usage, resulting in a higher Net Promoter Score, increase in data usage, and improvements in ARPU. With an increase in network outreach to local communities nationwide, more locals recognize and are able to enjoy the improved dtac network. The Company continues to enhance its online experience and engagement through digitalization and personalization using artificial intelligence (AI). The approach will support the Company in maintaining and attracting a Prepaid customer base and expand growth in Postpaid and enterprise groups.

- **Customer-centric challenger**

dtac constantly explores customers' needs in order to deliver relevant products and services by being a challenger operator, challenging the inward-looking view of the category to be customer centric view to empower our customers be their best. As a customer centric challenger, the Company's ambition is to deliver unmet needs of our customers by creating new innovative services to empower our customers to live the life they truly want with three brand benefits :

- **"Made for you"** – acting on customer insights to understand customers' complex needs and demands and engage customers with more relevant solutions and personalized dialogue to bring more value for each individual
- **"Incredible flexibility"** – offering our customers more flexibility and helping them stay on top of their lives with ability to manage products, services and channels that adapts to their needs.
- **"Delightful experience"** – providing friendly and smooth experience in every interaction from reliable network to convenient customer services and user-friendly customer experience.

The Company also steps up in the digitalization, simplification, and automation to simplify, automate, and digitalize business processes in sales, customer service, and back-office operations to achieve faster time to market and offer convenience to customers and retailers. The Company also aims to drive modernization which ranges from automation to organizational simplification, such as streamlining support functions, simplifying distribution channels, and regionalization. The strong momentum in modernization will enable the Company to become future-ready. The Company aims to provide an ecosystem of services that creates incremental value

for customers, with many additional services provided through partnership models. The Company offers OTT service bundling with carrier billing, Jaidee offerings consisting of Credit Line, Borrow, and Emergency Refill, and a broad range of insurance services providing coverage such as mobile care, COVID, health, and personal accident. Offers on gaming have been enhanced significantly to capture the large and fast-growing market with the introduction of Gaming Nation, a collaboration with Free Fire and Talon esports. The combined efforts have resulted in revenue growth and fast uptake of users. In addition, the Company is driving B2B growth through solutions that address business customers' pain-points and delivers digital operating models through a self-service/e-care portal.

- **Efficiency**

The Company's continuous improvement program includes the systematic elimination of operational redundancies and improved efficiency. While providing a seamless and worry-free experience to our customers, the Company works to ensure long-term sustainable growth for the business. The efficiency program covers three broad areas: IT/network operations efficiency, network structural transformation, and savings due to digital transformation. The Company enjoys the benefits of utilizing a centralized procurement center, which results in

significant savings on renegotiation/rescoping contracts. Network structural transformation includes lease reduction and retiring equipment, thereby saving costs. Dtac continues to work on network expense spending by optimizing deployment solutions and engaging in further commercial negotiation. To best serve the mass market, the Company maintains a lean business model and continues to build a strong organization that is resilient and ready to progress in an ever-changing operating environment.

## 1.1.2 Key Changes and Developments in 2021

### January 2021

- The Company boosted its network around critical control zoning for frontline workers to fight against the spread of COVID-19. In addition, the network service team monitored the impact of the outbreak closely in order to adapt the network accordingly, with the aim of providing a reliable and secure network for healthcare workers.
- The Company launched its first social commerce platform for Line Chat and Shop and Facebook Live Streaming to enhance consumers' online shopping experience and facilitate Online to Offline (O2O) shopping experience during the lockdown period.



### February 2021

- The Company launched the dtac Net-for-Living initiative to promote digital inclusion and help transform those traditional merchants and small-scale entrepreneurs affected from Covid-19 by facilitating their digital presence.
- The Company accelerated the rollout of the 700 MHz network to bring high-speed internet for all. The 700 MHz spectrum will bring additional coverage both indoors and in rural areas, improving the customer experience significantly. The Company also launched its first 5G service on 700 MHz to serve customers with 5G handsets.

### March 2021

- The Company fully launched its online official stores on major e-commerce platforms (Shopee, Lazada, JD Central) to build customer awareness online and increase the reach of our products and service.

### May 2021

- The Company enabled its dtac application to support COVID-19 vaccine registration as a matter of national importance and help Thais gain access to COVID-19 vaccines.
- The Company launched the new brand promise of “Empowering you to live the life you truly want” and three key brand benefits — “Made for you”, “Incredible Flexibility” and “Delightful Experience” — and continued to launch hero products and services to deliver these brand benefits and bring its new brand promise to life.

### June 2021

- The Company teamed up with HP Inc. (Thailand) to assist SMEs and startups in off-loading their investment in acquiring new IT equipment. The synergy offered a solution to help businesses be resilient and sustainable in times of crisis, all the while armed with the latest digital technology to handle changes such as work from home during the Covid-19 pandemic.
- The Company partnered with Cartrack Technology (Thailand), the leading fleet vehicle management solution provider, to enable its fleet management platform with domestic and global IoT SIM solutions.
- The Company announced a partnership with ABB Automation (Thailand) to jointly develop robotics and machine automation solutions that will run on dtac’s 5G Private Network to make manufacturing safer, more flexible, and more productive.
- The Company launched Gaming Nation, a platform for gamers through a collaboration with leading game publishers to offer great top up deals that are easier, more flexible, and more rewarding on a platform with 30 major titles including PUBG, Mobile Legends, and Ragnarok M. This enables dtac gamers to easily top up their favorite games any time without the need of credit cards.

### July 2021

- The Company unveiled its Jai Dee Credit Line service through a cross-industry partnership with LINE BK and KBTG for mobile financial innovation. The service aims to accelerate financial inclusion, giving customers, especially those who are self-employed or reliant on daily wages or non-regular income, easy access to quality loans with speedy approval without the hassle in traditional loan process to address their life’s biggest pains and remain open for new life opportunities. The service is available to Prepaid and Postpaid customers via the dtac app with an easy and convenient customer journey, connecting with Line BK platform and data-driven credit scoring to ensure good quality loans. Our customers can access the loan at any time, whenever and wherever they want, 24/7.
- The Company launched the dtac app lite leveraging Google PWA technology to drive digital inclusion. This allows more customers to experience the dtac app experience with zero footprint, as it requires no installation and is able to support low-end smart phone devices, thus lowering the entry barrier.
- The Company launched a proof-of-concept 5G private network to boost the Thai industry by collaborating with AWS. The solution is envisaged to help enterprises operate more efficiency and securely, while also unlocking the full - power of the Cloud through edge computing integration.

### August 2021

- To create a more inclusive digital future and narrow the digital divide among a significant and growing senior segment, the Company in collaboration with the Young Happy – the biggest Senior community platform in Thailand – the Digital Economy Promotion Agency (DEPA), and the Internet Foundation for the Development, expanded the dtac Net for Living program to digitally upskill small-scale entrepreneurs over 50 years old in the five Thailand regions. The goal is to help them, especially those nearing retirement age and living alone, build new streams of income and become independent. In addition, the Company initiated IT clinics at the Young Happy Senior communities to drive digital upskilling with relevant and engaging content to ensure seniors stay happy and active in this fast-changing digital world.
- The Company announced a partnership with Thailand’s Equitable Education Fund (EEF) to provide SIMs with unlimited internet connectivity to 2,000 disadvantaged schoolchildren in Bangkok.
- The Company opened temporary pop-up shops to provide customers more convenience with a full range of services: subscribe to a new number; bill payment; SIM change; inquiries on promotions; and other privileges.



**September 2021**

- The Company and Google Cloud offered a solution for SMEs to boost efficiency during work from home and overcome lockdown challenges, consisting of worry-free Plus Pro providing dtac mobility, with max speed internet and Google Workspace licenses that come with free e-mail domains.

**November 2021**

- The Company continued to expand its network on the 700 MHz band to support Thailand’s reopening. The number of base stations on the 700 MHz frequency band stood at approximately 12,750 sites.
- Building on the success and leadership around its lucky number products, the Company launched a new astrology service which brings customers’ lucky number purchase experiences to the next level. In addition to personalized recommendations

via a self-discovery tool, customers have the option to book individual sessions with accredited astrologers for personalized recommendations and assistance in selecting lucky numbers.

- The Company launched dSurance, the seamless one-stop marketplace for insurance, in collaboration with 11 leading insurance partners, to accelerate accessibility and lower the barrier to simple, affordable, and trusted insurance services for all Thai people. The marketplace enables users to find and choose relevant, top-quality insurance plans suited to their needs, at the right price and from trusted insurance partners.
- The Company launched Sabuy Pay, the first and most seamless device buy-now-pay-later proposition in Thailand to give our customers more flexibility when purchasing devices with us and to address the needs of customers who don’t have credit cards. Customers are

able to purchase devices from dtac with zero upfront, zero percent interest, and no loan approval process required.

**December 2021**

- The Company was a part of MDID Launch, an NBTC initiative involving AIS, True, and NT, to promote innovation and serve as an additional channel for Thai citizens to complete electronics transactions without providing their ID cards.

**Awards Received in 2021**

- Award of honor for outstanding performance in Environment from the Ministry of Natural Resources and Environment
- Award for Best Brand Experience in Mobile Rich Media from MMA Smarties (mobile)
- Two awards at the 2021 Festival of Media APAC for Best Local Brand Campaign and Best Use of Digital Media
- Three awards from Adman on the following categories: Media - Made for Covid-19; Public Relations Plan - Made for Covid-19; and Public Relations Plan - Use of Celebrity/Influencer & KOL

- Award for ASEAN and Thailand’s Top Corporate Brands 2021 (Information & Communication Technology (ICT) sector) from Chulalongkorn University, in association with the Stock Exchange of Thailand
- Sustainability Disclosure Recognition from Thaipat Institute

**1.1.3 Use of Funds from Public Offering of Equity or Bond**

N/A

**1.1.4 Commitments Provided in the Registration Statement and/or the Approval Conditions**

N/A



### 1.1.5 Corporate Information

<b>Name</b>	Total Access Communication Public Company Limited
<b>Symbol</b>	dtac
<b>Registered Number</b>	0107538000037
<b>Type of Business</b>	Operates telecommunications business and other related businesses
<b>Registered Capital</b>	THB 4,744,161,260 (2,372,080,630 ordinary shares of THB 2 per share)
<b>Paid-Up Capital</b>	THB 4,735,622,000 (2,367,811,000 ordinary shares of THB 2 per share)
<b>Address</b>	319 Chamchuri Square Building, 38 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330
<b>TEL</b>	(66 2) 202 8000
<b>Website</b>	<a href="http://www.dtac.co.th">www.dtac.co.th</a>

### 1.2 Nature of Business

#### 1.2.1 Revenue Contribution

Revenue contribution of the Company and its subsidiaries over the past three years consisted of the following:

	Period Ending 31 December					
	2019*		2020*		2021*	
	THB million	%	THB million	%	THB million	%
<b>Revenue from sales and services</b>						
Core service revenues	63,333	78.0	59,993	76.1	57,824	71.1
Handsets and starter kits sales	8,629	10.6	6,980	8.9	8,847	10.9
Other operating income	9,206	11.3	11,845	15.0	14,649	18
<b>Total revenue from sales and services</b>	<b>81,167</b>	<b>100</b>	<b>78,818</b>	<b>100</b>	<b>81,320</b>	<b>100</b>

\*(Figures from 2019 are post-TFRS 15 & 16)

#### 1.2.2 Product Information

##### (1) Products/Services and Business Innovation

dtac is one of the leading telecommunications operators in Thailand. The Company and its subsidiaries provide comprehensive telecommunications services including mobile internet, voice, SMS/MMS, and other beyond connectivity services through partners, such as incoming call melody services, digital content including gaming, etc. The Company's subsidiary also provides roaming and long-distance telephone services for its customers who use dtac services abroad and other operators' customers who use the dtac network while staying in Thailand. The Company also sells and distributes mobile handsets, enabling a comprehensive offering of products and services to customers.



The Company and its subsidiaries design and offer a comprehensive selection of packages and promotions that directly address customer needs and are personalized to customer behavior and usage, ranging from 1-day to 365-day validity. The offerings include bundling of data and voice packages, voice-only packages, data-only packages, OTT services bundled with direct operator billing and device-bundled packages that offer additional value to customers and other beyond connectivity services in a customer's every life such as bundled insurance packages.

The Company and its subsidiaries continue to provide new products and services to address evolving market demands, especially given the drastic change in customer behavior triggered by the pandemic-driven new normal over the past year. The Company and its subsidiaries accelerated their digital transformation journey, including an enhanced customer online experience through personalization and digitalization. Finn Mobile, the all-digital service unit, continues to deliver comprehensive digital offerings. Meanwhile, the Company continuously improves its "dtac app" mobile application to increase customer convenience and customer engagement with dtac through different mechanics such as gamification, dtac Rewards Coin, as well as its "dtac One" mobile application for channel partners to enable more digitalized retail distribution management and efficiency improvements in relevant package offerings. dtac offers VoLTE (Voice over LTE) and VoWiFi (Voice over WiFi, WiFi calling) technology to allow various types of usage on one phone, further improving customer experience and increasing customer confidence through its quality of services. In 2021, dtac introduced 5G on 700 MHz and 26 GHz in selected locations to enhance customer experience.

In addition to robust services and distribution channels nationwide, the Company works to improve the sales and distribution channels for more digitalized operations. The dtac app mobile application and the Company's website [www.dtac.co.th](http://www.dtac.co.th) offer better convenience, allowing customers to perform various tasks online: from usage inquiries and buying personalized data/voice/service top-ups, to rewards redemption and using Jai Dee services on their own smartphone devices. The Company markets its products and services on various channels, from traditional media and retailers to digital channels such as the dtac website [www.dtac.co.th](http://www.dtac.co.th), the dtac app, social media channels i.e. Line, Facebook, YouTube, and Instagram, and third party online market places. Incorporation of digital channels allow the customer to experience improved convenience and efficiency, while supporting the dtac brand image as the digital leader. In 2021, the Company launched dtac app lite allowing customers to experience the dtac app experience with zero footprint, as the app lite requires no installation and is able to support low-end smartphone devices, thus lowering the entry barrier and supporting our digital inclusivity initiatives.

As of the end of 2021, the Company provides telecommunications services with comprehensive 4G, 3G, and 2G technology on 2300 MHz (under partnership with TOT), 2100 MHz, 1800 MHz, 850 MHz, and 700 MHz spectrum bands to over 19.6 million subscribers. The Company also offers 5G services on 700MHz in major provinces and 26 GHz in selected locations. The operational statistics of subscribership and Average Revenue Per User ("ARPU") excluding Interconnection Charges ("IC") over the past three years consisted of the following:

	Period ending 31 December		
	2019	2020	2021
<b>Subscriber (unit : million)</b>			
Postpaid	6.4	6.1	6.2
Prepaid	14.2	12.8	13.4
<b>Total</b>	<b>20.6</b>	<b>18.9</b>	<b>19.6</b>
	2019*	2020*	2021*
<b>ARPU excluding IC (unit: THB)</b>			
Postpaid	515	518	497
Prepaid	137	128	124
<b>Total</b>	<b>247</b>	<b>252</b>	<b>244</b>

\*(Figures from 2019 are post-TFRS 15 & 16)

### Mobile phone services

Mobile phone services consisted of three customer groups: Postpaid, Prepaid, and business (B2B).

#### a) Postpaid

Postpaid services allow customers to select mobile service packages and use the services before making payment at the end of the month. Postpaid customers are required to register for the services and provide identification documents for the delivery of respective service invoices.

The pandemic situation and economic challenges continued to impact Thailand and customers in 2021. Nevertheless, dtac managed to deliver QoQ subscriber growth of 0.6% and 0.5% in Q1 and Q2 2021 respectively before the country locked down in Q3 due to the third wave of the pandemic in Thailand. The Company remained focused on customer experience and continued to aggressively expand the 700MHz and 5G network nationwide, delivering high-quality and



high-speed services to customers. In addition, dtac maintained its customer-centric approach and continuously offered products and services that empowered customers to live the lives they truly want.

Device-bundled offers continued to be the key focus in 2021. The Company further enhanced entry-level device offers by bundling them with a set of benefits such as free screen protection, extended warranty etc. which was well-received by the market. In addition, the Company launched the dtac Sabuy Pay service which enables eligible customers to purchase devices with zero upfront payment, zero percent interest and no credit card required. This new service brings affordability to customers and helps to further strengthen the Company's device business, especially in mid to high tiers.

Riding on the strong foundation of its personalized lucky number services, the Company enhanced the offering by continuously developing digital touchpoints to serve customers who need consultations from numerologist without physical contact, given the concern around the prolonged pandemic situation. In addition to mobile connectivity services, Postpaid customers can also enjoy beyond connectivity services such as OTT services bundled with direct operator billing, gaming top-ups through Gaming Nation platform, and insurance services through dSurance platform.

The Company also continued to invest more in dtac Rewards, the loyalty program that caters to various lifestyles to help retain customers of various segments.

Throughout 2021, the company continued to offer an increasing variety of digital rewards. Furthermore, the Company increased penetration of dtac Rewards coins among Postpaid customer; including free coins for digital bill payment and double coins for digital top-up purchase, all as part of a continued effort to drive customer engagement and digital adoption.

#### **b) Prepaid**

Under the Prepaid service, customers purchase credit in advance of service use. Prepaid customers need to register their identification according to specific requirements. Prepaid credit refill transactions can be completed through several channels, i.e. dtac app, mobile banking, digital payment partners, retailers, etc. Prepaid service benefits customers as they do not have to worry about paying their bills every month and they can manage their spending while maintaining uninterrupted service provided they have sufficient balance and validity.

Despite intense competition in Prepaid and prolonged economic impact, the Company strives to retain its Prepaid customer base by offering products and services that are relevant to evolving market demand while maintaining competitive promotions and offers. In addition to the mobile connectivity services, the Company has launched many beyond connectivity services to enhance customer value and relationships, ranging from the exclusive Freefire gaming service to insurance products, including COVID-19 insurance, at affordable price to resident Thais and migrant customers who have remained in the country, to

pharmacy e-vouchers that allow customers to purchase medicine at participating drug stores nationwide.

The Company and its subsidiaries continue to provide ways for Prepaid customers to enjoy affordable connectivity and essential services that meet their specific needs through Jaidee services. Jaidee services are made available in the dtac app to enhance user experience and convenience and to enhance the Jaidee service portfolio to meet the changing needs of customers.

This year was another challenging one due to the major impact from COVID-19 on the Company's leading customer segments, namely tourists and migrants. Though leading the market in providing SIMs and Prepaid packages for both segments in prior years, the Company experienced direct impact from the absence of tourists starting from the first quarter when the pandemic began to spread. With international travel bans, the level of tourists remained at near-zero level. As such, we saw substantial decline in revenue from tourists. The lockdown crisis and prolonged economic recovery also caused the number of migrants to plunge significantly. Nevertheless, the Company continues to focus on the Thai mass segment by offering products and adjacent services that benefit customers in their everyday life – especially given the prolonged impact from the economic downturn – with executions at regional and provincial levels and promoting wider distribution outreach through partnerships across business sectors to

ensure full redemption of additional benefits and offers by all customer segments nationwide.

The impact from the first wave of COVID-19 continued into 2021, with the whole economy impacted by the absence of tourists and by migrants departing the country. The situation in 2021 worsened with the second and third wave. A massive lockdown started from middle of April, and a curfew was imposed from the middle of July, both of which severely impacted the Prepaid business as the overall mobility and spending power of customers was significantly affected. However, amongst all the adversity, dtac has continued to maintain positive net adds in Prepaid for four consecutive quarters since Q4'20. A strong regional game plan in acquisition and focused churn management played a big role in the positive subscriber growth momentum. Additionally, with a stable ARPU line, helped by disciplined base management leveraging advanced analytics and added IDD revenue, dtac Prepaid revenue grew QoQ in the first half of the year, contributing to gain RMS in Q2'21. However, QoQ revenue dropped in Q3 as the prolonged lockdown was becoming difficult, losing GA share due to massive aggression from competitors in modern trade channels and online channels. dtac is hopeful to bounce back as the country starts to open internally and international border restrictions loosen. The accelerated growth in digitization (3x app user growth for Prepaid over a year), product innovation (e.g. Enhanced Jaidee journey, Make your own plan with Flexi/Pro-tam-Jai, Coin campaigns) and attention beyond connectivity (e.g., Gaming Nation,



Collaboration with Free Fire) all give dtac confidence in growing market share as the economic outlook stabilizes. Specific regional focus with more empowerment and enablement of regions shall remain Prepaid’s key focus in the coming days.

**c) B2B**

In addition to Postpaid and Prepaid, the Company provides services to the business customer segment. While holding a small market share in this segment, dtac has been offering a wide range of services including mobile plans, handsets, and starter kit sales, bulk SIMs, IoT SIMs, etc. The pandemic caused permanent changes in how most businesses operated, which in turn resulted in evolving needs. Business owners were pressured to equip employees with mobile connectivity, to collaborate safely in the Cloud, and to digitize operations. As such, dtac Business has expanded its offerings into Mobile PBX, Google Workspace, IoT solutions, and SmartConnect Cloud solutions, all of which address these new demands. The key underlying question behind product launches was how they solved business pain points, and services were made simple, worry-free and transparent with mechanisms for cost control.

In addition to offerings based on the above three customer segments, the Company’s products and services can be broken down based on the following categories:

**a) Core Services**

Core services consist of data and voice services including mobile connectivity covering dtac and other operator networks, internet services, Short Messaging Services (SMS), Multimedia Messaging Services (MMS), digital content services such as calling melody services, news and entertainment content services, etc. Revenue from core services accounted for the majority of service revenues, excluding Interconnection Charges (IC), over the past three years, as following:

	Period Ending 31 December		
	2019*	2020*	2021*
Core service revenues (THB in million)	57,974	56,711	54,633
Core service as percentage of total service revenues excluding IC	94.7	97.1	96.9

\*(Figures from 2019 are post-TFRS 15 & 16)

**b) International Services**

International roaming consists of outbound roaming serving dtac customers who wish to use dtac services abroad and inbound roaming for other customers from abroad who use the dtac network during their stay in Thailand. International Direct Dialing (“IDD”) allows dtac customers to make international phone calls through their mobile phones.

dtac TriNet, the Company’s subsidiary, obtained a license for operating international telecommunications services, of which it has launched direct dialing through “004” to a number of destination countries.

The Company’s Prepaid and Postpaid customers are able to use international roaming services, which cover voice and data services, and sign up for a selection of promotional packages such as non-stop Data Roaming and Go Inter sims, etc. Nevertheless, this year marked a difficult year for international services as a result of the pandemic and an international travel ban that lasted for most of the year.



	Period Ending 31 December		
	2019*	2020*	2021*
International roaming (THB in million)	831	274	164
International roaming as percentage of total service revenues excluding IC	1.4	0.5	0.3

\*(Figures from 2019 are post-TFRS 15 & 16)

### c) Handsets and Starter Kits Sales

The Company sells mobile handsets at various price points from a number of leading global brands. To address customer demands as much as possible, the Company constantly offers new mobile handsets to the market. Mobile handsets and starter kits sales are considered an important driver for increased data usage amongst Thai consumers as well as for Postpaid subscriber base expansion.

Due to COVID-19 restrictions, the number of marketing activities were limited this year, especially in the third quarter. Once the country reopened, the Company engaged in various marketing activities to ensure higher mobile phone penetration, especially smartphones. This included offering mobile phone purchases through instalment payments at zero percent interest rates, as well as devicebundled discounts for Postpaid customers, Prepaid to Postpaid migration, and mobile number portability (MNP) customers.

Amid aggressive competition, smartphones are an important tool that operators use to retain customers and build a broader customer base. In 2021, the Company continued to maintain a cautious approach towards providing device subsidies, making sure that the level provided is reasonable and competitive.

### d) Beyond Connectivity Services

The Company and its subsidiaries are determined to be customer-centric operators, connecting all relevant matters to customers, not only core connectivity but also services that extend beyond traditional telecom services. To enhance value to customers, the Company and its subsidiaries leverage their unique strengths in intimate customer relationships and digital platform leadership to broaden our services and scale high potential growth services through a partnership model. Our current focus beyond connectivity services includes Gaming, Insurance, and Financial Services.

The Company and its subsidiaries created a digital gaming ecosystem, namely Gaming Nation, the destination for all gamers, with leading gaming partners and collaborations with the world's leading game publishers to offer best-value deals and in-app items for over 30 games in order to create incremental value and empower gamers to live the life they truly want. With Gaming Nation, gamers can easily top-up their favorite games and make easy and convenient payments at "Pay via dtac" any time without the need of credit cards, giving them a more flexible and more rewarding experience.

In the insurance area, the Company and its subsidiaries collaborated with leading insurance partners to build dSurance, a seamless one-stop marketplace for insurance. Its aim is to accelerate accessibility and lower the barrier to simple, affordable, and trusted insurance services. Our customers, both Prepaid and Postpaid, can access to our dtac dSurance whenever and wherever they want 24/7 via the dtac app.

In the financial service area, where there is high growth in digital usage and spending, but limited access to payment channels and security concerns among customers, the Company and its subsidiaries have offered "Pay via dtac" (Direct Operator Billing), an easy and convenient payment channel within the dtac app where customers can purchase digital content and apps from Google Play / Apple Store, available for both Prepaid and Postpaid customers. In addition, the Company and its subsidiaries have explored partnerships with financial service providers to offer microloan services, namely Jaidee Credit Line, to selected groups of customers, enabling them to have access to valuable and affordable financing services.

### Customer Service

Customer service is considered a key differentiation factor between operators. The Company continued its customer-centric approach by positioning itself as simple, honest, and human, while striving to ensure the best customer experience. Dtac provides services through the following channels:

#### a) Call Center

The dtac call center supports customers with advice on products and services, and responds to customer inquiries, service change requests, invoice information, network complaints, various types of emergency calls from customers, as well as a variety of other issues. The call center supports Thai and other languages including English, Chinese, Burmese, Khmer, etc. Customers can reach the call center through dialing 1678 for B2C and 1431 for B2B customers from their mobile phone or landline 24/7. The Company's website, email, and social media channels are also available to offer ready support to customers.

The Company is committed to delivering the best customer experience. As such, call center staff are broken down into different groups to directly support, engage, and address the distinct demands of B2B and B2C customer groups. This includes Platinum Blue members, Postpaid customers, Prepaid customers, migrant customers, and inbound tourist customers interested in different types of adjacent services.



The Company developed an Interactive Voice Response System (IVRS) and a mobile application to assist customers who would normally reach out to the call center. This allows customers to fulfill transactions by themselves without contacting a call center agent. Examples included phone setup assistance, usage enquiries, voice and data package sign-ups, or news and content services sign-ups. This system enables faster service. In addition, the Company uses Artificial Intelligence (AI) and chat bots, enabling more efficient customer service via social media and other on-line channels. While customers waited in line for call service agent, the Company also gauged their satisfaction levels to identify ways of improving call center services with a post-call or post-chat survey. The Company continues to develop new products and services with sophisticated technology, while maintaining a strict focus on high-quality service and convenience for customers.

#### b) Branded Retailed Shops

The Company continuously improves its branded retail shops to address customer demand, including space renovation, process automation, and innovation. The improvements are aimed to address an increasingly digital lifestyle, and customers immediately benefit from convenience, advice, and after-sales services from professionally trained and customer-centric staff. The Company used Net Promoter Score ("NPS") as key metric for monitoring a customer's likelihood of recommending dtac to others. NPS not only helped the Company to better understand customer's real needs, but also improved the system and way of work at branded retail shops and call centers nationwide. As a

result, customers felt more engaged with the Company and more inclined to recommend dtac products and services to their friends and family. By listening to real customer feedback and following up through respective channels to identify the root causes and solutions, the Company has been able to continuously understand and stay abreast of customers' changing behaviors and needs.

#### c) Customer Relationship Management (CRM)

While noting the high rate of mobile phone penetration, the Company places its focus on customer relationship management. The Company not only retained high-value customers through attractive promotions but also strove to build customer engagement through dtac Rewards activities, ensuring delivery of perks and benefits to different groups. dtac developed and continuously enhances its dtac Rewards program to include more robust offers for customers from both Postpaid and Prepaid groups. The dtac Rewards program consists of 2 pillars: tier and coin. Tier is categorized by AOU and ARPU in four segments: Welcome, Silver, Gold, and Platinum Blue, the highest tier. On the other hand, coin focuses on driving activity-based engagement, where customers can earn coins by spending 1 baht to get 1 coin via specific activities and redeem these coins through the dtac application. The Company has introduced dtac Rewards coin as part of the dtac Rewards program since Q4'20 to engage more customers through digital transactions and digital reward redemptions.

Through strategic partnerships with various businesses nationwide, rewards redemption includes both physical and digital channels. As a result of the unprecedented pandemic causing lockdown and changes in consumer behavior this past year, the Company observed a significant increase in digital redemptions, which was well in line with the Company's initiatives to make offerings online channels more comprehensive and robust.

In 2021, the Company re-introduced Jai Dee, offering 12 services ranging from balance transfer to pharmacy vouchers. The services address the Thai mass market's demand for relevant benefits and perks in areas related to their everyday lives.

#### Network Improvement

Base station data over the past three years consists of the following:

	Period Ending 31 December*		
	2019	2020	2021
2G - 1800 MHz	10,576	10,490	3,256
2G - 900 MHz	-	-	7,774
3G - 850 MHz	12,471	11,030	-
3G - 900 MHz	-	-	12,756
3G - 2100 MHz	25,444	26,272	27,003
4G - 700 MHz	-	2,441	12,755
4G - 1800 MHz	6,758	2,200	2,715
4G - 2100 MHz	25,409	26,251	27,000
4G - 2300 MHz*	17,376	20,402	21,375

\* Installed base stations including those under license application process as well as base stations under a partnership with TOT

In 2021, the Company's increase in base stations increase was mainly due to low band rollout in both 700 MHz and 900 MHz spectrums.



## Sales and Distribution Channels

### a) Marketing

The “dtac” brand is widely recognized in Thailand. dtac continuously introduces new products, services, and promotional campaigns to the market, including various traditional and digital marketing activities that drive products and services communication while consistently engaging with customers. Marketing activities not only promote product launches, but also build brand image and market positioning, as well as enhance dtac’s message around its corporate social responsibility outreach. The Company constantly conducts market research to gain insights on customer demand, driving marketing effort efficiency and customer satisfaction.

The Company worked with channel partners on marketing activities related to product distribution and services to make sure that channel partners continue to understand dtac’s new service innovations, pricing strategy, and network improvement plans. In addition, the Company’s representatives routinely visit each shop to perform operational audits and collect feedback, overall ensuring alignment of service standards and policy across all channel partners.

### b) Distribution Channels

The Company continues to optimize its distribution footprint and expand into new relevant channels, in line with changes in customer behaviors and needs. Post Covid-19 crisis, we have seen an accelerated growth in digital adoption and internet usage across all age groups. Online sales are rapidly gaining momentum as

customers are quickly growing accustomed to the ease and convenience of online channels. Our strategy is to drive efficiency in traditional channels, explore new formats, and grow our digital channels, both owned and third-party, to strengthen our digital position and meet customers’ evolving behaviors and needs. The Company also seeks to deliver an omnichannel experience to customers with seamless online to offline and offline to online journeys.

In addition, the Company has continued to drive operational efficiency by enhancing its distribution channels through digitalization. This includes simplification of sales platforms and further improving the dtac ONE retailer mobile application, operating chat bots for increased customer satisfaction, and retailer gamification for increased engagement. dtac ONE acted as the primary retailer digital platform for distribution, sales, and services, ensuring retailer value proposition while serving as a tool to identify operational improvements and contextual marketing opportunities. The digital platform achieved many benefits, from allowing the retailer to offer personalized products and services to varying groups of customers and enabling lead-time reduction in launching new products and services, to increasing communication efficiency between the Company and retailers.

Below are our key distribution channels and touchpoints explained in more detail.

#### (1) dtac Halls

dtac Halls act as full-service distribution channels. In order to further increase shopping and service experiences for its customers, the Company designed dtac Halls in a way that allows customers to test new models of smartphone devices before making purchase decisions. dtac Hall staff are equipped with tablet devices to promptly address customer subscription plan change inquiries, enhancing customer experience. In addition, a queuing system allows customers to make service reservations in advance. Automatic payment kiosks also serve customers who wish to use self-service channels.

#### (2) dtac Centers

The Company operates dtac Centers, consisting of company-operated Centers and retailer-operated Centers under the dtac trademark nationwide. Dtac Centers are a relatively smaller distribution channel, operating similarly to dtac Halls which offer handsets and starter kits sales, Postpaid plan registration, payment and other services. In 2021, the Company continued to deliver service improvement by expanding self-service channel options to increase customer convenience.

#### (3) Blue Shop

The Company selected appropriate retailer touchpoints to offer Prepaid and device-bundled Postpaid sales, and payment services. These smaller “Blue Shops” are located across key districts and large communities nationwide to

accommodate existing demand as well as address potential future demand from customer base expansion.

#### (4) Smaller retailers

The Company has a network of small retailers nationwide. The network ranges from small shops selling Prepaid SIM cards, to retailers that offer top-up services. Self-serve retailers are a key channel promoting sales readiness and product accessibility.

#### (5) Alternative and innovative channels - Modern trade, key account partners, and online distributors

The Company offers a wide range of products and services including SIM cards, Postpaid service payment, top-up and topping purchases, through the following channels:

- (5.1) Key Account Partners such as CSCi/IT City, etc.
- (5.2) Modern trade such as discount stores and convenience stores such as Lotus, Big-C, Family Mart, 7-Eleven etc.
- (5.3) Online distributors such as Boonterm, Sabuy Money, ShopeePay, Line Pay, Lazada, Shopee etc.

These distribution channels consist of physical outlets, the dtac online official store, and electronic self-service ones. dtac employees play a role in these retailers and sales channels ranging from service and advice to customers, product range differentiation, and training to partners.

**(6) Banks**

The Company maintains good relationships with leading banks in Thailand to service top-up purchases and service payment through mobile banking applications, ATM, internet banking, as well as bank branches. Through good collaboration with banks, the Company is able to deliver convenient services to its customers. The Company also improved its dtac application's electronic payment channel interface with several mobile banking applications. This further resulted in increased convenience and better customer experience on the dtac mobile application.

**(7) Direct Sales**

The Company's operation includes direct sales teams serving customers with relevant products and Prepaid and Postpaid services. The direct sales channel increases customer convenience by serving customers in the area where other physical retailers are not available, or by catering to specific customer groups through specialized sales teams.

**(8) dtac Application and dtac Online Store**

To increase customer convenience and accommodate diverse customer demands for mobile and online transactions, the Company continues to improve its dtac mobile application for enhanced customer experience through simplified functions, personalization, gamification, etc. The mobile application and online store can promptly fulfil a comprehensive range of Prepaid

and Postpaid services 24/7 while also offering valuable promotions and personalized rewards for each individual customer. In 2021, the Company observed over 20% growth of Monthly Active Users (MAU) of dtac digital users, with 80% growth among Prepaid Monthly Active Users of dtac digital users.

**(9) Third Party Digital Channels**

Apart from growing its own digital channels, the Company also has plans to grow third-party digital channels - expanding reach in e-commerce platforms and social media, and developing strategic partners in growing markets beyond telecom. The Company will go beyond its own digital channels to build presence in the marketplace and develop innovative collaborations with partners in non-telco spaces such as delivery platforms and lifestyle segments. These strategic partnerships enable us to leverage on partner brands and footprints to grow our market share as well as bundle with partner products and services to provide a greater and unique experience for customers beyond mobile connectivity.

**Industry Conditions and Competition Landscape****a) Mobile Service Market**

The mobile service market consists of three main operators: AIS, True, and dtac, along with smaller mobile virtual network operators. The Company and its subsidiaries provide services under the "dtac" trademark.

The private sector has played a role in providing telecommunications services since the early days of the industry. In the beginning, private operator companies engaged with two state-owned enterprises ("SOEs"), namely TOT and CAT, through cooperation agreements to drive services that addressed the demand for wireless connectivity in Thailand. Such services were based on a Build-Transfer-Operate model, where the private companies, granted with concessions, invested in network construction and then transferred the respective asset ownership to the SOE. Throughout the agreement term, the concession owners granted the private operators the sole right to operate the network assets and use the spectrum in exchange for revenue share payments to the SOE.

The Company began by operating on the 850 MHz and 1800 MHz spectrum bands, based on the 27-year Build-Transfer-Operate concession agreement that ended in 2018. In 2012, NBTC held a spectrum auction for the 2100 MHz spectrum in which the three major operators, including dtac's subsidiary, won licenses. The Company then began operating on the 2100 MHz spectrum in 2013. Later, NBTC also held spectrum auctions for 1800 MHz in 2015 and 900 MHz in 2016, thereby driving over growth in 4G technology over the past few years.

In 2018, dtac TriNet, the Company's subsidiary, entered into an agreement with TOT to operate on the 2300 MHz spectrum, on which the Company launched commercial services in June of the same year. Later in 2018, the Company won the 1800 MHz and 900 MHz spectrum

licenses through spectrum auction. dtac launched services on the 1800 MHz spectrum in December 2018 and launched services on the 900 MHz spectrum in October 2021.

In June 2019, dtac TriNet was allocated the 700 MHz spectrum license by NBTC. dtac TriNet obtained the spectrum license in December 2020 and launched services since then. The 700 MHz spectrum is used to provide telecommunication services with both 4G and 5G technology.

In February 2020, dtac TriNet participated in the spectrum auction for the 26 GHz held by NBTC. In the same month, dtac TriNet was awarded the 26 GHz spectrum license, for frequencies between 26.8 – 27.0 GHz, set to expire in February 2035. The 26 GHz spectrum is used to provide telecommunication services with 5G technology in selected locations.

**b) Industry Trends**

Competition to gain subscriber market share has been intense, particularly in the Prepaid segment with wide availability of unlimited internet package offerings with aggressive pricing at the regional level. Prolonged economic impact led to intensifying competition while ARPU growth, especially in the Prepaid segment, remained a challenge given customer spending optimization.

Despite expensive licensing and aggressive competition, telecommunications services has remained a profitable business. In 2021, the Company



was able to generate higher EBITDA margin amidst revenue pressure from the economic impact. This was due to improved operational efficiency, overall better customer satisfaction levels, and improvement in adjacent services. Furthermore, dtac continued to expand the 2300 MHz network (through partnership with TOT) with rollout of TDD sites reaching up to 21,300 base stations by the end of the year. Not only that, the Company maintained a continuous delivery of network improvement, improvement in customer services and sales and distribution channels, along with enhanced data analytics for personalized offerings throughout the year.

In December 2020, dtac TriNet was the first operator to be awarded the 700 MHz license. Along with the swap of 850 MHz to 900 MHz done in 2021, the low band rollout of 700 MHz and 900 MHz together materially increased 4G coverage in rural areas and provide a better indoor network experience. The full 700 MHz rollout continuing in 2022 will also provide 5G experience in selected key market centers. Above all, the massive MIMO as well as the 700 MHz and 900 MHz equipment are also 5G-ready.

Looking ahead, the Company sees the following challenges and opportunities in 2022:

- Despite the prolonged uncertainty affecting economic conditions and the competitive environment, the Company focuses on growing monthly active users through relevant products and adjacent service offerings and a strong

spectrum portfolio with increased coverage powered by the new 700 MHz and 900 MHz spectrum bands. The Company believes in growth measured through the monthly active user metric to ensure a sustainable subscriber base expansion.

- As a result of the pandemic-led new normal where consumers' everyday lives became substantially more digital, the Company would like to lead customer-centric digitalization while capturing the significant data monetization opportunity. Digitalization will not only support the consumer front but also contribute to operational efficiency gain. The Company strives to drive operational efficiency through structural optimization for attainable long-term growth.
- As part of dtac's 5G journey, the Company will not only continue to expand and offer 5G services in major provinces using 700 MHz but also continue to use its 26 GHz for exploring 5G use case with various industry partners to identify relevant commercial and enterprise applications.

Through delivery of network improvement, enhanced customer service and engagement, accelerated digital transformation, and a resilient operating model that allows for efficiency gain despite uncertain market conditions, The Company strives to achieve future

growth along with the market. The Company is confident that its brand strength, healthy financial position, and 5G journey to unlock new innovation will contribute to long-term sustainable growth.

#### Procurement of Products and Services

##### a) Spectrum

To provide telecommunications services, the Company operates on the following spectrums:

- The 1800 MHz spectrum is used to provide telecommunications services under 4G technology. The 1800 MHz spectrum was originally operated under the CAT concession agreement until its expiry in September 2018. After this, the Company's subsidiary, dtac TriNet, obtained a 15-year license from NBTC through a spectrum auction in August 2018. The spectrum license was awarded in December 2018 and will expire in December 2033.
- The 900 MHz (which was switched from 850 MHz since October 2021) spectrum is used to provide telecommunications services under 2G and 3G technology. The Company's subsidiary, dtac TriNet, obtained a 15-year license for the 900 MHz spectrum from NBTC through a spectrum auction in October 2018. The 900 MHz spectrum license is set to expire in December 2033.

- The 2100 MHz spectrum is used to provide telecommunications services under 4G and 3G technology. The 2100 MHz spectrum is operated under NBTC license. The Company's subsidiary, dtac TriNet, obtained the license through a spectrum auction in 2012. The 15-year license is set to expire in December 2027.

- TOT's 2300 MHz spectrum is used to provide telecommunications services under 4G technology. The Company's subsidiary, dtac TriNet, entered into a Roaming Agreement with TOT to operate on TOT's 2300 MHz spectrum, which was under license granted by NBTC. dtac TriNet's agreement with TOT is set to expire in 2025.

- The 700 MHz spectrum was allocated by NBTC to dtac TriNet in 2019. dtac TriNet was granted a 700 MHz license in December 2020. The 700 MHz spectrum is used for 4G technology.

- dtac TriNet won the auction for 26 GHz in February 2020 and was awarded the spectrum in the same month. The spectrum was set to expire in February 2035. The 26 GHz spectrum is used for 5G technology in selected locations.

**b) Network Supply**

The Company worked with world-leading telecommunications network suppliers to support its network operations. Network suppliers enabled operational efficiency while addressing new technology needs and customer demand for faster data services. dtac focuses on service quality especially when it comes to network capacity management. The Company has an operation unit that handles planning, sourcing, and maintaining network infrastructure to address further capacity and coverage expansion.

**c) Mobile handsets and Starter Kits**

Mobile handsets and starter kits sales are a key marketing tool for new campaign offerings that support existing subscriber base retention and promote new subscriber base expansion. Handsets sales also provide convenience to customers. The Company works with world-leading mobile handsets manufacturers to provide these offerings. Through offerings that cover a wide range of models and price points, the Company is able to accommodate customer demand ensuring convenient access of 3G, 4G and 5G technology.

**d) Telecommunication Numbering**

To provide telecommunication numbers, dtac TriNet applied for telecommunication numbering allocation from NBTC. After NBTC grants such numbers, dtac TriNet has the obligation to notify other telecommunication licensees of the list of allocated numbers to allow connections between all operator networks. In addition, dtac TriNet has to pay a monthly numbering fee to NBTC at the specified rates.

**e) Content**

The Company partners with both domestic and international digital content providers in offering digital content services to address customer demands for an increasingly digital lifestyle. Digital content services cover music, videos, games, news, entertainment, incoming call melody services, etc. The Company shares revenue from the services with the digital content providers based on pre-agreed arrangements. The Company also works with these digital content providers to support new digital content creation.

**Assets for Business Operations**

Details of the assets for business operations are shown in Attachment 4 of this Annual Registration Statement (Form 56-1 One Report).

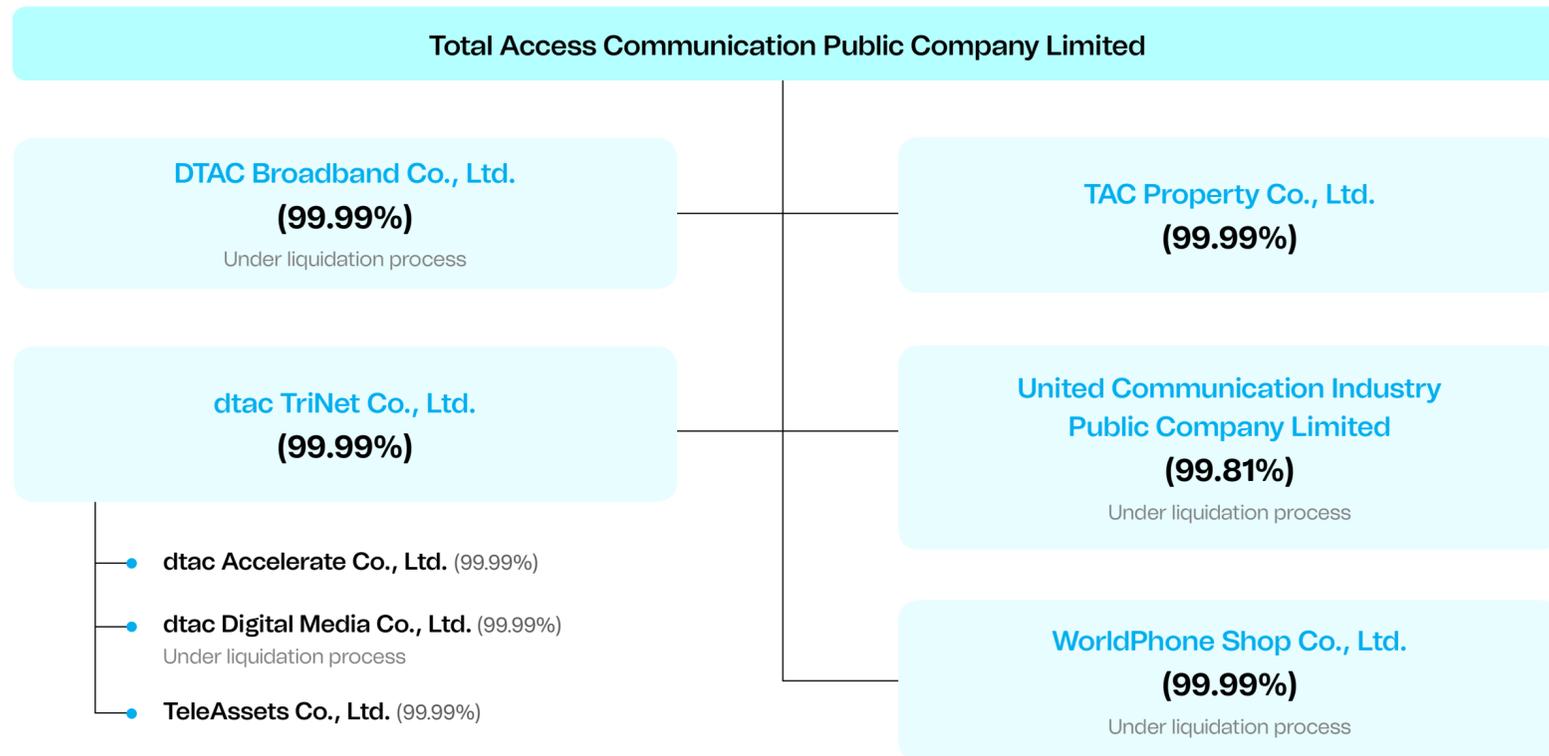
**Outstanding Work**

- None



### 1.3 Shareholding Structure of the Group Company

#### 1.3.1 Shareholding Structure of the Group Company



At the end of 2021, dtac had eight subsidiaries, and two associated companies (under definition of the Notification of Office of Securities and Exchange Commission), namely, (1) United Distribution Business Co., Ltd. and (2) Clearing House for Number Portability Co., Ltd.\* This has changed since 2020, when there were nine subsidiaries, since PaySbuy Co., Ltd. has completed liquidation.

**Remark:**

\* The Company does not have significant influence on this company and hence this company does not qualify as associate as presented in the Company's financial statements.



## Details of Subsidiaries and Associated Companies as of 31 December 2021

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of Each Company
DTAC Broadband Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034424	Under liquidation process	175	Ordinary shares	99.99	1,750,000
dtac TriNet Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034548	Providing telecommunications services	1,160	Ordinary shares	99.99	11,600,000
dtac Accelerate Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105557065767	Investment and support start-up companies to develop applications	15	Ordinary shares	99.99 (through dtac TriNet Co., Ltd.)	150,000
dtac Digital Media Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034467	Under liquidation process	100	Ordinary shares	99.99 (through dtac TriNet Co., Ltd.)	1,000,000
TeleAssets Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105559061246	Lease of telecommunication equipment and device	300	Ordinary shares	99.99 (through dtac TriNet Co., Ltd.)	3,000,000
TAC Property Co., Ltd.	319 Chamchuri Square Building, 38th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105539049038	Asset management	1	Ordinary shares	99.99	100,000
United Communication Industry Public Company Limited	319 Chamchuri Square Building, 41st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0107536000871	Under liquidation process	313.55	Ordinary shares	99.81	434,668,207
WorldPhone Shop Co., Ltd.	319 Chamchuri Square Building, 41st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105539069969	Under liquidation process	450	Ordinary shares	99.99	4,500,000
United Distribution Business Co., Ltd. (UD)	499 Moo 3, Benchachinda Building, Kamphaeng Phet 6 Rd. Ladyao, Chatuchak, Bangkok 10900 Tel: +66 2953 2222 Fax: +66 2953 1269 Registered number: 0105545040951	Sale of mobile phone, SIM card, voucher card and supplementary equipment	200	Ordinary shares	25	20,000,000
Clearing House for Number Portability Co., Ltd.	98 Sathorn Square Office Tower, Room 403, 4th Fl., North Sathorn Rd., Silom, Bangrak, Bangkok 10500 Tel: +66 2108 1544 Fax: +66 2108 1544 Registered number: 0115553001471	Operating the Information System and the centralized database for the number portability service	2	Ordinary shares	20 (by dtac and through dtac TriNet Co., Ltd.)	20,000



### 1.3.2 Person who May Have Conflict of Interest Holding More than 10% of Shares of the Company's Subsidiaries or Associate Company

75% of total shares of United Distribution Business Co., Ltd. ("UD"), are held by Benchachinda Holding Co., Ltd. Although Benchachinda Holding Co., Ltd., who is a related party to the Company, holding 75% of total shares in UD may have a conflict of interest with the Company, the Company believes that the shareholding structure will deliver the greatest benefit to the Company as the Company's main business is not distribution, which would create more burden in managing inventory and logistics systems. Furthermore, the Company has preventive measures and strict policies governing connected party transactions that may lead to conflict of interests to ensure that they are in compliance with the SET's rules and regulations concerning connected party transactions.

As of 8 October 2021, Benchachinda Holding Co., Ltd. has the following shareholders:

Mr. Boonchai Bencharongkul	35.00%
Mr. Vichai Bencharongkul	38.00%
Mr. Somchai Bencharongkul	18.00%
Mrs. Vanna Chirakitti	9.00%

### 1.3.3 Relationship with Group Business of Major Shareholder

- None

### 1.3.4 Shareholders

#### (1) Major shareholders

The top 10 Shareholders are as follows;

(from the shareholder registered book as of 2 August 2021)

Ranking	Name	Number of Shares	Percentage
1	TELENOR ASIA PTE LTD	1,086,052,874	45.87
2	Thai Telco Holdings Limited	454,120,923	19.18
3	Thai NVDR Company Limited	201,245,921	8.50
4	National Telecom Public Company Limited	134,645,250	5.69
5	Social Security Office	89,404,600	3.78
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	14,013,994	0.59
7	Mr. Verawat Chutichetpong	9,533,600	0.40
8	Mr. Nisit Petchnoi	7,800,000	0.33
9	Vayupak Fund 1 by MFC Asset Management Public Company Limited	7,246,000	0.31
10	Vayupak Fund 1 by Krungsri Asset Management Public Company Limited	7,246,000	0.31

#### Remark:

- Telenor Asia Pte. Ltd. is a holding company and a subsidiary of Telenor ASA.
- Thai Telco Holdings Co., Ltd. is a holding company. Shareholders' list and shareholding structure of Thai Telco Holdings Co., Ltd as of 30 April 2021 are as follows:

BCTN Holding Co., Ltd.	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor Asia Pte. Ltd.	0.00%
- BCTN Holding Co., Ltd. is a holding company. Shareholders' list and shareholding structure of BCTN Holding Co., Ltd. as of 30 April 2021 are as follows:

BCTN Innovation Co., Ltd.	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor Asia Pte. Ltd.	0.00%
- BCTN Innovation Co., Ltd. is a holding company. Shareholders' list and shareholding structure of BCTN Innovation Co., Ltd. as of 30 April 2021 are as follows:

BCH Holding Co., Ltd.	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor Asia Pte. Ltd.	0.00%
- BCH Holding Co., Ltd. is a holding company. Shareholders' list and shareholding structure of BCH Holding Co., Ltd. as of 30 April 2021 are as follows:

Mr. Vichai Bencharongkul	64.88%
Mr. Boonchai Bencharongkul	20.12%
Mr. Somchai Bencharongkul	15.00%

**(2) Subsidiaries of the Holding Company (in case of Holding Company Only)**

N/A

**(3) Shareholders' Agreement**

- None

**1.4 Registered Capital and Paid-up Capital****1.4.1 Ordinary Shares**

The Company registered capital is THB 4,744,161,260, having its paid-up capital of THB 4,735,622,000 comprised of 2,367,811,000 common shares at par value of THB 2 per share. Voting right is one vote per share.

**1.4.2 Other Preferred Shares**

- None

**1.4.3 As of 2 August 2021, Thai NVDR Co., Ltd. held the Company's shares in the amount of 201,245,921 shares, or 8.50% of paid-up capital. Although all financial benefits received by NVDR investors are similar to the benefits from the Company's shares, i.e., dividends, right issues or warrants, etc., NVDR investors shall have no voting rights in shareholder meetings. Thai NVDR Co., Ltd., therefore, will not vote in the shareholder meetings except in case of a delisting decision.**

**1.5 Other Securities**

- None

**1.6 Dividend Policy**

The dividend payment policy of the Company is to pay no less than 50% of its net profits based on the separate financial statements of the Company (after deduction of all legal reserves), depending on its financial position and future business plans. The Company aims to pay dividends on a semi-annual basis.

The Board of Directors may propose an annual dividend distribution if approved by the shareholders' meeting. The Board of Directors may pay interim dividends to the shareholders if the Board of Directors believes that the Company's profits justify such payment. Following the payment of dividends, such dividend payment shall be reported to the shareholders at the next shareholders' meeting.

In deciding whether to pay dividends, the Board of Directors considers the following factors

- the operating results, liquidity, cashflow, and financial position of the Company
- the future business plans and capital expenditure requirements
- any other factors the Board of Directors deems appropriate

In addition, the Company is subject to the Public Limited Companies Act B.E. 2535, which provides that no dividend will be paid if the Company has an accumulated loss even though it has annual net profit. The Public Limited Companies Act B.E. 2535 also requires that the Company allocate not less than 5% of its annual net profits, less the accumulated losses brought forward (if any), to a reserve fund until such fund reaches an amount not less than 10% of the registered capital.

The Company's dividend payments in the last three years are as follows:

Items (THB)	2019	2020	2021
Separate earnings per share	3.83	2.99	2.11
Dividend per share	2.87	2.99	2.10
Interim dividend	2.87	0.87	1.05
Annual dividend	-	2.12	1.05*
Pay-out ratio including interim dividend	75%	100%	100%

**Remark:** \* The annual dividend is subject to the approval by the shareholders at the 2022 Annual General Meeting of Shareholders.

For the Company's subsidiaries, the dividend payment shall be made when each subsidiary believes that it can maintain its working capital sufficiently after the dividends payment.



## 2. Risk Management

### 2.1 Risk Management Policy

The Company's risk management policy lays out risk management organization and responsibilities; risk management framework and tools; the process for risk identification, assessment, treatment and escalation; as well as risk reporting.

The Company's risk management policy aims to identify, assess and treat all relevant and foreseeable risks in a way that is effective, proactive, and fit-for-purpose. Risk management supports the organization in achieving defined goals by having a holistic and enterprise-wide perspective, linking to relevant goals, maintaining risk exposure at acceptable levels, managing significant threats, and exploiting significant opportunities.

The Management and the Board of Directors consider key risks and risk mitigation on a quarterly basis.

### 2.2 Risk Factors

Key risks that may affect the operation of the Company and its subsidiaries are as follows:

#### 2.2.1 Current Risks for Business Operations and Emerging Risks

#### 1) Risks from Changes in Laws, Regulations, and Regulator or Government Policies

- a. Changes in laws and regulations related to management of radio frequency spectrum

The telecommunications business in Thailand is governed by two main acts, namely the Frequency Act and the Telecommunications Act.

The National Broadcasting and Telecommunications Commission (NBTC) is in the process of enacting a Royal Decree under Section 30 of the Act on the Organization of Frequency Allocation and Regulation of the Radio, Broadcasting Business, Television, radio and Telecommunications Business (No. 3), 2019. Once passed, this Royal Decree will result in several important changes in spectrum management. These include revising restrictions on spectrum usage, from permitting the licensee to use it for only one type of business – radio broadcasting business, television business, or telecommunications business – to permitting the licensee to use the spectrum to operate all types of these businesses. Apart from this, the license to use the spectrum will be transferable. This change will foster more convergence between the radio broadcasting and telecommunication businesses and could affect the competitiveness of the Company which provides only wireless telecommunications service.

#### 2) Market Risks

- a. Thai telecommunications industry is highly competitive and sensitive to price competition

The Thai mobile telecommunications industry is highly competitive and sensitive to price competition since SIM penetration is already very high, limiting the possibility of attracting non-users. Data usage and smartphone penetration are also high, limiting the ability to increase revenue from the existing base with voice and data plans.

Moreover, mobile operators are aggressively introducing cutting-edge technology and providing new products and services to attract and retain customers. As a result of the technology transition from 4G to 5G, the competition is focusing on 5G service coverage, network quality and service enhancement, and new products and services through collaboration with business partners to respond to customers' needs at a competitive price. If this intensifies and the Company is unable to respond to such competition in a timely and cost-efficient manner, such competition may have a material effect on the business operations and business opportunities of the Company.



To mitigate these risks, the Company has included the following steps into its plan: network coverage expansion, spectrum management aligning with customer demand, and network quality enhancement to deliver a better experience nationwide. In addition, the Company plans to acquire new customers and protect its existing customer base by providing relevant products and services according to customers' needs with good value for money, as well as developing innovative products and services, collaborating with business partners for better work efficiency, and providing more convenience in customers' daily lives.

- b. Risk of revenue erosion due to continued soft recovery of Thailand's macro-economic situation and the prolonged COVID-19 pandemic

The COVID-19 pandemic has resulted in a domestic economic recession and has had a negative effect on demand, a decrease in consumer confidence, an increase in price sensitivity, and a significant decrease in migrant and tourist mobile users of the Company. The pandemic has directly impacted sales revenue, airtime, and other mobile service revenues, and has increased the churn rate.

The Company has responded to this risk in a number of ways. The Company has managed postpaid and prepaid subscriber bases diligently through personalized recommendations that increase active callers and their spending. This is

being done by offering relevant valued products and services. The Company is also continuing to grow the Thai subscriber base to compensate for the decrease in migrant and tourist mobile revenue and to minimize the risk from future COVID-19 pandemic waves and lockdowns. In addition, the Company has enhanced customer engagement through personalization via the highly engaging "dtac app" ecosystem.

### 3) Operational Risks

- a. Risks of technology and information security

The amount of data continues to grow exponentially, as does the rate at which organizations share data through online networks. Internet of Things (IoT) is becoming an increasingly significant force. Millions of machines – tablets, smartphones, ATM machines, sensors, and many others – are all linked, increasing digital inter-dependencies exponentially. Organizations are increasingly opening their IT systems to a wide range of machines and as a result losing direct control of data security. Cyber criminals are very aware of these vulnerabilities. To cope with ever-increasing cyber threats, dtac TriNet has been working to build up defendable architecture, develop security competency, and continuously improve the Security Operation Center (SOC). However, risks surrounding technology and information security may still affect the business and business opportunities of the Company.

Moreover, data privacy is another issue that the Company has emphasized to ensure that all processing of personal data is lawful (Personal Data Protection Act 2019, with remaining material terms effective on 1 June 2021). However, as the demands and complexity of processing personal data have grown, the Company and its subsidiaries are committed to continued transparency with data subjects (customers). This includes obtaining customer consent for processing personal data outside of original objectives (basic telecom services). Consent collection has been planned and implemented on all customer front channels to ensure possession of customer consent prior to any such processing.

- b. Risk from interruption of network service system and other important systems which may impact service users

The Company and dtac TriNet perceive the risks surrounding any disruption of the network system and other essential systems that could impact the provision of services. Therefore, the Company and dtac TriNet have continuously prepared for and developed plans to implement during such emergency events and disruptions.

The Company and dtac TriNet have developed a network management system and prescribed maintenance procedures so that all networks and equipment continue to provide telecommunications services to customers effectively, especially voice and data services. The degrees of redundancy

in our transmission network have been enhanced through the addition of fiber routes and a high-capacity Dense Wavelength Division Multiplexing (DWDM) network. In addition, the Company and dtac TriNet have also been developing plans to prevent the disruption of other essential systems, such as information, billing, and customer services so that these services can be continuously provided to customers. The Company and dtac TriNet also have an emergency backup plan which covers an additional investment in important equipment and safety systems, e.g. fire protection and real-time network and equipment monitoring systems. The Company and dtac TriNet regularly conduct training for staff on their responsibilities and relevant procedures, as well as strict test runs of the backup plans.

Furthermore, the Company and dtac TriNet have procured insurance policies to cover network and equipment damage in order to minimize the impact of such risks on the Company and dtac TriNet.

- c. Company reliance on third parties for telecommunications equipment

The Company provides mobile phone service through complex telecommunications equipment, including mobile telecommunications networks and 2G/3G/4G/5G base stations nationwide. Therefore, the success of the Company's and dtac TriNet's businesses (which share some base stations with the Company to provide



TOT's 2300 MHz services) depends on the effective maintenance and repair of the network and equipment.

At present, the Company and dtac TriNet engage third parties to provide maintenance and repair services for some base station equipment and transmission network. These service providers have gone through a thorough selection process and regular performance reviews to ensure that the service levels are in accordance with standards. If the third parties are unable to perform their duties under their agreements or in a timely and cost-effective manner, thereby affecting the speed and quality of the services of the Company and dtac TriNet, the Company and dtac TriNet may choose to switch to alternative suppliers, albeit with potentially higher operating costs, to maintain quality of services.

In addition, to provide telecommunications services, dtac TriNet has to rely on a basic network from CAT Public Company Limited and has to roam on the 2300 MHz spectrum belonging to TOT. Problems related to network management by the contract partners may affect the ability to run the business and may impact the financial status and business opportunities of the Company.

d. Risks from exchange rate fluctuation

The principal revenues of the Company are denominated in Thai Baht currency. Capital expenditure constitutes most of the Company's expenditure. For capital expenditures, the Company has established an agreement with suppliers to pay in Thai Baht.

For the remaining U.S. Dollars exposure, the Company utilizes USD revenue from International Roaming to partially match USD expenses (Natural Hedge) and enters FX hedging transactions as it deems appropriate.

e. Major shareholders may have influence on decisions impacting the Company

Telenor Asia Pte. Ltd. and Thai Telco Holdings Co., Ltd. are major shareholders of the Company, holding collectively 65.05 percent of the total issued shares of the Company (information as at 2 August 2021).

Thai Telco Holdings Co., Ltd. underwent a shareholding restructuring in July 2012, whereby Bencharongkul Group, the founder of the Company, now holds shares in the Company through Thai Telco Holdings Co., Ltd. Bencharongkul Group holds 51 per cent of the total issued shares of Thai Telco Holdings Co., Ltd.

As a result, Telenor Asia Pte. Ltd. and Thai Telco Holdings Co., Ltd. (including Bencharongkul Group) may exert influence over corporate decisions of the Company, except for matters which they are not eligible to vote on due to any special interest or conflict of interest relating thereto.

f. Supply chain risk from U.S. Restrictions on the Company Suppliers and Acquisition of U.S. technology

The Company and its subsidiaries, dtac TriNet and TeleAsset, use radio network equipment from a major telecommunications equipment supplier in the southern region of the United States for network expansion and development as well as devices for sales and customer service. Since May 2019, such telecommunications equipment supplier has been listed on the Entity List of the U.S. Department of Commerce's Bureau of Industry and Security (BIS), restricting the export, re-export, and transfer (in U.S.) of controlled products under Export Administration Regulations (EAR) without a Temporary General License.

Due to such situation, if the Company were to enter any transaction with such telecommunications equipment supplier, a Temporary General License ("TGL") from BIS would be required. However, the TGL expired on 13 August 2020. The expiry of the TGL is likely to impact the ability to produce and deliver semi-conductors and chipsets to the Company in the medium to long term and consequently affect both network/IT equipment and devices (e.g. phones, Customer Premises Equipment ("CPE") etc.).

Such telecommunications equipment supplier has indicated that it has enough stock of components to ensure uninterrupted deliveries for five years for spare parts and six months for new deliveries. In the meantime, such telecommunications equipment supplier is seeking other non-EAR affected alternatives. However, the Company has not found any other source of information that could verify the accuracy of information given by such telecommunications equipment supplier.

In order to minimize this risk, the Company issued purchase orders to secure sufficient capacity and implemented a clear procurement plan for 2021, in alignment with the Company's guidelines on network modernization. Moreover, such telecommunications equipment supplier confirmed in writing the production availability of equipment and spare parts for 2021.



## 2.2.2 Risks that May Impact the Investment of Shareholders

### 1) Risk from unclear enforcement of laws governing foreign ownership

The principal laws which restrict foreign shareholding are as follows

- The Land Code which prohibits a “foreigner” (as defined in the Land Code) from owning land, unless permission is granted in accordance with the law. Any foreigner who possesses land without permission is required to sell such land within the specified period, which shall not be less than 180 days and not more than one year;
- The Foreign Business Act which prohibits a “foreigner” (as defined in the Foreign Business Act) from engaging in certain types of business, including the provision of certain telecommunications services, unless prior permission is obtained from the Director-General of the Department of Business Development, the Ministry of Commerce;
- The Telecommunications Act which prohibits a “foreigner” (as defined in the Foreign Business Act) from engaging in Type II and Type III telecommunications businesses;

Violations under the above laws may result in the revocation of the telecommunications license, and the Company and/or its subsidiaries may not be able to continue the telecommunications business.

The Company believes that it is not a “foreigner” under the definitions of the Foreign Business Act, the Land Code, and the Telecommunications Act, and has correctly and completely followed the practices applicable in Thailand.

The Company is of the opinion that the Government has no clear policy on the interpretation and enforcement of the term “nominee” under the Foreign Business Act, resulting in the Company being subject to risk in undertaking its business. Although the Foreign Business Act has been in force for more than 20 years, there has been no Supreme Court precedent regarding a “nominee” arrangement under Section 36 of the Foreign Business Act in order for the Company to evaluate or assess the impact of the enforcement or interpretation of such provision under the Foreign Business Act that may impact the Company and its subsidiaries.

Due to such unclear interpretation and enforcement of the Foreign Business Act, on 14 June 2011, a telecommunications operator submitted an allegation to the Royal Thai Police to take a criminal action against the Company (including its directors, certain shareholders of the Company, and their directors) alleging that the Company operated the telecommunications business in violation of the Foreign Business Act. Furthermore, on 22 September 2011, a minority shareholder of the Company (holding 100 shares in the Company) filed a lawsuit against certain state agencies, including the NBTC, before the Administrative Court, alleging

that the Company is a “foreigner” under the Foreign Business Act. Both cases are being considered by the Royal Thai Police and the Supreme Administrative Court.

The Company believes that the Company is not a “foreigner” and has correctly and fully complied with the Foreign Business Act. However, if eventually it is decided (by the final Supreme Court judgment) that the Company is not a Thai company under the Foreign Business Act and the Telecommunications Act and such event is not remedied, the NBTC may revoke dtac TriNet’s Type III telecommunications license. As a result, the Company and dtac TriNet may not be able to continue the telecommunications business.

### 2) Risk from unclear enforcement of the law governing foreign dominance

The NBTC issued the NBTC Notification on Determination of Foreign Dominance Restrictions B.E. 2555 (2012) (the “Foreign Dominance Notification”), which became effective on 24 July 2012. The Foreign Dominance Notification defines “dominance” as the scenario where foreigners have the controlling power or influential power in the policy making, management, and operation of the telecommunications business of the licensee by way of, among others, holding shares with half or more of the total voting rights. In this respect, the Company is of the opinion that it has not acted in any way that conflicts with the Foreign Dominance Notification, and the Company and dtac TriNet have always submitted letters of declaration to the NBTC

indicating that the Company and dtac TriNet will comply with the NBTC’s Foreign Dominance Notification. The Company has only held a Type one Telecommunications Business License since September 2018.

The NBTC may not agree with the Company’s interpretation mentioned above. dtac TriNet still has the risk of unclear enforcement of the law governing foreign dominance. However, based on the NBTC’s explanation at the public hearing regarding the objectives of the Foreign Dominance Notification and, in particular, the definition of “dominance” in 2012, the Company’s external counsel opines that the Company and dtac TriNet would not be regarded as a company under foreign dominance pursuant to the definition of “dominance” by the NBTC. Nevertheless, the risk from unclear enforcement of the law governing foreign dominance may have a material effect on the business operation and business opportunities of the Company and dtac TriNet.

### 3) Risk from disputes over excise tax and revenue sharing

The Government policy is still uncertain about the collection of excise tax from telecommunications services. CAT submitted a dispute to the Thai Arbitration Institute on 11 January 2008, demanding that the Company pay additional revenue sharing for the concessionary years 12 to 16, including penalty and VAT, in the amount of approximately THB 23,164 million. This was because, during said concessionary years, the revenue sharing payable to CAT was reduced



by the amount of excise tax paid by the Company to the Excise Department prior to making the revenue sharing payment to CAT, in accordance with Cabinet resolutions and a letter from CAT. On 28 May 2012, the Arbitral Tribunal rendered its decision to dismiss the dispute raised by CAT on the grounds that the Company had fully paid the revenue sharing to CAT and all debts had already been settled. Nevertheless, CAT has appealed the Arbitration Tribunal's decision before the Central Administrative Court. The Central Administrative Court issued a verdict in favor of the Company and dismissed CAT's petition. Currently, the case is under consideration by the Supreme Administrative Court.

The Company is also subject to disputes with CAT concerning the treatment of revenue from interconnection charges. In 2006, the NBTC issued a notification, changing the compensation model for connection between teleoperators' networks. As a result of this change, the Company started receiving interconnection charges from operators terminating calls in its network. This led to disputes between the Company and CAT as to whether these interconnection charges should be included when calculating the revenue share the Company was obliged to pay CAT under the Concessionary Agreement.

The dispute is an industry issue that has been pending for years. CAT has initiated six different arbitration cases against the Company related to the dispute. In four of the arbitration cases, the Arbitration Institute has sustained CAT's claims in full. In one case the Arbitration Institute decided for the Company. All these cases have been appealed to the Central Administrative Court. One case is still pending in arbitration.

#### 4) Risk from other disputes

The Company and its subsidiaries are subject to several disputes, including with CAT, which used to be a party to the Concessionary Agreement with the Company. These disputes are highlighted above and included in the notes to the consolidated financial statements. If the Company or its subsidiaries lose these disputes, it may affect the business, financial status, and performance of the Company.

#### 2.2.3 Risk from Investment in Securities in the Other Countries (only for foreign company)

N/A



### 3. Driving Business for Sustainability

#### 3.1 Sustainability Management Policies and Goals

The Company is committed to conducting business with environmental and social responsibility, and respecting the human rights of all stakeholders, including in its supply chain, to help create a positive and sustainable impact on the economy, society, and the environment. The Company has developed its sustainability action policies according to international standards, such as the U.N. Universal Declaration of Human Rights, the ILO Core Conventions, the United Nations guidelines for Business and Human rights, the OECD guidelines for multinational enterprises, and the Sustainable Development Goals (SDGs) framework.

##### 3.1.1 Sustainability Management Goals

The Company’s main goals in implementing its sustainability policy are as follows:

- 1) To ensure that core business operations have a positive impact on the economy, society, and the environment
- 2) To maintain responsible and transparent business operations
- 3) To address identified sustainability issues throughout the Company’s business processes

The Company’s Sustainability Department helps achieve these goals that are consistent with the Company’s business direction and strategy. The Sustainability Department provides timely assessments of the risks and opportunities to business operations and impacts on stakeholders in economic, governance, social, and environmental issues. It also reviews and improves sustainability-related policies and practices, develops strategies and plans, and prepares

progress reports on the management of key sustainability issues, which are made available to stakeholders and the public. In all these processes, the Sustainability Department works with other relevant parties, such as enterprise risk management and external agencies specializing in human rights, sustainable supply chain management, and digital inclusion. When revisions to policies and guidelines are made, it will be reviewed and approved by relevant management and the Board of Directors respectively.

##### 3.1.2 Sustainability Management Strategies

In 2021, the Company developed a new sustainability strategy, “Responsible Business Conduct 2021-2023,” as the foundation of the Company’s strategic business action plan to build a modern organization to strengthen society.

Responsible Business Conduct 2021-2023 consists of seven pillars of operations:

- 1) Governance and compliance
- 2) Data privacy
- 3) Digital inclusion
- 4) Supply chain sustainability
- 5) Environmental management and climate change
- 6) Human rights
- 7) Employee wellbeing and safety in the workplace

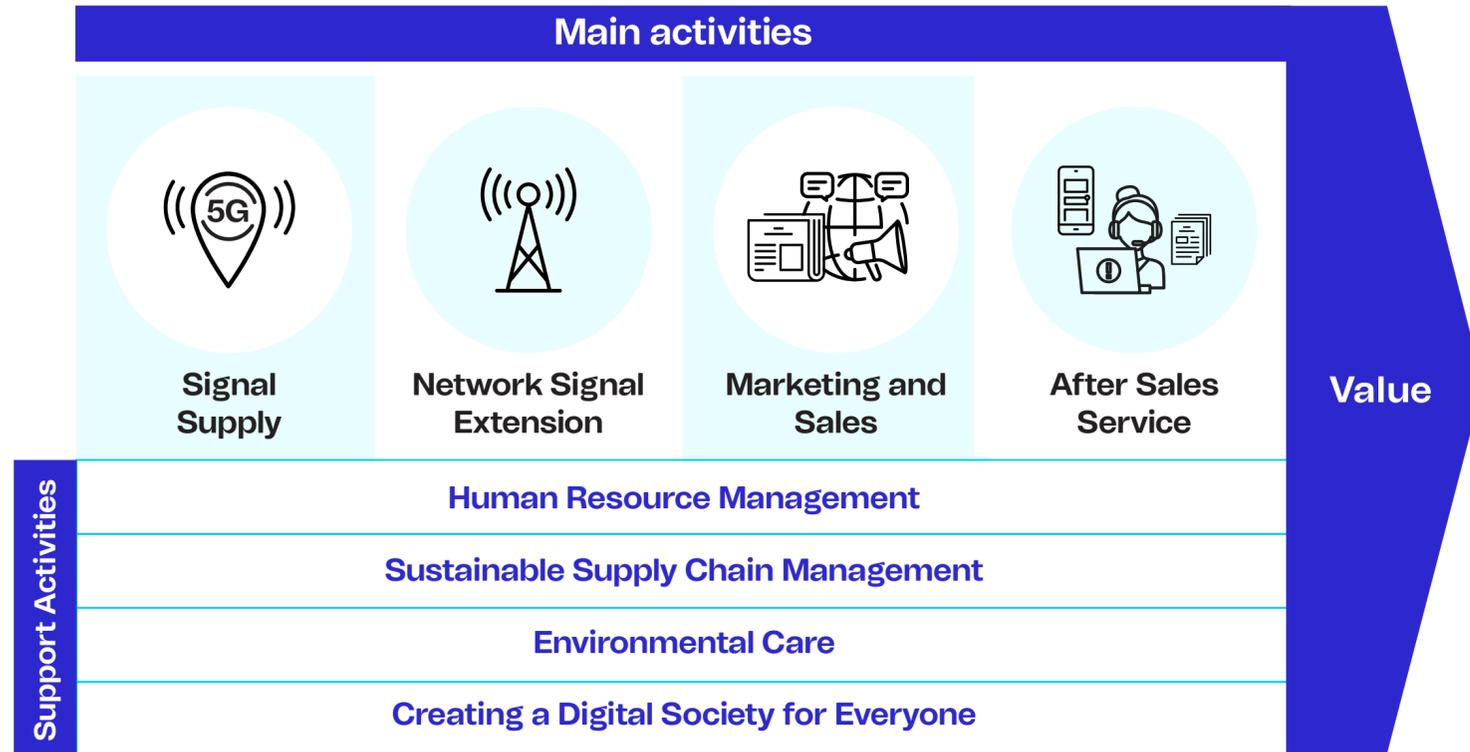
#### 3.2 Managing Impacts on Stakeholders in the Business Value Chain

##### 3.2.1 Business Value Chain

The Company’s main business is to provide signal networks for use in mobile communication equipment in Thailand, along with various value-added services that enable customers to access the products and services of partners through the Company’s signal network. In 2021, the Company formulated a strategic action plan focused on the continual expansion of signal network and service channels, providing products and services that meet the needs of different groups of customers, and pushing the organization to become more modern, with more agile and effective management. However, in 2021, the Company did not make any changes to business processes in its supply chain.



# Value Chain



### 3.2.2 Stakeholder Analysis in the Business Value Chain

To ensure that the Company’s business operations create value and benefit for the Thai economy and society, as per the principles of the sustainability policy, the Company has identified seven stakeholder groups in the organization’s operations: shareholders and investors, employees, communities and society, customers, trading partners, government agencies, and regulators. The Company has also defined the rights of each group of stakeholders.

The Company has developed a method for identifying stakeholder groups, starting with identifying business materiality and evaluating stakeholder groups directly and indirectly, both internally and externally. This is an important process that helps the Company build trust and stability for itself and its stakeholders. It also increases the Company’s long-term competitiveness by ensuring that each stakeholder group is treated appropriately.



## Shareholders and Investors

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"><li>Annual general meeting for shareholders</li><li>Teleconferences to report quarterly performances</li><li>Shareholder and investor roadshows or conferences</li><li>Investor meetings or teleconferences</li><li>Regular investor relations updates on the website</li><li>Communication with investors via phone and email on a regular basis</li></ul>	<ul style="list-style-type: none"><li>Equitable treatment of all shareholders</li><li>Accurate and timely disclosure of information through a variety of easy-to-access channels</li><li>Improving performance to generate profits for shareholders</li><li>Regular dividend payments</li></ul>	<ul style="list-style-type: none"><li>Compliance with the rules and guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission</li><li>Operate in accordance with good governance and social responsibility principles</li><li>Execution of dividend payments according to the policy</li><li>Various channels for information disclosure and communication with shareholders and investors</li><li>Participation in events such as roadshows or conferences to meet with both domestic and international investors</li></ul>	<ul style="list-style-type: none"><li>Organizing the annual general meeting of shareholders for the year 2021 on 26 March 2021</li><li>11 conference meetings and investor roadshows</li><li>Organizing investor meetings or teleconferences 10 times</li></ul>



Employees

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"> <li>Annual Employee Engagement Survey</li> <li>Biennial Corporate Culture Survey</li> <li>dtac People Council, re-elected every two years, to represent employees in different units, receiving opinions and concerns about benefits, safety, and work-life issues, to discuss with groups and find solutions on a monthly basis</li> <li>The Integrity Hotline for employees to make grievances if involving directly or indirectly incidents that violate the dtac Code of Conduct</li> <li>Opportunity to voice opinion and suggestions for business operations and other issues during employee town halls or other communication channels including the 'OpenTalk' (an internal online discussion board where employees can post questions, concerns, etc. to management anonymously)</li> </ul>	<ul style="list-style-type: none"> <li>Management and assistance during the COVID-19 pandemic</li> <li>Change management</li> <li>Developing the skills required for work and career advancement</li> <li>Efficient and fair performance appraisal system</li> <li>Compensation, welfare, and safety of employees</li> </ul>	<ul style="list-style-type: none"> <li>Communicating the Company's goals, strategies, and performance to employees at all levels</li> <li>Promoting the development of employees' skills and knowledge by providing suitable learning channels on a variety of topics</li> <li>Promoting career advancement for employees by developing effective performance appraisals, allowing employees to reflect on their abilities and create learning plans to gain the skills needed to reach professional goals, including the use of effective human resource planning and management tools</li> <li>Determining policies, strategies, and criteria for consideration in management compensation, welfare, and benefits under the law – or beyond what is required by law to compete in the market</li> <li>Compensating employees in a timely manner at a reasonable rate</li> <li>Election of the Employee Representative Council as a way to navigate issues between employees and the Company</li> <li>Strict operational controls in accordance with policies and practices related to health, welfare, safety, and the environment</li> </ul>	<ul style="list-style-type: none"> <li>The number of employees categorized in the 'Effective' (employees who feel committed to the organization and being enabled to contribute value to the organization) for 2021 is 79%</li> <li>100% of eligible employees entered the work evaluation process to determine compensation and adjustments</li> <li>Organizing the "40-Hour Challenge" campaign to encourage employees to develop their work potential in topics of their interest. In 2021, employees achieved the online learning at 78 hours on average per person</li> <li>The Employee Representative Council held 4 meetings with employees in different regions and worked with employer representatives to improve employee access to welfare</li> <li>Launched the 'Mission SAFE' project to cultivate the health and safety culture at workplace where employees have strong awareness and being proactive about reporting and improving the health and safety practice.</li> <li>Implemented activities to help employees stay safe and productive during the COVID-19 related lockdowns, e.g. vaccination program, care-package delivery and emergency support if COVID-19 infection.</li> </ul>



Community and Society

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"> <li>Field visits to discuss safety issues such as electromagnetic fields, tower construction, and other issues that the community is interested in, according to the Antenna Network Expansion Plan</li> <li>Implementation of the Smart Farmer project to empower farmers, generate income, and develop a sustainable quality of life</li> <li>Implementation of the Safe Internet project to create a safe ecosystem for children and young people on the Internet</li> <li>Organizing activities for civil society agencies, the education sector, and the mass media to exchange opinions on various issues related to sustainable development</li> <li>Participating in alliances or networks aimed at promoting sustainable economic, social, and environmental development</li> </ul>	<ul style="list-style-type: none"> <li>Participation and support to help alleviate challenges associated with the COVID-19 epidemic</li> <li>Various safety issues resulting from the organization’s operations, such as electromagnetic fields from signal towers and construction of signal towers</li> <li>Compliance with laws and regulations imposed by the government or relevant national and local authorities in community operations, such as the construction of cell towers</li> <li>Business operations that respect human rights</li> <li>Working with domestic and international civil society agencies on issues related to sustainable development and reducing inequality, and to address economic, social, and environmental concerns</li> <li>Contributing to economic and social development by using the Company’s expertise in digital technology, communications, and other areas to deliver benefits and value to the public and disadvantaged groups</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the Building Control Act (1979) and strict national and local government regulations to create an understanding and provide accurate information about electromagnetic fields, security, and other issues related to the construction of contract towers and network expansion</li> <li>Establishing an EMF Working Group to supervise the construction of towers and installation processes to ensure that all parties operate according to proper procedures</li> <li>Implementing the Smart Farmer project to empower smallholder farmers by increasing their access to and skills in digital technology</li> <li>Implementing the Safe Internet project aimed at making the Internet safe for Thai children and youth</li> <li>Assessing the impact of business operations on the environment</li> <li>Continuing to build relationships and networks with civil society, with a focus on agencies working on inequality and safety issues</li> </ul>	<ul style="list-style-type: none"> <li>Conducted a human rights due diligence in the business operations to identify potential risks and opportunities in respecting the human rights practice</li> <li>Cooperating with the Chaipattana Foundation and NECTEC-NSTDA to create an IoT solution to manage lingzhi mushroom greenhouses through a research and development project on highland agriculture by the Chaipattana Foundation, and to serve as a model for lingzhi mushroom farmers</li> <li>The Safe Internet program reached over 300,000 youth through activities such as the Young Safe Internet Leaders Camp and student training on online threats</li> <li>Reached over 400 small business owners and provided training about entrepreneurship and digital skills to help them increase income by 24% on average and quality of life</li> <li>Collected 176,907 kg. of e-waste for recycling, and 26,570 mobile devices and accessories for recycling or remarketing.</li> </ul>



Suppliers

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"> <li>Conduct an annual self-assessment questionnaire in at least 15% of suppliers to evaluate potential risks in the supply chain and to develop an engagement plan with suppliers.</li> <li>Conduct social and environmental risk assessment for every supplier with the goal of assessing all new suppliers</li> <li>Regular inspections, audits and site visits to suppliers' workplaces, including operational sites, e.g. cell towers, with a goal of 900 such visits in 2021</li> <li>Monthly meetings and workshops to inform suppliers and contractors about the Supplier Conduct Principles, with a goal of 3,500 hours of such activities in 2021</li> <li>Meetings for suppliers who provide cell tower maintenance services to inform them about safety, labor rights and other related issues, and to exchange ideas for a more efficient cooperation between the partners and the Company</li> <li>The Integrity Hotline for suppliers to make grievances if involving directly or indirectly incidents that violate the dtac Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Management and assistance during the COVID-19 pandemic</li> <li>Treating business partners with fairness and equality</li> <li>A fair and verifiable procurement process</li> <li>Confidentiality of commercial information, including about ideas and products</li> <li>Knowledge, understanding, and skills to follow supplier's business principles as required by the purchaser, such as safety, occupational health, labor standards, and anti-corruption policies</li> </ul>	<ul style="list-style-type: none"> <li>During the COVID-19 pandemic, online channels for work safety assessments and training sessions were used to ensure that suppliers and subcontractors continued to operate and comply with SCP.</li> <li>Compliance with the policy to treat business partners fairly and equitably</li> <li>Compliance with the written procurement policy ensuring it is easy to understand. Applying the same standard for business partners to provide confidence in the process of selecting partners and clarifying the competitive price policy</li> <li>Implementation of policies for partner companies to comply with SCP in matters such as labor, health, safety, security, the environment, and anti-corruption, with the Company's standards</li> <li>Operating with an emphasis on respecting intellectual property rights of business partners and others, with a policy for directors, service providers, employees, and other persons acting on behalf of the Company, to avoid infringement of the intellectual property rights of business partners and others as set out in dtac's good governance policy</li> <li>On-site visits to partner companies and regular questionnaires to raise business standards and create sustainable stability for trading partners</li> </ul>	<ul style="list-style-type: none"> <li>5,855 individuals from 55 suppliers attended workshops about operational safety and other topics in the SCP, accounting for 3,720 hours</li> <li>701 inspections conducted at suppliers' workplaces or operational sites for impact assessment, and 340 inspections conducted online, in areas of safety, labor rights, human rights, anti-corruption efforts, and environment.</li> <li>90 cases of major SCP non-conformities identified, and all cases were rectified. 115 cases of minor SCP non-conformities identified, and all cases were rectified.</li> </ul>



## Customers

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"> <li>• 400 service shops nationwide to receive customer contact via dtac halls and dtac centers</li> <li>• Conduct Network Net Promoter Score to assess customer experience and satisfaction</li> <li>• Conduct customer satisfaction surveys on services and staff after receiving services via dtac hall, dtac center, the call center lines 1678 and *777, dtac app, and other channels, to assess Customer Satisfaction Score (CSAT) with the goal of 95% in 2021.</li> <li>• 24-hour customer call center lines at 1678 and *777</li> <li>• Digital contact channels via the dtac app, <a href="http://www.dtac.co.th">www.dtac.co.th</a>, email, social media, e.g. Facebook, LINE, and other forums such as Pantip.com</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing service amid the COVID-19 epidemic</li> <li>• The quality of service and related employees, as well as the quality of the telephone signal in the use of voice and data services</li> <li>• Continual improvement of services through various channels to be efficient, fast, and meet user problems and needs</li> <li>• Package of a variety of products suitable for use in various forms at a fair price</li> <li>• Measures for the security of customers' personal information and non-infringement of customers' personal information</li> </ul>	<ul style="list-style-type: none"> <li>• Providing continuous service to customers and maintaining network and mobile signal amplification in preparation for Internet use at home during lockdowns and amid work-from-home arrangements</li> <li>• Following corporate policy for treating all customers fairly and equally based on respect and professionalism, as per the "Customer Centricity" principle</li> <li>• Strict compliance with the organization's policy on the protection of customers' personal information by requiring that operations related to personal data be carried out with caution and follow established procedures only. The processing of personal data is limited to the extent necessary for operating effective customer care and for operations related to commercial activities only with the customer's consent</li> <li>• System and service channels continually developed and improved for customers to provide efficient service and to solve problems quickly by incorporating customer satisfaction data and comments</li> <li>• Developing and empowering employees with the necessary skills to serve customers more effectively and quickly, especially in skills related to the use of Artificial Intelligence (AI) technologies, along with other skills such as increasing service mindset</li> </ul>	<ul style="list-style-type: none"> <li>• A survey of customer satisfaction with services and employees provided after receiving services through various channels using a Customer Satisfaction Score (CSAT) model of 41%. Customer satisfaction with service was 94%.</li> <li>• The number of complaints from customers on general matters decreased by 1%.</li> <li>• Assisting 19.6 million customers, both postpaid and prepaid, under the Happy@Home campaign</li> </ul>



Government Agencies

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"> <li>Participation in or promotion of activities organized by government agencies</li> <li>Meetings and discussions to fosters relations</li> <li>Open house events for visits by government agencies</li> <li>Representation in working committees as an expert and stakeholder of the telecommunications industry</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening and expanding relationships to maintain transparent relations at all levels to support the government to be more effective</li> <li>Supporting government operations as per Thailand 4.0 by leveraging the Company's expertise in digital technology</li> </ul>	<ul style="list-style-type: none"> <li>Followed the organization's policy to maintain cooperation and good relations between organizations</li> <li>Contributing to the formulation of public policies consistent with business and telecommunications industry issues</li> <li>Supporting the government's creation of Thailand 4.0 by including policies related to the use of digital technology. Increasing efficiency in public services and policies related to equal access to technology to generate income and improve quality of life through the Internet Volunteer Project</li> </ul>	<p>Provided support to the government's COVID-19 related emergency response and relief programs with the following key projects:</p> <ul style="list-style-type: none"> <li>Collaborated with the Office of National Broadcasting and Telecommunications Commission (NBTC) to deploy technological equipment and services to field hospitals nationwide</li> <li>Supported the Ministry of Public Health (MOPH) and the Ministry of Transportation to establish Central Vaccination Center at Bangsue Grand Station</li> <li>Provided support to the Thai Ruam Jai 1516 call center as a part of the Thai Ruam Jai COVID-19 Vaccination program implemented by BMA</li> <li>Providing Communication Equipment (e.g. dtac@Home, SIM cards mobile devices, etc.) to support the Home Isolation &amp; Community Isolation (HICI) and the Emergency Operation Center (EOC) with BMA and MOPH</li> </ul>



Regulators

Communication Format / Number of Times / Frequency	Expectations / Concerns	Treatment of Stakeholders	Achievements
<ul style="list-style-type: none"><li>Propose drafting of regulations based on Best Practices</li><li>Meeting with regulatory agencies to provide opinions or suggestions pertaining to regulatory impact on business operations</li><li>Participation in working group on important regulations design</li><li>Participation in significant regulatory designing processes from input proposals, working group meetings and public hearings</li></ul>	<ul style="list-style-type: none"><li>Conducting business in a way that strictly complies with regulatory compliance rules</li><li>Preparing reports on performance and business operations, as information for regulators to use in planning and creating regulatory impacts</li><li>Providing regulatory information in cases where regulations have had a negative impact on the provision of services</li></ul>	<ul style="list-style-type: none"><li>Followed the policies of regulators and other government agencies to improve communication</li><li>Cooperating with regulators to provide assistance in the event of emergencies and disasters</li><li>Cooperating with regulators to prepare communication devices to support important ceremonies</li></ul>	<ul style="list-style-type: none"><li>Acquired IoT Service License</li><li>Acquired Colocation Service License</li><li>Acquired Resale of Internet Service License</li><li>NBTC's approval on 2G migration from 1800MHz to 900MHz</li><li>Obtained NBTC's approval on e-KYC for e-SIM</li></ul>



### 3.3 Sustainability Management in Environmental Dimensions

#### 3.3.1 Environmental Policies and Practices

Environmental stewardship is one of the Company’s main principles of responsible business conduct and a central part of our sustainability policies. It is applied to the Company’s business processes and to all eight affiliates (see list of affiliates on page 32)

In 2021, the Company reviewed and improved its policies and practices in environmental stewardship in order to cover more of the Company’s business processes. We focused on reducing risks that lead to negative environmental impacts in the long term, thus creating opportunities for sustainable environmental stewardship, as well as on expanding these policies and practices to our stakeholders, including business partners and suppliers. Moreover, we made climate change part of our sustainability policies, managed under the “Responsible Business Conduct 2021-2023” strategy framework, since it affects the Company’s business processes, both directly and indirectly. Our stakeholders also attach great importance to the issue of climate change.

Our sustainability policies related to environmental stewardship and climate change mitigation include the following:

- Measures to reduce greenhouse gas emissions throughout business process, including reducing energy consumption. We will increase the use of renewable energy by using solar energy instead of fossil fuels, as well as low-carbon technology solutions in our management processes, including renewable energy vehicles.
- Principles and measures to mitigate environmental impacts as part of the criteria for selecting and assessing affiliates and suppliers in the Company’s supply chain management processes.
- Assessing environmental risks that may have negative impacts on the Company’s business processes, especially natural disasters as a result of climate change, as well as regularly developing new strategies to prevent losses and reduce potential risks.
- Efficient waste management to reduce waste, especially electronic waste, which must be recycled or disposed of properly in an eco-friendly manner.
- Providing a practical manual for tasks related to the use of chemicals, including in transportation, storage, and operations, such as measures to reduce the use of harmful chemicals in business processes.

- Measures to reduce the use of natural resources, including water and forests, for business processes.
- Developing the Environment Management System (EMS) in accordance with ISO 14001 to create plans and monitor the Company’s environmental performance. Also, the Company’s environmental performance and climate change mitigation work must be reported to the executives and board of directors at least once a year.
- Preparing environmental and climate change mitigation data to report to the Company’s internal and external stakeholders.

#### 3.3.2 Environmental Performance

In 2021, the Company’s environmental performance was, as follows:

##### Water Management

The Company complied with the Water Resources Act B.E. 2018 under which we are allowed to use public water resources at special rates defined by law. We also installed tools to measure and assess our water consumption and to collect usage data as required by law.

The Company considers the use of water resources in our business processes as not a significant issue. However, to support U.N. Sustainable Development Goal 6, “Clean Water and Sanitation for All,” the Company promotes and raises awareness about the efficient use of water resources within the organization and aims to reduce its consumption by 10% compared to the previous year.

##### Water Consumption

The Company collects water consumption data from the following:

- 13 facilities, including headquarters, regional offices, core network centers and a warehouse
- 280 dtac halls and customer service centers
- 2 dtac call centers

Water Consumption (cubic meters)			
2018	2019	2020	2021*
65,294.49	64,520.22	52,779.75	38,440.50

\*data from January – September 2021



## Waste Management

The Company realizes that waste production is inevitable in any business process and that it potentially affects the environment and may put the Company at risk of violating laws related to waste disposal. As such, the Company addresses waste management in its sustainability policies.

In assessing its potential environmental impact risks, the Company found that electronic waste and solid waste were significant issues in environmental stewardship. In response, the Company initiated in 2020 the "Think Hai D" campaign, which aims to create efficient waste management processes and achieve zero-landfill waste for both types of waste by the year 2022, with operational details as follows:

### 1) Electronic Waste

Electronic waste management is a significant environmental issue for the Company as it generates a high volume of e-waste compared to other industries. This comes from three main business processes: cell

tower networks, offices, and service centers. These are considered hazardous waste since they contain toxic and potentially pathogenic substances. However, e-waste management laws are not yet seriously enforced. Improper and inefficient management or disposal of electronic waste can negatively impact the environment, the ecosystem, people's health, and lead to global warming. For example, the black smoke caused by burning electronic waste rises up and pollutes the atmosphere, and chemicals from electronic waste erode the soil and contaminate groundwater, causing harm to both people and animals and their ecosystems.

The Company has implemented efficient electronic waste management to reduce its environmental impact, and has established criteria for selecting providers for sorting, recycling, and remarketing. Additionally, electronic waste management is enforced throughout the organization by the Sustainability Agency and Procurement Agency for all departments that generate e-waste. This ensures that all e-waste

generated by dtac is properly collected, transported, sorted, and recycled by service providers licensed by the Department of Industrial Works, with a focus on zero-landfill waste.

In addition to environmental management in our internal business processes, the Company has also expanded its external e-waste management under the "Think Hai D" campaign. We collect electronic waste, including mobile phone waste, dead batteries, and any unused accessories from customers, and recycle them in order to not adversely affect the environment. Moreover, the Company has also distributed "Think Hai D" bins at 51 dtac halls nationwide, and at various pickup points for the Company's partners and alliances. This electronic waste is sorted, stored, disposed of, or recycled. For example, we extract the valuable metals, which helps conserve natural resources instead of extracting them anew from mining. It also helps reduce our carbon footprint. Recycling one mobile phone reduces the carbon footprint by up to 12.585 Kg.CO<sub>2</sub>e.

In 2021, the Company collected 184,218.12 kg of electronic waste. Of the total, 176,907 kg came from the network and other parts of business operations, which was recycled by a certified service provider licensed by the Department of Industrial Works. The remaining of 7,311.12 kg came from 26,570 pieces of mobile devices, accessories and small IT devices collected from the Think Hai D bins. These used devices were remarketed and recycled. This led us to achieve our zero-landfill waste goal.

### 2) Municipal Waste

The Company is concerned about municipal waste management, which has become a significant environmental issue with up to 281 tonnes, or 37 kg, of solid waste per employee produced by our regional headquarters and offices in 2019. Also, the Company previously had no effective management protocol for such waste. The Company set a goal to reduce the solid waste generated from our offices by 40% in 2021, so there would be no landfill waste generated by the Company's business processes by 2022. We seek to improve our criteria for selecting waste disposal



service providers with the potential to effectively achieve zero-landfill waste through their waste disposal processes, and we continue to educate our employees on waste separation.

Waste types	2020		2021	
	Collected amount (kg)	Disposal methods	Collected amount (kg)	Disposal methods
General waste	164,667.80	Landfill, 100%	127,066.40	Landfill, 100%
Food waste	806	Livestock feeding production, 100%	55.2	Livestock feeding production, 100%
Paper waste	2,472	Recycling, 100%	813.70	Recycling, 100%
Recyclable waste	3,764	Recycling, 100%	708	Recycling, 100%
Waste for refuse-derived fuel	306	Refuse-Derived Fuel production, 100%	0	Refuse-Derived Fuel production, 100%

### Energy Management

Energy consumption is an essential part of the Company's business operations and it is considered an operating cost, especially electricity usage to manage our signal networks that provide service to customers and consumers without interruption. However, the Company realizes that such use of energy affects the environment. Therefore, effective management is required to comply with our sustainability policies on environmental stewardship. We also express our commitment to support U.N. Sustainable Development Goal 12: "Responsible Consumption and Production."

### Internal Energy Consumption Data

Power types	Energy Consumption (Gigajoule)	
	2020	2021
<b>Energy from non-renewable sources</b>		
Energy from petroleum (gasoline, diesel)*	87,919	40,765
<b>Energy from renewable sources</b>		
Energy from solar power	216	324
<b>Other types of energy</b>		
Electricity consumption**	2,639,948	3,056,909
<b>Total energy consumption in the organization</b>	<b>2,728,083</b>	<b>3,097,998</b>

\*data comes from amount of fuel used in the Company's vehicles and electricity generators.

\*\*data comes from electricity consumption in the network, core network centers, data centers and customer service centers.

The Company's high use of electricity is significant compared to other energy sources. Using energy from unsustainable sources produces more greenhouse gas emissions and has a greater impact on climate change. The Company aims to reduce its use of electricity from unsustainable sources and to use more renewable energy in the business processes. The Company has set a long-term goal to increase use of renewable energy in the business operations and to reduce greenhouse gas emissions by 50% by 2030. In 2021, the Company has implemented energy efficiency measures to achieve the goal as follows:



### 1) Electrical Use for Signal Networks and Data Centers

The Company in the short-term aims to increase energy efficiency by reducing electricity consumption in the network, core network centers and data centers by 25,000 gigajoules. Below is the activities and results.

Electrical energy-saving activities	Reduced amount after the operation (gigajoules)	Results (percent)
Changed equipment and implemented more energy-efficient solutions	13,099	51%
Scaled office space and installed insulation to save on energy for air conditioners	4,094	16%
Replaced the traditional air-conditioner with the Air Inverter system	7,604	30%
Installed solar-power systems for signal networks and data centers	657.9	3%

### 2) Electricity Use in Company Offices

Although electricity consumption in all offices is considerably less than for the network, the Company aims to reduce electricity consumption in all offices to comply with its environmental sustainability policies, including in its two call centers and one warehouse, totaling 10% per year compared to the previous year.

#### Climate Change Impact Management

In 2021, the Company included climate change as part of its sustainability policies and prepared "Strategies for Climate Change Mitigation" as a management framework under the "Responsible Business Conduct 2021-2023" strategy. The Company set a long-term goal to reduce greenhouse gas emissions in its business processes by 50% by 2030, using greenhouse gas emission data from 2019 as the base year. This illustrates the Company's commitment to support the Paris Agreement goals under the United Nations Framework Convention on Climate Change to control global temperature rise, and the Thai government's goal to reduce national greenhouse gas emissions by 20% by 2030.

#### Climate Change Risk Management

The Company participated in a climate change risk assessment with the Telenor Group by implementing the Task Force on Climate-related Financial Disclosures (TCFD) framework. The assessment consists of physical risks and transition risks in the following areas:

- Physical risks refer to the risks directly impacted by climate change to business operations, including heavy rains, tropical cyclones, lightning, floods, droughts, heat waves, sea levels, airborne water phenomena, and changes in temperature.
- Transition risks refer to the risks that may be caused by changes in policies, laws, regulations, technologies, market demand supply of renewable energy, consumer behavior, and population and migration.

The assessment covers short-term risks (2020-2025), medium-term risks (2025-2035), and long-term risks (2035-2050). The Company has selected scenarios to assess both physical and transitional risks at three levels, as follows:

- Scenario 1** – Strong mitigation scenario
- Scenario 2** – Delayed and disorderly scenario
- Scenario 3** – Business-as-usual scenario

The Company set the assessment at medium-term (2030), and referred to data based on projections of action trends on global climate change mitigation. This leads to Scenario 1 and Scenario 2, with results as follows:

Situation	Period	Physical risks	Transition risks
Strong mitigation scenario	Medium-term	Medium	Medium
	Long-term	Medium	High
Delayed and disorderly scenario	Medium-term	Medium	Low
	Long-term	High	High
Business-as-usual scenario	Medium-term	High	Low
	Long-term	Very high	Low



The results of this risk assessment indicate that the Company needs guidelines to reduce the level of risk and severity of potential impacts on business operations. In addition, the Company has made plans to achieve these policies and goals in the next year, and has specified guidelines as part of its environmental sustainability policies, as follows:

- Apply proactive operations to increase the use of renewable energy in business processes and replace unsustainable energy sources.
- Initiate and develop a Power Purchase Agreement (PPA) with producers or providers of renewable energy in the long term.
- Promote and support suppliers in their supply chains to have goals, measures, or programs that reduce climate change impacts on their business operations.
- Regularly assess situations related to climate change impacts to identify risks to the business, and make plans to deal with such impacts, such as population migration resulting from disasters or conflicts, etc.

### The Company's Carbon Footprint for Organization (CFO)

The Company has prepared a greenhouse gas emissions report for analyzing and monitoring the Company's greenhouse gas emission reduction performance to comply with its environmental sustainability policies. This includes collecting and calculating data from the Company's business operations and all eight affiliates under the Company's operational control.

### 2021 CFO\*

	Emission Amount	Emission Activities in the Business Operations
Scope 1	10,688 tCO2e (1.89%)	Use of the Company's vehicles, and fuel in the electricity generators placed at network towers, etc.
Scope 2	463,111 tCO2e (81.76%)	Use of purchased electricity in the network, core network centers, data centers, headquarters, regional offices and customer service centers, etc.
Scope 3	92,604 tCO2e (16.35%)	Employees' transportations with vehicles that are not related to the Company, use of purchased energy in the supply chain, use of computer network, software, and the Company's waste management, etc.
<b>Total</b>	<b>556,403 tCO2e</b>	

\*2021 CFO data calculation is being audited by a third-party. Please visit the Company's Sustainability website for further detail about the quality assurance.

### 2020 CFO

The total CFO in 2020 is 412,516 tCO2e, in Scope 1 and Scope 2, covering headquarters, regional offices, the network, core network centers and data centers. This excludes customer service centers. The data audit and assurance was conducted by the Thailand Greenhouse Gas Management Organization (TGO).

### 2021 CFO

The total CFO in 2019 is 353,319 tCO2e, in Scope 1 and Scope 2. Data came from internal collection and might not cover the entire business operations. There was no audit and assurance conducted by a certified third-party.



### 3.4 Social Dimension

#### 3.4.1 Social Policies and Practices

The Company aims to create shared value in economic and social development with stakeholders, and works to translate respect for human rights and digital inclusion into programs and initiatives.

#### 3.4.2 Social Activities

In 2021, the Company operated according to the Social Sustainability Policy and achieved the following results:

#### Human Rights

The Company is committed to respecting human rights as set out in the U.N. Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and Children's Rights and Business Principles, all of which build on the U.N. Bill of Human Rights.

The Company performs due diligence to identify and address human rights challenges. This requires a long-term perspective, continuous improvement, and stakeholder dialogue. The Company conducts human rights due diligence every other year and regularly provides training to employees on the human right issues relevant to their scope of work.

#### Employees

The Company has developed a People Policy by applying the International Labour Organization's Eight Fundamental Conventions. Key practices in the policy include:

- The Company shall not employ or contract child labor in permanent or fixed-term positions.
- The Company shall not practice forced labor or labor in exchange for payment of debt. Any employee shall be free to leave employment after giving reasonable notice.
- The Company respects the right to freedom of association and collective bargaining, and allows employees to elect representatives to protect their rights and benefits.
- The Company shall not discriminate against employee representatives on the dtac People Council, which is established in accordance with national law and regulations.
- The Company shall ensure appropriate working hours in compliance with applicable laws. Employees receive adequate time for recreation and recovery.

The Company ensures equality in recruitment and in overall human resource management. The recruitment and employment process must be transparent, free from discrimination, and fair to all applicants as stipulated in the dtac Code of Conduct. The recruitment process must lead to diversity and comply with applicable laws. Recruitment must be based on work experience and abilities, and a demonstration of attitude and qualities in line with company values, missions, and goals. Employees must have access to

all available opportunities for career advancement and receive fair performance evaluations.

In terms of employee care and labor, the Company has the following key employee operations:

#### 1) Health, Safety, and Work Environment

In 2021, the Company continued to be affected by the coronavirus (COVID-19) outbreak, especially in employee care. The Company continued to implement a work-from-home policy to reduce the risk of exposure to the virus while promoting a new way of working. Tight-Loose-Tight is working in a flexible, safe, and healthy manner, while also working efficiently. The Company also undertook other activities to reduce risks and mitigate the impact of COVID-19.

- Facilitate access to COVID-19 vaccines to employees, enabling 99% of employees to receive the vaccine by 2021.
- Provide virus protection items such as masks and alcohol gel, and establish heightened cleaning procedures at Company service centers.
- Optimize workspaces and add office equipment to maintain social distancing and minimize physical contact.
- Assist staff infected with COVID-19, such as by providing RT-PCR Kits for re-examination and arranging self-care kits during home isolation and transport to hospitals.

- Promote good physical and mental wellbeing for employees, such as providing a hotline to consult with a psychologist, an open communication channel for expressing opinions and complaints (OpenTalk), as well as recreational activities to relax from work and promote work-life balance for employees.

In addition to caring for employees during the pandemic, the Company also initiated the Mission SAFE program, which aims to raise awareness, knowledge, and behavior modification related to safety, occupational health, and a good working environment, promoting a healthy and safe culture. Mission SAFE projects were divided into three phases:

- **Phase 1** – Raising awareness about occupational safety and health across the organization with Tone-from-the-Top communications, and building skills for supervisors to promote safety awareness and behaviors among staff.
- **Phase 2** – Create and modify employee behavior to proactively promote occupational safety and health. Also, report any events that may have caused accidents, injuries, or losses. The Company has established a system for reporting incidents that employees and suppliers encounter or that require remedial action. The system tracks the progress of remediation by relevant authorities until complete.
- **Phase 3** – Training to develop knowledge and skills for specific tasks with high occupational safety and health risks. The Company has



started training on safe driving for employees who operate vehicles, such as those in mobile sales and distribution. The Company aims to provide safe driving training for 99% of employees in this group each quarter.

In 2021, there were no significant health and safety incidents in employees. This brought the Lost-Time Injuries Frequency: LTIF and the Lost-Time Injury Close-Out rates are zero.

## 2) Employee Training

The Company has run the 40-Hour Challenge for three straight years. This program encourages employees to learn, review, and enhance their skills online for at least 40 hours. Each employee can choose from courses or content that are interesting and useful for their work from the dtac Academy and from leading online learning platforms such as LinkedIn Learning and Coursera. In 2021, 3,211 employees attended online classes for a total of 234,368 hours, or approximately 78.21 hours per employee.

## 3) Employee Engagement Survey

The Company organizes an Employee Engagement Survey once a year. In 2021, 2,739 employees participated in the assessment, representing 97% of the total workforce. 79% of employees felt 'Effective', or feel committed and enabled to be productive and engaged with the Company.

## Customers

dtac's customers are among the Company's most important stakeholder groups. The Company always seeks to ensure that its customers are satisfied and have the best experience possible from dtac's services. Customer feedback helps the Company develop new solutions, decide where to invest, and plan durable developments to bring value to customers and business operations.

The Company makes substantial efforts to understand its customers' needs through research, surveys, and other engagement channels. The Company has also created a special team to turn every customer complaint into an opportunity for improvement.

The Company takes customers' personal data privacy seriously in its business operations to ensure trust and the protection of customers' rights. The Company is committed to following data protection guidelines that meet international standards, and it requires all employees to prioritize the security of customers' personal data. The Company seeks to ensure continuous improvements in service quality and personal data security.

### 1) Customers' Personal Data Protection

The Company took steps to ensure that the personal data protection practice was in line with the Personal Data Protection Act B.E. 2562 (2019), which will be fully enforced beginning in 2022. The Company strengthened the customer personal data security process in compliance with the Personal Data Protection Act B.E. 2562 (2019) with a focus on the following areas:

- Customer engagement process improvement
- Business partners engagement process improvement
- Cybersecurity improvement
- Data privacy process assessment approach to ensure transparency and use of personal data in a law-compliant manner
- Consent and data life cycle planning and implementation

The Company issued the dtac Privacy Policy to ensure the protection of customers' personal data and maintain compliance with laws and standards. The Customers' Personal Data Protection Unit was established to enforce the policy, educate employees, monitor risks, and assess impacts as well as to improve customers' personal data protection processes in order to remain up-to-date and address emerging risks.

In 2021, the Company received 9 complaints about personal data protection and all were investigated and managed. The Company also offered training for more than 1,000 employees whose work is related to customer personal data and who may have accessed customer personal data improperly per the Code.

### 2) Customers' Rights Protection through the Authority Request Assessment Process

The Company has established and strictly enforces an assessment process when receiving an order from a government authority, based on Thai laws and international human rights principles. Before taking any action on an order, the Company ensures that there

is legal basis, conducts an assessment of necessity, proportionality and human rights impact, and ensures corresponding documentation.

In 2021, the Company received requests from authorities per details below:

- More than 10,000 requests to access personal information
- 221 requests to block access to online content
- No request to shutdown network
- 4 requests to disseminate public information

## Community and Society

The Company defines community and society as those who are impacted by the business's operations, from landowners where dtac's base station towers are installed to general mobile technology users.

### 1) Responsible Network Expansion

Building base stations requires dtac to work closely with local people in various communities around Thailand. dtac is mindful of receiving input from communities and ensures that their primary concerns – fair treatment, safety, and legal compliance – are adequately addressed.

The Company provides direct communication channels for landowners to access its Site Management Team. The Company also has an Electromagnetic Field (EMF) Working Team to create awareness about the safety of electromagnetic fields, which is a concern in some communities.



The Company adheres to the Land Registration Act B.E. 2522 (1979), the Office of the National Broadcasting and Telecommunications Commission BTS Guideline, and local rules and requirements applicable in each location. The Legal Department examines all contracts made with landowners to ensure compliance with laws and regulations.

## 2) Digital Inclusion

Creating a digital society for all is a long-term corporate sustainability initiative and one of the key themes in our Responsible Business Strategy 2021-2023. The Company sees an opportunity to be an “accelerator” of digital equality in society, and it has made the pursuit of a “digital society for all” part of its Responsible Business Strategy 2021-2023.

The Company has defined the elements of creating a digital society for everyone according to measures established by the National Digital Inclusion agency in the United States. The Company seeks to cover all dimensions of access to digital technology, including the following five elements:

- Ability to access the Internet
- Various mobile devices that can connect to the Internet
- Ability to access Internet skills as needed, from basic to advanced levels
- Ability to access technological support when needed
- Some applications empower everyone to

participate in a safe and meaningful online world

### Net For Living Project

Net For Living is part of a volunteer network project the Company has been operating since 2014. The objective is to increase knowledge and skills related to the Internet and improve digital tools among vulnerable groups, such as the elderly, youth, former prisoners, and ethnic groups. It also focuses on developing vulnerable individuals into small-scale entrepreneurs, so they can earn more income and improve their quality of life. This differs from former efforts that only promoted basic Internet access and skills.

In 2021, the Company worked to increase digital skills for vulnerable groups in partnerships with agencies such as the Digital Economy Promotion Agency (depa), the Thai Internet Foundation, and Young Happy Co., Ltd. Together they organized training activities that increased digital and online marketing skills for small entrepreneurs in five provinces. The training program reached to 400 participants, of which 250 were elderly people. Project achievement measurements included the following:

- Those who participated in the program increased income by 24% on average. This resulted from higher capabilities to reach to customers directly and to expand sale channels. On average, the participants could increase number of regular customers by 50%.

- Participants increased their digital skills:
  - Social media skills increased by 51%
  - E-Commerce skills increased by 56%
  - Skills in creating online commercial content increased by 30%
  - Skills in use of marketing tools increased by 30%
- Participants increased their confidence in doing business by 36%.

### Smart Farmer Project

The Company is committed to using digital technology to help solve problems in Thai society. Farmers are one group the Company prioritizes. They make up 30% of the country’s population but create economic value of about 10% of gross domestic product (GDP), according to Bank of Thailand data. This figure reflects the productivity of the Thai agricultural sector, which lacks technological integration. The Company has been working on the Smart Farmer project for over 12 years to develop technology aimed at raising the efficiency of smallholder farmers. In 2021, the Company carried out various projects and activities to advance Thai farmers’ productivity, as follows:

#### 1) Samnuek Rakbankerd Farmer Award Program

This continuation of the Samnuek Rakbankerd Farmer Award Program develops community leaders with a determination to raise awareness about the development of the homeland by youth. It is led by Mr. Boonchai Bencharongkul, the founder. Its purpose is to identify, support, and honor farmers

with the potential to serve as role models for modern farmers, and who have a systematic way of thinking and an ability to apply successful models to achieve better results and adapt to current trends and changes. They are generally self-reliant and ready to strengthen the community sustainably.

The 13<sup>th</sup> Samnuek Rakbankerd Farmer selection for 2021 was organized under the concept of “Creative Farmers, Happy Forever.” It aimed to find farmers with successful practices in organic agriculture, by using unique approaches to develop and add value to their produce, and to improve sustainability and quality of life in society. This is in line with the government’s policy on the Bio-Circular-Green Economy (BCG). The winners of the Samnuek Rakbankerd Farmer Award winners included:

- **First Prize** – Narathip Phumthawon, a farmer from Nachayada Crab Farm, Sukhothai. This farmer used his passion to build an organic crab business.
- **1<sup>st</sup> Runner** - Up Award - Jiraphat Khadiwi, a farmer from Saenbun Farm, Kalasin Province. An engineer-turned-farmer who produces agricultural products, exporting lettuce, herbal shrimp paste, and giant freshwater prawns.
- **2<sup>nd</sup> Runner** - Up Award - Thanawat Manowachirasan, a farmer from Ban Mae Garden, Phang Nga Province. This farmer realized his mother’s dream, combining age-old wisdom with new technology to create an organic mangosteen export business.



## 2) Lingzhi Mushroom Cultivation Support Project

The Company promotes research in agricultural technology and supports the “Highland Agricultural Research and Development Project: A Case Study of Lingzhi” with Chaiphattana Foundation and NECTEC at Pong Nam Ron Subdistrict, Fang District, Chiang Mai. This is a continuation of the Accurate Farm Project that the Company implemented in 2017. It aims to develop and promote the use of Internet of Things (IoT) technology in agricultural management for small farmers. The three partners in the working group research applications for IoT technology, sensor devices, and measurement instruments to increase the yield of lingzhi in greenhouses outside of the mushroom cultivation season (December - February). These mushrooms like hot and humid conditions between 25-28 degrees Celsius. Lingzhi is a high-value cash crop for export. Lingzhi products include spores and mushrooms. It is widely used in dietary supplements and health products. Lingzhi also has medicinal properties. Both spores and the mushroom’s flesh can be used as medicinal ingredients. In Thailand, most farmers grow lingzhi mushrooms that, when dried, can be sold for 2,000 baht per kilogram. The price of dried spores that have been cleaned and tested for important applications is 15,000 baht per kilogram.

In 2021, 5G technology at 700 MHz was applied to all IoT control devices, which managed the environment in the lingzhi hut in real-time through the Company’s Smart Farmer application. This allows farmers to read displayed values and control their work from outside the house, thus reducing the potential for external

contamination and improving the quality of the produce. Lingzhi can grow in a normal manner, according to set goals. Environmental data from the experimental production of lingzhi in both normal and off-season cultivation can also be used in academic databases, providing knowledge that farmers can apply in the production of lingzhi by controlling the environment both in and out of season. This helps to create and support jobs, careers, and profits.

On March 23, 2021, the Company, led by Mr. Boonchai Bencharongkul, Chair of the Board of Directors, and Mr. Prathet Tankuranun, Chief Technology Officer, presented the project’s progress report to Her Royal Highness Princess Maha Chakri Sirindhorn, Honorary Prime Minister and Chairperson of the Chaiphattana Foundation. This is one of the Company’s 5G Use Cases demonstrating the use of 5G technology in the agricultural industry.

## 3) KasetGO Project

In 2020, the Company partnered with Yara (Thailand) Co., Ltd. to develop the KasetGO application, an online platform to educate Thai farmers on agriculture and help them communicate with experts who provide practical advice for farmers. The platform seeks to improve the quality of cultivation and production so that it meets standards according to market demand, and leads to the creation of a network of farmers to further develop knowledge in the agro-industry. The KasetGO project is a continuation of the Smart Farmer project. Over the past 10 years, the Company has seen many changes in farmers’ needs and found

that farmers have basic technology skills, access to mobile devices, and can access information and knowledge that are useful for cultivation and market expansion.

In 2021, the Company conducted a study to improve the development of KasetGO programs to address more comprehensive challenges in the agricultural industry, such as polls on industry-related issues, to determine the direction of Thai agriculture, including identifying trends, problems, and opportunities, and also to explore demand. It found that farmers want to increase distribution channels and reach customers within certain distribution areas. The Company has developed a Marketplace section in the application to provide a space for farmers to present their raw materials, produce, and goods, and to allow trading with other members. In addition, a precision weather forecast function has been added. It uses advanced processing technology and data from multiple sources to achieve high accuracy forecasts compared to data from other systems. Currently, there are about 536,000 users of the application.

The Company promotes application development projects as part of its business strategy. However, 2021 was a period to test various functions in the application while studying user behavior, and some parts need to be improved to increase their efficiency. As such, these innovations generated no revenue in 2021.

## Safe Internet Project

As Thailand’s key telecom operator, the Company is part of the Internet ecosystem and should play a key role in building a safer Internet for children and young people. Therefore, the Company introduced the Safe Internet project in 2016, with the goal of building skills and immunity for children and youth to surf the on-line world safely, appropriately, and creatively. The Company operates under a framework divided into three levels, as follows:

- **Phase 1 – Knowledge Management in Child Online Safety**

The Company aims to build knowledge management that provides information and studies on child online safety and digital resilience through partnerships with academics and practitioners.

- **Phase 2 – Awareness and Capacity Building for Teachers and Parents**

The Company aims to provide online and on-ground learning programs to increase online-risk awareness and digital resilience in children and youth. The Company also aims to provide teaching tools and materials to help teachers, parents, and practitioners increase children’s digital resilience and digital skills.



- **Phase 3 – Disseminating Knowledge Through Public Communication and Supporting Policy Movement**

The Company aims to leverage experience and resources in child online safety and digital resilience to support national policy and guideline development to bring long-term and wide-scale benefits to the country.

In 2021, the Company was able to reach over 300,000 youth in the 13–18 age group through the following activities:

**1) Young Safe Internet Cybercamp Project Season 3**

The Company joined forces with Plan International Thailand to organize an online camp that opens up a world of knowledge and digital immunity for youth at the secondary school level, and provide relevant digital mentoring skills for teachers or parents to support or help children apply the knowledge gained from the camp to cultivate ideas and develop innovations that help solve problems facing youths in the online world. Participants reported to increase their knowledge, attitudes, and behaviors about online threats from 34.38% to 68.42% after participating in the cybercamp program. They have realized their strength and leadership to solve problems and drive for changes. There were more than 50 project ideas proposed and implemented with support from the cybercamp program.

**2) Activity: #StopCyberbullyingInOurGeneration**

The Company organized the #StopCyberbullyingInOurGeneration activity to raise awareness, share knowledge, and seek to influence policy. The activities, part of the Company’s ongoing cyber bullying program, are held on the third Friday in June each year, which is “World Stop Cyberbullying Day.” The Company has developed an online brainstorming platform that features a safe place to express ideas using the concept of Design Thinking. It combines this with online crowdsourcing technology, including a space for youth to exchange ideas for 72 hours, and reached a target audience of more than 1.44 million people. It generated more than 700 proposals for cyberbullying solutions and ideas, and was presented to government agencies and organizations that work to stop cyberbullying. This project is a collaboration between the private sector, education agencies, and civil society, including the Faculty of Economics at Chulalongkorn University, the Children and Youth Council of Thailand, Punch Up Co. Ltd., and Glow Story Co. Ltd.

**3) Student Training Activity**

The Company organized training to enhance digital resilience for students and teachers by developing tools and modifying models in conjunction with various networks to suit target groups and teach management styles in each area, either in the form of direct training in schools or through online training through the “Smart Teachers, Smart Students” e-learning system, and via [www.SafeInternetForKid.com](http://www.SafeInternetForKid.com). This includes creating teaching materials or activities such as short

films and board games that teachers can bring into the classroom, and organizing training activities to create interesting new learning styles, such as the Safe Internet Game Night Competition.

**Governance**

The Company adheres to the principles of corporate governance for listed companies established by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand. The principles have been reviewed and amended in compliance with the ASEAN Scorecard.

The Company has issued and enforced policies, strategies, and principles of corporate governance through the organization’s management committee structure, which consists of the Board of Directors, Subcommittees, Internal, and management audits. The Chief Executive Officer leads the evaluation processes on policy implementation and regulatory documents at all levels. The CEO is required to report to the Board of Directors at least once a year.

**dtac Code of Conduct and Compliance**

The Company has published the “dtac Code of Conduct” since 2006 as a principle and guideline for the Board of Directors, executive management, employees, and any entities operating under the dtac name. The code has been reviewed and revised in line with current situations, concerns, and stakeholder’s expectations. This prevents new risks in business operations, including in areas related to corruption, human rights, fair competition, data protection and

security, employee rights, health, safety and people security, and employee welfare, as well as financial integrity and fraud.

The current Code of Conduct came into full enforcement. It outlines four core principles that demonstrate dtac’s responsible business practices, including:

1. We play by the rules
2. We are accountable for our actions
3. We are transparent and honest
4. We speak up

In 2021, 100% of employees received online training about the dtac Code of Conduct. The Integrity Index Score from the Employee Engagement Survey was 95%.

To follow and implement the Code, the Company provides instructions and reporting procedures so that suitable measures may be taken in a timely manner as follows:

- **Compliance Function**

The Company established the Ethics and Compliance Department, an internal independent unit responsible for training and educating employees and managing day-to-day operations in compliance with the Code.

- **Communication Channel**

The Company provides communication channels to seek advice and report any issue that might violate the Code of Conduct.



1. Line managers and the Ethics and Compliance Department
2. Via <https://telenorgroup.integrityline.com/frontpage>, an online platform run by the third party. The online channel is open to all employees, customers, and suppliers.

All reported concerns go to the Investigation Department and the Ethics and Compliance Department and are kept confidential. Whistleblowers can choose to report cases anonymously. No records are kept in the reporting process, including IP addresses or phone numbers.

- **Internal Investigation**

If the reported issues are substantiated, they go to the Investigation Team, an internal independent unit responsible for investigating cases involving Code of Conduct violations.

As whistleblowers may be exposed to potential risks from their actions, the Company does not tolerate retaliation of any kind against those who speak up in good faith. If found, the Company may take disciplinary action up to and including termination of employment.

- Violate or ask others to violate the code
- Ignore to report the suspected activities that may violate the code
- Do not give coordination with investigative process
- Retaliation against those who speak up

**Anti-Corruption**

In 2021, 100% of employees received online training about anti-corruption processes. 132 individuals from 16 suppliers also received training about anti-corruption processes.

**Sustainable Supply Chain Management**

The Company regards sustainable supply chain management as a key aspect of its business operations, and it is part of its Responsible Business Strategy 2021-2023. The Company has implemented policies and practices for sustainable supply chain management as a framework to treat all suppliers fairly and equitably. The Company regularly conducts audits of suppliers on social and environmental issues and upgrades suppliers' business operations to ensure they meet high social and environmental standards. In addition, the Company's ultimate goal in supply chain management is zero major incidents or loss incidents in five areas:

- Serious injury or death from workplace accidents
- Child labor, underage, or illegal labor
- Negative human rights impacts
- Damage to the environment and community caused by inefficient environmental management
- Involvement in all types of corruption

The Company has established the Supplier Regulatory Authority and works with the Company's internal departments and suppliers to assure all parties are understood and able to comply. The Company's Supplier Conduct Principles have been in force

since 2008. The content is adapted for national and international contexts based on the international principles of human rights, environmental stewardship, and responsible business practices.

The Company aims to ensure supply chain sustainably, from upstream to downstream. Before any person or company can supply goods or services, it must undergo a preliminary assessment using the Supplier's Principles of Business Conduct, and sign an Agreement of Responsible Business Conduct (ABC) certifying its intention to conduct business responsibly. There are also processes for risk assessment in supplier selection processes, upgrading managers, and evaluating supplier performance, as well as amending incidents deemed inconsistent with the Supplier's Business Principles.

**1) Supplier Risk Assessment**

The Company assesses potential social and environmental risks in the supply chain in two phases:

- **Assessment Before Becoming a Supplier of Goods or Services** – In addition to assessing the business capability and potential to provide goods or services as required by the Company, the Company also assesses sustainability-related risks, including human rights, anti-corruption, politics, law, the environment, occupational health, and physical and data security, including personal data. The results of this assessment are part of the criteria for selecting suppliers. If sustainability

assessment results are mid-to-high, the company will be assessed further by a Subject Matter Expert, relevant management, and others to determine how to further manage the related risks.

- **Annual Risk Assessment** – The Company conducts another risk assessment method, a Self-Assessment Questionnaire (SAQ), in the first quarter each year to identify various risks, including those that may have social or environmental impacts. The results of the assessment are used to develop a communication plan, audit, and capacity-building training to further mitigate potential risks. However, in 2021, the Company did not have an annual risk assessment due to improvements in the assessment system and criteria.

**2) Capacity Building**

The primary objective of Product Manager Elevation is to educate suppliers and enable them to conduct business according to the Company's Supplier Business Principles. In 2021, the Company provided capacity-building training for 5,855 employees from 55 suppliers, representing 3,720 man-hours, which was 6% higher than the target.

**3) Inspections and Corrective Actions**

The Company has a process to issue supplier assessments, both with and without notice. They are randomly selected and selected based on business type, risk assessment data, and past audit data, or pending remedial action arising from non-compliance with the Supplier's Business Principles. When an inconsistent



event is encountered, the Company will notify the supplier with a timeframe for a Corrective Action Request (CAR), and follow up until the improvement is completed.

In 2021, dtac set a target of 900 supplier performance audits. A total of 70 audits/inspections at suppliers' workplaces were conducted (on-site), and a total of 340 online checks were performed. The latter was the assessment method the Company used during the coronavirus epidemic (January – March 2021), with results of the assessment as follows:

<b>Major Non-Conformity</b>	90 findings	90 findings (100%) were resolved according to CAR
<b>Minor Non-Conformity</b>	115 findings	115 findings (100%) were resolved according to CAR

The information provided above highlights dtac's sustainability performance and significant results and shows how dtac responds to stakeholder concerns and expectations. The information and data cover dtac's business operations, principles, initiatives, and results that are material to the Company's sustainability strategy, from 1 January 2021 to 31 December 2021.



## 4. Management Discussion and Analysis

### Fiscal Year 2021

Please note that all financial figures and analyses are based on the applicable accounting policy for 2020 and 2021, unless otherwise stated

#### 4.1 Executive Summary

The challenges brought about by the emergence of the pandemic continued in 2021, with ongoing macroeconomic pressure, travel bans, shop closures and lockdowns throughout the year. With the experience and learnings from the previous year, dtac navigated through the tough environment proving resilience and strength in market execution. Network expansion and enhanced experience, paired with leadership as a digital differentiator and customer centricity in value propositions, led to improved confidence of customers on dtac.

The Company continued its commitment towards delivering on its key strategic priorities and reached its year-end targets for value-focused network via accelerated network rollout, contributing positively towards operating results. At the end of Q421, approximately 12,750 nodes of 700 MHz network were installed. The nationwide 4G connectivity and 5G experience in selected locations led to 4.8pp YoY growth in percentage 4G usage in Q421. In addition, there is ongoing improvement in ARPU between 700 MHz users when compared with non-users, while there is increased momentum in Net Promoter Score, which improved by 23 points from the end of the previous year. As of Q421, approximately 21,300 nodes of 4G-2300 MHz network were installed, further supporting network capacity expansion, and enhancing customers' experience.

As the customer-centric challenger, dtac has positioned itself as the digital differentiator, providing solutions to the pain points of customers and partners. At the end of the year, dtacOne retailer app achieved 100% penetration, while

active digital users reached 6.7 million, growing 20% YoY. Digital share of sales increased to 74.5% in Q421, which is driven by higher customer engagement due to various personalized offers and value propositions. The ongoing journey in digital transformation also contributes positively towards the Company's cost efficiencies. Various efforts in B2B such as empowering SMEs with innovative connectivity solutions and partnerships in 5G IoT to help scale businesses led to 14% YoY growth in revenues and 10% YoY growth in customers. On adjacent services, dtac continues to enhance offerings to customers, capturing the latest trends, resulting in approximately 15% YoY growth in revenues. dtac's drive on efficiency via focus on structural initiatives led to a steady decline of 8% in operating expenses YoY for the last two years. Going forward, efficiency will remain a key focus, additionally focusing on cash saving initiatives below EBITDA.

After five consecutive quarters of positive net adds, dtac ended 2021 with 19.6 million subscribers, registering a 3.7% YoY growth, an increase of 286k QoQ and 704K YoY. The increase in net adds consisted of 281k prepaid users and 5k postpaid customers (excluding one-time clean-up, postpaid net adds was +24k, leading to total net adds of 304k), driven by improving GA due to regionalized approach along with reopening of shops from September. Approximately 32% of total subscriber base were postpaid subscribers.

Service revenues excluding IC declined by 0.6% from the previous year and marginally increased by 0.1% QoQ in Q421 mainly driven by reopening of shops and slowly improving macroeconomic situation. Following the reopening of shops, handset and starter kit sales doubled from the previous quarter. Blended ARPU declined by 0.8% QoQ and 4.4% YoY

due to macroeconomic pressure and ongoing aggressive competition. EBITDA (before other items) declined by 5.9% QoQ due to higher seasonal S&M expenses and one-off impact in the previous quarter. EBITDA increased 5.1% YoY due to structural efficiency initiatives and one-time negative impact in Q420. EBITDA margin for Q421 was 32.4%; normalized excluding revenues from CAT lease agreements and TOT network rental, EBITDA margin stood at 38.9%. Net profit for Q421 amounted to THB 171 million.

dtac's guidance for FY22 includes flat to low single digit growth in service revenue excluding IC and EBITDA, with THB 12 – 14 billion CAPEX.



4.2 Operational Summary

At the end of FY2021, total subscriber base stood at 19.6 million, increased 0.7 million from the end of last year. The increase mainly came from prepaid, reflecting the return of tourist and migrants, and improving gross adds because of regionalized approach in market execution. Postpaid subscriber base stood at 6.2 million, reflecting a decline of 79k from FY20 but increasing 5k QoQ. Prepaid subscriber increased by 625k YoY and by 250k QoQ to 13.4 million, reflecting gradual recovery from shop reopening and slowly improving macroeconomic situation.

Average Revenue per User excluding IC (ARPU) for FY21 was THB 244 per month, declining by 3.3% YoY from the escalated COVID-19 situation and aggressive competition. At the end of FY2021, postpaid subscriber base accounted for approximately 32% of total subscriber base. Postpaid ARPU for FY2021 was THB 497 per month, a decline of 4.1% YoY, while prepaid ARPU was THB 124 per month, declining by 3.3% YoY, due to customer spending optimization and aggressive competition.

Traffic on TOT's 4G-2300MHz network continued to stay at the high levels, driven by changing customer behavior as part of the new normal adaptation. Number of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 21,300 at the end of FY2021. The number of 4G users reached 13.3 million, representing approximately 68% of total subscriber base. The number of 4G compatible devices reached 82% of total subscriber base. Smartphone penetration remained steady at 89%.

Active subscribers (in thousand)	Q420	Q321	Q421	%QoQ	%YoY	FY2020	FY2021	%YoY
Postpaid	6,106	6,180	6,186	0.1%	1.3%	6,106	6,186	1.3%
Prepaid	12,750	13,094	13,375	2.1%	4.9%	12,750	13,375	4.9%
<b>Total active Subscribers</b>	<b>18,856</b>	<b>19,274</b>	<b>19,561</b>	<b>1.5%</b>	<b>3.7%</b>	<b>18,856</b>	<b>19,561</b>	<b>3.7%</b>
Net additional subscribers (in thousand)	Q4 20	Q3 21	Q4 21	%QoQ	%YoY	FY2020	FY2021	%YoY
Postpaid	63	(5)	5	-211.3%	-91.4%	(321)	79	-124.7%
Prepaid	110	31	281	814.9%	156.1%	(1,464)	625	-142.7%
<b>Total net additional Subscribers</b>	<b>173</b>	<b>26</b>	<b>286</b>	<b>1009.7%</b>	<b>65.4%</b>	<b>(1,785)</b>	<b>704</b>	<b>-139.5%</b>
MoU (minutes/sub/month)	Q4 20	Q3 21	Q4 21	%QoQ	%YoY	FY2020	FY2021	%YoY
Postpaid	199	193	182	-6.0%	-8.7%	201	188	-6.4%
Prepaid	76	72	68	-5.9%	-11/1%	79	71	-9.8%
<b>Blended MoU</b>	<b>116</b>	<b>111</b>	<b>104</b>	<b>-6.2%</b>	<b>-10.2%</b>	<b>118</b>	<b>109</b>	<b>-7.6%</b>
Postpaid excluding Incoming minutes	137	132	123	-6.5%	-9.7%	138	129	-6.6%
Prepaid excluding Incoming minutes	53	50	47	-6.3%	-12.8%	55	50	-10.5%
<b>Blended MoU excluding Incoming minutes</b>	<b>80</b>	<b>76</b>	<b>71</b>	<b>-6.7%</b>	<b>-11.6%</b>	<b>82</b>	<b>75</b>	<b>-8.0%</b>
ARPU (THB/sub/month) - (Post-TFRS 15)	Q4 20	Q3 21	Q4 21	%QoQ	%YoY	FY2020	FY2021	%YoY
Postpaid	518	509	506	-0.5%	-2.4%	532	509	-4.3%
Prepaid	131	123	123	-0.2%	-6.2%	132	127	-3.5%
<b>Blended ARPU</b>	<b>256</b>	<b>247</b>	<b>245</b>	<b>-0.8%</b>	<b>-4.4%</b>	<b>259</b>	<b>250</b>	<b>-3.5%</b>
Postpaid excluding IC	505	496	494	-0.4%	-2.3%	518	497	-4.1%
Prepaid excluding IC	128	120	120	-0.2%	-6.1%	128	124	-3.3%
<b>Blended ARPU excluding IC</b>	<b>250</b>	<b>241</b>	<b>239</b>	<b>-0.7%</b>	<b>-4.4%</b>	<b>252</b>	<b>244</b>	<b>-3.3%</b>



### 4.3 Financial Summary

#### 4.3.1. Revenues

**Total revenues** in FY21 amounted to THB 81,320 million, increasing by 3.2% YoY mainly from reopening of shops from September and gradual easing of COVID-19 restrictions. Service revenues excluding IC amounted to 13,994 million for Q421, declining by 0.6% YoY, marginally improving by 0.1% QoQ from the slowly improving macroeconomic situation.

**Core service revenues** (defined by bundle of voice and data service revenues) in FY21 amounted to THB 54,633 million, decreasing 3.7% YoY from the impact of COVID-19 and intense competition. Core service revenues QoQ remained flat at 13,615 million mainly due to slow recovery from COVID-19.

**International Roaming (IR) revenues** in FY21 amounted to THB 164 million, decreasing by 40.2% YoY, reflecting the prolonged restrictions of international travel due to COVID-19 and lower accrual of inbound roaming.

**Other service revenues** in FY21 amounted to THB 1,604 million, an increase of 12.4% YoY. Other service revenues for Q421 reached THB 316 million, declining by 3.5% QoQ due to lower IDD.

**Handset and starter kit sales** in FY21 amounted to THB 8,847 million, increasing 26.7% YoY and doubling QoQ due to reopening of shops during Q421.

#### 4.3.2. Cost of Services

**Cost of services excluding IC** in FY21 amounted to THB 48,782 million, increasing at 7.1% YoY. The YoY increase is mainly due to higher TOT 2300 MHz network roaming cost and higher amortization of the 700 MHz license.

**Regulatory costs** in FY21 amounted to THB 2,125 million, decreasing 9.6% YoY. Regulatory cost remained flat throughout the year, impacted QoQ by one-time favorable adjustment of 170 million in Q321. Regulatory costs in Q421 accounted for 4.0% of service revenue (excluding IC), increasing from 3.0% in the previous quarter.

**Network OPEX** in FY21 amounted to THB 5,325 million, declining 19.0% YoY primarily from network cost optimization initiatives and reduction in CAT lease expense and ongoing efficiency programs that cover network structural transformations to IT/network operational efficiency.

**Other operating costs of services** in FY21 amounted to THB 20,469 million, increasing 18.7% YoY, and remained steady QoQ at THB 5,175 million driven by roaming cost on 2300 MHz paid to TOT. TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,274 million in Q421, reflecting a 1.1% YoY increase.

**Depreciation and Amortization (D&A)** of costs of services in FY21 amounted to THB 20,862 million, increasing at 8.2% YoY from amortization of 700 MHz licenses, depreciation of assets from IFRS 16 capitalization, and continuing network expansion.

#### 4.3.3. Selling, General and Administrative Expenses (SG&A)

**SG&A expenses** in FY21 amounted to 13,745 million, decreasing 4.6% YoY due to limited activities from COVID-19 restrictions.

**Selling and Marketing (S&M) expenses** in FY21 amounted to THB 4,184 million, increasing 1.9% YoY. S&M expenses amounted to THB 1,203 million in Q421, increasing by 20.1% QoQ due to seasonality and increased activities after the easing of COVID-19 related restrictions.

**General administrative expenses** in FY21 amounted to THB 6,716 million, decreasing by 4.9% YoY as a result of structural optimization initiatives and well-controlled spending. General administrative expenses amounted to THB 1,945 million in Q421, increasing by 26.7% QoQ due to one-time asset write-off of approximately 430 million pursuant to surrender of rental space on leased towers.

**Provision for bad debt** in FY21 amounted to THB 1,241 million, decreasing 21.3% YoY. Postpaid bad debt improved QoQ to 2.9% of postpaid revenue in Q421 driven by reopening of shops from September.

**Depreciation and Amortization (D&A)** of SG&A in FY21 amounted to THB 1,616 million, decreasing 2.8% YoY.

#### 4.3.4. EBITDA and Net Profit

**EBITDA (before other items)** in FY21 amounted to THB 29,989 million. EBITDA for Q421 increased by 5.1% YoY led by structural efficiency initiatives and one-time negative impact in Q420. EBITDA for Q421 amounted to THB 7,004 million, declining by 5.9% QoQ due to higher seasonal S&M expenses and one-off impact in Q321. In FY21, EBITDA remained almost flat due to structural efficiencies offsetting revenue decline. EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 38.9% in Q421, decreasing from 47.5% in Q321.

**Net profit** for FY21 amounted to THB 3,356 million, decreasing 34.3% YoY, impacted by higher amortization of 700 MHz spectrum and loss in fair value hedges in Q121. Net profit for Q421 amounted to THB 171 million, negatively impacted by one-time asset write-off of approximately 430 million pursuant to surrender of rental space on leased towers.

#### 4.3.5. Balance Sheet and Key Financial Information

At the end of FY21, total assets amounted to THB 164,315 million, decreasing from THB 174,280 million at the end of FY20. Cash and cash equivalent amounted to THB 3,575 million, decreasing from THB 6,647 million at the end of FY20. Interest-bearing debt including lease liabilities increased from THB 69,962 million at the end of FY20 to THB 74,611 million. Net debt to EBITDA (including lease liabilities) was 2.5x, increasing marginally from 2.4x at the end of Q420.

CAPEX in FY21 amounted to THB 14,318 million with focus on the accelerated low-band rollout and capacity expansion. Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 15,671 million.



#### 4.3.6. Outlook 2022

In FY2022, we strive to maintain our customer-centric approach in serving products and services that matter most to our customers alongside investing for network expansion for improved customer experience while maintaining efficient operations with enhanced digital capabilities and innovation.

2022 guidance:

- Service revenue excluding IC: flat to low single-digit growth
- EBITDA: flat to low single-digit growth
- Capital expenditure: THB 12-14 billion

We maintain our dividend policy which is to pay out dividend not less than 50% of the Company's net profits based on the separate financial statements, depending on financial position and future business plans, and aim to pay dividend semi-annually. Based on net profits of the Company for 2021, the Board has approved an annual dividend of THB 1.05 per share, subject to shareholders' approval at the Annual General Meeting 2022. The Record Date will be 14 February 2022, and the payment is scheduled to be made on 20 April 2022.

Statement of financial position (THB million) (Post-TFRS 15 & 16)	End of 2020	End of 2021
Cash and cash equivalent	6,647	3,575
Other current assets	15,075	16,152
Non-current assets	152,558	144,587
<b>Total assets</b>	<b>174,280</b>	<b>164,315</b>
Current liabilities	48,426	47,096
Non-current liabilities	101,539	97,051
<b>Total liabilities</b>	<b>149,965</b>	<b>144,147</b>
<b>Total shareholders' equity</b>	<b>24,315</b>	<b>20,167</b>
<b>Total liabilities and equity</b>	<b>174,280</b>	<b>164,315</b>

Cash flows statement (THB million) (Post-TFRS 15 & 16)	End of 2020	End of 2021
Cash flows from operating activities	30,550	30,349
Cash paid for interest expenses and tax	(4,608)	(3,855)
<b>Net cash flows from operating activities</b>	<b>25,942</b>	<b>26,494</b>
<b>Net cash flows from investing activities</b>	<b>(20,786)</b>	<b>(21,914)</b>
Net cash receipt/(Repayment)	(1,165)	(146)
Dividend paid	(5,872)	(7,506)
<b>Net cash flows from financing activities</b>	<b>(7,037)</b>	<b>(7,651)</b>
<b>Net charge in cash</b>	<b>(1,881)</b>	<b>(3,072)</b>



Income statement (THB million) - (Post-TFRS 15&16)	Q420	Q321	Q421	%QoQ	%YoY	FY2020	FY2021	%YoY
Core service revenues (Voice & Data)	13,826	13,612	13,615	0.0%	-1.5%	56,711	54,633	-3.7%
IR revenues	(39)	38	62	63.2%	-259.1%	274	164	-40.2%
Other service revenues	295	328	316	-3.5%	7.4%	1,427	1,604	12.4%
<b>Service revenues ex. IC</b>	<b>14,082</b>	<b>13,978</b>	<b>13,994</b>	<b>0.1%</b>	<b>-0.6%</b>	<b>58,412</b>	<b>56,400</b>	<b>-3.4%</b>
IC revenue	367	367	352	-4.3%	-4.2%	1,581	1,424	-9.9%
<b>Service revenues</b>	<b>14,449</b>	<b>14,345</b>	<b>14,345</b>	<b>0.0%</b>	<b>-0.7%</b>	<b>59,993</b>	<b>57,824</b>	<b>-3.6%</b>
Handsets and starter kits sales	2,655	1,177	3,517	198.9%	32.5%	6,980	8,847	26.7%
Other operating income	3,427	3,710	3,725	0.4%	8.7%	11,845	14,649	23.7%
<b>Total revenues from sales and services</b>	<b>20,531</b>	<b>19,232</b>	<b>21,587</b>	<b>12.2%</b>	<b>5.1%</b>	<b>78,818</b>	<b>81,320</b>	<b>3.2%</b>
Cost of services	(12,088)	(12,671)	(12,729)	0.5%	5.3%	(47,102)	(50,177)	6.5%
Regulatory	(573)	(416)	(554)	33.2%	-3.3%	(2,350)	(2,125)	-9.6%
Network	(1,763)	(1,459)	(1,299)	-11.0%	-26.3%	(6,628)	(5,325)	-19.7%
IC	(360)	(362)	(347)	-4.1%	-3.7%	(1,592)	(1,395)	-12.4%
Others	(4,697)	(5,171)	(5,175)	0.1%	10.2%	(17,243)	(20,469)	18.7%
Depreciation and Amortization	(4,694)	(5,263)	(5,353)	1.7%	14.0%	(19,289)	(20,862)	8.2%
Cost of handsets and starter kits	(3,370)	(1,560)	(4,211)	170.0%	24.9%	(8,871)	(10,610)	19.6%
<b>Total costs</b>	<b>(15,458)</b>	<b>(14,231)</b>	<b>(16,939)</b>	<b>19.0%</b>	<b>9.6%</b>	<b>(55,973)</b>	<b>(60,787)</b>	<b>8.6%</b>
<b>Gross profit</b>	<b>5,072</b>	<b>5,002</b>	<b>4,648</b>	<b>-7.1%</b>	<b>-8.4%</b>	<b>22,845</b>	<b>20,533</b>	<b>-10.1%</b>
SG&A	(4,166)	(3,274)	(3,817)	16.6%	-8.4%	(14,409)	(13,745)	-4.6%
Selling & Marketing expenses	(1,103)	(1,002)	(1,203)	20.1%	9.0%	(4,108)	(4,184)	1.9%
General administrative expenses	(2,339)	(1,535)	(1,945)	26.7%	-16.8%	(7,063)	(6,716)	-4.9%
Provision for bad debt	(327)	(364)	(282)	-22.5%	-13.7%	(1,576)	(1,241)	-21.3%
Depreciation and Amortization	(396)	(386)	(387)	0.3%	-2.4%	(1,662)	(1,616)	-2.8%
Loss from Asset Impairment	-	12	0	-99.9%	N/A	-	12	n.m.
Gain (loss) on fair value hedge	(1)	0	1	77.4%	n.m.	134	(148)	-210.5%
Gain (loss) from fair value measurement of derivative assets	-	-	-	N/A	N/A	164	-	n.m.
Gain/Loss on foreign exchange	(4)	(5)	20	-491.2%	-557.9%	31	5	-84.6%
Interest income	7	3	1	-62.7%	-85.5%	26	12	-53.0%
Other income & share of profit from investment in associated company	0	(0)	13	n.m.	n.m.	27	121	347.3%
<b>EBIT</b>	<b>908</b>	<b>1,726</b>	<b>866</b>	<b>-49.8%</b>	<b>-4.6%</b>	<b>8,818</b>	<b>6,778</b>	<b>-23.1%</b>
Financial cost	(664)	(729)	(714)	-2.1%	7.6%	(2,859)	(2,830)	-1.0%
Corporate income tax	36	(163)	21	-112.6%	-42.9%	(853)	(592)	-30.5%
Non-controlling interest	-	-	-	N/A	N/A	-	-	n.m.
<b>Net profit attributable to equity holders</b>	<b>281</b>	<b>832</b>	<b>171</b>	<b>-79.4%</b>	<b>-39.1%</b>	<b>5,107</b>	<b>3,356</b>	<b>-34.3%</b>



EBITDA (THB million)* - (Post-TFRS 15&16)	Q420	Q321	Q421	%QoQ	%YoY	FY2020	FY2021	%YoY
Net profit for the period	281	832	171	-79.4%	-39.1%	5,107	3,356	-34.3%
Finance costs	664	729	714	-2.1%	7.6%	2,859	2,830	-1.0%
Income tax expenses	(36)	163	(21)	-112.6%	-42.9%	853	592	-30.5%
Depreciation & Amortization	5,090	5,649	5,740	1.6%	12.8%	20,951	22,478	7.3%
Other items	663	70	400	472.8%	-39.7%	423	733	73.1%
EBITDA	6,662	7,443	7,004	-5.9%	5.1%	30,193	29,989	-0.7%
EBITDA margin	32.4%	38.7%	32.4%			38.3%	36.9%	
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	38.5%	47.5%	38.9%			44.7%	44.6%	

\* EBITDA herein is EBITDA before other incomes and other expenses. Please see more details in the note of the financial statement.

Debt repayment schedule (THB million), end of FY21	Loan	Debenture	Key Financial Ratio (Post-TFRS 15&16)	Q420	Q321	Q421	FY2020	FY2021
In 2022	5,001	-	Return on Equity (%)***	20.7%	15.7%	15.1%	20.7%	15.1%
In 2023	5,001	3,000	Return on Asset (%)****	5.2%	4.1%	4.0%	5.2%	4.0%
In 2024	4,998	6,000	Net debt to EBITDA (times)	2.3 x	2.4 x	2.5x	2.3 x	2.5 x
From 2025	-	34,500	CAPEX to Total Revenue (%)	26.2%	18.1%	17.8%	23.5%	17.6%
<b>Total</b>	<b>15,000</b>	<b>43,500</b>						

\*\*\* Net profit attributable to equity holder (LTM) divided by average equity

\*\*\*\* EBIT (LTM) divided by average assets

**Spectrum payment schedule (as of the end of 2021)**

Frequency band	Winning price (THB mm)	Payment term (THB mm)								Total (THB mm)
		2022	2023	2024	2025	2026	2027	2028	2029	
900MHz	38,064	3,806	3,806	3,806	3,806	3,806	3,806	-	-	38,064
1800MHz	12,511	-	-	-	-	-	-	-	-	12,511
700MHz	17,584	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	17,584
<b>Total spectrum payment</b>	<b>68,159</b>	<b>5,565</b>	<b>5,565</b>	<b>5,565</b>	<b>5,565</b>	<b>5,565</b>	<b>5,565</b>	<b>1,758</b>	<b>1,758</b>	<b>68,159</b>

**Disclaimer:** Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the Company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.



## 5. General Information and Other Significant Information

### 5.1 General Information

<b>Name</b>	<b>Total Access Communication Public Company Limited</b>
<b>Address</b>	319 Chamchuri Square Building, 38 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330
<b>Tel</b>	(66 2) 202 8000
<b>Website</b>	<a href="http://www.dtac.co.th">www.dtac.co.th</a>
<b>Share Registrar</b>	<b>Thailand Securities Depository Company Limited</b> 93 Ratchadapisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400  Tel: (66 2) 009 9000 Fax: (66 2) 009 9991 Call Center: (66 2) 009 9999 Website: <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>
<b>Auditor</b>	<b>Ms. Pimjai Manitkajohnkit</b> Certified Public Accountant No. 4521 EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110  Tel: (66 2) 264 0777 Fax: (66 2) 264 0789-90 Website: <a href="http://www.ey.com">www.ey.com</a>
<b>Debenture Registrar of dtac TriNet Co., Ltd. which is a wholly owned subsidiary of the Company (99.99%)</b>	<b>Bangkok Bank Public Company Limited</b> 333 Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500  Tel: (66 2) 230 1478 Fax: (66 2) 626 4545-6 Website: <a href="http://www.bangkokbank.com">www.bangkokbank.com</a>



5.2 Other Significant Information

5.2.1 Significant agreements

This part is to summarize the key terms of significant agreements entered into by the Company with other parties. However, since certain agreements were entered into before a change in the law and/or other relevant regulations governing the telecommunication industry, certain provisions within these agreements may no longer be enforceable due to a conflict with the amended laws or relevant regulations. The below information is therefore for reference only.

( 1) Mobile Domestic Roaming Agreement between dtac TriNet and TOT (now National Telecom Public Company Limited)

The Company has approved dtac TriNet, a subsidiary of the Company, to enter into the Mobile Domestic Roaming Agreement ("Roaming Agreement") with TOT to use the mobile domestic roaming service on the 2300 MHz spectrum of TOT. This allows dtac TriNet's mobile service users to use the mobile domestic roaming service on the 2300 MHz spectrum of TOT, provided that the mobile domestic roaming service fees shall be paid to TOT in accordance with the terms and conditions of the Roaming Agreement.

Details of the Roaming Agreement summarized below are given for reference only.

<b>Execution Date</b>	23 April 2018
<b>Term</b>	23 April 2018 to 3 August 2025
<b>Objectives</b>	dtac TriNet agrees, with terms and conditions specified in the Roaming Agreement, to use the mobile domestic roaming service on the 2300 MHz spectrum of TOT licensed by the National Broadcasting and Telecommunications Commission (NBTC) to enable dtac TriNet's mobile service users to use the mobile domestic roaming service on the 2300 MHz spectrum of TOT.
<b>Consideration</b>	dtac TriNet shall pay the mobile domestic roaming service fees to TOT in accordance with the terms and conditions under the Roaming Agreement.



**(2) Lease of Telecommunications Equipment Agreement between TeleAssets Co., Ltd. and TOT (now National Telecom Public Company Limited)**

The Company has approved TeleAssets Co., Ltd. ("TeleAssets"), a subsidiary of the Company, to enter into the Lease of Telecommunications Equipment Agreement ("Lease Agreement") with TOT where TeleAssets agrees to procure, install and maintain the telecommunications equipment ("Telecom Equipment") and agrees to lease out such Telecom Equipment to TOT so that TOT can use such Telecom Equipment to provide telecommunications service on the 2300 MHz spectrum, provided that TeleAssets shall receive the rental and service fees from TOT in accordance with the terms and conditions of the Lease Agreement.

Details of the Lease Agreement summarized below are given for reference only.

<b>Execution Date</b>	23 April 2018
<b>Term</b>	23 April 2018 to 3 August 2025
<b>Objectives</b>	TeleAssets agrees to procure, install and maintain Telecom Equipment and agrees to lease out such Telecom Equipment to TOT for use on its 2300 MHz spectrum between 2310 – 2370 MHz licensed by the NBTC so that TOT may use such Telecom Equipment in providing service on the 2300 MHz spectrum to its users.
<b>Consideration</b>	TOT agrees to make monthly payments of rental and service fees at the rate specified in the Lease Agreement only for those Base Stations which have been delivered, accepted and are in service.
<b>Rights and Obligations of TeleAssets</b>	<ul style="list-style-type: none"> <li>(1) to procure and install the Telecom Equipment (including all relevant software) on location and in accordance with the specifications laid out in the Lease Agreement. The Parties agree that TeleAssets shall procure 20,400 base stations by 31 December 2020 and 21,300 base stations by 31 December 2021</li> <li>(2) to maintain and repair Telecom Equipment (including hardware and software) so it is in efficient working condition in accordance with the Service Level Agreement under the Lease Agreement and all relevant notifications of the NBTC</li> </ul>
<b>Rights and Obligations of TOT</b>	<ul style="list-style-type: none"> <li>(1) to control and manage the 2300 MHz spectrum network of TOT</li> <li>(2) to access Call Detail Records and collect and process the details of usage for each service</li> <li>(3) to control and manage Telecom Equipment in accordance with the Lease Agreement</li> <li>(4) to facilitate TeleAssets access to the Base Stations located at the sites of the Lessee in order to operate such Base Stations</li> <li>(5) to coordinate with and assist TeleAssets with the import of Telecom Equipment under the Lease Agreement and the application for all licenses relating to all Telecom Equipment from competent authorities, such as telecommunications station installation license and license for the use of Telecom Equipment</li> <li>(6) to comply with the conditions laid out in the telecommunications business licenses and conditions for usage of the 2300 MHz spectrum in the provision of mobile phone services</li> </ul>



### 5.3 Legal Disputes

As of 31 December 2021, the Company and its subsidiaries are litigants or parties in significant cases or disputes that have not yet concluded. The details are as follows:

#### a. Dispute between the Company and CAT (now National Telecom Public Company Limited) regarding the collection of excise tax on the provision of telecommunication services

On 11 February 2003, the Cabinet passed a resolution granting telecommunications service operators, including the Company, the right to deduct the excise tax paid to the State throughout the year (excluding interest, fines or any additional money) from the royalty that the Company owes CAT at the end of the concession year under the Concession Agreement. On 27 March 2003, CAT issued a letter informing the Company to comply with this cabinet resolution. However, this cabinet resolution was subsequently revoked on 23 January 2007.

After the above cabinet resolution was revoked, CAT submitted a petition to the Arbitration Institute on 11 January 2008, demanding the Company pay additional royalty for the 12<sup>th</sup> to 16<sup>th</sup> concession years together with a fine and VAT in the total amount of approximately THB 23,164 million, as if the CAT had never allowed the Company to deduct the excise tax paid to the State from the royalty that the Company had to pay to CAT under the Concession Agreement. The Arbitration Tribunal issued an award dated 28 May 2012 in favor of the Company and dismissed CAT's petition. However,

on 31 August 2012, CAT submitted a petition to the Central Administrative Court to revoke the arbitral award, and on 29 January 2016, the Central Administrative Court rendered its decision to uphold the arbitral award. CAT has appealed the judgment of the Central Administrative Court to the Supreme Administrative Court, where it is currently being considered.

#### b. Dispute between the Company and CAT (now National Telecom Public Company Limited) regarding the method for calculating the royalty payable from Interconnection Charges the Company received from other telecommunication operators in accordance with the NBTC's notification (Interconnection Charge)

In 2011, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for Interconnection Charge revenue in the 16<sup>th</sup> concession year (16 September 2006–15 September 2007) amounting to approximately THB 4,026 million with a penalty at the rate of 1.25 percent per month. CAT's petition was based on the fact that the Company calculated the royalty payable to CAT by off setting Interconnection Charge revenue the Company received from other operators with Interconnection Charge expenses that the Company had been charged by other operators. However, CAT requested the Company to pay the royalty based on the total Interconnection Charge revenue it received without deducting Interconnection Charge expenses. Subsequently, on 25 December 2019, the Company received an award from the Arbitral Tribunal dismissing CAT's petition. However, CAT submitted a petition to

revoke the award to the Central Administrative Court, where the case is currently under consideration.

In 2012, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for the Interconnection Charge revenue for the 17<sup>th</sup> concession year, amounting to approximately THB 3,860 million as well as a penalty. On 27 December 2019, the Company received an award from the Arbitration Institute ordering the Company to pay additional royalties for the Interconnection Charge revenue for the 17<sup>th</sup> concession year in the amount of THB 3,957 million, with default interest at 7.5 percent per year.

In 2013, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for the Interconnection Charge revenue for the 18<sup>th</sup> concession year, amounting to approximately THB 3,340 million as well as a penalty. On 26 December 2019, the Company received an award from the Arbitration Institute ordering the Company to pay additional royalties for the Interconnection Charge revenue for the 18<sup>th</sup> concession year in the amount of THB 3,438 million, with default interest at 7.5 percent per year.

In 2015, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for the Interconnection Charge revenue for the 19<sup>th</sup> concession year, amounting to approximately THB 3,667 million as well as a penalty. On 20 May 2021, the Company received an award from the Arbitration Institute ordering the Company to pay additional royalties for the Interconnection Charge revenue for the

19<sup>th</sup> concession year in the amount of THB 3,666 million, with default interest at 7.5 percent per year.

In 2015, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for the Interconnection Charge revenue for the 20<sup>th</sup> concession year amounting to approximately THB 3,914 million together with a penalty. On 6 February 2020, the Company received an award from the Arbitration Tribunal ordering the Company to pay additional royalties for the Interconnection Charge revenue for the 20<sup>th</sup> concession year in the amount of THB 4,346 million, with default interest at 7.5 percent per year.

The Company does not agree with the arbitral awards requiring the Company to pay additional royalties for the Interconnection Charge revenue for the 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, and 20<sup>th</sup> concession years. The Company submitted petitions to withdraw the arbitral award for the royalty disputes for the Interconnection Charge revenue for the 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, and 20<sup>th</sup> concession years to the Central Administrative Court, where the cases are currently under consideration.

The arbitral awards only have legal effect on the disputes they pertain to, and have no legal or binding consequences for any other related disputes.



In 2019, CAT submitted a petition to the Arbitration Institute demanding the Company pay additional royalties for the Interconnection Charge revenue for the 21<sup>st</sup> – 27<sup>th</sup> concession years, amounting to approximately THB 15,879 million together with a penalty.

- None

The Company is currently contesting the petition on the same basis for other concession years.

**c. Dispute between the Company and True Public Corporation Limited regarding Interconnection Charges payable by the Company**

On 3 September 2021, True Public Corporation Limited led a case with Central Administrative Court against the Company and dtac TriNet claiming approximately THB 1.736 billion for Interconnection Charges together with interest. Claims against the Company are approximately THB 700 million for the period January 2011 to October 2017 and against dtac TriNet for approximately THB 1,036 million for the period May 2013 to October 2017.

**5.4 Secondary Market**

- None

**5.5 Regular Financial Institutes (in case the Company issued bonds)**