



Sustainable Finance Framework

Advanced Info Service Public Company Limited (“AIS”)

September 2024

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SECTION 1 INTRODUCTION TO ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED

1.1 COMPANY OVERVIEW

Advanced Info Service Public Company Limited (“AIS Group” or “AIS”) has operated as a telecommunications service provider for 33 years, starting in 1990 as a concessionaire endowed with the ability to utilize state frequencies under the 25-year Built-Transfer-Operate (BTO) agreement. In 2010, the National Broadcast and Telecommunications Commission (NBTC) was established and began permitting frequency licenses in 2012, marking a major turning point for the telecommunications industry in Thailand. The licensing scheme conforms to the global telecommunication regulation and supports fair competition as well as the development of new technologies that better served the needs of consumers.

AIS is committed to its vision of “**To become the most admired COGNITIVE TECH-CO in Thailand**” on the concept of the ecosystem economy through the following missions:

- **Digital Intelligence Infrastructure:** By creating solid digital infrastructure comprising of 5G network, broadband internet, and 5G platforms for various industries.
- **Cross Industries Collaboration:** By promoting connectivity and collaboration with all businesses partners to deliver a diverse range of solutions suiting the customers’ needs.
- **Human Capital & Sustainability:** By committing to enhance the digital capacity of the Thais through educational platforms to implants necessary digital skills and cyber immunity, which creates a sustainable digital ecosystem in the Thai society.

As a Cognitive Tech-Co, AIS pledges to deliver best-in-class digital experience through its four core services.

1. **Mobile Communication Service:** under “AIS” brand provides a monthly subscription service, top-up service as well as roaming with network partners in over 240 destinations worldwide with 4G and 5G technology for individuals, SMEs, and Corporate.

2. **Fixed Broadband Service:** provides high-speed internet service to households and businesses under the “AIS Fibre3” and “3BB Fibre3” brands.

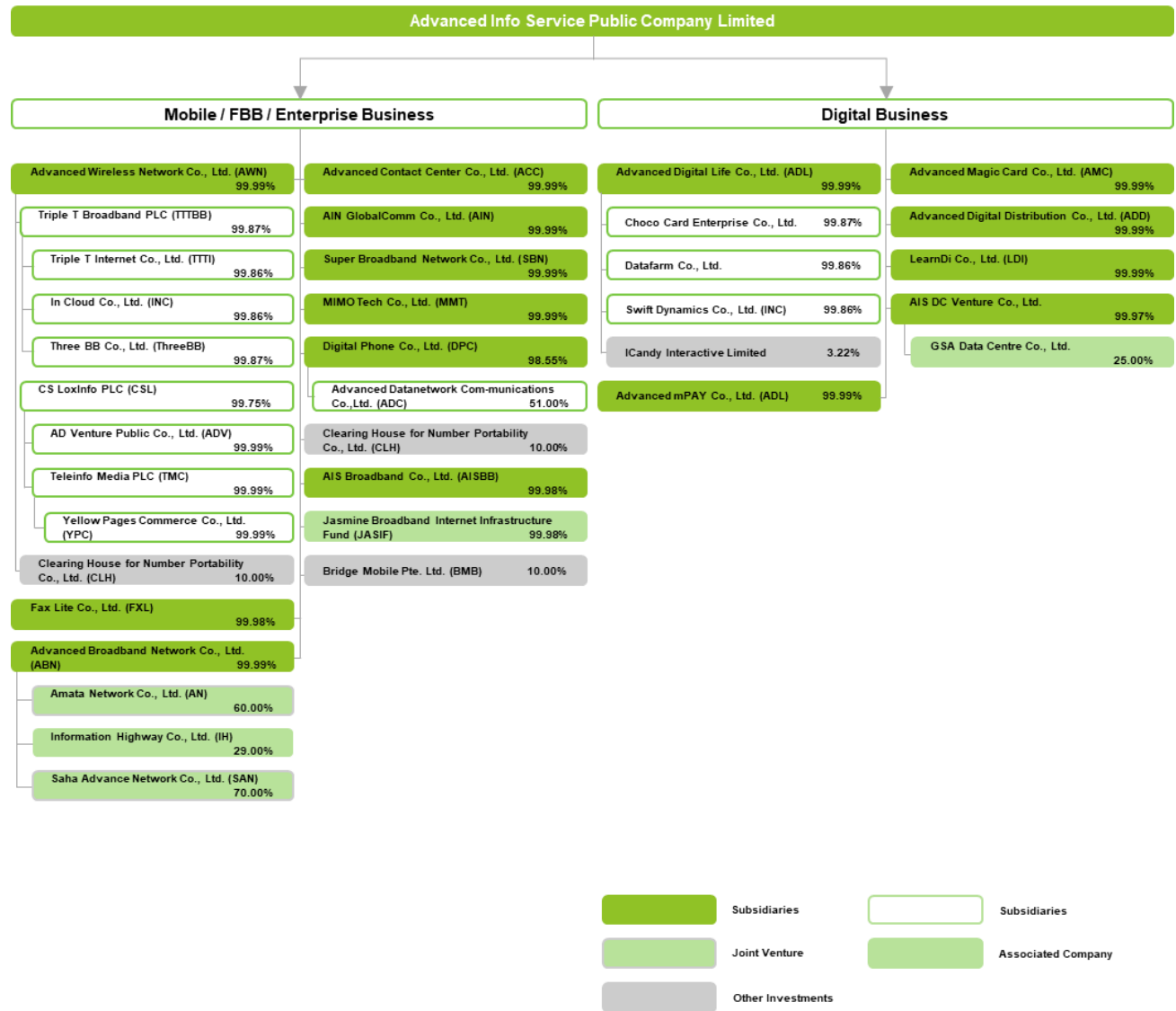
3. **Enterprise Business Service:** provides digital solutions to the business sector under the “AIS Business” brand, encompassing connectivity services such as EDS and technological solutions such as cloud, data center, and ICT solutions to all sizes of enterprise customers.

4. **Digital Services:** involves new services focusing on building values leveraging on AIS telecommunication services to serve as a new revenue source in the medium to long term in line with the changing digital consumer behavior.



1.2 INVESTMENT STRUCTURE OF AIS GROUP

Investment structure of AIS Group as of 31 December 2023



Remark: JASIF has been renamed to 3BB Internet Infrastructure Fund (3BBIF) on 20 February 2024

1.3 AIS'S SUSTAINABILITY STRATEGY

“Thrive in a greener and inclusive digital world”

AIS Sustainability Strategy	Aspiration	Target for Sustainable Development	Contribution to UNSDGs
 Drive Digital Economy Enable people and businesses to grow in the digital economy - Expand 5G connectivity to support economic growth - Drive digital services to both consumers & enterprise Maintain resiliency for data security and privacy Enhance human capital capabilities to support business transformation	Digital Innovation: Create products and services through digital innovation to improve the quality of life of Thai people and elevate the competency of the Thai business sector.	8% of revenue generated from new digital services that enable the digital economy by 2027	
	Cyber Security and Customer Privacy Protection Develop a reliable system for cybersecurity and data privacy protection	- Uphold security standards equivalent or better than our peer group of companies in our industry and our region as verified by an independent third party by 2027 - Enhance cybersecurity and data privacy to protect the critical business value chains by 2025	
	Human Resources Management Nurture and develop AIS human capital to support business growth particularly digital business	90% of AIS employees is equipped with new digital skills and literacy by 2025	   

AIS Sustainability Strategy	Aspiration	Target for Sustainable Development	Contribution to UNSDGs
 Promote Digital Inclusion Build inclusive and responsible digital access in our products & services • Provide inclusive digital access to promote social & economic wellbeing • Support consumers to be digitally responsible and promote livelihood	• Social Inclusion: Upgrade the quality of life for the community and reduce social inequality with digital infrastructure and solutions. • Digital Wellness: Digital Wellness Striving to establish a brand that promotes safe and appropriate use of the internet and social media.	• Improve the socio-economic condition of 5 million people by 2027 • Empower digital citizenship by providing digital solutions and tools for 3 million people by 2027	
 Act on Climate Shape a greener future of life for consumers and society • Manage our own network and operation to be light to the environment • Support our customers and supply chain to reduce environmental footprint	• Climate Action: Minimizing environmental impacts with efficient management of business operation and supply chain. • Waste Management: Reducing and recycling waste from operations and promoting proper e-waste disposal among Thai people.	• Net-zero emissions by 2050 • Maintain zero e-waste to landfill	

SECTION 2 SUSTAINABLE FINANCE FRAMEWORK

In alignment with the company's strategy and sustainability vision, AIS designed the Sustainable Finance Framework ("Framework") under which the AIS Group and its subsidiaries can issue Green, Social and Sustainability Bonds, Loan and other financial instruments to finance or refinance projects and contribute to its environmental and social objectives across the company's business divisions and operations.

This Framework is outlined in alignment with the following guidelines;

- the Green Bond Principles ("GBP"), and Sustainability Bond Guidelines ("SBG") issued by the International Capital Market Association (ICMA) in June 2021, and Social Bond Principles ("SBP") issued by ICMA in June 2023¹ ;
- the ASEAN Green Bond Standards ("GBS"), ASEAN Social Bond Standards ("SBS") and ASEAN Sustainability Bond Standards ("SUS"), issued by the ASEAN Capital Markets Forum (ACMF) in October 2018² and;
- the Green Loan Principles ("GLP") issued by the Loan Market Association (LMA) in February 2023³ and Social Loan Principles ("SLP") issued by the Loan Market Association (LMA) in February 2023⁴

The guidelines mentioned above provide guidelines in four major areas;

1. Use of Proceeds
2. Process of Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

2.1 USE OF PROCEEDS

The Use of Proceeds of any AIS Sustainable Finance Instruments under this framework will be subject to the following eligibility criteria, to be applied to new or existing projects⁵.

- Green Financing Instruments – for which an amount equivalent to the net proceeds is exclusively allocated to green projects as defined below (the "Eligible Green Projects");
- Social Financing Instruments – for which an amount equivalent to the net proceeds is exclusively allocated to social projects as defined below (the "Eligible Social Projects"); and
- Sustainability Financing Instruments – for which an amount equivalent to the net proceeds is exclusively allocated to Eligible Green Projects and Eligible Social Projects.

¹ In alignment with ICMA Green Bond Principles, June 2021, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>; ICMA Social Bond Principles, June 2023 <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/> and ICMA Sustainability Bond Guidelines, June 2021, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

² In alignment with ACMF Green Bond Standards, October 2018, <https://www.theacmf.org/initiatives/sustainable-finance/asean-green-bond-standards>, ACMF Social Bond Standards, October 2018, <https://www.theacmf.org/initiatives/sustainable-finance/asean-social-bond-standards> and ACMF Sustainability Bond Standards, October 2018, <https://www.theacmf.org/initiatives/sustainable-finance/asean-sustainability-bond-standards>. The ASEAN GBS, SBS and SUS are intended to provide additional guidance on the application of the ICMA GBP, SBP and SBG, as well as to enhance transparency, consistency and uniformity of ASEAN Green, Social and Sustainability Bonds

³ In alignment with LMA Green Loan Principles, Feb 2023, <https://www.lsta.org/content/green-loan-principles/>

⁴ In alignment with LMA Social Loan Principles, Feb 2023, <https://www.lsta.org/content/social-loan-principles-slp/>

⁵ Existing assets refer to assets financed up to 36 months before the issuance of any AIS Sustainable Finance Instruments

This Eligible Projects may be further updated, changed, or extended going forward due to technologies and situation.

2.1.1 ELIGIBLE ASSETS AND PROJECTS WITH ENVIRONMENTAL BENEFITS

Eligible Green Projects

Eligible Green Projects	Eligible Green Categories	Sample of Project Description	Alignment with UN SDGs
Energy Efficiency	Network Modernisation/ Transformation	- Modernisation of fixed broadband networks including fibre-based extensions - Modernisation of mobile broadband networks from old network technology to newer one including deployment of network infrastructure to expand 5G wireless connectivity - Installing multi-mode Remote Radio Units (RRUs) / Active Antenna Unit (AAU) that cover all networks to improve energy efficiency - Improvement of supporting infrastructure to increase efficiency (Including but not limited to cooling systems, utilization and procure high energy-efficient equipment and Artificial Intelligence applications)	  
	Network Optimization	- Upgrade of power rectifiers at base station / switching center to improve energy efficiency by reducing power loss during transition - Invest in single last mile for sharing of last mile fiber with other operators which reduces emission occurred from installation and MA work	 
	Data Center	Expenditures related to the acquisition, design, construction and maintenance of data centers with a design average Power Usage Effectiveness of below <1.5	

Eligible Green Projects	Eligible Green Categories	Sample of Project Description	Alignment with UN SDGs
Renewable Energy	Renewable Energy	Commencement of an alternative energy program based on solar power and installation of solar panels, which partly offset the use of grid power and thus reduce GHG emissions.	 
Clean Transportation	Clean Transportation	Expenditures related to design, development, construction, maintenance and operation of Electric Vehicles (EV) - Invest in EV fleet to replace the existing ICE fleet - Installation of EV charging stations	 
Green Buildings	Green Buildings	Expenditures related to the design, construction and maintenance of buildings—data centers and commercial facilities—that have recently or are expected to achieve a LEED Gold or higher or other equivalent local and regional certifications	 

Eligible Social Projects

Eligible Social Projects	Eligible Social Categories	Sample of Project Description	Alignment with UN SDGs
Access for All through an Affordable Basic Infrastructure	Digital Inclusion	- Accelerating deployment of optic fibre network in areas at risk of digital exclusion - Accelerating deployment of mobile network in areas at risk of digital exclusion Target Population: - population with mobile network coverage in low populated / remote areas - population/household with broadband networks in unconnected areas	

Eligible Social Projects	Eligible Social Categories	Sample of Project Description	Alignment with UN SDGs
Access to Essential Services	Education	- Creating opportunities for access to education by supporting exposure to knowledge and utilization of communication technology to enhance the capacities and quality of life of Thai people Target Population: - Citizens of Thailand who use education digital tools	

2.2 PROCESS OF PROJECT EVALUATION AND SELECTION

AIS has established a Sustainable Finance Working Group which will oversee the selection and evaluation of Eligible Green Projects and Eligible Social Projects. Other parties recognized as subject matter experts may be consulted.

The Sustainable Finance Working Group is comprised of representatives from

1. Sustainable Development Department
2. Engineering Department
3. Finance Department
4. Accounting Department

The Sustainable Finance Working Group's responsibilities are included but not limit to:

1. Reviewing and validating annually the selection of Eligible Projects in accordance with the use-of-proceeds criteria described above and in line with AIS's Sustainability Development Strategy.
2. Monitoring the Eligible Projects portfolio during the life of the transaction and replacing projects that are no longer eligible.
3. Managing any future update of the Sustainable Finance Framework.

2.3 MANAGEMENT OF PROCEEDS

The proceeds of each Eligible Green and/or Social and/or Sustainability Financings will be deposited in AIS's general account and managed by AIS's Finance Department.

This general account will be monitored and tracked annually on an amount equal to the proceeds through AIS's Treasury accounting system. The balance of the net proceeds will be periodically adjusted to match allocations to Eligible Projects/Assets made during the life of the financial instruments. If for any reason some projects/assets are no longer eligible, AIS will use its best efforts to substitute such projects/assets as soon as is practical, once an appropriate Eligible Project/Asset for substitution has been identified by the Sustainable Finance Working Group.

While any Green and/or Social and/or Sustainability Financing net proceeds remain unallocated, AIS will hold the proceeds in cash and/or invest in other short-term liquid instruments where AIS intends to fully allocate the proceeds to the Eligible Projects within 36 months, if feasible.

2.4 REPORTING

In order to enable investors and other stakeholders to follow AIS's Sustainable Financing development, AIS will publish annually an allocation report and impact report on AIS's website, as detailed below until full allocation and as necessary in the event of any material changes.

2.4.1 ALLOCATION REPORT

Until the proceeds are fully allocated, AIS will prepare allocation report certifying information where feasible such as:

- the THB amount of proceeds allocated per Eligible Green and/or Social Projects;
- the THB amount of unallocated proceeds per Eligible Green and/or Social Projects (if any);
- the proportion of financing and/or refinancing.

2.4.2 IMPACT REPORT

AIS will provide an impact reporting on the relevant environmental impact metrics at the Project level where subject to data availability as well as disclose measurement methodology for quantitative indicators.

The table below shows the examples of impact indicators that may be reported.

ELIGIBLE ASSETS AND PROJECTS WITH ENVIRONMENTAL BENEFITS

Eligible Green Projects

Eligible Green Projects	Eligible Green Categories	Sample of Impact Report Metrics
Energy Efficiency	Network Transformation	• Estimated annual reduction in GHG emission (tCO₂e per year) • Energy consumption per data traffic (MWh per equivalent unit) • Expected energy saved (MWh)
	Network Optimization	• Estimated annual reduction in GHG emission (tCO₂e per year)
	Data Center	• Power Usage Effectiveness (PUE)

Eligible Green Projects	Eligible Green Categories	Sample of Impact Report Metrics
Renewable Energy	Renewable Energy	- Estimated annual Power output (MWh/year) - Estimated annual reduction in GHG emission (tCO2e per year)
Green Buildings	Green Buildings	- Number or percentage of buildings with Green Building Certificates - Energy Consumption (MWh) for the investment properties - GHG emission (tonnes) for the investment properties

Eligible Social Projects

Eligible Social Projects	Eligible Social Categories	Sample of Impact Report Metrics
Access for All through an Affordable Basic Infrastructure	Digital Inclusion	- Estimated population with mobile network coverage in low populated / remote areas - Estimated population/household with broadband networks in unconnected areas
Access to Essential Services	Education	Number of users who use education digital tools

SECTION 3 EXTERNAL REVIEW

AIS has appointed DNV (Thailand) Co., Ltd who has issued a Second Party Opinion (SPO) on the Framework, to confirm its alignment to the 1. ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines 2. ASEAN's Green Bond Standards, Social Bond Standards, and Sustainability Bond Standards and 3. Green Loan Principles and Social Loan Principles issued by the LMA.

The Second Party Opinion document will be made available on AIS's website.

SECTION 4 AMENDMENTS TO THIS FRAMEWORK

The Sustainable Finance Working Group will review this Framework on a regular basis, including its alignment to updated versions of the guidelines⁶ mentioned in the section 2 as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subjected to the prior internal approval of AIS. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Reviewer. The updated Framework, if any, will be published on AIS's website and will replace this Framework.

⁶ GBP, SBG, SBP, GBS, SBS, SUS, GLP, SLP