

Sustainability Report

OUR BUSINESS

M1 engages in fair, transparent and responsible business practices in all dealings with our stakeholders, including customers, suppliers and business partners. We comply with our regulatory requirements, and meet or surpass the expectations of our customers.

FINANCIAL PERFORMANCE

Our key financial indicators are as follows:

Financial indicators	2015 (\$m)	2014 (\$m)
Operating revenue	1,157.2	1,076.3
Net profit after tax	178.5	175.8
Operating expenses	940.0	857.1
Staff costs	118.2	113.5
Dividends paid to shareholders	177.0	196.9

For a more detailed discussion on our financial performance, please refer to the Financial Statements section of this Annual Report.

NETWORK INVESTMENTS

The performance and resiliency of our networks remain key to our business, and we continually invest in new technologies, as well as coverage and capacity expansion, to deliver a better experience for our customers.

Since our inception, we have invested more than S\$1.8 billion in expanding and upgrading our mobile and fixed network infrastructure. This has enabled us to enhance our operational efficiency, better support our growing business and deliver new products and services to meet our customers' changing needs. M1 also continues to be at the forefront of empowering our customers in the digital world, such as in delivering Singapore's fastest 4G speeds¹ in 2015.

In 2015, we commenced a small cell network trial in high traffic locations, such as malls and MRT stations, to further improve customer experience. We also made available 4G Voice or Voice over LTE (VoLTE) calls, at no additional charge, enabling customers to connect their calls faster and at higher quality voice quality, compared to standard voice calls.

Further details of our network investments can be found in the Operating Review section of this Annual Report.

QUALITY PRODUCTS AND SERVICES

With a strong focus on delivering superior customer experience and offerings with meaningful value, we are committed to quality and innovation, and constantly review our products and services to ensure they are relevant and enable more people to enjoy the benefits of digital connectivity.

We understand how technology can make a difference in the lives of underprivileged or underserved communities such as low-income households. To help narrow Singapore's digital divide, we worked with the Infocomm Development Authority of Singapore (IDA) as its appointed Home Access provider, to enable low-income families with school-going children to enjoy the benefit of fibre broadband for S\$6 a month. We also assisted fibre network company Netlink Trust with its inaugural sponsorship programme last year to deliver free fibre access to 400 low-income households.

¹ Results from IDA's MyConnection SG Pilot from October 2014 to March 2015, based on the 90th percentile of data sessions tested across all operators

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In catering to customers who prefer to buy their own handsets, we launched the mySIM plans in July 2015. These plans have been well-received by customers. Through the unique M1 Data Passport services, we enabled our customers to use their data bundles across 29 destinations including Australia, Malaysia, Japan, the United States and popular European countries, giving them the convenience of using their smartphones overseas the same way they do at home.

In the corporate segment, we made available an array of new products and services. M1's new XGPON (Gigabit Passive Optical Network) services, Singapore's first 2Gbps to 10Gbps GPON services, are designed to address the industry's gap in such corporate connectivity options. With the new services, M1 now offers Singapore's most extensive range

of corporate GPON connectivity services. During the year, M1 was appointed as Netlink Trust's key subcontractor to install fibre optic connectivity for corporate customers, further improving our end-to-end provisioning process and thereby the customer service experience.

In collaboration with CIMB, MasterCard and Wirecard, we launched a new mobile Point of Sale (mPOS) solution, transforming smartphones and tablets into terminals that allow merchants to accept credit, debit and prepaid card payments from customers anytime, anywhere. The launch of our advanced Machine-to-Machine (M2M) platform, M1 M2M Connect, will help deliver the benefits of smart M2M solutions to companies in raising their productivity, lowering costs, and tapping on new business opportunities.



DATA PASSPORT Launched in July 2015, M1's unique Data Passport service enables customers to use their existing M1 data bundles at overseas destinations including Malaysia, Australia, the United States and popular Asian and European destinations, at highly affordable rates. The service delivers convenience and value to both business and leisure travellers, and gives M1 customers the peace of mind to use their smart devices the way they do at home. As at end-2015, M1 Data Passport was available at 29 destinations worldwide.

REGULATORY COMPLIANCE

We conduct our business in a responsible and ethical manner, in compliance with all applicable laws and regulations. We also support voluntary codes and best practice guidelines that benefit our stakeholders and society at large.

Key laws and regulations include the Telecommunications Act which governs our core telecommunications business, as well as the Telecoms Competition Code 2012 which establishes quality of service (QoS) delivery standards to our customers. Our media-related services are operated in accordance with the Broadcasting Act, and we block access to websites as directed under applicable laws or by Media Development Authority of Singapore.

We protect vulnerable customers such as children and youth from undesirable content, and worked with the other mobile operators to create the Voluntary Code of Self-Regulation of Mobile Content in Singapore, to protect minors from accessing prohibited content via mobile phones. We have made available a variety of tools to enable parents to monitor the access of their children to sites online.

Additionally, we abide with all applicable business, health, manpower, consumer protection, data protection and marketing-related laws and regulations.

M1 was not fined by any authority in 2015 for non-compliance with such laws and regulations.

DATA PROTECTION

We respect our customers' privacy and do not collect, use or disclose their personal data other than as permitted or required under applicable laws and/or regulations, including the Personal Data Protection Act 2012 ("Act").

Our employees who handle customers' personal data have been trained on their obligations under the Act. Two senior executives of the Company have been appointed Data Protection Officers to oversee compliance with the Act in relation to both customer and employee personal data. To further empower our customers, our account management web portal has been revamped to enable them to choose if, and how, they want to receive marketing materials from M1.

M1 was not fined for any non-compliance with the Act in 2015.

TRANSFORMING THE RETAIL PAYMENTS SPACE

In collaboration with CIMB, MasterCard and Wirecard, we launched an innovative mobile Point of Sale solution to transform smartphones and tablets into terminals that allow merchants to accept credit, debit and prepaid card payments from customers anytime, anywhere.

The M1 mPOS solution is designed to meet the needs of traditionally cash-based small businesses, startups, and "on-the-go" enterprises such as push-cart vendors and small cafes, allowing them to offer customers the convenience of card payment.



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SINGAPORE'S BEST VALUE POSTPAID PLANS

Singapore consumers today have access to a wide selection of smartphones at affordable prices even without contract. This has given consumers even more flexibility over the smartphones they want to use, and how often they wish to upgrade them.

In catering to these customers who prefer to buy their own handsets, M1 was the first to launch Singapore's best value SIM-only plans in July 2015. Known as mySIM plans, which start from S\$30 a month for a 5GB data bundle, 300 minutes of calls, and 1,000 SMS/MMS, to S\$125 for a 20GB data bundle with unlimited calls and SMS/MMS, they have been well-received by customers.

RESPONSIBLE MARKETING

M1 clearly labels all our products and services in our advertisements and marketing collaterals, and provides relevant details in customers' contracts. Prior to processing any customer's transaction, our employees will strive to explain the following in a clear and concise manner:

- Prices
- Product specifications
- Excess charges
- Value-added services offered on a promotional or trial basis
- Early termination charges



SMARTER HOMES M1 and Keppel Land's Smart Lives programme, announced in December 2015, will enable 30 households at Keppel's 622-unit The Luxurie condominium in Sengkang to enjoy smart home technology.

The programme will run for 12 months, and enable the selected households to enjoy a suite of smart healthcare, security and lighting solutions, such as alerts to residents when unwanted entry or motion is detected in off-limit areas in the home. Feedback will be gathered to ensure the solutions are relevant and meet homeowners' needs, and the programme will eventually be extended to other Keppel residential and commercial properties.



TELECOMMUNICATIONS AND PUBLIC SAFETY

We recognise the public's interest on radio frequency (RF) radiation from telecommunications equipment, including mobile devices and base stations.

The World Health Organisation has found no substantiated link between exposure to RF radiation and adverse impact on human health. Additionally, IDA exercises strict control over the installation and transmitter power limits of M1's base station equipment, and conducts site visits to ensure compliance with the International Commission on Non-Ionising Radiation Protection's standards.

We are committed to public health and safety, and will continue to monitor RF radiation levels at our base stations and further scientific developments, to ensure our networks meet all relevant guidelines. We will also continue to be open and transparent in the area of public health and safety, and continue to work with the National Environment Agency and IDA to ensure the levels of exposure of RF radiation from our networks are well within the guideline limits.

CUSTOMER EXPERIENCE

Providing excellent customer service is one of our core tenets and we continually invest in training and review our business processes to ensure we constantly deliver a positive customer experience across all touch points of our business operations.

To help our employees better appreciate customers' needs and achieve service excellence, all new employees undergo an attachment at our customer contact centre and retail outlets during their orientation programme. In addition, our senior management also participate in a

frontline attachment programme at the centre or outlets to ensure that they continue to be customer-centric in carrying out their duties.

We recognise the importance of customer feedback in helping us further improve our customer service, and we obtain such information through a multitude of channels including our 24-hour contact centre, retail outlets, letters to the media, mystery shopping surveys, and from social media networks such as Facebook.



CELEBRATING SG50 As a homegrown company, we wanted to do our part to help our nation celebrate its 50th birthday. To enable our highly connected customers to freely share their joys and wishes for our nation with each other, on this very special occasion, we offered free voice calls, SMS/ MMS messages and mobile data for local usage, over the National Day weekend.