

SUSTAINABILITY REPORT

OUR BUSINESS

77

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

**>S\$1.9
BILLION**

INVESTMENT IN OUR
M1 MOBILE AND FIXED
NETWORK INFRASTRUCTURE
SINCE INCEPTION

FINANCIAL PERFORMANCE

Our key financial indicators are as follows:

Financial indicators	2016 (S\$m)	2015 (S\$m)
Operating revenue	1,060.9	1,157.2
Net profit after tax	149.7	178.5
Operating expenses (including staff cost)	880.9	940.0
Staff costs	115.0	118.2
Dividends paid to shareholders	142.3	177.0

For more details of our financial performance, please refer to the Financial Statements section of this Annual Report.

INVESTMENTS IN NETWORK AND SYSTEMS

We continually invest in new technologies, as well as coverage and capacity expansion to enhance the performance and resiliency of our networks and deliver a better experience for our customers.

Since our inception, we have invested more than S\$1.9 billion in expanding and upgrading our mobile and fixed network infrastructure. Following our successful small cell trials in 2015, we announced Singapore's first nationwide commercial HetNet (heterogenous network) deployment in 2016. In addition, we also announced the first nationwide commercial NB-IoT (narrowband Internet of Things) network deployment. The completion of these networks will enable M1 to augment the customer experience and launch new services to cater to the existing and future needs of our customers.

SUSTAINABILITY REPORT

OUR BUSINESS

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

QUALITY PRODUCTS AND SERVICES

Technology and connectivity is an integral part of everyone's lives today, be it at work or play. We constantly review and update our products and services to ensure they are relevant and offer meaningful value to each of our customer segments, including the underprivileged and underserved communities.

Working with the Info-communications Media Development Authority (IMDA), M1 provided broadband access to students and persons with disabilities from low-income households through 2016, under the NEU PC Plus Programme. Through this programme, eligible applicants receive a complimentary 4G or fixed fibre broadband connection for three years. These efforts have made a positive impact in narrowing the digital divide and enabling families in the underprivileged and underserved segments to enjoy the benefits of communications technology.



In March 2016, we launched an integrated Smart Activity Monitoring Service to enable caregivers to non-intrusively monitor the safety of vulnerable seniors, particularly those who live alone. Through this service, caregivers will be able to access real-time activity information of these seniors and support them in continuing to live independently and safely, in their own homes.

To further drive fibre adoption in the corporate segment for more companies to enjoy cost-effective high speed fibre connectivity, we embarked on a fibre

ENHANCED NETWORKS TO SUPPORT OUR SMART NATION

M1's HetNet and NB-IoT deployment, initiated in August 2016, will deliver improved coverage and faster download speeds, and enhance the performance for M2M (machine-to-machine) communications.

The HetNet deployment will see the deployment of small cells and WiFi equipment across hundreds

of high traffic hotspots nationwide, to complement our advanced 4G+ network. Through these hotspots, we will be able to deliver the best coverage and network capacity to meet our customers' continued demand for mobile data, especially at previously hard-to-reach areas such as car parks, basements and parks.

NB-IoT technology is designed to offer improved M2M performance – low-bandwidth, robust indoor

penetration and low power consumption, while delivering the benefits of licensed spectrum such as network reliability and security, thus helping to pave the way for services such as autonomous vehicles and smart healthcare.

The two networks are expected to be amongst the world's first commercial large scale HetNet and NB-IoT deployments.

network expansion programme. In addition, we were appointed by Ascendas-Singbridge in Singapore's biggest fibre upgrading project, to install and enhance fibre infrastructure at 70 commercial buildings. This has reduced the fibre access turnaround time for tenants. Through the year, we also launched a selection of new corporate managed services, such as the M1 Cyber Security Solutions Suite, Hosted Unified Communications solution, and SOHO fibre plan bundled with business solutions, to further enhance our connectivity solutions.

REGULATORY COMPLIANCE

We are committed to conducting 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 which govern our core telecommunications business and quality of service (QoS) delivery standards to our customers include the Telecommunications Act and Telecoms Competition Code (2012).

M1 protects vulnerable customer segments such as children and youths 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 at both the network and the device levels, to enable parents to monitor the access of their children to online sites.

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 2016 for non-compliance with any laws and regulations.

ENTERTAINMENT DATA

Over-the-top (OTT) video and music streaming services have delivered unprecedented content to Internet users, and in doing so, driven media consumption online.

To enable M1 customers to enjoy their favourite OTT content services anytime, anywhere, without worrying about excess data charges, we launched our **M1 Entertainment Data in October 2016**. Through the service, priced at **S\$9.90 per month**, M1 postpaid customers enjoy **unlimited local data access to popular video and music streaming services Netflix, Dailymotion and Deezer**.

As a launch promotion, Entertainment Data was made available at a promotional monthly subscription price of **S\$4.90 for the first six months**.



**NON-STOP ENTERTAINMENT.
UNLIMITED DATA AT ONLY \$4.90/MTH.**

NETFLIX **DEEZER** **dailymotion**
coming soon

Watch your favourite shows and movies on **Netflix**, stream the latest music on **Deezer** and enjoy your daily dose of videos on **Dailymotion** anytime, anywhere! With M1's Entertainment Data, enjoy **unlimited data** for unlimited entertainment at just \$4.90/mth.

Sign up now via My M1 App.

M1 FOR EVERYONE. m1.com.sg/entertainmentdata

SUSTAINABILITY REPORT

OUR BUSINESS

BRAZIL DATA PASSPORT

The 2016 Olympics and 2016 Summer Paralympics games were significant sporting events of the year. To help athletes, officials and supporters visiting Brazil stay connected with their loved ones and fans at home, M1 made available a new Brazil Data Passport at a promotional rate of S\$10 (UP S\$25) a month during the sporting season.

M1's unique Data Passport service enables customers to use their local data bundle overseas, as if they never left home. As at February 2017, it is available in 56 destinations including Australia, Malaysia, China, India, the United Kingdom and the United States.



CAPTURE YOUR FAVOURITE MOMENTS OF THIS YEAR'S BIGGEST SPORTING EVENT IN BRAZIL.

With \$10 Brazil Data Passport, you can use your local data bundle to stay connected and share the excitement of the world's biggest sporting event with your loved ones at home.

Promotion is only valid till 30 September 2016.
Activate Brazil Data Passport now via
My M1 App or dial *123#!

M1. FOR EVERY ONE.
Terms and conditions apply.

m1.com.sg/datapassport

DATA PROTECTION

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

All M1 employees are trained on their obligations under the Act, with e-learning refreshers made available annually to ensure employees are kept up-to-date with the Act.

Additionally, 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.

RESPONSIBLE MARKETING

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

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

TELECOMMUNICATIONS AND PUBLIC SAFETY

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

To date, the World Health Organisation¹ has found no substantiated link between

¹ The World Health Organisation is currently conducting a formal assessment of all studied health outcomes (<http://www.who.int/mediacentre/factsheets/fs193/en/>)

exposure to RF radiation and adverse impact on human health. Additionally, the IMDA 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 work closely with the National Environment Agency and IMDA to ensure the levels of exposure of RF radiation from our networks are well within the guideline limits.

In October 2016, some overseas users of Samsung Galaxy Note 7 handsets reported overheating issues. While there were no reported cases in Singapore, M1 halted sales of the handset to ensure the safety

of its customers. Samsung subsequently issued a recall of the Galaxy Note 7 and refunded affected customers.

CUSTOMER EXPERIENCE

Delivering excellent customer service is one of M1's core operating tenets. We continually invest in training and review our business processes to ensure consistent delivery of positive experience across all customer touch points.

To help our employees better appreciate customers' needs and achieve service excellence, all new employees undergo an attachment programme at our customer contact centre and retail outlets during their orientation programme.

We value customer feedback in helping us to improve our service, and gather 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.

UNIVERSAL SECURE MOBILE-BASED AUTHENTICATION

GSMA's Mobile Connect standard, which has been adopted by Singapore's mobile operators, will enable Singapore consumers to enjoy fast, simple and secure access to a variety of online services with their mobile devices.

Announced in November 2016 and expected to be rolled out in late 2017, Mobile Connect will free customers from having to manage multiple usernames and passwords for every online account. Instead, customers will be able to use Mobile Connect's universal trusted

digital identity for convenient and secure access to compatible telecommunications, banking, e-commerce, entertainment, government and travel services and applications.

To access Mobile Connect-enabled services, customers will confirm their identities using their mobile numbers on their devices, with unique personal codes for online transactions that require greater levels of security. No information will be made available to online service providers without users' permission.

Online service providers will also benefit from accepting Mobile

Connect logins. They will be able to offer simpler sign-ups, reduce customer frustration and abandoned transactions due to authentication issues, and increase the likelihood of repeat business.

To drive rollout and adoption, Singapore's mobile operators are building a unified platform to enable easy integration with online service providers through a common Mobile Connect Application Programme Interface (API). Mobile Connect is developed by the GSMA and is currently available in 22 countries.

