

SUSTAIN- ABILITY REPORT

2017/18

BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED

รายงานความยั่งยืน 2560/61

บริษัท บีทีเอส กรุ๊ป โฮลดิ้งส์ จำกัด (มหาชน)

SUSTAINABILITY REPORT 2017/18



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In 2017/18, it was another successful year of BTS Group with the business growth and expansion. As seen in mass transit business, it was awarded to be the exclusive operator of certain extensions to the Core Network and future operator of the Pink and Yellow monorail lines in June 2017. With this, BTS's Network coverage will increase to 132 km in the next 3-4 years. For media business, VGI has integrated and synergised with Rabbit to become "Data Centric Media Hypermarket", an integrated offline-to-online media platform. For property business, U City becomes one of Thailand's leading listed hospitality players with an international hotel and office presence in 11 European countries and 5 Asian and Middle Eastern countries. These successful stories came from the commitment to operate business with transparency, good governance, efficient human resources management, quality of services, and strong support from stakeholders.

In order to increment sustainable value, BTS Group is commitment to embrace social and environmental issues harnessing Corporate Governance to balance business growth and strengthen the foundation for all stakeholders to prosper alongside BTS Group. In 2017/18, BTS Group has announced its corporate sustainability policy as a guideline for the 4 business units to comply and implement. The guideline, covering the economic, social and environmental issues, is an important factor in the decision-making process in the business operations, adhering to transparency in accordance with good corporate governance practices, responsibility to the economy, society and environment, and stakeholder's expectations. This is not

Message from Chairman

only to generate long-term return on investment, but also to secure a sustainable society.

As the commitment to operate business in accordance with the corporate sustainability policy, BTS Group Holdings Public Company Limited was awarded the 2018 Thailand Top Company Award, organised by the University of the Thai Chamber of Commerce, Business Plus Magazine, and ARIP Public Company Limited, out of a total of 13 companies that received the awards. Moreover, the Company was ranked as one of the top 100 listed companies that have demonstrated outstanding environmental, social and governance (ESG) achievement in the year 2018, out of 683 listed companies. It also was ranked as one of 300 Best Public Companies of the Year 2018, organised by Money and Banking Magazine. This showcases the Company's focus on and responsibility for the environment, society and governance to create sustainable development.

For the sustainability performances in the previous year, BTS Group has conducted business covering 3 aspects; social, environmental and economic aspects. In social aspect, BTS Group improves its operational efficiency with an emphasis on safety, security, health, and environment as shown in Serious Employees and Contractors Injury Rate in 2017/18 was at zero continuously throughout the past four years. In environmental aspect, BTS Group is committed to maximizing in energy efficiency. The target is to control the electricity intensity used for traction power at not exceeding 2.8 kWh per distance car-km. BTSC was able to control the electricity intensity

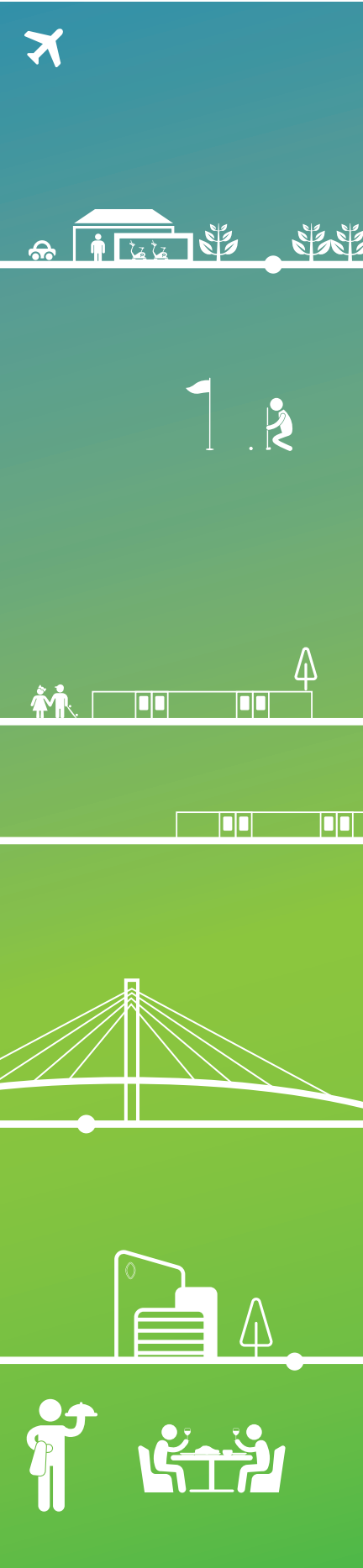
for Traction Power and energy at stations less than the set target of not exceeding 2.8 kWh per distance car-km. As shown in the energy efficiency performances throughout the past 4 years, it was found that the electricity intensity were in control level even though the increase of passengers and serviced route expansion. In economic aspect, BTS Group focuses on business potential synergy among business units to develop "Rabbit" to be not only BTS Sky Train and BRT Pass but also supports both offline and online payments through the collaboration with other business partners, aiming to meet the consumer need to cover the city lifestyle and promote the government policy to bring Thailand to Cashless Society.

For the above successes, BTS Group would like to thank all our stakeholders for their collaboration and continued support in all the undertakings. BTS Group is steadfast in our commitment to provide energy security and be socially and environmentally responsible for continued sustainable growth and stability for all. This is not only to generate long-term return on investment, but also to secure a sustainable society.



Mr. Keeree Kanjanapas
Chairman





Business Overview

BTS Group Holdings PCL (BTSG) is the preeminent mass-transit services provider in Thailand and a privately-owned conglomerate. Listed on the Stock Exchange of Thailand (SET), BTSG is a constituent member of the SET50 “Bluechip” Index and MSCI Asia Pacific Index and among the largest companies in Thailand. As of 31 March 2018, the Group has a market capitalisation of THB 99.7bn (USD 3.2bn). The company is also engaged in complementary businesses in Media, Property and Services.

FY 2017/18 Operating Performances

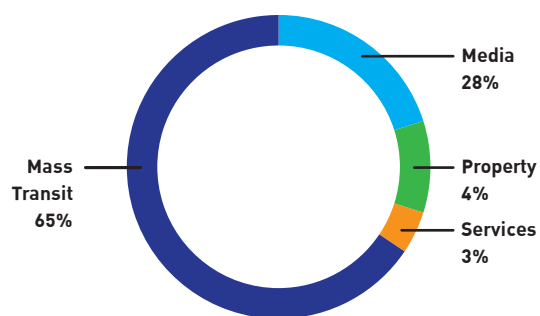
Operating Revenues	THB 14,102mn
Net Profit	THB 4,416mn
Dividend Payment*	THB 4,876mn
Employees	4,518 persons

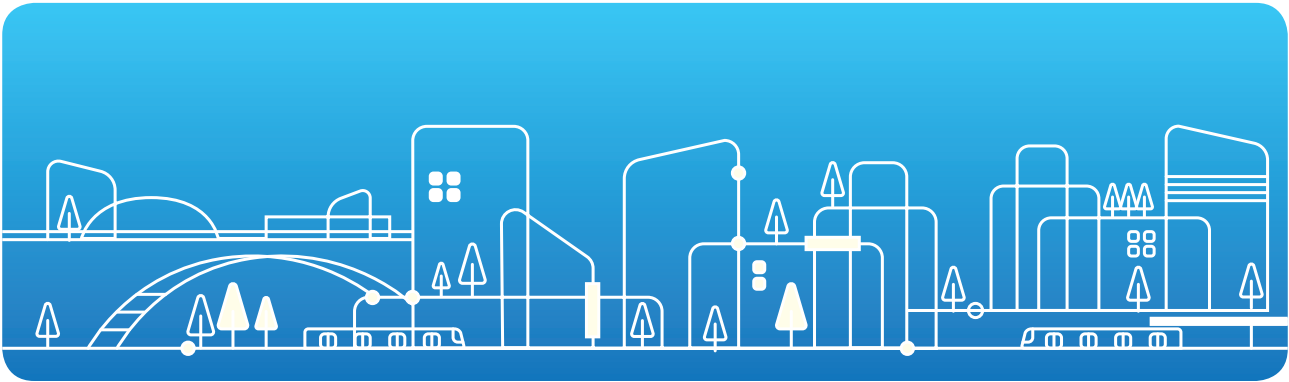
*Final dividend of THB 0.185 per share or equivalent to the dividend payment in the amount of not exceeding THB 2,922.1mn is subject to shareholders’ approval.

Total Employees (as of 31 March 2018)

	Persons	Percentage
Mass Transit	2,372	52.50
Media	495	10.96
Property	548	12.13
Services	955	21.14
BTS Group Holdings	148	3.28
Total	4,518	100.00

FY 2017/18 Operating Revenues Breakdown (Percentage)	
Mass Transit	65
Media	28
Property	4
Services	3



**Mass Transit**

BTSC is the exclusive concessionaire and operator of the BTS SkyTrain Core Network, the Bus Rapid Transit system, the major shareholder of BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF) and the exclusive operator of certain extensions to the Core Network and future operator of the Pink and Yellow monorail lines.

Media

VGI is the leading Out-of-Home Media company in Thailand covering various offline platforms and online platform, mainly payments-based data platform, the “Rabbit” ecosystem. With these integrated offline-to-online media platform, VGI provides “Data Centric Media Hypermarket” with online-to-offline solutions (O2O Solutions) that can meet the needs of customers in advertising and communication through the 360-degree through effective data analysis from the Rabbit.

Property

BTSG’s overarching objective is to capture real estate opportunities predominantly in close proximity to - or directly connected with - future or existing mass transit lines to benefit from the “mass transit premium”. BTSG’s direct activities in real estate are now limited to land acquisition and U City is now the designated property development and investment vehicle of BTSG.

Services

BTSG’s Services business provides strategic support for the rest of the BTS Group and is an incubator for future businesses. Within this segment are companies engaged in an assortment of businesses such as the “Chef Man” Chinese restaurant chain, the “Rabbit Rewards” loyalty programme, a software and systems developer and a construction contractor.



Mass Transit



Operating Revenues	THB 9,112 mn
Total distance of service provided	38.1 km.
Current number of stations serviced	35 stations
Number of trains serviced	52 trains 208 carriages
Core Network Ridership	241.2mn trip
Net income from investment in BTSGIF	THB 949mn

Total distance of service provided	15 km.
Current number of stations serviced	12 stations
Number of bus serviced	25 buses



Media



Operating Revenues THB 3,902mn



Transit

- 30 BTS stations
- 208 carriages
- >4,000 static displays
- >2,000 digital screens
- 8,800 sq.m. merchandising space



Office

- 174 office buildings
- 1,340 digital screens



Outdoor

- >2,200 ad panels nationwide



Aviation

- 15 airports
- 343 digital screens
- 57 jet bridges
- Sale agent for 80 aircrafts



Activation

- >1,000 stores
- 6,000 salespeople



Digital Service

- 8.9 mn Rabbit cards
- >5,680 Rabbit card readers 157 brand partners
- 2.9 mn Rabbit LINE Pay users
- 678 Rabbit LINE Pay online merchants
- >3,000 Rabbit LINE Pay QR merchants



Property



Operating Revenues	THB 639mn
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Property Book Value	THB 28.2bn
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- Residential Property THB 0.5bn
- Commercial Property THB 2.5bn
- Land Bank THB 0.7bn
- Bayswater JV THB 4.3bn
- U City THB 20.2bn



Services



Operating Revenues	THB 449mn
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Chef Man Branches	7 Branches
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Rabbit Rewards Members	3.2 mn
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Vision

To provide the community with a unique and comprehensive range of City Solutions, that significantly contributes to an improved way of life.

Mission

We aim to provide a sustainable and leading set of City Solutions to urban communities across Asia, supporting critical needs in our four principal business areas; Mass Transit, Media, Property and Services.

Value



Delivering Customer Satisfaction: Our success is dependent on our ability to develop long-lasting customer relationships. This will be achieved by listening, understanding, and anticipating our customers' needs and delivering products or services that satisfy those needs. We are easy to do business with and always strive to be responsive and professional.



Creating Shareholder Value: We strive to deliver accretion of shareholder value through earnings growth and improvement in operational effectiveness. Specifically, we aim to deliver long-term shareholder returns to our investors that outperform returns from investment alternatives with a similar risk profile.



Supporting Sustainable Growth : Our client base and shareholder value must be enhanced in a sustainable manner. We conduct our business upholding sustainable practices that reduce environmental impacts compared to competing products and services.



Developing Communities: We are an integral part of the communities in which we operate. We provide City Solutions that enhance our customers' sense of community. We contribute revenues and resources to work with local communities, supporting education and children's welfare and we promote the health and well-being of BTS employees and their families.

Strategy and Long-term Goals

BTS Group aims to be the leader in developing and operating Rail Mass Transit in Thailand, reinforce our position as the leading Out-of-Home (OOH) Media provider in the country and selectively expand our network across the ASEAN region, cautiously grow our Property business, and lead Bangkok's cashless society via smart purse e-payment solutions. We have five key strategies as a foundation:

1. Experience in rail mass transit
2. Synergy across all four businesses with rail mass transit at our core
3. Financial strength
4. Innovations
5. Customer satisfaction

BTS Group will grow our four businesses in line with the urbanisation of Thailand, and provide communities with a unique and comprehensive range of City Solutions, which significantly contribute to an improved way of life.





Sustainability at BTS Group

Throughout the past business operations, the BTS Group recognizes that conducting any businesses are complicated due to the rapid change in economic conditions and market mechanisms as well as consumer needs, and the most important thing is the expectations of the stakeholders that necessitates organizations to take more responsibility for the economic, society and environment. In 2017/18, the BTS Group consequently announced its corporate sustainability policy as a guideline for the 4 business units to comply and implement. The guideline, covering the economic, social and environmental issues, is an important factor in the decision-making process in the business operations, adhering to transparency in accordance with good corporate governance practices, responsibility to the economy, society and environment, and stakeholder's expectations. This is not only to generate long-term return on investment, but also to secure a sustainable society.

In accordance with the Corporate Sustainability Policy, the BTS Group has framed operation guidelines for the 4 business units in align with our Vision, Mission, Values, Strategies and Long-Term Goals under the "City Solutions" concept for sustainable business development.



“The City Solutions concept” is a sustainable corporate strategy for the BTS Group, covering in economic, social and environmental aspects. It aims to synergize power and potential of all 4 business units to develop products and services that perfectly fit and respond to the lifestyle of the city. The BTS Group has adopted this concept as the foundation of corporate culture as a guideline for business operations.”

Economy

- Good Corporate Governance and Business Ethics
- Long-term value-added and sustainable returns
- Integrating the power of business units to develop products and services that truly serve the needs of customers
- Delivering on-time and reliable goods and services
- Effective risk management

Environment

- Efficient and effective energy management
- Conservation and reduction of natural resources, including waste management

Society

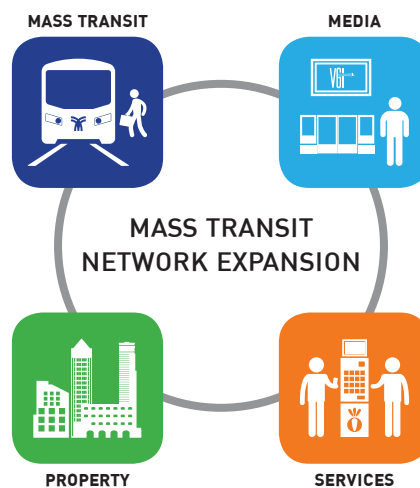
- Accident and Safety Management
- Enhancing well-being and fair treatment of employees
- Human resources development in the organization
- Supporting the quality of life and well-being of the community and society

Stakeholders

- Respecting the rights of stakeholders and treating them with fairness and transparency
- Listening and responding to the needs of stakeholders appropriately

BTS Group Sustainability Strategy aligned with the “City Solutions” Concept

“Synergising the power and potentials across the 4 Business Units to encourage each one to enable business expansion and growth as appropriate to its expertise and resources by mainly driven by Mass Transit Business”



BTS Group has implemented its business in accordance with the sustainability strategy by synergizing the power and potentials across the 4 Business Units by mainly driven by Mass Transit Business, the Group’s core business and significantly affects a wide range of stakeholders. The Synergy aims to create perfect-fit products and services providing the responsive city lifestyle in align with the “City Solutions” Concept.

Since commencing operations, the Bangkok Mass Transit System has proven itself by not only raising the international image of Bangkok, but also relieving traffic congestion and reducing transport energy consumption. Additionally with the principal role of Mass Transit, it supports in framing the direction of city expansion, as well as linking satellite suburban areas to the city center in a shorter-time transportation.

BTS Group has recognised the importance of participation at every level in the development of the city of the future, designed for living in balance and harmony. The city expansion helps facilitate more convenient urban lifestyles, which in turn forms part of the foundation for sustainable economic growth. Consequently, BTS Group has implemented and framed the Corporate Sustainability policies in a unified manner across the 4 core businesses of Mass Transit, Media, Property and Services, with all parties focused on achieving the same goals, as appropriate to their expertise and resources. All parties are required to conduct business with transparency and fair practice, giving importance to environmental management, living quality of employees, society and community, as well as providing a balance between the economy, society and the environment.



Developing the mass transit business to support the increasing needs of public transportation in Bangkok and the increasing number of passengers as well as expanding to other mass transit routes covering 515 kilometers by 2029 according to the government plans, including other rail systems in the future.



Investing in land, residential and commercial property including hotel business along the existing and future mass transit routes through a joint venture with strong business partners who expertise in the property sector.



Expanding advertising network to various offline and online platforms, aiming to become a leading Out-of-Home media service provider in Thailand and Data Centric Media Hypermarket, the integrated online to offline media solution (O2O Solution).



Services business provides strategic support for the rest of the BTS Group, aiming to create potentials for business growth in long term.



BTS Group contribution to the Sustainable Development Goals-SDGs



BTS Group supports the United Nations Sustainable Development Agenda. In 2017/18 all 17 Sustainable Development Goals (SDGs) were considered and decided to focus on 6 SDGs relevant to our business and material issues, which will be accomplished and created a positive change significantly.



Goal 3: Good health and well-being

The BTS Group is committed to the safety, health and occupational health of employees, contractors and also the community in the area of the Group operations, namely community along the BTS SkyTrain and nearby, including remote communities which lack access to medical services. The BTS Group has provided assistance through social projects such as Sky Clinic Project, the Next Station “Happiness” by BTS Group Project.



Goal 8: Decent work and economic growth

BTS Group’s business supports local employment everywhere we operate. The Group indirectly contributes to economic growth by paying taxes to the government and strengthening society as it is a foundation for national economic development through social projects that address basic needs also help improve living standards of the community.



Goal 11: Sustainable cities and communities

With the principal role of Mass Transit System in framing the direction of city expansion, as well as linking satellite suburban areas to the city center, BTS Group has recognised the importance of participation at every level in the development of the city of the future, designed for living in balance and harmony. The city expansion helps facilitate more convenient urban lifestyles, which in turn forms part of the foundation for sustainable economic growth.



Goal 13: Climate action

Volatility of both energy prices and limitation of energy sources, a trend towards higher electricity prices, and risks from international policies on the target of emissions reduction to keep rising global temperatures to well below 2 degrees Celsius, BTS Group, as a mass transit system operator, consuming electricity as the main energy for business operation, is committed to energy efficiency management to support the environmental pollution reduction.



Goal 16: Peace, Justice and Strong Institutions

BTS Group is committed to conducting business guided by rigorous good corporate governance and business ethics and continuously promotes transparency and human rights. The Group also advocates the anti-corruption policy for all stakeholders.



Goal 17: Partnerships for the goals

BTS Group believes that no one or any organization can do everything alone. BTS Group has set its business strategy by integrating the power and expertise of each business unit, aiming to create perfect-fit products and services responding to the urban lifestyle in align with the City Solutions Concept.

Sustainability Topics	Service Reliability	Customer Relationship Management	Energy Efficiency	Accidents and Safety Management	People Development & Talent Retention
Material to Business	Good practices reflect the organization's image of excellence in service and safety to the public, with the aim to be granted license to operate and a significant opportunity to expand the business of the BTS Group.	With over 800,000 BTS SkyTrain customers per day, offering products and services with the highest level of customer satisfaction and truly understand their needs are important factors for business operation.	Electricity is the main energy in the business operations. Energy Efficiency helps reduction of the environmental pollution and cost of business. It also alleviates the risk of future energy shortages.	The mass transit business supports over 800,000 users a day, including commuters on the streets and communities around the BTS sky train. Safety is the primary goal of the organization to build confidence in the government sector, who award the concessionaire, and all stakeholders.	Employees are the most valuable resource of the organization and the key drive to the successful business.
(Management Approach	Regarding train management, Central Control System and Signaling Control System, responsible by Operation Department, helps efficient train operations both in terms of being on time and passenger safety.	BTS Group integrates the potential of the Group's businesses to create and truly meet the needs of customers and users of all groups. The monitoring and monitoring system is used to assess customer satisfaction which helps continuously improve products and services.	Establishing a working committee in 2014/15, responsible for determining energy conservation policy, evaluation of the ability to conserve energy, determine goals and conservation plans, audit and analyse operations to ensure goals and plans are met.	Realising the importance of Process Safety since the project construction, and Personal Safety covering passengers, employees and contractors through international safety management system. It also creates a safety culture throughout the organization through training and communication.	Continuously developing employees' potential development and talent retention on the basis of equality, human rights and labor rights. Also offering equal opportunities for career paths to enhance employees a sense of commitment and pride in the organization.

Sustainability Topics	Service Reliability	Customer Relationship Management	Energy Efficiency	Accidents and Safety Management	People Development & Talent Retention
Goals and Targets	Target of 2017/18 <ul style="list-style-type: none"> Passenger Journey On-Time target of 99.50% Train Reliability target of 35,000 car kilometers per fault 	Target of 2017/18 Customer Satisfaction at 76.00%	Target of 2017/18 Electricity Consumption per distance car-km at not exceeding 2.8 kWh per distance car-km	Target of 2017/18 <ul style="list-style-type: none"> Serious injury rate of passengers at 0.04 times/million working hours Serious injury rate of employees at 0.8 times/million working hours Serious injury rate of contractors at 1.25 times/million working hours 	Target of 2017/18 Employees Satisfaction Scores at 70% of employees who are very satisfied.
2017/18 Performance	<ul style="list-style-type: none"> Passenger Journey On-Time at 99.85% Train Reliability at 87,960 car kilometers per fault 	Customer Satisfaction at 75.40%	Electricity Consumption per distance car-km at not exceeding 2.68 kWh per distance car-km	<ul style="list-style-type: none"> Serious injury rate of passengers at 0.004 times/million working hours Serious injury rate of employees at 0 time/million working hours Serious injury rate of contractors at 0 time/million working hours 	Employees Satisfaction Scores at 73.94% of employees who are very satisfied.

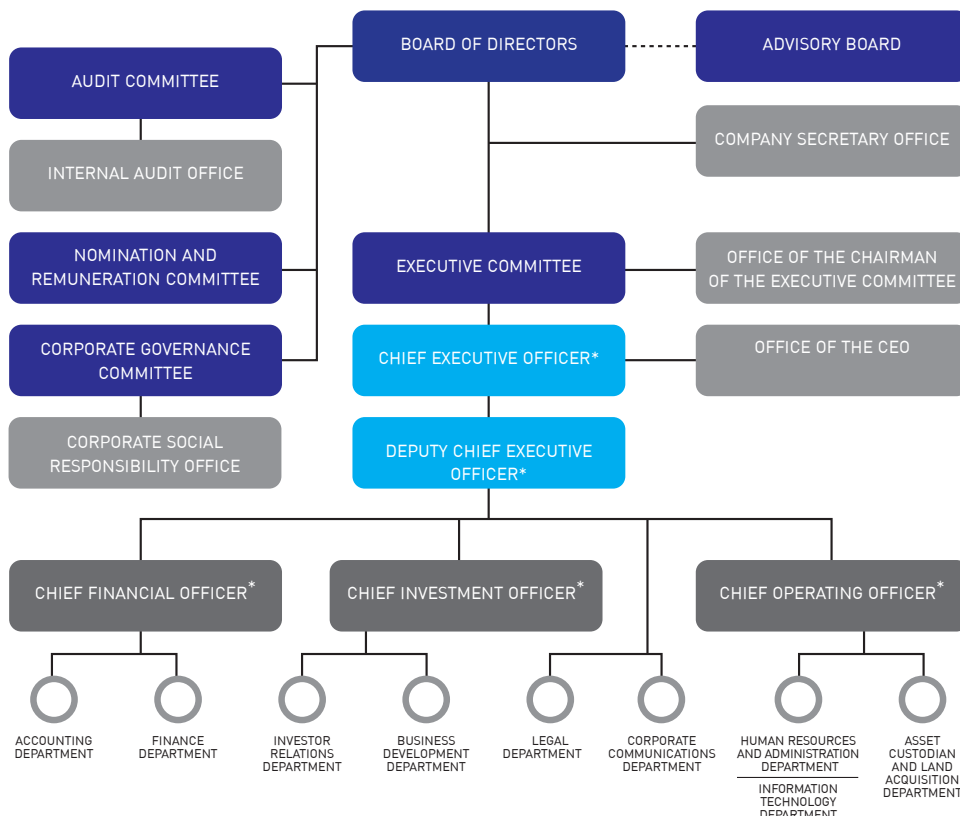
Corporate Governance

BTS Group values good corporate governance, as it realizes and ardently believes that good corporate governance will enable the Group to add value and provide maximum returns to long-term shareholders of the BTS Group, as well as create confidence among its investors and various groups of stakeholders. Therefore, the Group gives priority to developing its organization in relation to the following 5 areas: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, and Board Responsibilities through its good management system and good corporate governance system, which composes of having a visionary and accountable Board of Directors and executives. The Company's management governance system clearly defines the separation of power, duties and responsibilities of the key governing bodies in their roles of (1) governance, (2) management and (3) operation within the Company, as well as creating a checks and balances mechanism, in order to ensure transparency and verifiability. Details of the power, duties and responsibilities of each governing body are set out in the Charters and the Policy on Delegation of Authority.

The Board of Directors, on behalf of shareholders, has established various corporate governance policies by incorporating principles and guidelines that are aligned with the principles of good corporate governance of the Stock Exchange of Thailand, the recommendations from the Thai Institute of Directors Association and other relevant regulations, in accordance with the Vision and Mission of the BTS Group of City Solutions Concept which has been business guidelines since its inception.

The Board of Directors is responsible for the operations of the BTS Group in accordance with the economic and social conditions through the management of the Executive Committee and various sub-committee. Corporate Governance Committee is assigned to consider, determine, review and update the Corporate Governance Policy, Code of Business and Employees Conduct to be in line with the international standard and to propose to the Board of Directors for consideration and approval, and to monitor the implementation of such Corporate Governance Policy and Code of Business and Employees Conduct.

Corporate Governance Structure



Composition of the Board of Directors and the Subcommittees

The Board of Directors shall consist of members in the number that is suitable for the size and business strategy of the Company, but shall be no less than 5 members. At least one-third (1/3) of the members shall be independent directors and in any case the independent directors shall not be less than 3 members. The Board of Directors has appointed subcommittees to supervise and monitor the business operations in accordance with the principles of good corporate governance, i.e., the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee.

The Audit Committee shall entirely consist of independent directors and shall not be less than 3 members whereas at least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements. The Nomination and Remuneration Committee shall consist of at least 3 members but shall not exceed 5 members where the majority of the members shall be independent directors. The Corporate Governance Committee shall consist of at least 4 members but shall not exceed 6 members. The Executive Committee shall consist of not more than 5 members where the members of the Executive Committee do not have to hold the position of director of the Company. Moreover, the Board of Directors has appointed the Advisory Board as part of its organization chart to have the role to provide useful advice and suggestions for the businesses of the Company and its subsidiaries.

Additional details on corporate governance are in the 2017/18 Annual Report under “Corporate Governance” at the following link: <http://www.btsgroup.co.th>

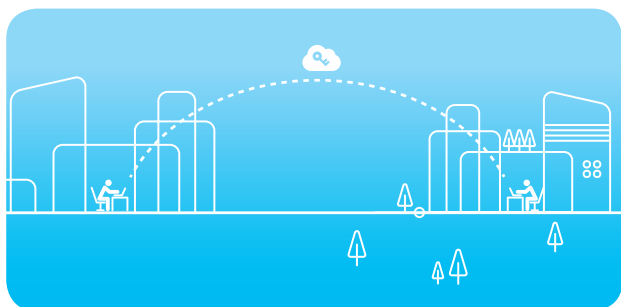
Risk Management

BTS Group recognizes the importance of risk management under uncertainties and considers risk management to be an important component of every business process linked among the 4 business units, namely (1) Mass Transit (2) Media (3) Property and (4) Services. BTS Group has defined a corporate risk management policy that all employees must follow and appointed Risk Management Working Group to be responsible for conducting a risk assessment of the Group, including supporting the implementation of risk management framework set up by the Board of Directors in order to ensure that the risk management guidelines are in accordance with the Group’s objectives, goal and the strategic plan. Risk Management Working Group will assess the Group’s risks by considering the changing circumstances both inside and outside, under constant analysis of the environment, such as political uncertainty, economic fluctuations, the diverse expectations of stakeholders, changed regulations, technology advances, and the impact on the environment as a result of doing business, as well as proposes suggestions, tracking guidelines and risk management outcomes to the Board of Directors in order to implement the maximum effectiveness.

The BTS Group has established a systematic risk management policy to ensure that relevant persons understand the principles of risk management and apply it appropriately. Risk management consists of “top down” and “bottom up” approaches in accordance with the Enterprise Risk Management of Committee of Sponsoring Organizations of the Treadway Commission (COSO). It also assesses and monitors the risk parameters through the implementation of the Risk Management Working Group, consisting of representatives from all business units in the BTS Group, to be responsible for analyzing and monitoring the risks associated with business operations, covering the various risk factors which impact on business operations. The BTS Group has divided risk assessment and management into 5 categories, namely, strategic risk, operational risk, financial risk, risks of compliance with rules and regulations and corruption risk.

Emerging Risks

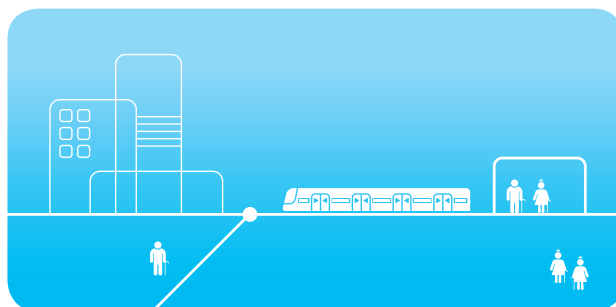
BTS Group assesses emerging risks to reduce uncertainty and mitigate the risk of volatile business results in the future. The recent assessment identified Cybersecurity and Demographic change (aging society & emerging of middle class) as our emerging risks.



Cybersecurity

Regarding rapid technological advancement and the business of BTS Group, namely mass transit, media and e-money service, rely heavily on information technology, security breach can result in disruption of the business and loss of data which can potentially impact company's reputation, stakeholders' trust, and cause liabilities.

To mitigate the impact of this particular emerging risk, BTS Group establishes 1) technology security management system and procedure; 2) Data recovery measures e.g. intrusion prevention systems, multi-level firewalls, server protection, etc. to manage internet security and cyber threats; 3) Systems are tested regularly to test the vulnerabilities and apply improvement measures; and 4) Educate staffs of information security policies/procedures regularly.



Demographic change (aging society & emerging of middle class)

Global demographic structure has been undergoing a constant change with future trend of increasing aging and middle-class population. This results increasing demands of the SkyTrain accessibility for elderly passengers. Consequently insufficient facilities to passengers will potentially lose its business competitiveness and jeopardize its long-term business growth.

To mitigate these emerging demographic change, BTS Group 1) develops its products and services for easy-used 2) Incorporated universal design into the facility and development plan to facilitate every group of passengers 3) Organizing employee trainings to continually develop capability to provide services to elderlies and people with disabilities.







Economic Performances

Economic Performances

BTS Group aims to grow its sustainable business by excellent management to deliver the best service to customers based on ethical business practices throughout the operation. BTS Group believes that our efforts will bring credibility to our products and services as well as customer satisfaction. It also aims to manage the supply chain to link the potential and competitiveness of the BTS Group and its partners with the goal of sustainable growth under the responsibility of society and environment.

Economic Indicators and Performances

Indicators	Performances				Target
	2014/15	2015/16	2016/17	2017/18	2017/18
Passenger Journey On-Time (Percentage)	99.83	99.84	99.86	99.85	99.50
Train Reliability (Car kilometers per fault)	72,895	71,949	89,076	87,960	35,000
Customer Satisfaction (Scores)	78.60	77.60	76.80	75.40	76.00

Service Reliability

With the goal to be leading and the best operator of mass transit system in Thailand, the BTS Group focuses on the punctuality and train reliability which are key factors in driving the business operations to sustainability. As a result, the mass transit business is not only support a huge amount of commuters, but it also significantly affects the reputation and corporate image of the organization, as well as the confidence of the government sectors who award the concessionaire, including shareholders, investors and passengers. Consequently, good practices reflect the organization’s image of excellence in service and safety to the public, with the aim to be granted license to operate and a significant opportunity to expand the business of the BTS Group.

Management Approach

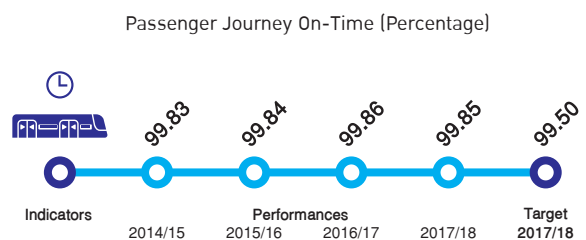
Regarding train management, BTSC uses a Central Control System and Signaling Control System with an operations team responsible for implementation. This has resulted in efficient train operations both in terms of being on time and passenger safety. In 2017/18, BTSC proactively implemented the following:

- Preventive Maintenance using a computer program which focuses on recording and collecting data on main maintenance plans, as well as resource management and follow up on maintenance. This creates confidence in being able to provide a mass transit system that is ready to provide service and reduces problems during operations.
- Train Overhaul, focusing on the lower part of the train with the aim to ensure that the train service will not cause any interruption and the most safety during the service.
- Follow up and planning by the Service Planning Department in various aspects on a monthly basis, including the number of expected passengers or Line Load, the ability to provide services and equipment available to provide services, such as ticketing gates. Results are then submitted to senior management for further consideration and implementation.

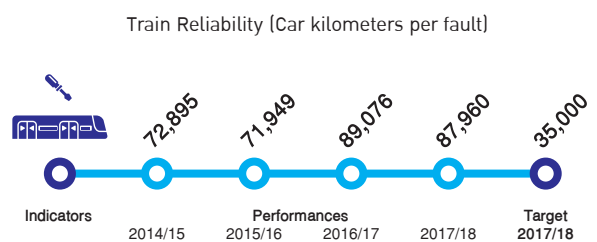
Performances

BTSC has determined key indicators regarding passenger journey on-time and train reliability for using in monitoring and evaluating operations regarding stability of these factors. These are also used to compare efficiency in providing services by other operators both domestic and abroad. In 2017/18, efficiency in terms of passenger journey on-time and train reliability was higher than the target for 2017/18, with passenger journey on-time at 99.85% (target of 99.50%) and train reliability at 87,960 car kilometers per fault (target 35,000 car kilometers per fault). However, BTSC continues to strive for continuously improving its services.

Performances on Passenger Journey On-Time



Performances on Train Reliability



Customer Relationship Management

With the target to improve the quality of life of the city by creating and developing products and services that meet the lifestyle of the city according to the concept “City Solutions”, BTS Group is committed to providing services which meet customer satisfaction and understanding their needs, which both are important factors for business operations and determine the direction of operations, aiming that the business can respond to customer need perfectly and suite for life style and customer behavior. In addition, BTS Group listen to customer feedback received through all channels that are modern and systematic, in order to adjust and meet customer needs efficiently.

Customer Care and Satisfaction

Management Approach

Creating customer satisfaction is an important issue for BTS Group, especially mass transit business which is the core business of the BTS Group and also reflects the image of the BTS Group to public. BTSC, which operates the mass transit system, work with other business function such as Rabbit Card, Advertising Media, and merchant in BTS Sky Train to enhance the ability to create and meet the customer need efficiently. BTS Group takes care of customer need by having monitoring systems to evaluate customer satisfaction on a regular basis. Current performance can be used in setting goals for the future, resulting in improvements and continuous development. We aim to become the best rail mass transport provider in Thailand.

BTS Group takes into consideration all customer needs, therefore creating customer satisfaction is seen as a responsibility for all employees, through services provided that fulfills all customer needs. BTS Group has a staff training system for station personals, security guards, and complaint officers, by requiring all employees who work with customers to receive training on service standards and ethics, in order to ensure employees can provide services to their customers, efficiently manage their problems and also provide appropriate advice to their customers.

Nowadays, Customer behavior has been changed customers need fast, convenient, easy access to every contact points with no restriction. BTS Group has realised this change, by increasing another way to communicate with customers online to get passengers more convenient and faster. BTS Group also arranged a staff team to have responsible for direct communication with customers in case of inquiries or questions from customers. The staff will serve customer immediately to answer questions or solve problem. This solution helps to increase efficiency in customer service.

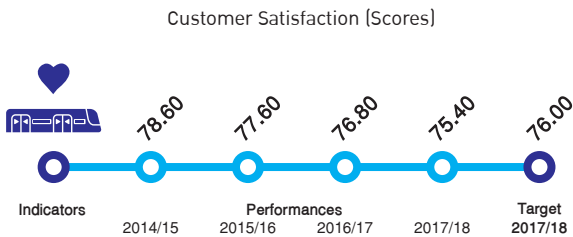
Apart from treatment of regular customers, BTS Group also provides necessary support and facilities to ensure that all customers have equal access to the BTS SkyTrain service, whether family groups, elderly passengers, tourist groups, cyclist groups, or those with disabilities. BTSC provides access for such customers, by designing the BTS station facilities for convenient access. In addition, BTS Group has implemented training sessions for BTS station personnel, covering basic care and assistance for disabled passengers using BTS services.

Performances

To satisfy the BTS SkyTrain passengers, BTS Group organised special events during various festivals by exempting fares for customers who qualify for activities such as children’s day, BTS SkyTrain provided free service for children not taller than 140 centimeters throughout the service hours at all BTS stations. This is an additional from regular basis which Children under 90 cm. height are entitled to travel free. On CAR Free Day, BTS SkyTrain provided free service for cyclists. In addition, BTS SkyTrain provided free service to people throughout the route on October 26, 2017 which is the day of the royal funeral. To support the people to travel to worship and offer funeral wood flowers at royal cremation, funeral wood flower booths, and temples in Bangkok area.

In addition, BTS Group conducts an annual survey carried out by Suan Dusit Poll on customer satisfaction. This is a credible and unbiased academic institution that carries out surveys at 35 stations. The findings in 2017/18 revealed that customer satisfaction was lower than expected at 75.40%. The results will be used in determining improvements, in order to provide services that are more efficient.

Customer Satisfaction Performance



Based on the above analysis, the satisfaction score on all aspects decreased slightly from the previous year, but higher than target excluding the satisfaction score on the value of the fare, which has decreased significantly compared to last year. This is because the increasing of fares from Sukhumvit and Silom line excluding extension line from THB 15- 42 to THB 16-44, impacting on the cost of living. In this case, BTSC has complied with the terms of the concession agreement. In addition, BTSC has higher operating and maintenance expenses to accommodate more than 800,000 passengers per day, including an investment of 46 additional trains per 4 cabinets, total 184 cabinets which will start to be delivered to Thailand early next year. Moreover, the ticket system will be changed to the touch-screen ticket dispenser system as well as the installation of 50 ticket machines which takes banknotes in late 2018. However, the survey will be part of the development and improvement of services to be effective.

The story from Nuduan



Apart from treatment of regular customers, BTS Group provides necessary support and facilities to ensure that all customers have equal access to the BTS SkyTrain service, whether elderly passengers or those with disabilities. BTS Group provides access for such customers, by designing the BTS station facilities for convenient access. Such facilities include wheelchair ramps, tactile floor surfaces and Braille buttons for the blind in elevators. Service panels in elevators and ticket vending machines are positioned to serve passengers in wheelchairs. In addition, BTS Group has implemented training sessions for BTS station personnel, covering basic care and assistance for disabled passengers using BTS services.

BTS Group has adopted a policy on fare exemption for passengers with disabilities, to provide them with more opportunities to gain access to public transport services. To obtain a fare exemption, passengers with disabilities can present a valid disability ID card or book, issued by the National Office for Empowerment of Persons with Disability, of the Ministry of Social Development and Human Security, at a BTS Ticket Office. In 2017/18 there were over 1,012,113 passengers with disabilities accessing to the BTS SkyTrain service, an increase of 67,113 from 945,000 in the 2016/17.



Complaints Management

Management Approach

Customer feedback and complaints are valuable information. It is a reflection of the quality of service provided by the BTS Group. It can be used as a guideline to improve services and improve the operations to meet the needs of customers and passengers with maximum efficiency. BTS Group contacts customers who have made complaints to update them on the progress being made with their complaint and ensure that their original negativity can be turned into as positive an experience as possible. The channel to listen to the opinions and suggestions provided a variety of channels to facilitate the customers such as the hotline, BTS station reviews, social media, mail and website.

There are 3 hotline centers.



BTS Hotline
02-617-6000



Rabbit Hotline
02-617-8383



Rabbit Rewards Hotline
02-618-3777



BTS Station Reviews



E-Mail



Social Media

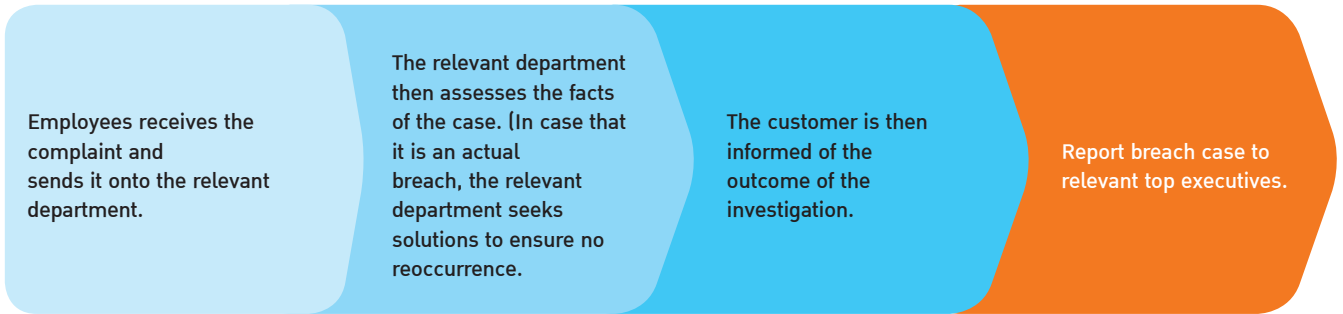


Mail

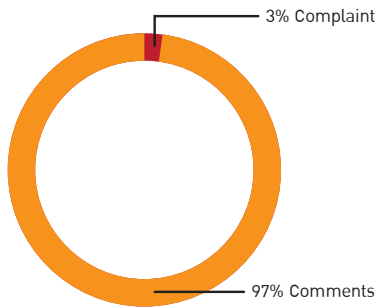


and Website

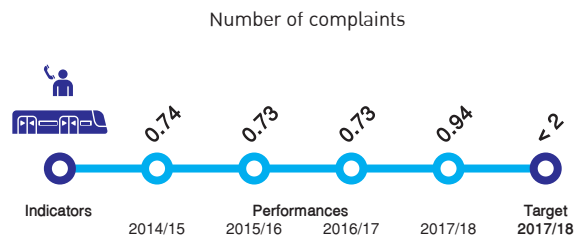
Complaints Management



Performance

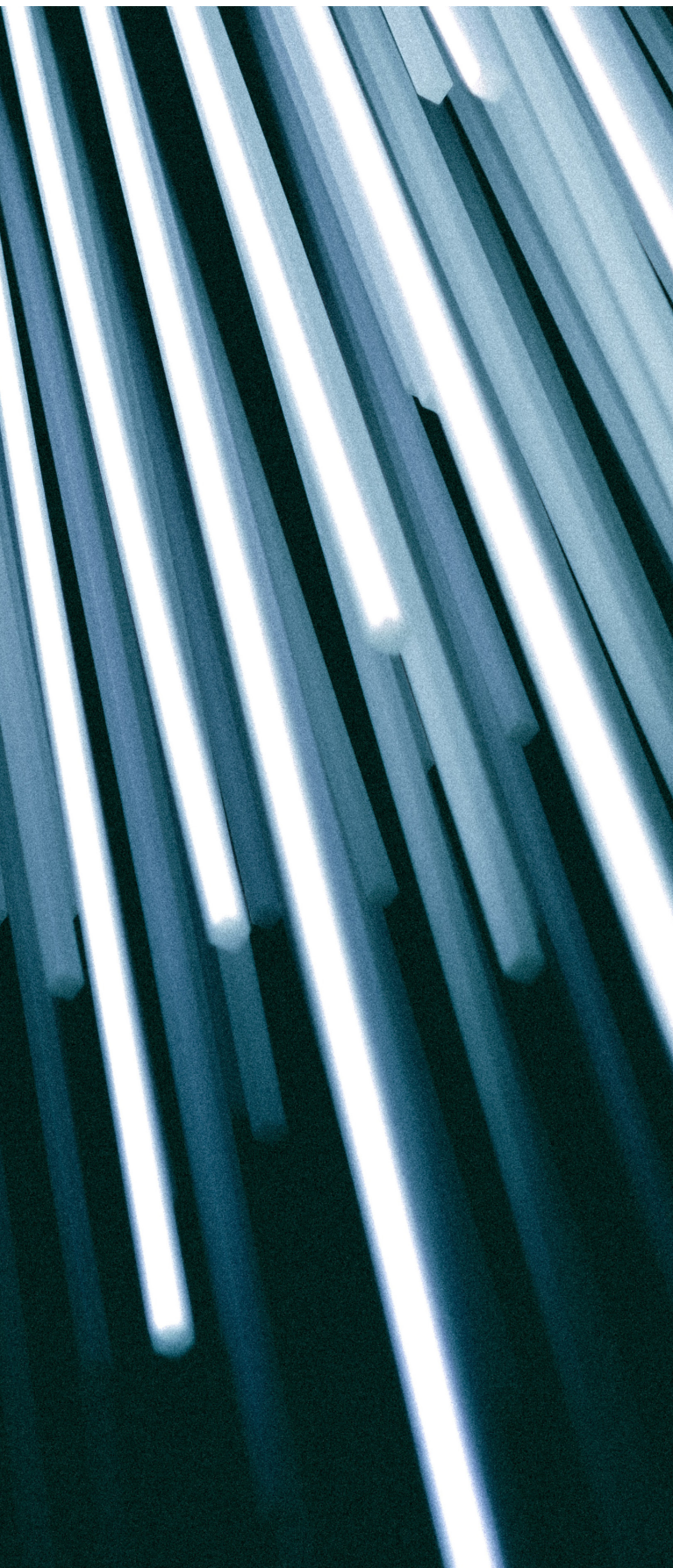


Complaint performance



From the various channels available, and covering all customer groups, in 2017/18 a total of 48,746 opinions and suggestions were received from various channels. Among these, 47,379 issues or 97.20 % were general enquiries, service information/suggestions, such as installing escalators and more automatic ticket machines, installing platform screen doors, etc. Another 1,367 issues or 2.80% were complaints, and of these 238 issues, or only 0.49% from total numbers of received opinions, were as a result of operational errors.

BTS Group set a goal for receiving less than two complaints per one million passenger rides. In 2017/18, a total of 0.94 complaints were received per one million passenger rides. The number of complaints is on the decline compared to the previous year and all complaints were rectified, or 100% of all complaints. All customers, who had submitted complaints, were notified of the solutions, which is in accordance with the set indicators.



Products and Services Development

Management Approach










Beyond benefits and privileges provided to the BTS SkyTrain's passengers, BTS Group continues to develop the ticketing system to support modern city lifestyle needs, aiming to improve quality of living and leverage the convenience of the mass transit system network in Thailand, to a similar extent as international standards.

Nowadays, living habits and financial services are changing rapidly and continuously in align with the technology advancement. Moreover, the Bank of Thailand aims to make Thailand a cashless society in the future. This is in line with the BTS Group's strategy and long-term goals for the service business to bring Bangkok to Cashless Society through Micro Payment service in electronic commerce. With this, BTS Group has developed "Rabbit" to be more than BTS Sky Train and BRT Pass. And BR buses. It also supports both offline and online payments.



In addition, with the business nature of the seamless link between VGI and Rabbit, BTS Group has combined the potential of both business units to develop a traditional outdoor media model to the media center under data centric media hypermarket based on consumer behavior database to analyze and plan advertising media to customers.

Performance

Global change and technological advances have contributed to the diversification of lifestyle and financial services. It also affects customer expectation that need easy, convenient, fast service which has secured data. Consequently Rabbit, an electronic payment system, has developed itself to support both offline and online payments and develop service to meet the customer need.

Offline Payment : Rabbit card	Online Payment : Rabbit Line Pay
<p>E-Money service is available for both BTS Sky Train, BRT Bus, and also pay for goods and services with many leading stores.</p> <p>8.95 million rabbit card holders as of 31 March 2018</p> <p>157 Brands of goods and services</p> <p>>5,680 Rabbit readers</p> <p>Total Rabbit card transaction 5,624 MB</p> 	<p>Mobile wallet included in the leading messaging application to support for online payment services through QR code, cash in mobile wallet including bank account and credit card.</p> <p>4 million users</p> <p>>678 online shops</p> <p>Total Rabbit Line Pay transaction 1,919 MB</p> 
Other services	
<p>Co-Branded Rabbit: collaboration with business partners such as financial institution, business organization which desire to contribute benefits from Rabbit with credit card, debit card, or other tools.</p>  <p>Number of card holders 81,172</p> <p>Total loan amount 3.61 MB</p>  <p>Number of card holders 3.41 million users</p> 	<p>Rabbit Finance: A channel for distribution financial products and insurance products that cover a wide range of products from leading financial brands in Thailand.</p> <p>Total insurance interest 23.60 MB</p>  <p>Rabbit Daily: An online magazine which has various articles to read. The magazine select all the interesting stories from around the world in one place.</p> <p>Follower 7 million views per months</p> 
<p>Rabbit Rewards: Reward Program from Rabbit card holders to earn points for spending on all types of rabbit products. Carrot Rewards points can be redeemed for discounts and discounts on products and services.</p>  <p>Rabbit Rewards members 3.34 million accounts</p>	<p>Rabbit Internet: Business developers, online media services and advertising.</p> 

Besides the variety of products and services, BTS Group offers special fare rates to customers and BTS SkyTrain passengers.

- BTS Sky Train promotion such as Rabbit Senior  for elderly passengers aged above 60, Rabbit for student  , for general customers who use the Rabbit card receiving BTS SkyTrain fare discount THB 1 per trip until March 31, 2019, a special Rabbit card collection for collectors.
- Promotion for using products and services: Customers who pay via Rabbit card or Rabbit Line Pay will receive a discount on their products and services including get Rabbit Rewards points from participating merchants.

Data Usage and Privacy Protection of Customers

The collection of customer data can also play an important role as BTS Group seeks to respond to the customers' needs, such as through upgrades to services or by increasing the options of products to meet the needs of its customers more precisely. Data analysis is carried out in order to improve quality of services in an effort to suit consumer behavior or to appeal to particular customer groups in the marketing of useful services. BTS Group has provided important information regarding our data privacy protection policy which is available for customers to understand on the Rabbit Website: https://card.rabbit.co.th/Rabbit_Rewards: <https://rewards.rabbit.co.th/rr/privacy> and Rabbit Line Pay: https://terms2.line.me/linepay_pp_pp_rabbit?lang=th

In addition, Rabbit has set measures and guidelines to protect the data security, technology systems and maintain the confidentiality of their personal information to prevent the risk of data leakage by

- Define employees' rights to access personal information of customers in accordance with their responsibilities. Only responsible employees can verify the personal information of customers.
- Prevent connection from public network. Only authorized people can access the system through the internal network to prevent data leakage and the risk of abuse and improper use of personal information.
- Encrypt personal information of customers received from various channels and delivered in a safe way according to international standards to record in CRM Data Warehouse.
- Train new employees to understand the customer's privacy policy. All employees are encouraged to be aware of such policies.
- Surveillance to detect malfunctions, correct problems, and follow up regularly to monitor the tightness and efficiency of information technology systems.

From above operations, Rabbit has no complaints about customer data leakage or abuse and misuse of customer information.

The story from Nuduan



Mobile payment platform

Rabbit Line Pay collaborate with mPay expand the payment platform for all lifestyles, enhance the strength.

This partnership will bring Rabbit Line Pay into the number one position in online financial services encourage Thai society into a cashless society align with policy from the Bank of Thailand.

The service provided online and offline payment, BTS SkyTrain Pass. Customers can easily access their mobile phone at their fingertips. It is not necessary to fill credit and debit card details while moving the mPAY customer database to Rabbit Line Pay customer database.

The story from Nuduan



LINE Beacon

LINE Beacon is collaborated by VGI and LINE Thailand to test LINE Beacon system, which is a technology used to send data in the short term through a low-power Bluetooth connection. When the sample, who access BTS Sky Train service and have a LINE application on mobile walking into LINE Beacon radius. The system will send information based on usage patterns and individual interests for example, a recommended restaurant, promotion via the LINE application. The experimental system was found that LINE Beacon messages have the opportunity to open and connect to the news, promotions and benefits more than average of other online advertising. This is particularly when the sample has seen offline advertising on BTS station, along with the message in the LINE application.

The story from Nuduan



Expansion of bus service through Rabbit card

Rabbit has expanded its public transportation payment service through Rabbit card to other mass transit systems in various provinces of Thailand.

- Phuket collaborate with Phuket Pattana Muang Company Limited. Rabbit Card is the sole agent in the public transport. This is the first public transport system in Phuket.
- Chiang Mai collaborate with Regional Transit Corporation Company Limited. Rabbit card is the agent for Chiang Mai public transport system.
- Bangkok collaborate with department of land and transport and Chaiviset Transport Company Limited. Rabbit card is used for pay microbus bus fare of Rajamangala University of Technology Rattanakosin Salaya - Mo Chit BTS Skytrain (Expressway)

Business Conduct

BTS group are adhere to do the business with integrity and transparency in accordance with the Chairman's "Do it Right" campaign which believe that whenever we do the business with good corporate governance principles, would increase company trustworthy to the investors, shareholders and all stakeholders, which are the important key to make the sustainable growth to the organisation. BTS Group emphasise on encourage the directors, executives, and employees of the organization to perform their duties responsibly under good corporate governance.

Management Approach

Business Ethics

BTS group are adhere to run the business under the good corporate governance and business ethics continuously, aiming to make the successful business and make sustainable profit to all the stakeholders under the guidelines of good corporate governance of the Office of the Securities and Exchange Commission, Thai Institute of Directors Association, and international standard which the directors, executives and employees of BTS group and the subsidiaries must adhere to the corporate governance policy and business ethics of the BTS Group strictly.

BTS Group has a clear governance structure and a mechanism to monitor the operations in accordance with policies and regulations by the internal audit committee which is independent and work directly to the audit committee to support and supervise the company to have good and proper internal control system, also to do the risk assessment in all operation step for each working unit, to ensure that the operations are efficiency and comply with the policy, plan of the BTS group, law and all relevant regulations. The internal audit is responsible for monitoring the operations, report, suggestion to the audit committee, also cover the fraud corruption in routine work in accordance with plans that approved by the audit committee. In 2017/18, BTS Group also focused on communication and broadcast the corporate governance and business ethics, to

spread the understanding and knowledge to all the stakeholders inside and outside the organisation such as the employee, business partner and subsidiaries in the BTS Group and so forth. The company has promoted and encouraged the subsidiaries of the BTS Group to adopt and follow good corporate governance principles and standards and the anti-corruption measure. VGI Global Media Public Company Limited and United City Public Company Limited have been certified as members of the Thai private sector in anti-corruption in 2017/18.

The anti-corruption

BTS Group is committed to fighting corruption and not accepting corruption by encourages directors, executives, employees, and subsidiaries of the BTS Group not to engage for both direct and indirect corruption. The company has certified as the members of the Thailand's Private Sector Collective Action Coalition Against Corruption: CAC and organized the training to the employee, and ensure they are understand the anti-corruption measures of the company, also usually review and improve the Corruption Risk Management handbook, policies, measures, guideline and procedures for anti-corruption of the Company at least once a year. The Audit committee also examines the implementation of anti-corruption measures and policies in order to ensure the anti-corruption system.

The company also arranges the management and responsible staff to attend in various training courses from third-party expertise, to develop and improve the risk management and anti-corruption of the company to be more concise and effective.

The Company also sent letters to the business partners about the anti-corruption measures: the business contacting issue in order to let the business partner inform, complain, suggest about this. In 2017/18, 88.12% of the transaction partners with the Company were aware of the policy and the channels for receiving the complaint. There are no complaints from partners through complaints channels.

Channels and the complaint investigation

The company allows employees and third parties to submit complaints or file a complaint. This may be due to non-compliance to corporate governance policy and ethics anti-corruption. The announcer does not need to reveal himself to protect the rights of the complainant and its contributors, the company will conceal name, address, or information. This can be identified by the complainant or the data provider to keep complainant and the information provider confidential. Only those who are responsible for investigating complaints can access such information. In case the company Check that is true, offenders are subject to disciplinary action in accordance with the rules of the BTS Group. Complaints that are reported in good faith about the violation of law or ethics or dishonesty. No matter whether the suspicion is true or not. Will not be subjected to disciplinary action or be subjected to retaliation or other negative consequences. (non-retaliation)

Corrections, channels, or complaints about corruption.

Internal Organization Channel



Nuduan

Email: DoltRight@btsgroup.co.th

Direct Report

Human Resource

Tel: +66 (0) 2273 8611-5

Post: Addresses human resources and administration
at the company's address.

External Organization Channels (Performed by an independent complaints firm)

Nuduan (Hotline)

Tel. 1 800 292 777 and +66 (0) 2677 2800

Email: tell@thailand-ethicsline.com

Post: 2712 Bangrak Post 10500

Business Ethics

BTS Group recognized feedback of stakeholders to improve operation effectively. In the year 2017/18, the Company conducted a self-assessment survey of the company's executives and employees to comply with corporate governance and business ethics. And the anti-corruption of the year 2017/18 is the second year after the year 2016/17. According to the survey, executives and employees have knowledge, understanding, and compliance with company's policy and ethics at 84.92/100, a decrease of 0.11 from 85.03 points in the year 2016/17. Based on above results, the company has developed a plan to improve its corporate governance policy and business ethics to have training and communication for better understand to management and employees.

For complaints of wrong doing in the year 2017/18, there were 38 total complaints. There are 27 corruption cases. The facts that have been investigated. The results are wrong doing in business ethics, not following company regulation 11 topics with no significant value of the damages. The Company has committed to punish 27 employees with disciplinary action in accordance with the Company's regulations.

Business Ethics

Indicators	Performance			
	2014/15	2015/16	2016/17	2017/18
Number of corruptions of employees that have been verified as true (case)	0	2	0	27
Number of employees fired for corruption,(persons)	0	0	0	27
Number of corruption investigations that have been verified as true of the business partner (case)	0	0	0	0
Number of case suspension with business partner for corruption (case)	0	0	0	0
Other				
Number of violations of business ethics that have been verified as true (case)	11	5	16	11

*In 2017/18, BTS Group found 27 corruption cases consisted of 26 cases of fraud, and 1 case of counterfeiting. These were found by the examination from BTS Group's employees. To verify, BTS Group has set up a committee to investigate all 27 offenders and examined the evidence from CCTV including tracked transactions which were suspected. It was found that all 27 cases were wrong. BTS Group punished them by the termination of employment and legal actions. The 27 employees in the case are employees in the operation level.

From the above case, BTS Group has strengthened its measures by assigned to the supervisor to regularly monitor employee performances and operation procedures. In addition, BTS Group assigns the Internal Audit Office to increase the frequency of random inspections of risky departments. In addition, BTS Group includes topics of ethical behavior and anti-corruption in the training for new and existing employees at all levels, in order to make them to realise that BTS Group adheres business conduct with integrity and committed to fighting corruptions.

Contribution to other organisations

BTS Group strictly adheres to the principles of good corporate governance and business ethics. BTS Group has been supporting various trade associations continuously. In 2017/18, BTS Group did not provide direct and indirect money or donations to any political party.

Organization	Type	Issues	Corporate Role	Supported Amount			
				2014/15	2015/16	2016/17	2017/18
Thai Institute of Directors Association (IOD)	Trade Association	Governance	Support	125,630.00	109,430.00	118,990.00	106,130.00
Thai Investors Association	Trade Association	Governance	Support	-	100,000.00	100,000.00	100,000.00
The Institute of Internal Auditors of Thailand	Trade Association	Governance	Support	1,070.00	1,070.00	1,070.00	1,070.00
Information Systems Audit and Control Association (ISACA)	Trade Association	Governance	Support	4,640.00	4,640.00	4,640.00	4,640.00
Union Internationale des Transports Publics (UITP)	Trade Association	Practice for Transportation	Support	473,600.00	523,360.00	604,400.00	616,880.00
Engineering Institute of Thailand (EIT)	Trade Association	Practice for Transportation	Support	10,700.00	10,700.00	-	-
Thailand Development Research Institute (TDRI)	Trade Association	Practice for Transportation	Support	500,000.00	500,000.00	500,000.00	500,000.00
Institute Railway Signal Engineers (IRSE)	Trade Association	Practice for Transportation	Support	3,784.00	3,784.00	3,784.00	3,784.00
Safety and Health At Work Promotion Association (Thailand)	Trade Association	Practice for Occupational Health & Safety	Support	10,000.00	-	-	-
Thai Hotels Association (THA)	Trade Association	Practice for Hotel & Tourism	Support	4,710.00	4,710.00	4,710.00	4,710.00
Association of Thai Travel Agents (ATTA)	Trade Association	Practice for Hotel & Tourism	Support	4,708.00	4,708.00	4,708.00	4,708.00
Total Contribution				1,138,842.00	1,262,402.00	1,342,302.00	1,341,922.00

Supply Chain Management

Trends in technological development lead to changes in the customers' behavior and expectation toward quality products and services, which truly meet the changed customer lifestyle. This is a challenge and opportunity for BTS Group to drive new development. By building a cooperative network with business partners and suppliers, BTS Group finds the benefits in working with creative and high-potential partners as well as developing products and services linking the needs of customers.

Suppliers play an important part in sustainability throughout BTS Group's supply chain, which may be exposed to operational and reputational risks that may result in business disruption. Critical issues include ethics, legal compliance, environmental friendliness, accident and safety concerns.

Management Approach

In order to immigrate operational risks, BTS Group conducts process and procedures of suppliers' risk assessment and selects supplier on the basis of business potentials and supplier's experience and expertise in the products or services that they are providing, ability to deliver goods and services in a timely manner. The Group also conducts spend analysis and business risk assessment, taking into account business impact factors. The results are then used to classify suppliers and frame a strategy and supplier development plan corresponding with the risk.

BTS Group recognizes the roles and responsibilities that suppliers play for the company to achieve sustainability. In 2017/18, BTS group prepared Supplier Code of Business Conduct defining the basic commitments required from BTS Group's suppliers concerning their Environmental, Social and Governance (ESG) responsibilities in the pursuit of securing sustainable business conduct throughout the Group's supply chain

Performances

Suppliers' risk assessment and group classification

The BTS Group has conducted suppliers' risk assessment and group classification on an annual basis, based on spending analysis and their criticality to the organization. Previously BTS Group had classified 2 groups of suppliers; General Supplier and Special Project Supplier. To comply with the Supplier Code of Business Conduct, suppliers are classified 3 groups by considering their risks on Environmental, Social and Governance (ESG).

- Tier 1 Supplier: Suppliers who are manufacturers and distributors of products and services for BTS Group directly.
- Critical Supplier: Suppliers, and Distributors of products and services that are significant to the Group's business operations, such as high purchasing volume, critical components of the product, non-subsumable products.
- High Potential Sustainability Risk Supplier: High potential suppliers and distributors that may have a negative impact on their operations, social, environmental, and regulatory. This group has been assessed their ESG risks in four areas:

- 1 Single supplier providing the service which has bargaining power and risk on illegal or other issues.
- 2 Manufacturing process involves with chemicals products, which might impact on environmental risks, affecting the community or individuals who have a stake in the system.
- 3 require a lot of labour to service, which might risk on labour issues.
- 4 Products or services manufactured by specialized, which might risk on personal safety and accidents.

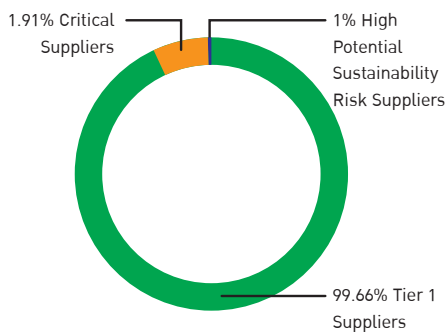
In 2017/18, BTS Group conducted Suppliers' risk assessment and group classification, covering 2 core business units, namely Mass Transit and Media, with coverage of 93% of total revenues and 98% of total procurement spending of two business units. It was found that BTS Group has 1,721 tier 1 suppliers accounted for total procurement spending of THB 5,182mn. Among these, BTS Group has 33 critical suppliers accounting for 1.91% of all suppliers with the total procurement spending of THB 5,009mn, or 99.66%, and 11 high potential sustainability risk supplier identified from critical suppliers group.

1,721 Tier 1 Suppliers Total procurement spending of THB 5,182mn.	33 Critical Suppliers or 1.91% of all suppliers Total procurement spending of THB 5,009mn or 99.66%	11 High Potential Sustainability Risk Suppliers identified from critical suppliers group
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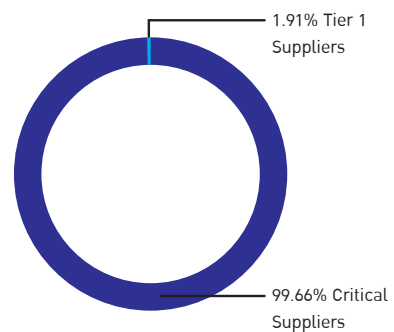
Sustainability Risk Topics

Business Units	Group of Suppliers	Sustainability Risk Topics
Mass Transit	Train and equipment manufacturer and system installation	2 4
	Security service	3
Media	Media manufacturer and system installation	1 2 4
	Cleaning service	3

Ratio of number among Tier 1 Suppliers, Critical Suppliers and High Potential Sustainability Risk Suppliers in 2017/18



Ratio of Procurement Spend on Products and Services by Group of Suppliers in 2017/18



Enhanced Safety

As the operator of BTS SkyTrain and the management of media and commercial area in mass transit system, Safety is the primary goal of BTS Group. Moreover supplier's occupational safety poses a significant risk, reduction of work-related accident, injury and fatality rates among suppliers therefore is a target for which BTS Group must work towards effectively.

For the installation works of suppliers and contractors in the BTS SkyTrain system, BTSC requires suppliers and contractors, covering VGI and its suppliers at the supervisor level, to be trained in term of safety standard in the BTS SkyTrain system. All trainees are required to pass a pre-test and post understanding test before and after the training to evaluate and assess ability to work in term of safety. Training results, certificates and training hours of suppliers is recorded in the Operation License System, as a database for implementing organisation regulations and domestic laws. BTSC supports, shares knowledge and advises suppliers and contractors to ensure that safety is always present. In 2017/18, all suppliers and contractors or 100% who have to work in the BTS SkyTrain system were trained in term of safety standard in the BTS SkyTrain system.





Environmental Performances

Environmental Performances

BTS Group recognizes the opportunity to promote environmental conservation, especially the reduction of greenhouse gas emissions. With its core business in mass transit, a low-carbon transport system, which not only caters to the hastiness of the society but also reduces pollution caused by transportation in the same way. BTS Group is committed to continuously improving its energy efficiency together with the environmentally friendly business management throughout the value chain for the sustainability of business, society and environment of the country.

Environmental Indicators and Performances

Indicators	Performances				Target 2017/18
	2014/15	2015/16	2016/17	2017/18	
Total Electricity consumption per distance car-km (kWh per distance car-km)	2.74	2.77	2.72	2.68	<2.80
Traction Power (kWh/1,000 passengers-km/month)	44.34	41.89	39.97	39.82	<50
Total Electricity consumption at Train Station (Units/Day/Month)	58,390.92	51,361.94	52,291.47	54,435	< 62,000

Energy Efficiency

Volatility of both energy prices and limitation of energy resources results a trend towards higher electricity prices and risk from international policies on the target of emission reduction to keep rising global temperatures to well below 2 degrees Celsius. BTS Group, as a mass transit operator which consumes electricity as its main energy in the business operations, is fully aware of the need for efficient energy use and reducing environmental impacts. We are focused on developing and improving operations in order to conserve energy as well as study the feasibility of providing renewable energy sources including more efficient energy consumption.

Management Approach

Regarding the continuous increase in BTS SkyTrain passengers and extension routes serviced, the trend of electricity consumption in business has increased significantly. BTSC is committed to maximizing in energy efficiency. The target is to control the electricity intensity used for traction power at not exceeding 2.8 kWh per distance car-km.

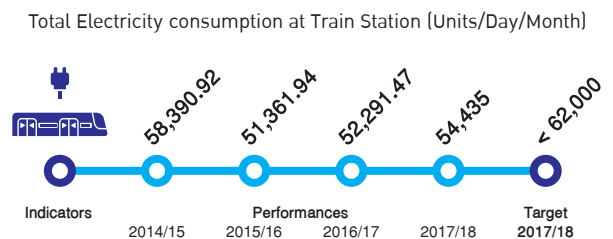
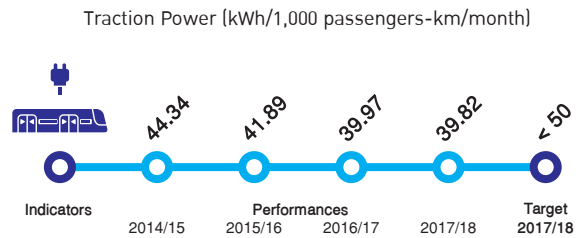
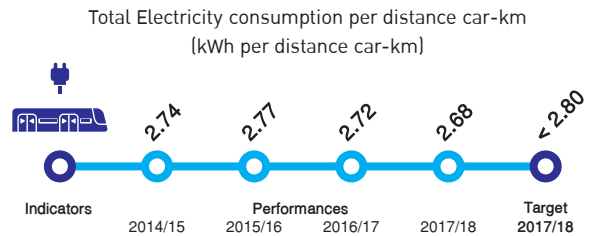
To achieve energy conservation of not exceeding the set target, in 2014/15 BTSC established a working committee to focus on energy related issues, responsible for determining energy conservation policy, evaluation of the ability to conserve energy, determine goals and conservation plans, audit and analyse operations to ensure goals and plans are met. The committee is also responsible for the review, analysis and addressing of inaccuracies related to energy management with the Chief Executive Officer (CEO) serving as head of the committee. Internal meetings are held every three months, with an external third party carrying out an audit and certifying the results for submission to the Department of Alternative Energy Development and Efficiency, in March of each year.

At the same time, in order to evaluate management of energy efficiency, BTSC has monitored operations based on Traction Power energy consumption indicators and electrical consumption indicators in buildings, as well as using a process to collect data and analyse irregularities in energy consumption and report findings to the Operation Performance Committee Meeting on a monthly basis.

Performances

In terms of performance, BTSC was able to control the electricity intensity for Traction Power and energy at stations less than the set target of not exceeding 2.8 kWh per distance car-km. As shown in the energy efficiency performances throughout the past 4 years, it was found that the electricity intensity were in control level even though the increase of passengers and serviced route expansion.

Electricity Intensity



Furthermore, in 2017/18 BTSC was able to use less Traction Power and energy at stations from the set goal. It was found that Traction Power was equal to 39.82 kWh per 1,000 passengers -km per month and energy used at BTS SkyTrain stations was 54,435 units per day per month.

Energy Consumption

Indicators	Performances				Target 2017/18
	2014/15	2015/16	2016/17	2017/18	
Total Electricity consumption (MWh)	102,834	103,624	102,685	106,079	107,000
• Electricity Consumption: Traction (MWh)	69,782	70,482	68,988	71,118.05	72,000
• Electricity Consumption: Non Traction (MWh)	33,052	33,142	33,707	34,960.95	35,000
Fuel Consumption: Bus Rapid Transit: BRT (Kg)	1,335,266	1,364,377	1,370,161	1,016,913.01	1,100,000

Green House Gas Emission

Indicators	Performances				Target 2017/18
	2014/15	2015/16	2016/17	2017/18	
Total GHG Emission (Tonnes CO ₂ e)	56,831	54,500	58,922	59,006	60,690
• Scope 1 (Tonnes CO ₂ e)	3,599	3,678	3,830	2,562	2,771
• Scope 2 (Tonnes CO ₂ e)	53,232	50,823	55,092	56,444	57,919

Remark:

1. The data used to calculate the carbon dioxide emissions for electricity consumption is 0.5413 tons of carbon dioxide per MW - hours (tCO₂ / Mwh)
2. The data used to calculate the carbon dioxide emissions for NGV is 2.52 kg CO₂ / kg NGV (kgCO₂ / kgNGV).



The Installation of Variable Speed Drive (VSD)

Installation of Variable Speed Drive (VSD) for airflow control (AHU: Air Handling Unit) at the office building. A total of 18 units was installed to reduce the load on the electric motor or the air dryer, which were originally operated 100% all the time. Once the device was installed, the electric motor will vary according to the actual cooling load. This resulted in a decrease in energy consumption of 188,281 kilowatt-hours per year or cost saving of more than 680,000 baht per year.



The change of split-type air conditioners

BTSC has continued changing of split-type air conditioners for the BTS stations, office building and the depot, to replace the old existing ones. In 2017/18, BTSC changed a total of 27 split-type air conditioners, resulting a decrease in energy consumption of 205,982 kilowatt-hours per year or cost saving of more than 750,000 baht per year.



Engine Replacement for BRT

For the Bus Rapid Transit Project (BRT), BTSC plans to replace engine of a total of 25 BRT. The new engines with high efficiency will be replaced the original ones that started breaking down and overhaul transmission gear box. The new engines would help NGV reduction and more increase of energy efficiency. It is scheduled to commence in 2018 and is expected to be completed by the end of 2019.



Energy Saving Projects

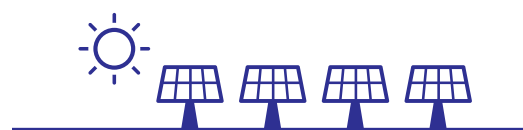
BTSC has implemented energy management policies and many energy saving projects, for example, the project to adjust temperature of the air conditioning at 25 degrees Celsius, the power off project, the project to improve electrical circuit, the installation of automatic lighting equipment at the bathroom, the station, etc. This resulted overall reduction in energy consumption from January to December 2017 over 424,000 kilowatt-hours per year or cost saving of more than 1,500,000 baht per year.





Energy Storage System

BTSC is in the process of capturing electrical energy from the BTS SkyTrain by installing a Capacitor Energy Storage System (CESS), which will capture electrical energy from the regenerated energy produced while the SkyTrains are running. Electricity will be returned to the system while the trains are moving out of the stations. A feasibility study has been carried out and we have decided to install the system at the Surasak Station. From calculations provided by the manufacturer, it is expected that this will result in a decrease in electricity use by 800,735.40 units or THB 2,962,721.00 (based on THB 3.70 /unit and an 18 hour/day). Investment in this is calculated at THB 30,763,495.00, therefore when taking into consideration the maintenance and other factors, the project has an Internal Rate of Return of less than 2%. We are continuing to investigate the possibility of using this system in the future.



Solar Roofs at Stations

BTSC is also investigating the feasibility of installing 96 kilowatt solar cells on the roofs at stations, in order to generate electricity for use at stations. We expect that this will reduce the amount of electricity used by 140,160.00 units or equivalent to THB 518,592.00 (based on THB 3.70/unit and four hours/day). Required investment for this is THB 6,574,080.00 and has a return on investment of about 12 years, 6 months.

Return on Environmental Investments

Currency Unit: THB	2014/15	2015/16	2016/17	2017/18
Capital Investments for Energy Saving Projects	132,685.00	43,642,170.00	8,434,000.00	1,088,800.00
Operating Expenses	6,502,800.52	18,970,297.70	3,875,018.67	3,066,832.99
Total Expenses (= Capital Investment + Operating Expenses)	6,635,485.52	62,612,467.70	12,309,018.67	4,155,632.99
Savings, cost avoidance, income, tax incentives, etc.	2,013,933.06	9,243,169.43	1,956,428.69	1,553,056.63

Remark: Disclosure only for Energy Savings Project of BTSC

Environmental Footprint

As industrial development continues to increase and the rising of population volume, in the meantime, limited availability of natural resources is a key determinant driving all sectors to be aware of access and acquisition of raw materials. Consequently to slow down the shortage of natural resources in the future as well as reduce the volume of waste generated from business operations, BTS Group strictly follows the laws, rules and regulations related to the environment and safety, following international standards; ISO 14001: 2004 and OHSAS 18001: 2007 as well as best practices.

Environmental Management System of BTS Group covers comprehensive management of business risk issues that may have an impact on the environment. The focus is on water management and waste management from business operations in order to control the environmental impact and seek opportunities to improve and develop continuously.

Water Management

Management Approach

Water resources used in operations of BTS Group are mainly from tap water supply. One part is used in the maintenance phase, maintenance of equipment in the Depot and the other for general use in the office building of the BTS Group, sub-office on the BTS stations including commercial shops in the BTS SkyTrain system. For the wastewater from the operations, BTS Group controls wastewater from office buildings in compliance with the standard of sewerage control under the ISO 14001 and OHSAS 18001: 2007 environmental management systems, including relevant regulations and laws. Operations and measuring environmental quality and other safety issues are systematically maintained and are followed up on by the Safety Department and Quality Department on a regular basis. BTSC submits the various results to related government agencies according to timelines determined by laws and regulations.

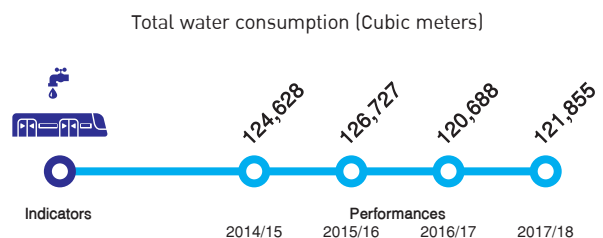
BTS Group measures water management by improving the quality of water before returning to the outside and monitoring the system on a regular basis to keep the system running efficiently as well as measuring water quality before returning to the system every year. The water management standard in accordance with the announcement of Ministry of Natural Resources and Environment, in order to effectively treat wastewater before releasing into the sewer. Furthermore, BTS Group has improved wastewater treatment system of the commercial area in the BTS stations to be in line with the waste water treatment control standards announced by the Ministry of Science Technology and Environment. In 2016/17, the Company has expended its budget up to THB 7 million to develop wastewater treatment system of commercial area on 8 BTS stations, i.e. Mo Chit station, Ari station, Victory Monument station, Phaya Thai station, Phloen Chit station, On Nut station, Sala Dang station and National Stadium station. From randomizing and analyzing organic carbon of treated water at Mo Chit station, it was founded that BOD (Biochemical Oxygen Demand) is equaled to 19.6 mg/L, which was lower than standard at 20 mg/L as set out in National Environmental Quality Act B.E. 2535 for typed Kor. Building.

Moreover, BTS Group organized a course called “Environmental Education” to educate employees so that they have a better understanding of the ISO 14001 Certified Environmental Management System and conducting business under the environmental standard, as well as educating them on the rules and procedure for the environment.

Performances

In term of performances in 2017/18, due to the increasing number of BTS stations and commercial shops in the system from the extension routes, total water consumption of BTS Group a bit raised from the previous year but still lower than the previous two years.

Water Consumption



Waste Management

Management Approach

Waste management of BTS Group is divided into 2 parts; 1) Non-hazardous waste generated from daily operations and consumption within the office building and in the BTS Skytrain system 2) Hazardous wastes from the maintenance of machinery under the operation of BTSC, including hazardous waste from the demolition of shops and advertising media under the operation of VGI.

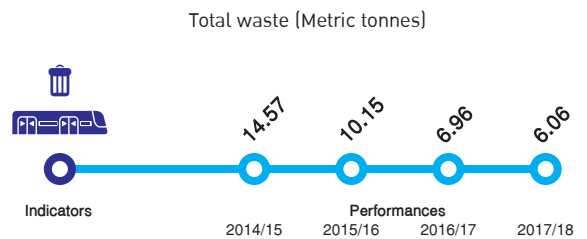
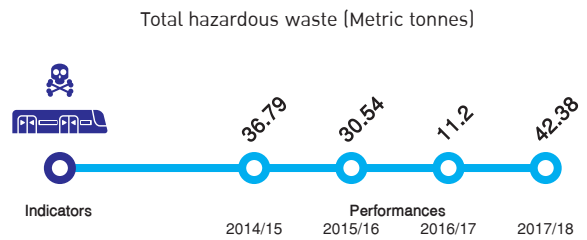
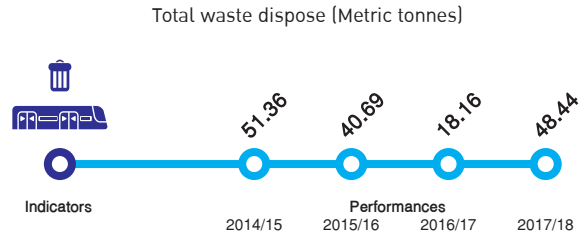
For non-hazardous waste caused by daily living and consumption, BTS Group has a policy to encourage employees, passengers and tenants in the BTS skytrain system to sort the waste before disposing of it in the place provided before sending to the agency of Bangkok Metropolitan.

In terms of hazardous waste which mainly comes from maintenance of engines under the supervision of BTSC, the waste is collected according to type, with amount and type recorded before being handled appropriately. BTSC have hired a hazardous waste management company registered with the Department of Industrial Works (DIW), in order to ensure that the waste is taken care of according to the ISO 14001 Certified Environmental Management System, OHSAS 18001: 2007 and laws and regulations of the country. At the same time, a manifest regarding transport of hazardous waste is maintained for reference or auditing.

Performances

To enhance environmental and safety performance, BTS Group is committed to the maintenance of machinery and equipment used in the BTS Skytrain system, aiming to extend the lifetime of the device and also help the reduction of hazardous waste. Moreover, waste and recyclable waste project was set up within the organization to reduce the amount of waste that will occur in the future. BTS Group provides channels for complaints from the community and passengers, in case anyone is impacted by our operations. In the past year, BTS Group did not receive any complaints regarding safety and the environment.

Waste Dispose*



Remark: *Waste generated in the Depot





Social Performances

Social Performances

The BTS Group recognizes that “employees” are the starting point for driving business towards the goal and important driving force for business success and sustainability, meanwhile social and community is a key chain that continues to support business growth. BTS Group aims to develop its employees, taking care and support working conditions, health, safety and well-being of employees along with the implementation of projects to promote the foundation of good quality of life in society and security for all passengers.

Social Indicators and Performances

Indicators	Performances				Target 2017/18
	2014/15	2015/16	2016/17	2017/18	
Serious injury rate of passengers (Times/million working hours)	0.0044	0.0044	0	0.0044	0.04
Serious injury rate of employees (Times/million working hours)	0	0	0	0	0.8
Employee Satisfaction (Percentage of employees who are very satisfied)	81.00	72.30	79.80	73.94	>70

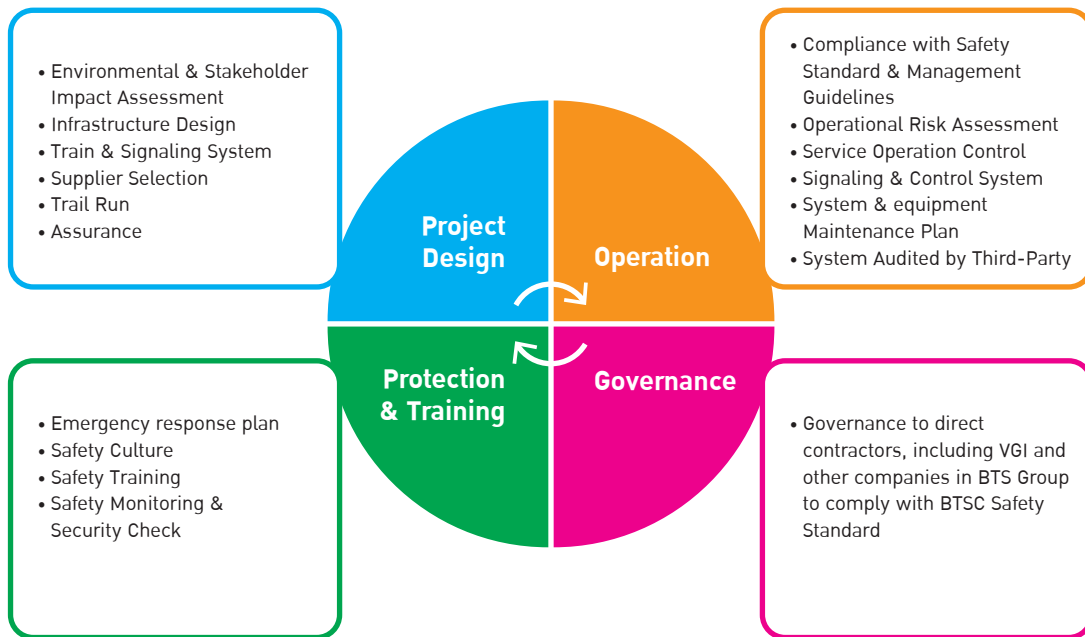
Accidents and Safety Management

As the BTS SkyTrain operator and the management of media and commercial areas on the mass transit system, safety is the main focus for BTS Group and a key success indicator, building the reputation and branding of the Group. BTS Group strictly follows safety and security policies, particularly in mass transit business operated by BTSC and media business operated by VGI, which serve over 800,000 people a day, including people on road and community along the BTS SkyTrain routes. Maintaining efficient safety management creates confidence of government agencies, the concessionaire, shareholders, investors, passengers, contractors, employees and community.

Management Approach

BTS Group is committed to safety of both the Process Safety and Personal Safety, covering passengers, employees and contractors. BTS Group strives to enhance safety from pre-construction to throughout service.

Safety Management Process



Pre-Construction Period: BTSC takes into consideration all safety aspects, beginning with planning before project implementation, through the establishment of safety measures stated in the employer's Terms of Reference (TOR) for use in selection and management of contractors in terms of design, installation, inspection and testing of the system in compliance with international standards, such as the European Railway Standard (EN-50126, EN-50128 and EN-50129) and the NFPA 130: Standard for Fixed Guideway Transit and Passenger Rail Systems. In this respect, we have received 'Proof of Safety' Certification from various recognised independent agencies.

Operational Period: BTSC operations are overseen by the Project Department, Operations Department, Maintenance Department and Safety and Security Department, in compliance with the various standards to which the organisation has been granted certification, such as the OHSAS 18001:2007, Safety Management System (SMS) and the Best Practice Model (BPM) following Ricardo Rail and engineering standards, determined by the Engineering Institute of Thailand. Maintenance of machinery, equipment and basic infrastructure, follows the established Maintenance Activity Plans. In order to ensure safety in operating the rail system, BTSC has installed Fail Safe System which automatically controls the train to safe mode during faults. This process is regularly audited every year by Ricardo Rail.

Prevention and Training: In addition to safety of transportation services, BTSC prepared annual drills following the emergency response plan in cooperated with external agencies such as Disaster Prevention and Mitigation, Emergency Medical Services and local police stations on a regular basis of twice a year, in term of handling unforeseen situations, emergencies, which might affect to the safety of BTS SkyTrain, such as fire drills, chemical spills in the Depot, and criminal or sabotage. Moreover, BTSC supports and encourages safety awareness in its organisation culture, covering passengers, employees and contractors, through safety training and communication channels to ensure all stakeholders be aware of safety during using the BTS SkyTrain.

Governance: BTSC measures to supervise the contractors covering VGI, as the concessionaire from BTSC to manage advertising and commercial space in the BTS SkyTrain system, and other companies of BTS Group, which have to access in the BTS SkyTrain system, aiming to all relevant operations in according to the safety standard of BTSC.

Passenger Safety

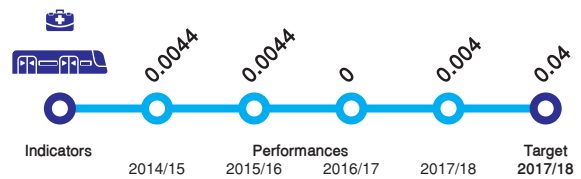
Regarding the continuous increasing number of passengers and tenants in the BTS SkyTrain system, BTS Group has increased safety measures, such as the installation of Platform Screen Door, increased communication channels to promote safety among passengers, brochures, stickers, and advertisements on LCD monitors at stations, as well as dissemination of information on social media etc. In conclusion, to reinforce awareness and understanding of how to use BTS system safely, the Group provides safety information to all passengers once they enter the BTS system, such as on the correct use of Automatic Gates, when using escalators, queuing up at platforms and allowing passengers to exit the train first, holding strap or handrail while standing in the train, giving assistance to children, pregnant or elderly passengers. This helps develop an understanding of the system and establishes the good practices necessary for a more sustainable safety culture.

In addition, for general passengers, BTSC has organised 24-hour well-trained security personnel, who are at stations, and has also increased the number of female security personnel, in order to provide assistance to female passengers in case of illness or emergency situations. BTSC provides first aid and patient transportation following BTSC procedures. All stations are fully equipped with first aid kits allowing for efficiency and speed in taking care of injured or sick passengers. For handicapped passengers, BTSC has improved the measures to be taken in assisting handicapped passengers and provided training to station security personnel, based on the procedures which were jointly reviewed and amended with the Association of the Physically Handicapped of Thailand.

BTSC tracks the 'Serious Passenger Injury Rate' of, a key performance indicator reflecting efficiency of transport safety. Data for the past year shows that the Serious Passenger Injury Rate was at 0.0040 time per million trips. This is better than the target set for 2017/18. In addition, there have been no passenger fatalities.

Performance on Passenger Safety

'Serious Passenger Injury Rate' (time per million trips)



In terms of complaints made about safety issues via the BTSC Safety Committee, the complaints were evaluated, addressed and solutions for prevention were determined by the Occupational Health and Safety Management Committee (OHS Management Committee) in order to provide solutions to individuals logging the complaint.

The story from Nuduan



AED installation at BTS SkyTrain stations

For the safety of passengers in case of acute heart attack, BTSC has installed 10 AED automatic heart rate near the front of the station's first aid room in the dense passenger stations, namely Mo Chit station, Victory Monument station, Phayathai station, Siam station, Chidlom station, Asoke station, Phrom Phong station, On Nut station, Chong Nonsi station and Bang Wa station. BTSC station personnel have been trained on the use of the AED and the practice of CPR from Vibhavadi Hospital.



The story from Nuduan

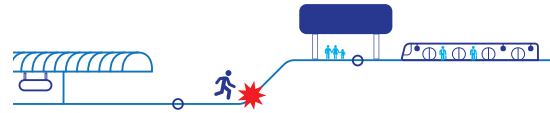


Lifts for elderly and disabilities passengers

To increase accessibility to BTS SkyTrain for handicapped passengers, the Bangkok Metropolitan Administration has installed additional 52 lifts for handicapped passengers



The story from Nuduan



Facts regarding the step on one escalator at Phaya Thai station slipped off

Regarding the step on one escalator at BTS Phaya Thai station slipped off, leaving a hazardous gap, BTSC would like to clarify the case as below;

The slipped off step of escalator is located on the road. During the incident, no one was injured because the escalator system at that particular station automatically stopped. Staff at the station immediately sealed off the escalator. The escalator systems at all BTS SkyTrain stations were installed by leading companies from Europe and Japan. Its safety standards always met international standards with regular maintenance over the 18 years it had been in operation. No such incident had occurred previously. However, BTSC ordered all escalators inspected immediately.

From the inspection, it was found that the incident came from the latch of escalator step was removed from its position making the step slipped off. BTSC immediately reported to the Board of Director meeting and had a precautionary measure for this case by ordering safety checks on the escalator systems at every station to ensure passengers' safety and prevent any repeat of the incident.

Safety, Health and Occupational Health of Employees and Contractors

Management Approach

Regarding the commitment to build safety culture, BTS Group supports and encourages safety awareness of employees and contractors, through safety training according to activity or type of work. For employees, training results, certificates and training hours of each employee are recorded in the Operation License System, as a database for implementing organisation regulations and domestic laws.

For contractors, covering VGI and relevant persons, BTSC arranges for safety training to be provided to all contractors at the supervisor level, as well as testing understanding before and after the training, in order to assess ability to work safely. Contracting companies which pass the tests are recorded in the Operation License System, in order to maintain records in the database.

All safety training courses are in compliance with the safety standard system which BTSC was certified, i.e. OHSAS 18001:2007, Safety Management System (SMS) and the Best Practice Model (BPM) following Ricardo Rail and engineering standards.

As a result an increase of contractors in the BTS SkyTrain system regarding the serviced routes expansion, in 2017/18, BTSC, in collaboration with VGI, organised Safety Facilitator Project, to develop and improve ability of VGI employees to provide training on safety operations in the BTS SkyTrain system to VGI's contractors, aiming to reduce working process and procedures between BTSC and VGI. This project also enhance knowledge sharing and transfer safety culture among the BTS Group. BTSC follows up and audits the safety training courses conducted by VGI every month to ensure that the training is in align with the BTSC's safety standard.

The story from Nuduan



Annual drills on risk management

BTSC organises annual drills on risk management and response plan for railway public transportation entitled “Railway System Technical Failure before Arriving BTS Rajdamri station on 12th July 2017. Mr. Arkhom Termpittayapaisith Minister of Transport presided over the practice. The annual drills aims to increase the ability to communicate, publicize, coordinate, correct, and mitigate incidents and situations quickly and efficiently. This activity was held in accordance with the Memorandum of Collaboration among the Ministry of Transport and 12 public and private agencies, to manage risk-response and contingency plan of the railway public transit system in Bangkok and its vicinity.



The story from Nuduan



Workshop on understanding how to work in emergencies with external agencies

BTSC organised a workshop on understanding how to work in an emergency in the BTS SkyTrain and BRT system to the local police, Disaster Prevention and Mitigation officers, medical officers, form the public organisations located along the mass transit routes, including authorities who recover and prove explosive. The workshop covers the safety and security measures in the BTS SkyTrain and the BRT System including how to use security equipment on stations in emergencies and command posts to prepare and reduce operational risks to external agencies in the case of an emergency.



BTS Group has arranged regularly monitors the Total Recordable Occupational Illness Rate (TROIR) of our employees with the aim of preventing occupational illnesses and tracking our performance on occupational health. BTS Group also conducted Health Risk Assessments (HRAs), in which the results will be used to further plan medical checkup programs. Contractors are required to submit health check results of all employees to BTS Group, in order to be recorded in the database.

For high risk employee groups, such Train Controller, with a focus on particular health parameters such as weight, blood sugar level, etc. which if they do not meet certain standards may have an impact on safe operations. Employees, who fall outside the safe range, are required to manage and take care of their health, in order to be within standard parameters as soon as possible. Supervisors

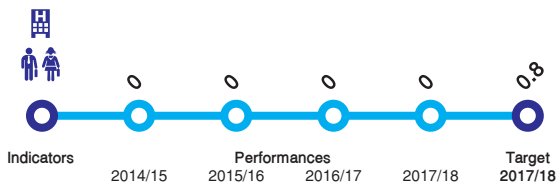
are required to closely monitor progress. If these employees are unable to bring their health indicators to acceptable standards within the determined time limit, employees will face penalties ranging from temporary time off, to more serious penalties.

Performances on Safety, Health and Occupational Health of Employees and Contractors

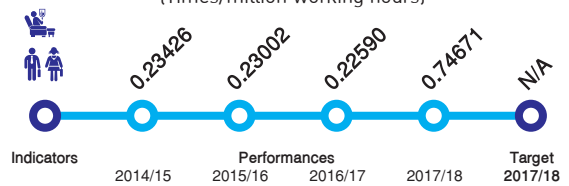
For performance on safety of employees and contractors, showing the effective safety operations of BTS Group based on key performance indicators are Serious Employee and Contractor Injury Rate. In 2017/18, it was found that Serious Employee and Contractor Injury Rate was zero and better than target for 2017/18 which was set at 0.8 and 1.25 times per million working hours respectively (compared to the standard of SMRT of 3.3 times per million working hours). Meanwhile the Total Recordable Occupational Illness Rate was zero as target set. Additionally, in terms of complaints made about safety issues with employees and contractors via the BTSC Safety Committee, the complaints were evaluated, addressed and solutions for prevention were determined by the Occupational Health and Safety Management Committee (OHS Management Committee).

Performance on Safety of Employees and Contractors

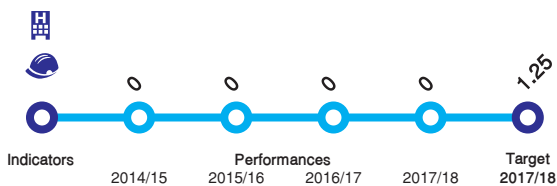
Serious Employees Injury Rate (Times/million working hours)



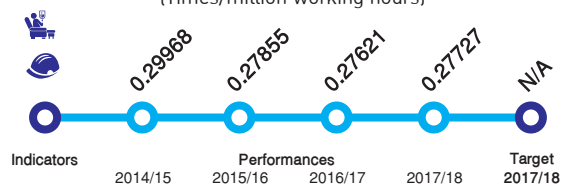
Lost-time frequency injury rate of employees (Times/million working hours)



Serious Contractors Injury Rate (Times/million working hours)



Lost-time frequency injury rate of contractor (Times/million working hours)



“Safety training recognises the dangers in the various areas of the BTS station, and more understand rules and regulations before entry into the work area. This helps me aware of risks. BTS has a strictly control measures to ensure the most safety to work with BTS.”

Mr. Kosin Nilchawee
Contractor from
Group Tech Solution Company



“After the safety training, I understand regulations for working in the BTS SkyTrain and know how to practice in case of emergencies. This can be applied to use in my daily life.”

Miss Suwimol Buddee
Staff for Kamart Shop on BTS station



Working Condition and Well-Being

BTS Group believes that employees are the key foundation to the company's success. BTS Group is committed to promote the quality of life and well-being of employees on a basis of equality, fairness, human rights, occupational health and safety in life, the working environment of the employees. It enhances the culture and atmosphere of good work and promotes teamwork, creating a sense of unity within the workforce that everyone advances together towards the shared target and success.

Management Approach

BTS Group respect to human rights and equal employment practices. In 2017/18, BTS Group announced its Human Rights Policy, which is fully conforming to The UN Guiding Principles on Business and Human Rights, The International Bill of Human Rights, The Universal Declaration of Human Rights (UDHR), The International Covenant on Civil and Political Rights (ICCPR), The International Covenant on Economic, Social and Cultural Rights (ICESCR) and The ILO Declaration on Fundamental Principles and Rights at Work. Given this, BTS Group aims to manage diversity in the workplace with equality and fairness regarding gender, age, education, nationality, race, color, religion, citizenship as indicated in the Business Code of Conduct. Human Rights Risk Assessment and Due Diligence Process is also in place to ensure that the way BTS Group does business abides by the principles of human rights protection. Moreover, communication channels to receive information and complaints related to human rights issues are provided to come up with proper preventive and problem-solving guidelines.

BTS Group has created an environment conducive to working, especially for station personals who have to work with many BTS SkyTrain passengers each day. To make employees feel comfort and ready to effectively handle any situations. In 2017/18, BTS Group had measures to manage occupational

health, safety and working environment under the operation of the Security Department. The results are required to report to the Occupational Health and Safety Management Committee on a monthly basis. The working environment check covers heat, light, sound, which is conducts every year, water quality check every 2 months, building safety inspection every 6 months and electrical safety inspection every year.

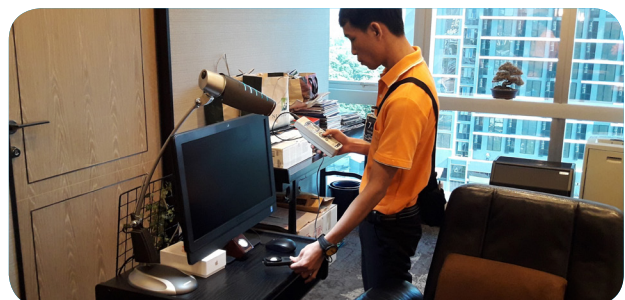
Light Check



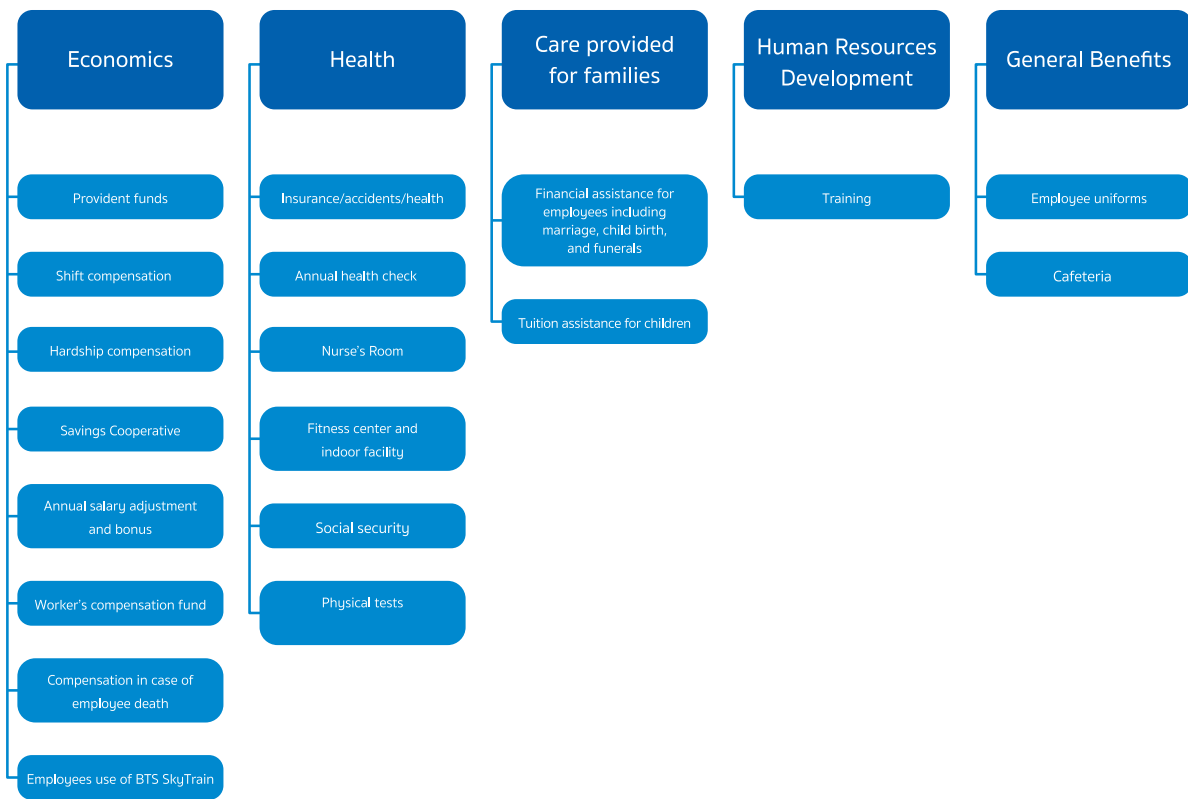
Sound Check



Heat Check



In addition, BTS Group continues improving the quality of life of employees. Employee compensation is based on equality, human rights and labor rights. BTS Group also improves welfare to cover economic, social and working environment aspects to promote the well-being of employees and families.

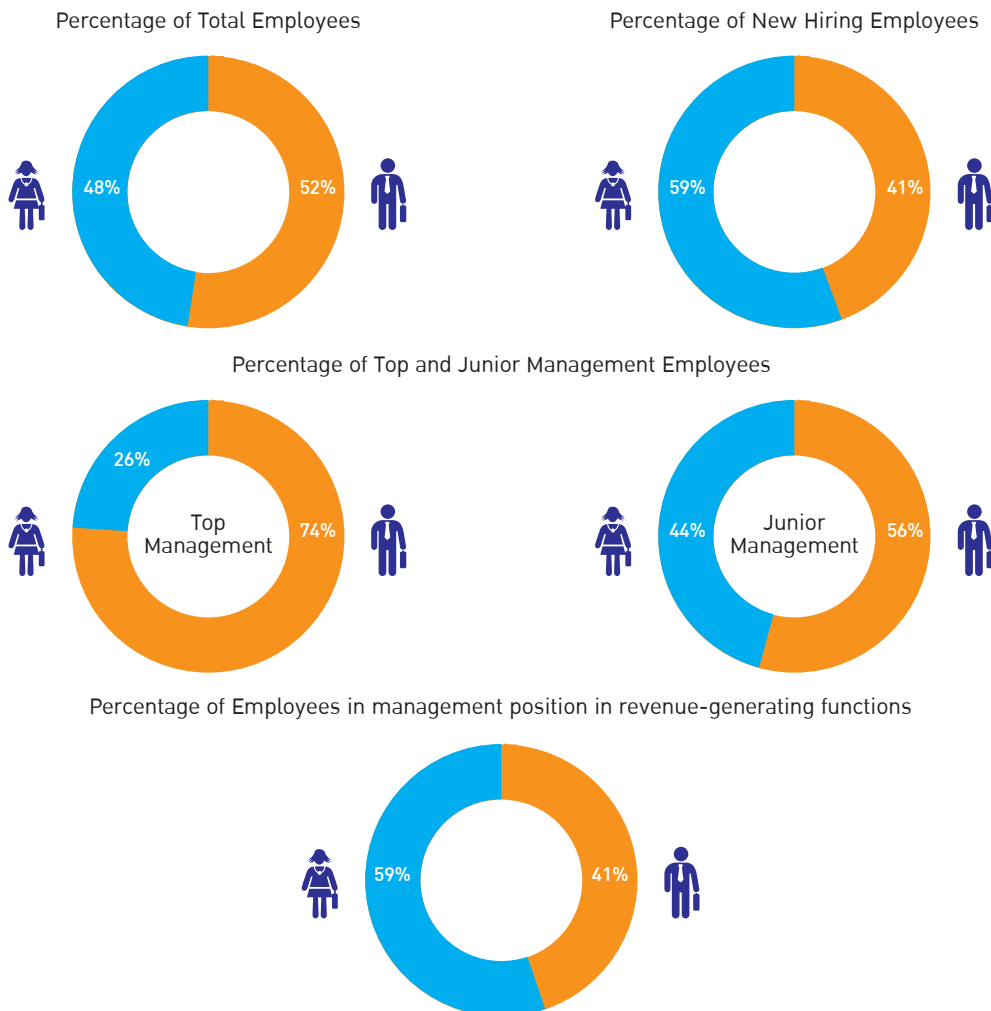


Performances

Human Rights and Labor Relations

BTS Group adheres to the human rights policy which respect to human rights and equal employment practices resulted in a balanced pool of employees in terms of gender both at the management and operational levels. In 2017/18, female employees accounted for 48.48 % of total employees.

Female employees also made up to 33.72% and 41.01% of top and junior management levels respectively. Meanwhile female employees accounted for 58.82% of total employees were in management position in revenue-generating functions e.g. sales and marketing. In terms of recruitment, 58.69% of new hiring employees BTS Group hired were women.



BTS Group strictly complies with labor laws and regulations of the countries. BTS Group has a Welfare Committee which comprises of 17 employee representatives from each business units. The Committee, representing 100% of employees, provided an opportunity for the employer and employees to discuss issues on remuneration, welfare, and labor rights every 3 month.

Highlight Projects in 2017/18



The Nuduan Chuan Kayan project

With the purpose of encouraging employees to develop themselves to their full potential, honest and loyal to the organisation, disciplined and proud to be an employee of BTS Group, The project serves as a reward for dedication, discipline, focus, thoughtfulness, creativity, love and loyalty to the organisation, as well as being dedicated to society.

Employees are able to collect points and exchange their points for cash, according to the set guidelines. The scores employees receive in some cases will be used when considering salary and bonus. Employees can use their accumulated points to join gyms, or use as tuition assistance for their children. Employees who have children enrolled in kindergarten to undergraduate level can request for tuition assistance for three children per employee. During 2008-2017, BTS Group provided 4,405 scholarships for tuition, totalling THB 45.13mn and 45 recipients have graduated with undergraduate degrees.

The story from Nuduan



Indoor Sports and Fitness Center

Indoor Sports and Fitness Center with 800 sq.m. utility space offers integrated health and wellness service to BTS Group employees. The two-floor center consisted of multifunction space, basketball court, futsal court and table tennis at the first floor meanwhile the second floor is fitness center with full-range fitness facilities and activities such as Zumba fitness, yoga classes by professional trainers. The Indoor Sports and Fitness Center is opened Monday-Friday 06:30-21.00 hrs, on Saturday and Public Holidays open 08.00-20.00 hrs. Since opening, the Indoor Sports and Fitness Center attracts up to 90 users per day, especially in the evening after work hours.



BTS Child Care Center

BTS Child Care Center has been set up for taking care of its employees' children during their working hour period. Children who are eligible for the BTS Child Care Center must be between 3-11 years old. The Center is open Monday — Friday from 14:30-17:30 hrs. At the Center, children are taken care by staff who create activities to enhance their learning skills in various fields, including skill sharing with others. Since the opening of the BTS Child Care Center, there are 10 children per day on average.



BTS Kids Camp

BTS Kids Camp is a consequent activity of the BTS Child Care Center, with the purpose of lightening the burden of child care for employees after the school semester. This morning-to-evening activity is opens for children to participate in various activities together for 10 days from 8:30 — 17:30 hrs. to enhance their physical, mental, emotional, and intellectual development, while growing up in society and also cultivating children to do useful and age-appropriate activities.





Canteen

Canteen, located at the fourth floor of BTSC building, providing a variety of quality and nutritional food and beverage.



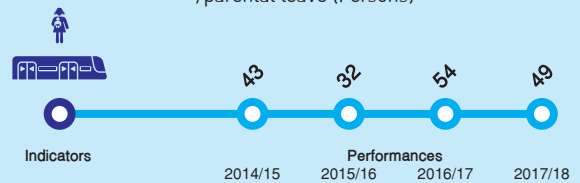
Healthy Workplace

BTSC has been operating the Healthy Workplace for the fourth consecutive year encouraging employees to participate in improving the workplace environment to be clean, safe and orderly. This also helps cultivate in employees the quality and safety culture and realise the value of resources and how to use them in the most beneficial way. The operating result of the project in 2017/18, BTSC found zero accident occurring with employees in the workplace.



Performances on Working Condition and Well-Being

Total number of employees using the right of maternity /parental leave (Persons)



Human Capital Development and Talent Retention

BTS Group believes that our employees are the most important and valuable resource in the organisation and therefore sees the value in continuous human resources development and retaining competent employees and treating all employees equally in accordance with human rights policy and labor rights. This includes developing the internal and external human resources training system and developing skills appropriate to individual responsibilities, in order to produce the human resources needed to support business needs. In addition, BTS Group supports and provides the opportunity for equal advancement, leading to commitment and pride in the organisation, resulting in continuity in operations.

Human Capital Development

Management Approach

BTS Group implements the Competency Management Strategy and Performance Development Appraisal System throughout our operations to evaluate and improve employee competency to support business growth.

BTS Group's continuous improvement of employee competency development system and process utilises the Individual Competency Development Plan (ICDP) model based on the 80/20: On-the-Job Training/ Coaching approach. BTS Group believes that employee development is the most effective when combining hands-on experience with coaching and mentoring from more experienced employees including mentors, supervisors, and specialists as well as the attendance of formal training and self-study, building a strong human resource which will drive the organisation toward set goals, efficiently and sustainably.

BTS Group provides a variety of training and development programs for executives and employees at all levels and also encourages and supports experienced employees to be speakers for internal training in order to provide knowledge sharing and transfer successful practices to other employees. This creates value for the employees who have been selected as the

speakers of self-esteem, helping motivate the development of knowledge, ability and potential of employees.

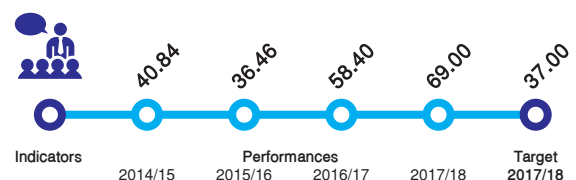
In terms of the human resources development process, this begins with a Training Needs Survey conducted in each department, in order to create the Annual Training Needs Matrix based on priority. At the same time, BTSC has adopted the Training Management System for use in maintaining employee information for easy access. Evaluation surveys are used following training for analysis and review of effectiveness and efficiency of the training process. Another survey is used following actual implementation by employees, to ensure that employees know more and are more skilled following the training.

Performances

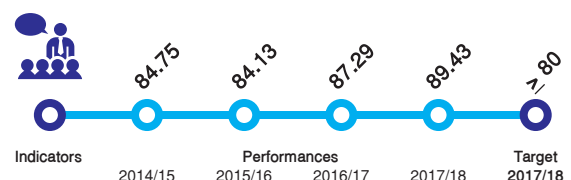
In 2017/18 BTS Group has set a goal of 37 training hours per employee. It was found that on average, employees had 69.00 hours of training per employee, higher than the goals. All employees responded to the post training surveys, revealing a satisfaction in training at 89.43%.

Performances on Human Capital Development

Employee's Average Training Hours (Hours/Employee)



Satisfaction in Training (Percentage)



Employee Training Courses

Risk Assessment for System Assurance Process Course for design and maintenance engineers relevant to safety

The course outlines cover System Assurance Management in Railway through the Project Life Cycle, consisted of Hazard Identification; Failure Mode Effects and Criticality Analysis; Bowtie Analysis; Quantitative Risk Analysis; and Internal Expert Development.

Training Period: 9 hours

Training Participants: 23 employees

Business Benefits: Trainees can implement and integrate the knowledge from the training to their maintenance works for the BTS SkyTrain system. This course helps trainees to identify and analyse risks which might impact to business and how to prevent and protect risks by maintenance works and designed system structures. After the training, BTSC has no serious and dangerous incidents with passengers, which came from the train system and equipment maintenance failures. With this, BTSC didn't need to hire railway expertise to provide consulting services for failures, resulting BTSC can save railway consulting costs of approximately THB 500,000 per time.

Remark: In case there are any serious and dangerous incidents with passengers, which came from the train system and equipment maintenance failures, BTSC has to compensate to the claimant in average THB 8mn per case. In case of saloon door failures, BTSC has to compensate to the claimant approximately THB 25,000 per case

Communication Channel Management (CCM) for media planning employees

The course outlines cover communication channel management in the advertising industry, helping trainees to analyse consumer behavior that changes with the modern technology for the most efficient media planning through various advertising tools and channels aiming to reach the target effectively including ability to assess the potential of the used media, compared to the plan.

Training Period: 33 hours

Training Participants: 28 employees

Business Benefits: Trainees can implement and integrate the knowledge from the training to their media planning works for the most efficient media planning for clients. After training, VGI can make net profit of THB 1.3mn per year.

Talent Attraction and Retention

Management Approach

BTS Group knowing that long-term success of the company depends on its ability to attract and retain high-potential employees. This is why BTS Group continues to improve the effectiveness of our recruitment process. BTS Group not only searches the employee pool in the labor market but also promotes our employees to fill vacant positions both in junior and management level. Existing employees can apply for a vacant position through an internal recruitment process in the same way as external candidates. In 2017/18, there were a total of 528 positions opened, of which 155 positions or 29.36% of the positions were filled internally.

Apart from fair and equitable remuneration for employees both in short and long term, BTS Group continuously focuses on improving employee quality of life and enhancing employee engagement to retain high-performing employees. BTS Group emphasizes the importance of communication and means to engage and harmonize employees in the organization through activities such as CSR activities, sport activities, entertainment, and employee volunteering programs. Such activities

Apart from fair compensation and benefits for employees, both for the present and with a long-term perspective, BTS Group continuously focuses on improving employee quality of life and enhancing employee engagement to retain high-performing employees. BTS Group emphasizes the importance of communication and means to engage and harmonize employees in the organization through various programs to increase employee engagement such as CSR activities, sport activities, entertainment, and employee volunteering programs, etc. to help improve working conditions and enhance the joy of working. Furthermore, BTS Group provides opportunity for employees in the BTS Group to get to know each other as a result the coordination among the company better through organizing activities in common such as BTS Group Family Day and BTS Group Staff Party. Each company in the BTS Group will select representatives of the company to be the organizing committee. The selected representatives have the duty to share their views with the working group and design activities in various ways

to meet the common needs. In addition, they are the central representatives of the BTS Group to communicate with employees for better understanding.

Performances

BTS Group believes that the participation of its employees is an important factor in creating employee engagement to the organisation. Therefore, employees are given the opportunity to participate in sharing opinions, problems and suggestions. BTS Group conducts employee satisfaction survey on an annual basis, in order to ensure that employees stay with the Group for the long-term and grow with the business. Issues covered in the surveys include work environment, type of work, quality of life and stability, advancement, supervisor and colleagues, and internal communications, etc.

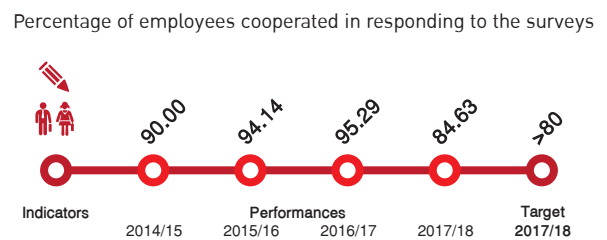
In 2017/18, 88.63% of total employees cooperated in responding to the online surveys, questionnaires or in-depth interviews, showing the responsibility the employees have in participating in the development of the organisation. From the survey, it was found that 73.94% were very satisfied, decreasing from 79.80% in 2016/17 but still higher than the target, which is a result of the efforts and dedication in retaining all employees. Moreover, in 2017/18, 9.67% of employees voluntary resigned, decreasing from the last year of 14.37% and the trend continues to decline.

Highlight Projects in 2017/18

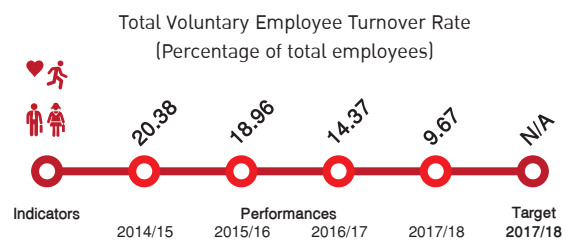
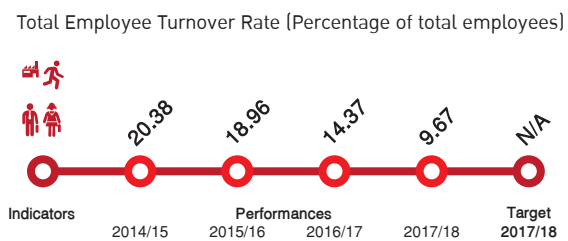
Re-Employment Program

Each year a sizeable number of employees reach mandatory retirement age. However, many of these retirees have specialized knowledge and competency, and they are healthy enough to mentor younger peers on staff quite effectively. BTS Group recognises the importance of retaining experienced and highly skilled people to contribute value adding to the organization. BTS Group launched the Re-employment Program to facilitate post-retirement hiring. Implementation is subject to consideration of specific types of jobs and requirement, and the number of retirees per year. In 2017/18, under the Re-employment Program, 8 retirees were re-employed and the most of them were in management level.

Performances on Employee Satisfaction



Employee Turnover Rate



Social and Community Development

In accordance with the BTS Group vision of presenting the concept of “City Solutions” to the society as well as the commitment to sustainability development goals (SDGs) of the United Nations, BTS Group recognizes the role and responsibility of contribution to the community and society because good living conditions in the society play an important role supporting the success of the business. BTS Group aims to improve the quality of life and well-being of the community on three areas: **Public Health, Quality Education and Environmental and Ecosystem Protection**. This does not only respond to the needs of the community and society, but also the expectations of stakeholders. It also provides opportunities for employees at all levels of BTS Group to participate and recognize the responsibility to the community and society through activities in order for all parties to grow together sustainably.

Management Approach

BTS Group implements the community and social development projects and activities in align with the Corporate Social Responsibility (CSR) policy, which has been framed by Corporate Governance Committee, consisted of Chairman and directors, who are responsible for monitoring the implementation of corporate social responsibility policy and plans aiming to improve the quality of life and well-being of the community and society. The Corporate Social Responsibility Office serves to survey the needs of the community in the target area and organise projects and activities.

In 2017/18, BTS Group aims to promote accessibility to infrastructure for living, medical services and quality education to the communities and society in the target areas in order to improve the quality of life and well-being as well as help reduce social inequality.

Actions in 2017/18






Listening to needs of the community



Integrating synergy of 4 Business Units and promoting an involvement of employees and stakeholders for creating sustainable values for society



Creating a collaborative network of specialized partners to expand the potential of community and society

Priorities	Public Health	Quality Education and Knowledge Sharing	Environment and Ecosystem
SDG			
Targets	<ul style="list-style-type: none"> To support accessibility to medical services To support sports activities. 	<ul style="list-style-type: none"> To support the budget for infrastructure construction and utilities to the school and community nearby To provide learning opportunities for rural students and promote public transport knowledge. 	<ul style="list-style-type: none"> To support the budget and organize activities for the development of environmental and ecosystem
Social KPIs	<ul style="list-style-type: none"> The amount of money the participants can save from health checkup Number of people who has their health check 	<ul style="list-style-type: none"> Number of students, schools and community who have their facilities improved Employee participation to increase the satisfaction of work and create employee engagement with the organization 	<ul style="list-style-type: none"> Number of elephants that has been saved Passenger participation
Business Benefits KPIs	To promote ridership of BTS SkyTrain on the route where the activity to be held. This also directly and indirectly affects the business in terms of ridership volume each year.	To enhance the corporate image of BTS Group in other provinces beyond Bangkok where the BTS Group operates business primarily, with the aim to grant Licenses to Operate when the Group expands its investment to other Mass Transit Routes in the provinces according to government plans.	
Projects and Activities	<ul style="list-style-type: none"> Sky Clinic Collaborative network of specialized medical partners Sponsorship of Ang Thong Sports Association To support the Golf Charity Competition To support Youth Badminton Competition 	<ul style="list-style-type: none"> Next Station 'Happiness' by BTS Group Project The Developing Quality of Life for Underprivileged Student Project 	<ul style="list-style-type: none"> BTS Group Thai Elephant Conservation Project

Performances

Total Expense of Social and Community Development THB 22.31mn	Community Investment 22.12%
	Commercial Initiatives 68.51%
	Charitable Donations 9.37%

Time: employee volunteering during paid working hours
3,158 working hours, equivalent to
THB 457,528

Cash contribution
THB 2.09mn

In-kind giving: product or services donations
THB 2.89mn

Management overheads
THB 4.91mn

Actions in 2017/18



Public Health Project

Sky Clinic



Social KPIs:

- The amount of money the participants can save from health check-up
- Number of people who has their health check

Business KPIs:

- To promote ridership of BTS SkyTrain on the route where the activity to be held. This also directly and indirectly affects the business in terms of ridership volume each year.

BTS Group, in cooperation with leading hospitals, has been organized Sky Clinic Project, provided free health check-up to people who live near the BTS SkyTrain, with the aim to enhance the quality of life and encouraging people to take care of their health as well as supporting accessibility to medical services, helping reduce the cost of public health services to the public.

BTS SkyTrain stations is set to be the SkyClinic venue, which has been changed to various stations, for expanding the help to the community along the BTS SkyTrain routes. Since 2015, BTS Group has policy to promote ridership on the BTS extension of the Sukhumvit Line. With this, the SkyClinic since 2015 was organized along such routes, which directly and indirectly affects the business in terms of ridership volume increased each year.

The SkyClinic has been held since 2000 until present. Throughout 15 years, there are a total accumulated numbers of 30,000 people participating in the SkyClinic and 15 medical specialized medical partners in the collaborative network.

The 15th SkyClinic in 2017/18 was held in May 2017 at BTS Bang Na Station in cooperation with 13 leading hospitals. The activity provided free health check-up such as Diabetes, Heart Disease, Cancer, Eyes Disease, Bone and Joint, Liver Disease, Dentistry, and Thai Traditional Medicine. During the 4-day activity, there were over 1,600 people receiving their health check. This helps reduce cost of public health services equivalent to THB12.8mn (based on average price of health check-up program at THB 8,000 per person)



“Sky Clinic is a very good project. I am delighted to join with BTS Group and other hospitals to provide health check service to public. This helps encourage people to take care of their health. Moreover, the venue on BTS SkyTrain station is very convenient for travelling to join the project, offering people accessibility to medical service.”



Dr.Pongsakorn Tanayapong, M.D.
Neurologist, Vibhavadi Hospital
Doctor in the Sky Clinic

“I would like to thank you BTS Group and hospitals offering passengers and people to receive health check service. I am very glad to join because there are various health check programs, such as cancer, heart disease, diabetes, etc. These are very expensive.”



Siriwan Sangchumcheun
(Employee of a private company)
BTS SkyTrain Passenger
Participant of the Sky Clinic



Quality Education and Knowledge Sharing

Next Station 'Happiness' by BTS Group Project



The Next Station "Happiness" by BTS Group Project aims at helping to provide significant levels of aid to students and people living in remote rural areas nationwide. Contribution provided by BTS Group came from schools and community survey by Corporate Social Responsibility Office, which is set survey period every 1-2 months.

Over 200 senior citizens attended the event, which included physical check-ups by Vibhavadee Hospital. Lunch was hosted for all participants, consisting of noodles, ice cream, grilled meatballs and fried chicken wings. The highlight of the event was the presentation of Rabbit shaped 'Piggy Banks' by board members, to encourage the students to practice good money saving habits.

The fundamental aids, which BTS Group delivered to schools and community in the target areas, are basic necessities, consumable products, educational equipment and scholarship. Furthermore, BTS Group supported construction budget case by case for public infrastructure and utilities, namely, school building, playground, and concrete road, etc. These contributions were responded the needs of the school and community. Moreover for the construction of public utilities, BTS Group required to use local contractors and workers to promote employment in the community.

BTS Group, with the collaborative network of specialized medical partners from the SkyClinic i.e. Viphavadee Hospital and the Royal Dentist Unit under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn, Mahidol University, provided health check-up and dental fillings and tooth extraction service to students and people living in the community.

The BTS Group encourages each business unit to participate in the activities by alternating each business unit to be hosts of the event, aiming to enable all employees of the BTS Group to participate and recognize the responsibility to the community and society.

The Next Station "Happiness" by BTS Group Project has been started since 2015/16 until present, there were 16 schools and communities nationwide participating in the project. There were 4,385 student and residents in the community having their facilities improved.

In 2017/18, BTS Group had organized in 4 stations in Ratchaburi Province, Uthai Thani Province, Lopburi Province and Tak province. There were more than 1,100 students and residents in the community having their facilities improved. Moreover, BTS Group's employee volunteering during paid working hours was equivalent to 3,158 working hours, allowing employees to feel more involved and more satisfied with their work.

Social KPIs:

- Number of students, schools and community who have their facilities improved

- Employee participation to increase the satisfaction of work Business KPIs:

- To enhance the corporate image of BTS Group in other provinces beyond Bangkok where the BTS Group operates business primarily, with the aim to grant Licenses to Operate when the Group expands its investment to other Mass Transit Routes in the provinces according to government plans.



The 'Next Station—Happiness by BTS Group' Children's Camp

The 'Next Station—Happiness by BTS Group' Children's Camp has been organized to bring students from schools which are members of the Next Station—Happiness by BTS Group project travelling to Bangkok to experience a creative learning outside the school. Apart from learning the saving-energy transportation and taking trip the BTS SkyTrain, this year camp, students also visited the Bangkok Planetarium, the SEA LIFE Bangkok Ocean World, as well as enjoyed the movies and other entertaining activities.

The 'Next Station—Happiness by BTS Group' Children's Camp has been organized for three consecutive year. Over 188 teachers and students from 5 stations in Petchburi Province, Aumnardcharoen Province, Nan Province, Ratchaburi province, Utaithani Province and Lopburi Province, attended a three-day familiarization trip to Bangkok, including a two-night stay at the Eastin Hotel Makkasan.



The Developing Quality of Life for Underprivileged Student Project



Air Chief Marshal Prajin Juntong, Deputy Prime Minister and Minister of Justice recently chaired at the opening ceremony of the new English Sound Labs of Tha — It Municipal School in Uttaradit Province, which the construction supported by BTS Group as part of the 2nd Developing Quality of Life for Underprivileged Student Project. The company was assigned to support contribution 3 Sound Labs worth 1,000,000 baht at this school attended by 2,747 students studying at both primary and secondary levels.

Following the opening ceremony, the plaque of appreciation was presented to all sponsors in this CSR Project held at the Santi Mairi Building of the Government House.

The Developing Quality of Life for Underprivileged Student Project has initiated by Deputy Prime Minister Air Chief Marshall Prajin Juntong since 2006, in collaboration with over 40 private companies. The project targeted primary and secondary levels schools in various districts with the objective of development of suitable infrastructure for schools; improvement of student nutrition; provision of healthcare to schools; improvement of academic computer skills for education; and improvement of the academic environment and quality living of students.

Each year, participating companies will be assigned to one target school to provide school-based assistance, based on the potential of the company. BTS Group has joined the program for the second consecutive year since 2016/17, responsible for the development of the school infrastructure.



In 2016/17 BTS Group was assigned to host related activities at Nong Wang Prachasan School in Huay Mek District, Kalasin Province, attended by a total of 186 students studying at both primary and secondary levels. As the school was lacking a library, BTS Group supported a construction budget of THB 500,000 for a new 204 square metre library. The construction completed in September 2016. Meanwhile in 2017/18, BTS Group was assigned to support contribution 3 Sound Labs worth 1,000,000 baht at this school attended by 2,747 students studying at both primary and secondary levels. For the construction of public utilities, BTS Group required to use local contractors and workers to promote employment in the community since 2016/17, responsible for the development of the school infrastructure.



Social KPIs:

- Number of students, schools and community who have their facilities improved

Business KPIs:

- To enhance the corporate image of BTS Group in other provinces beyond Bangkok where the BTS Group operates business primarily, with the aim to grant Licenses to Operate when the Group expands its investment to other Mass Transit Routes in the provinces according to government plans.



Environment and Ecosystem Conservation project

BTS Group Thai Elephant Conservation Project



Social KPIs:

- Number of elephants that has been saved
- Passenger participation

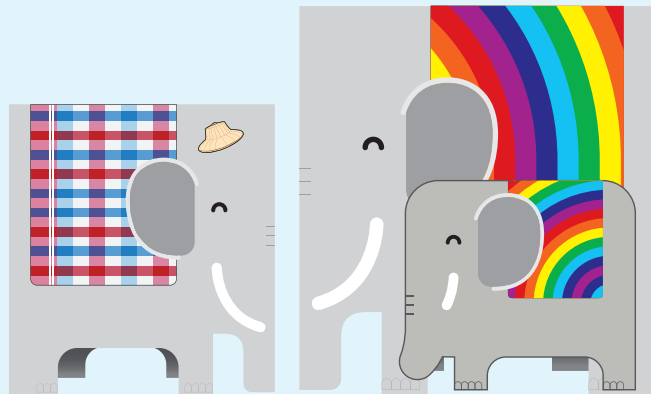
Business KPIs:

- To enhance the corporate image of BTS Group in other provinces beyond Bangkok where the BTS Group operates business primarily, with the aim to grant Licenses to Operate when the Group expands its investment to other Mass Transit Routes in the provinces according to government plans.

BTS Group Thai Elephant Conservation Project has initiated since 2010 to support first aid treatment to injured elephants nationwide as well as elephant adoption. Throughput 7 years BTS Group has;

- Supported operations of the Thai Elephant Conservation Center in Lampang Province under the patronage of Her Royal Highness Princess Galayani Vadhana, providing treatment to injured elephants nationwide.
- Set up Elephant Medical Treatment Centre Project, providing treatment for disabled, injured and aged elephants including financial support for the purchase of medicine and equipment, supplied on both a regular and emergency basis to the Elephant Hospital in Lampang Province.
- Raised funds for the construction of a new hospital for elephants in Krabi Province, which this hospital is the center for providing first aid treatment to injured elephants, serving 14 provinces in the South of Thailand.

In 2017/18, BTS Group has adopted 35 elephants in charge of the Save Elephants Foundation in Mae Tang District, Chiang Mai Province and the Elephant World, in Kanchanaburi Province. Additionally, BTS Group provided opportunities for BTS SkyTrain passengers and public for donation supported.





About this Report

About this Report

This is the fourth consecutive year in which BTS Group Holdings Public Company Limited has produced a sustainability report, which is published to public in June 2018. The Report content covers the BTS Group operations and the responses toward topics impacted to Economic, Social and Environmental aspects in accordance with the significant to both internal and external stakeholders, in order to show dedication to transparency in operations, as part of its commitment to stakeholders. The report disclosed the organisation's significant economic, social, and environmental performance over the past year, covering 4 business units, namely Mass Transit, Media, Property and Services, with total coverage of 93% of total revenues from 1st April 2017 to 31st March 2018.

The disclosed information in this report has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards), and in compliance with 'Core Option'.

Processes to define the materiality

BTS Group has been prepared this report in accordance with the Principles for Defining Report Content of GRI Standards, consisted of Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness.

BTS Group prepared this report by considering both external and internal factors to identify material sustainability topics based on the Principles for Defining Report Content of GRI Standards, consisted of Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness, as well as the Principles for Defining Report Quality, consisted of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness with the following processes.

Step 1: Identification and Report Boundaries

BTS Group identified materiality topics by reviewing material topics disclosed in the Sustainability Report 2016/17, interviewing both internal and external stakeholders, and assessing corporate risks, business opportunities, global trends as well as sustainable development goals (SDGs).

Step 2: Prioritisation

BTS Group assessed the identified material issues from step 1 by considering based on business trends and significant impact to business both in short and long term. The Group has also conducted interviews with internal and external stakeholders such as shareholders, investors, customers, employees and community, to understand their expectations, interests and impacts to them. Then BTS Group prioritised material issues for disclosing in this report and scoped reporting boundaries of each material issue based on impact to business operations and stakeholders.

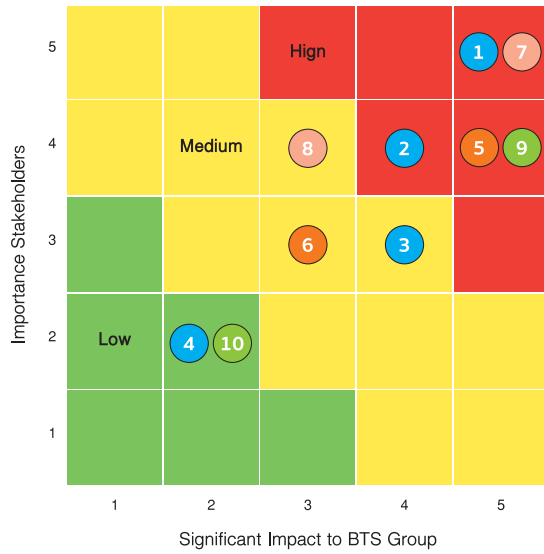
Step 3: Verification

BTS Group had verified the accuracy of material issue prioritization and proposed to the Corporate Governance Committee for review and approval the selected material issues. Then the report was proposed to the Board of Directors for acknowledgement.

Step 4: Continuous Improvement

BTS Group is focused on continuously developing the Sustainability Report and is open to suggestions and opinions from stakeholders through various channels for further improvement, including reviewing policies, objectives and goals of BTS Group.

Materiality Assessment

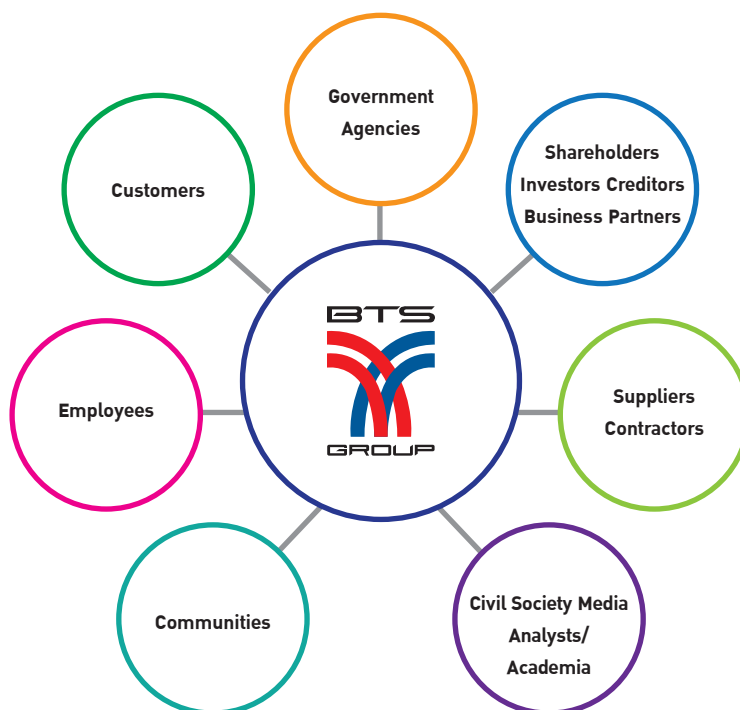


Economic Topics	1	Service Reliability
	2	Customer Relationship Management
	3	Business Conduct
	4	Supply Chain Management
Environmental Topics	5	Energy Efficiency
	6	Environmental Footprint
Social Topics	7	Accidents & Safety Management
	8	Working Conditions & Well-being
	9	People Development & Talent Retention
	10	Community Development

Topics	Key Sustainability Issues	GRI Standards	Boundaries	
			Within Organisation	External Stakeholders
Economic Performances	Service Reliability	-	•	•
	Customer Relationship Management	Customer Privacy Product and Service Labeling	•	•
	Business Conduct	Governance Ethics Integrity Anti-Corruption	•	•
	Supply Chain Management	Procurement Practices	•	•
Environmental Performances	Energy Efficiency	Energy Greenhouse Gas Emission	•	•
	Environmental Footprint	Water Effluents and Waste	•	•
Social Performances	Accidents & Safety Management	Occupational Health and Safety Customer Health Safety	•	•
	Working Conditions & Well-being	Labour Relation Management Diversity and Equal Opportunity Human Rights & Discrimination	•	•
	People Development & Talent Retention	Training and Education Employment	•	•
	Community Development	Local Community	•	•

Stakeholder Engagement

BTS Group focuses on the importance and power of stakeholders, respects their rights, and conducts towards the stakeholder with fairness and transparency. Stakeholders include people who are affected by the Group, those who may impact the Group business, as well as those interested in our businesses. The BTS Group has defined, identified and analyzed stakeholders as 7 categories of people and entities.



BTS Group has formulated customized methods of participation, engagement channels, and disclosure of information, which meet particular needs to these different categories, in order to acknowledge and understand and suit their interests and expectations, as well as use feedback during decision making processes and in our operations.

Stakeholders	Engagement Channels	Key Stakeholder Interests
Government Agencies	<ul style="list-style-type: none"> Case-by-case meetings with government agencies Performance and operation reports submitted to relevant government agencies based on the agency's reporting schedule Communication with government officials for better understanding of their expectations Regular participation in government agency activities and projects 	<ul style="list-style-type: none"> Operations are in compliance with laws and regulations Transparency of performance indicators
Communities	<ul style="list-style-type: none"> Activities for the community and society Complaints via various BTS Group channels 	<ul style="list-style-type: none"> Sustainable coexistence Community and social development

Stakeholders	Engagement Channels	Key Stakeholder Interests
Shareholders Investors Creditors Business Partners	<ul style="list-style-type: none"> Quarterly announcement of performance indicators as well as annual performance, disclosure of information on the BTS Group website Annual General Meeting Analyst meetings Shareholder and investor roadshows Quarterly journals Shareholder visits to the company Communication channels including the website, email, telephone, mail and other methods 	<ul style="list-style-type: none"> Transparent and auditable operations Stable and sustainable operations Good corporate governance and financial strength that are efficient Disclosure of accurate and transparent information
Customers	<ul style="list-style-type: none"> Annual customer satisfaction survey Customer relationship building activities such as sales promotions, marketing activities, etc. Providing information through social networks Complaints via various channels 	<ul style="list-style-type: none"> Efficient service, timely, etc. Providing information through social networks The ability to solve problems correctly, appropriately and in a timely manner Disclosure of accurate information Customer Privacy and Data Security
Suppliers Contractors	<ul style="list-style-type: none"> Selection process and regular assessment carried out on a regular basis Annual suppliers meeting 	<ul style="list-style-type: none"> Procurement and hiring that is transparent, fair and auditable
Employees	<ul style="list-style-type: none"> Chairman & CEO Talk Annual performance evaluation. Annual employee satisfaction survey Complaints submitted via supervisor, and BTS Group complaint system Communications via various channels and internal methods 	<ul style="list-style-type: none"> Rights and benefits Compensation Employee retention Employee development Gender Equality and Career advancement
Civil Society Media Analysts/ Academia	<ul style="list-style-type: none"> Communication platform and whistleblowing channels to gather suggestions, comments, complaints, etc. Quarterly analyst meeting Press Conference / Press Release Exclusive interview Media visit Open House and Company visits 	<ul style="list-style-type: none"> Join members of the public/private sector Disclosure of accurate and transparent information Adequate up-to-date information is required regularly

Communication Channels

BTS Group welcomes suggestions from all stakeholders in order to support sustainable operations. BTS Group can be contacted through the various channels below:

BTS Group Holdings Public Company Limited

14th Floor, TST Tower, 21 Soi Choei Phuang, Vibhavadi-Rangsit Road Chom Phon, Chatuchak, Bangkok 10900

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BTS Group
Sustainability
Performances
FY 2017/18

Economic Performances

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Operating Revenues	Million Baht	7,102	6,280	8,606	14,102
Net Profit	Million Baht	2,944	4,134	2,003	4,416
Dividend Payment	Million Baht	7,094	8,047	4,026	4,876*
Tax Expense	Million Baht	733	1,121	646	776

**Final dividend of THB 0.185 per share or equivalent to the dividend payment in the amount of not exceeding THB 2,922.1mn is subject to shareholders' approval.

Environmental Performances

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Total Electricity consumption	MWh	102,834	103,624	102,685	106,079
• Electricity Consumption: Traction	MWh	69,782	70,482	68,988	71,118.05
• Electricity Consumption: Non Traction	MWh	33,052	33,142	33,707	34,960.95
Fuel Consumption: Bus Rapid Transit: BRT	Kg	1,335,266	1,364,377	1,370,161	1,016,913.01
	MWh	16,658.77	17,020.60	17,092.76	12,685.99
Electricity Consumption per distance car-km	kWh per distance car-km	2.74	2.77	2.72	2.68
Total GHG Emission	Tonnes CO2 e	56,831	54,500	58,922	59,006
• Scope 1	Tonnes CO2 e	3,599	3,678	3,830	2,562
• Scope 2	Tonnes CO2 e	53,232	50,823	55,092	56,444
Total water consumption	Cubic meters	124,646	126,727	120,688	121,855
Total waste dispose	Metric tonnes	51.36	40.69	18.16	48.44
Total hazardous waste	Metric tonnes	36.79	30.54	11.2	42.38
Total waste	Metric tonnes	14.57	10.15	6.96	6.06

Social Performances

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Total number of Employees	Persons	2,934	2,764	2,876	3,055
Male		1,618	1,446	1,510	1,574
Female		1,316	1,318	1,366	1,481
By type of hiring					
Permanent Employees (Total)	Persons	2,922	2,752	2,866	3,037
Male		1,607	1,443	1,509	1,564
Female		1,315	1,311	1,359	1,473
Temporary Employees (Total)	Persons	12	12	10	18
Male		11	5	3	10
Female		1	7	7	8
By period of working					
Full time Employees (Total)	Persons	2,934	2,764	2,874	3,055
Male		1,618	1,446	1,508	1,574
Female		1,316	1,318	1,368	1,481
Part time Employees (Total)	Persons	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
By position level					
Top Management Level (Total)	Persons	74	81	87	87
Male		57	61	63	64
Female		17	20	24	23
Junior Management Level (Total)	Persons	177	169	187	209
Male		111	100	107	117
Female		66	69	80	92
Staff	Persons	2,682	2,514	2,622	2,757
Male		1,449	1,282	1,336	1,399
Female		1,233	1,232	1,286	1,358
By age					
Lower than 30 years (Total)	Persons	559	575	720	936
Male		249	220	286	376
Female		310	355	434	560
30-50 years (Total)	Persons	2,163	2,016	1,983	1,941
Male		1,250	1,105	1,095	1,082
Female		913	911	885	859
More than 50 years (Total)	Persons	171	170	178	170
Male		121	117	124	117
Female		50	53	54	53

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Total number of new hiring employees	Persons	297	277	346	414
Male		112	123	156	171
Female		125	154	190	243
Percentage of new hiring employees	Persons	21.53	18.02	22.91	17.50
Male		9.12	8.69	10.08	6.97
Female		9.99	9.33	12.83	10.53
Total number of employees resigned	Persons	265	224	236	159
Male		128	107	103	69
Female		137	117	117	90
Percentage of employees resigned	Persons	18.50	19.28	15.02	10.79
Male		10.94	9.98	6.60	5.56
Female		7.57	9.30	8.42	5.23
Total number of employees having the right of maternity/parental leave	Persons	1,315	1,311	1,359	1,473
Male		0	0	0	0
Female		1,315	1,311	1,359	1,473
Total number of employees returning to work after maternity/parental leave	Persons	43	32	54	49
Male		0	0	0	0
Female		43	32	54	49

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Percentage of employees returning to work and remaining at work after maternity/parental leave	Percentage	100	100	100	100
Male		0	0	0	0
Female		100	100	100	100
Employees injury rate of (Total)	Times/million working hours	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Contractors injury rate (Total)	Times/million working hours	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Serious employees injury rate (Total)	Times/million working hours	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Lost-time frequency injury rate of employees (Total)	Times/million working hours	0.23426	0.23002	0.22590	0.74671
Male		0.23426	0.23002	0	0.24890
Female		0	0	0.22590	0.49780
Lost-time frequency rate of contractors (Total)	Times/million working hours	0.29968	0.27855	0.27621	0.27727
Male		0.29968	0.27855	0	0.27727
Female		0	0	0.27621	0

Indicators	Unit	Performances			
		2014/15	2015/16	2016/17	2017/18
Disease-related illness rate of employees (Total)	Times/million working hours	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Disease-related illness rate of contractors (Total)	Times/million working hours	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Fatalities rate of employees (Total)	Persons	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Fatalities rate of contractors (Total)	Persons	0	0	0	0
Male		0	0	0	0
Female		0	0	0	0
Employee's Average Training Hours (Total)	Hours/Employee	40.84	36.46	58.40	50.83
By gender					
Male	Hours/Employee	35.51	28.13	59.64	44.09
Female		47.04	45.59	57.25	53.57
By position level					
Top management level	Hours/Employee	35.51	26.76	16.61	15.16
Junior management level		31.59	33.38	45.02	22.79
Staff		39.00	35.17	59.22	52.47





GRI CONTENT INDEX

GRI Standards	Disclosure	Page number(s)/ URL(s)/ Comment
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization	Page 86
102-2	Activities, brands, products, and services	Page 8-11
102-3	Location of headquarters	Annual Report 2017/18, Page 38
102-4	Location of operations	<p>Mass Transit - All operations are in Thailand.</p> <p>Media — Operations in Thailand and Malaysia</p> <p>Property — Operations in Thailand and has shares in property projects overseas (11 in Europe and 5 in Asia and the Middle East) through U City PCL which the Group holds 38.97% of share</p> <p>Services — All operations are in Thailand.</p>
102-5	Ownership and legal form	Page 8
102-6	Markets served	All operations are in Thailand.
102-7	Scale of the organization	Page 8
102-8	Information on employees and other workers	Page 93
102-9	Supply chain	Page 42-43
102-10	Significant changes to the organization and its supply chain	There was no significant change regarding the organization's size structure, ownership, or supply chain in 2017.
102-11	Precautionary Principle or approach	Page 23-24
102-12	External initiatives	Page 26-27
102-13	Membership of associations	Page 41

Strategy		
102-14	Statement from senior decision-maker	Page 4-5
Ethics and integrity		
102-16	Mechanisms for advice and concerns about ethics	Page 39
Governance		
102-18	Governance structure	Page 22-23
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 88
102-41	Collective bargaining agreements	All employees have the rights to participate in collective bargaining agreement.
102-42	Identifying and selecting stakeholders	Page 88
102-43	Approach to stakeholder engagement	Page 88-89
102-44	Key topics and concerns raised	Page 88-89
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Page 86
102-46	Defining report content and topic Boundaries	Page 86-87
102-47	List of material topics	Page 87
102-48	Restatements of information	There was no restatement of information in this report.
102-49	Changes in reporting	There was no significant change from the previous reporting period.
102-50	Reporting period	Page 86
102-51	Date of most recent report	Page 86
102-52	Reporting cycle	Page 86
102-53	Contact point for questions regarding the report	Page 89
102-54	Claims of reporting in accordance with the GRI Standards	Page 86
102-55	GRI content index	Page 100-108
102-56	External assurance	This report is not externally assured

Material topics		
Service Reliability		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary.	Page 29
103-2	The management approach and its components	Page 29
103-3	Evaluation of the management approach	Page 29
Customer Relationship Management		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 30-37
103-2	The management approach and its components	Page 30-37
103-3	Evaluation of the management approach	Page 30-37
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 36
Business Conduct		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 38
103-2	The management approach and its components	Page 38
103-3	Evaluation of the management approach	Page 38-41
GRI 205: Anti-corruption 2016		
205-3	Confirmed incidents of corruption and actions taken	Page 40
Supply Chain Management		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 42
103-2	The management approach and its components	Page 42-43
103-3	Evaluation of the management approach	Page 42-43
GRI 414: Supplier Social Assessment 2016		
414-2	Negative social impacts in the supply chain and actions taken	Page 43

Energy Efficiency		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 47
103-2	The management approach and its components	Page 47-51
103-3	Evaluation of the management approach	Page 47-51
GRI 302: Energy 2016		
302-1	Energy consumption within the organization Energy intensity	Page 46, 92
302-2	Energy intensity	Page 46, 92
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page 48, 92
305-2	Energy indirect (Scope 2) GHG emissions	Page 48, 92
Environmental Footprint		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 52-53
103-2	The management approach and its components	Page 52-53
103-3	Evaluation of the management approach	Page 52-53
GRI 303: Water 2016		
303-1	Water withdrawal by source	Page 52, 92 Water withdrawal is primarily from municipal water.
GRI 306: Effluents and Waste		
306-2	Waste by type and disposal method	Page 53, Page 92
Accidents & Safety Management		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 57
103-2	The management approach and its components	Page 57-67
103-3	Evaluation of the management approach	Page 57-67
GRI 403: Occupational Health and Safety 2016		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 56, 67, 96-97

Working Conditions & Well-being		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 66
103-2	The management approach and its components	Page 66-71
103-3	Evaluation of the management approach	Page 66-71
GRI 401: Employment 2016		
401-3	Parental leave	Page 71, 95-96
People Development & Talent Retention		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 72
103-2	The management approach and its components	Page 72-75
103-3	Evaluation of the management approach	Page 72-75
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Page 95
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 72, 97
Social & Community Development		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 76
103-2	The management approach and its components	Page 76-83
103-3	Evaluation of the management approach	Page 76-83



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