



SANSIRI

CONSTRUCTING LIFE,
NOT JUST BUILDINGS.



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**CHIEF EXECUTIVE
OFFICER'S MESSAGE**



CHIEF EXECUTIVE OFFICER'S MESSAGE

Changes in the global landscape such as ageing societies, digital transformation, and social integration, have become the key issues whose scales of influence have made an impact, both directly and indirectly, to international organisations, the private sector, and down to the individual level. In the period where businesses are increasingly interconnected to the society and environment, gaining the capacity to adapt and capitalise on these dynamics will be vital for the growth and sustainability of our business.

As Sansiri has been expanding our international clientele over the past years to align with the course of the regional's economic growth and social-economic change, this year we were able to capitalise and see remarkable results from our expansion strategy. In 2016, Sansiri had launched 20 residential projects, with total project value amounted to 46,222 Million Baht with impressive sales of 31,139 Million Baht. In this regard, the sales from international buyers were at a record high of 5,418 Million Baht, approximately 20 percent of the total sales. The successful business expansion in the international market not only has reflected the increasing demands and interest for properties in Thailand amongst international clients, but also shown the potential to capitalise from the culture changes and regional integration.

During the past year, the domestic economy has modestly improved, while the recovery of real estate

market remains slow. Consequently, the domestic economy continues to present various challenges and opportunities to our business, requiring us to be more prudent and discreet in our sales and marketing strategy, in order to cope with the changing environment. Nevertheless, we continue to assess the overall situation of the economy, and focus on improving our sustainability performances by conducting the materiality assessment with our stakeholders, and embedding social and environment perspective into our business strategy and business process. For our child-friendly business development, 'The Good Space', we have expanded the partnership to collaborate with UNICEF Thailand, The Ministry of Public Health, and The World Health Organisation to promote child immunisation in our construction camps, and child's rights to access public health.

At Sansiri, we believe that business that grows in parallel with our stakeholders, may it be customers, communities, employees, suppliers and contractors, creditors, or any business partners, will remain a crucial part to the success of our growth. The process of creating long-term values in our business processes will lead our company to sustainable growth, and onto the path to become an important part of country's development plan.

Apichart Chutrakul
Chief Executive Officer

**INTRODUCTION
TO SANSIRI
SUSTAINABILITY**



INTRODUCTION TO SANSIRI SUSTAINABILITY

At Sansiri, we believe in investing for the future. This is what drives us forward, and we will keep reinventing ourselves to deliver great value to all our stakeholders.

Our sustainable growth can be delivered through the Product, People, and Planet. This is how we operate and together we will create a sustainable society.

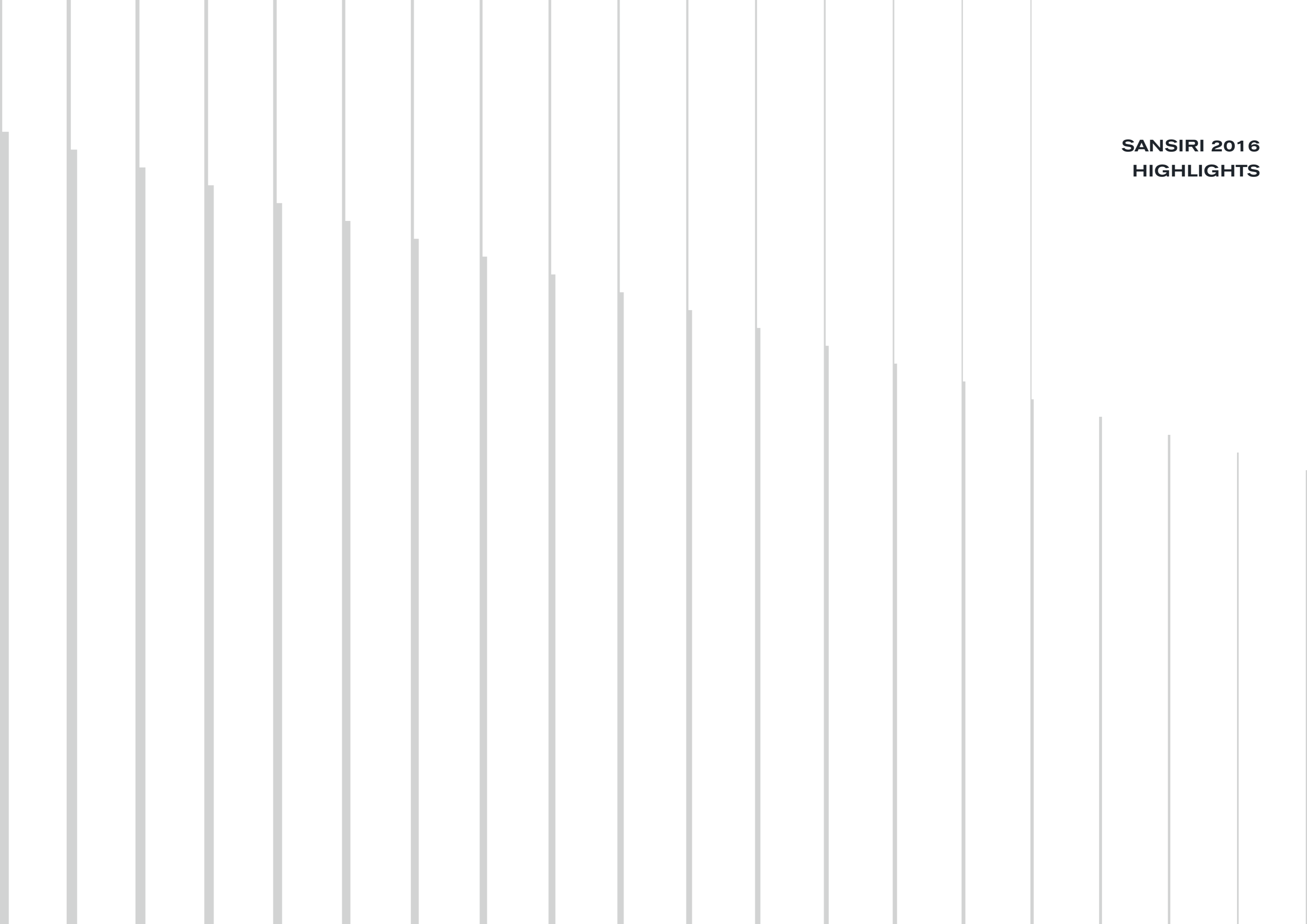
PRODUCT: Quality, Reliability, and Aesthetic Functionality Design are the key elements in building Sansiri homes. Our goal is to create a place with timeless design for all generations to grow and share the living experiences.

PEOPLE: Whether it is our employees, business partners, or Sansiri residents, all our stakeholders are important to us.

PLANET: We never stop in finding innovation and living solutions to make a contribution to our planet. We continuously put in effort that contributes to the character of the neighbourhood, and put our focus on the world's next generation - the children.

It is our passion to enrich our society for today, tomorrow, and always.

**SANSIRI 2016
HIGHLIGHTS**



SANSIRI 2016 HIGHLIGHTS



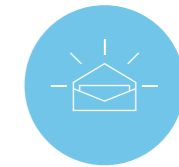
Total Revenue 34,395 Million Baht



Net Profit 3,380 Million Baht



EIA Approved for 8 projects



No Environmental Complaint of Sansiri Precast Factory



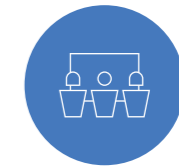
Net Profit Margin 9.8%



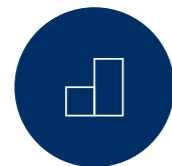
55% Growth of International Market Sales



4 projects won the BEC (Building Energy Code) Award



17 Million Baht invested in Human Capital Development



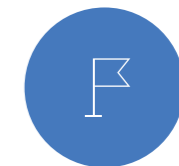
20 New Projects Launched in 2016



Total Employee 3,500 People



14% increase in Employee Engagement Score



28 People join the 8th Sansiri Leadership Programme



Reduction in Supply Chain Management Cost 228 Million Baht



Investment in Innovative Research 10 Million Baht



No Lost Time Injury from our employee and contractor in Sansiri Precast Factory



Over 500 children of construction workers received vaccination and access to public health through public-private partnership with UNICEF Thailand and The Ministry of Public Health

**ABOUT
SANSIRI**

BUSINESS OVERVIEW

Sansiri Public Company Limited was established in 1984 and has been listing on The Stock Exchange of Thailand since 1996 under the symbol "SIRI". With over 32 years of experience in the property development business, Sansiri is regarded as renowned and leading property developer in Thailand. Since its inception, Sansiri has developed quality projects and provided residential solutions for several groups of residents through 316 projects in Thailand across 17 provinces and one international project. Sansiri currently employs over 3,500 staff.

Sansiri Group is made up of Sansiri Public Company Limited as a parent company and subsidiaries that are directly and indirectly held by Sansiri Public Company Limited, including joint venture companies. Sansiri's operation is divided under two core business activities; Property Development – that has generated 88 percent of the total revenue for Sansiri in 2016 – and Property Services.



PROPERTY DEVELOPMENT



Property development for sale
Single-detached houses, townhouses, condominiums, and home offices



Property development for rent

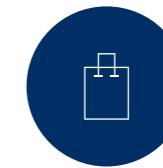


PROPERTY SERVICES



Property and Asset Management
Operated by Plus Property Co., Ltd. under three core services:

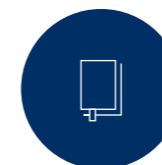
- 1) Brokerage services and sales management
- 2) Property management (property management for residential projects and facility management for commercial buildings)
- 3) Consultancy services for real estate before and during on-going project operations and building inspection services



Community Retail Business
Habito Mall



Lifestyle Concierge Services for both Individuals and Corporate Clients
Quintessentially Lifestyle



Educational Business
Satit Pattana School



Event Management and Full Wedding Planning Services in Thailand and Overseas
Quintessentially Event and Wedding



Hospitality Business
Escape Sansiri Hotel Collection Hua Hin and Khao Yai

VALUE CHAIN

Land Acquisition for Project Development



- Project's Feasibility Study
- Customer Targeting and Competitor Analysis
- Risk Analysis, Related Rules and Regulation Concern

Design Development and Project Preparation



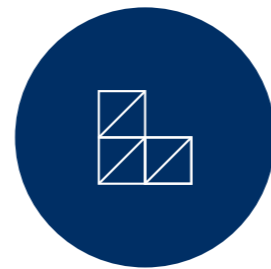
- Project Concept Design and Design Development
- Material Selection
- Permission from Authority
- Project Financing

Sales and Marketing Activities Planning



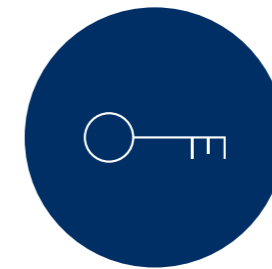
- Sales Plan and Marketing Activities Planning
- Selling Tools and Marketing Media Selection
- Mockup of Show Unit

Project Construction



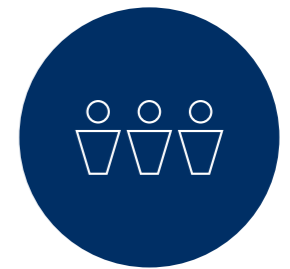
- Contractor, Construction Management, and EIA Consultant Selection
- Infrastructure Construction, Precast Production, and Housing Construction
- Project Cost Management
- Quality Assurance and Quality Control

Product Delivery to Customers



- Post-Finance Facilitation
- Product Inspection and Rectification
- Transfer Process

After-Sale Services



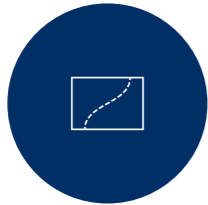
- Customer Relationship Management
- Product Warranty
- Home Repair Service
- Juristic Person for Property Management

BUSINESS STRATEGY



Vision

As the most preferred property developer in Thailand, we strive to enhance the quality of life and create a pleasurable living experience for all of our stakeholders, including customers, business partners, employees, and relevant communities.



Mission

To be an essential part of living; not only providing a home, but also a lifestyle and unique brand experience. We are truly a part of your community and are here to serve today, tomorrow and always.

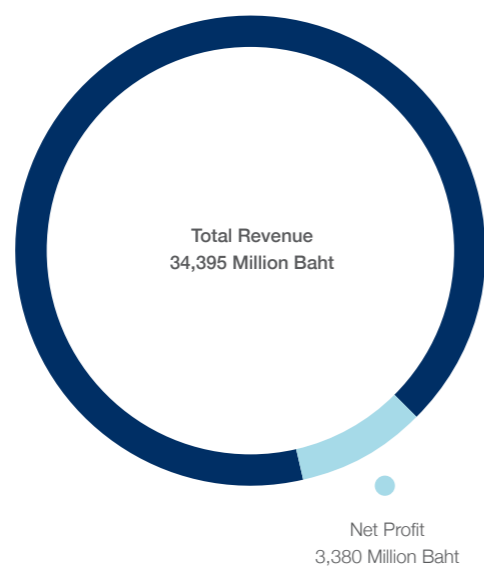
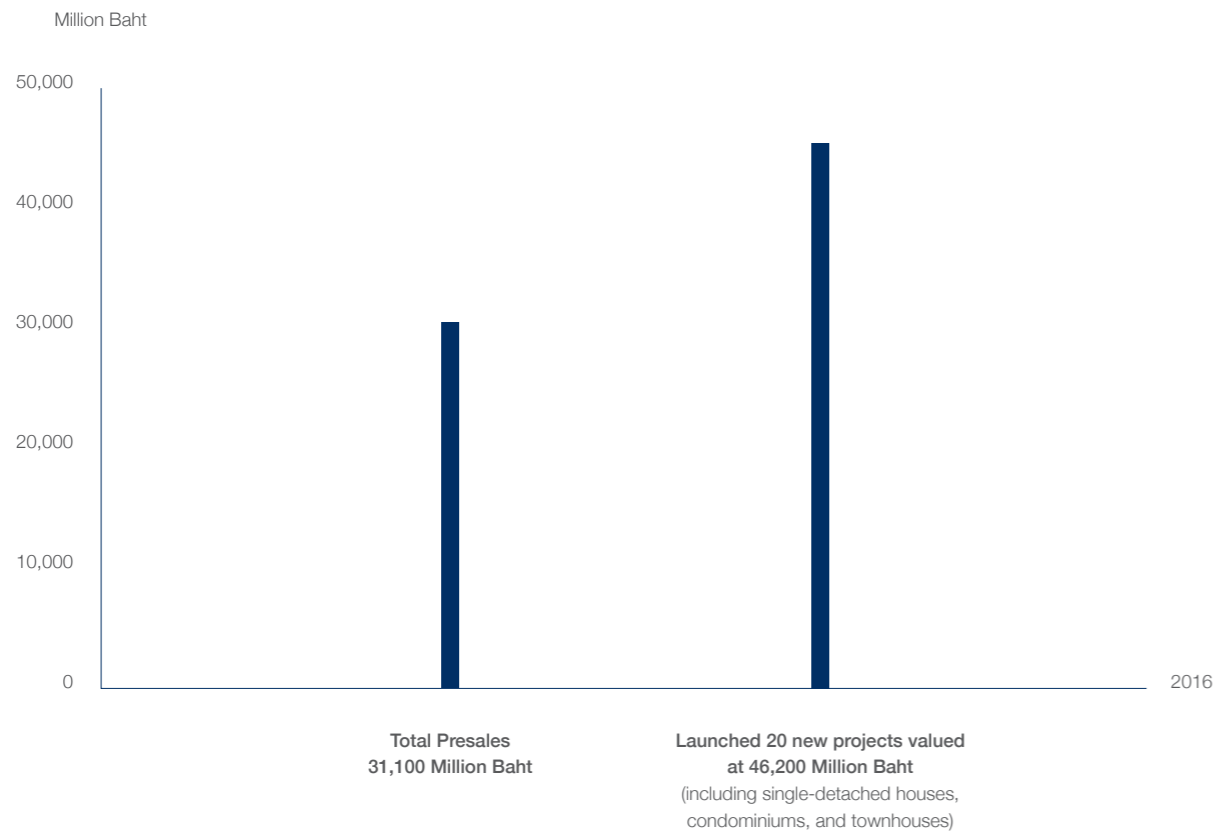
To act as a one-stop “world-class property services group” in Thailand that provides a fully-integrated range of products and services.

To collaborate with all local and international stakeholders, including shareholders, business partners, employees and communities, in order to create a good life for everyone.

To provide ‘best in class’ products and services that cover all market segments both in Thailand and overseas.

BUSINESS STRATEGY

Sansiri’s business growth in 2016 was driven by the following key strategies:	For 2017, Sansiri defines the following key strategies to drive sustainable business growth and the vision in becoming “the most preferred property developer”:
<ul style="list-style-type: none"> - Collaborate with BTS Group Holdings Public Company Limited (BTS) as a business partnership to strengthen and maintain leadership in the city condominium market. Five joint-venture condominium projects valued at over 20,000 Million Baht were launched in 2016. 	<ul style="list-style-type: none"> - Continuously collaborate with BTS Group Holdings Public Company Limited (BTS) as a business partnership to further the success in city condominium development with plans to launch a project valued at 12,000 Million Baht.
<ul style="list-style-type: none"> - Retain market leadership in the upscale condominium segment with the launch of flagship condominium project named “98 Wireless”, at the record-high project value. 	<ul style="list-style-type: none"> - Regain market share in high-ended single-detached house segment with plans to launch projects under the brand “Baan Sansiri”.
<ul style="list-style-type: none"> - Expand international clientele through continuous international marketing activities where total presales of foreign customers increased from 3,500 Million Baht in 2015 to 5,400 Million Baht in 2016. 	<ul style="list-style-type: none"> - Maintain market share of international customers with a presales target of 7,500 Million Baht in 2017. Sansiri is currently regarded as the real estate company with the largest foreign customer base in Thailand.
<ul style="list-style-type: none"> - Operate under the concept “Engineer For Growth” to build a strong business platform and support sustainable business growth in the future by focusing on managing costs and resources effectively as well as increasing the business’s financial strength. 	<ul style="list-style-type: none"> - Shift towards data-oriented organisation by implementing data analytics.
<ul style="list-style-type: none"> - Collaborate with world-class brand designers and manufacturers namely Ralph Lauren Home, Yoo Design Studio and Phillippe Starck; to create a distinctive element for Sansiri’s projects and gain wider recognition from customers in Thailand as well as overseas. 	<ul style="list-style-type: none"> - Differentiate position in the market through the investment in the Prop-tech.
<ul style="list-style-type: none"> - Expand business operations into community retail business under the brand “Habito” 	



CORPORATE GOVERNANCE

Sansiri recognises the importance of good corporate governance and is committed to conduct business under the principles that preserve the rights and equitable treatment of shareholders, transparent disclosure of information, and strict compliance with the law. Sansiri supports the roles and responsibilities of the Board of Directors to enhance corporate competitiveness as a means to preserve the Company's capital, and add value to shareholders' equity in the long-term. This is conducted under an ethical framework that rejects all corrupt practices, respect for human and children rights, and takes into account the interests of stakeholders and society as a whole, which is an integral part of promoting corporate sustainability.

In 2016, the Company's management structure consists of the Board of Directors and Sub-committees. The Board of Directors' structure has a total of 10 directors, comprising of 5 independent directors, 2 non-executive directors, and 3 executive directors. The Board of Directors has appointed an independent director as the Chairman of the Board of Directors. The role of Chairman of the Board of Directors and the President of the Company are not held by the same person, in order to ensure a clear division of the roles and a balance of operational power and authority.

The Sub-committees are appointed by the Company's Board of Directors and comprise of the following 6 Sub-committees: the Audit Committee, the Nomination and Compensation Committee, the Corporate Social Responsibility Committee, the Risk Management Committee, the Corporate Governance Committee, and the Executive Committee. The nomination and appointment of directors have been conducted in accordance with the regulations and procedures of the Nomination and Compensation Committee. Various aspects have been considered to ensure the director's suitability for the role, including seniority, education qualifications, professional

experience, knowledge, expertise in real estate and other related businesses, as well as ethics, leadership, and vision.

The Board of Directors is authorised to make decisions and ensure that activities of the Company conform to the objectives and rules of the Company, resolutions of shareholders' meetings, and all relevant laws. The Corporate Governance Committee has plans to establish Board Charters to clearly define the respective roles, authorities, and responsibilities of the Board of Directors as well as to set out decision-making authorities and management approaches in operations. The Board Charter will be presented to the Board of Directors for approval. Details of the Board Charter are provided in the Annual Report 2016 under the topic "Corporate Governance".

In addition, the Board of Directors plan to conduct a performance evaluation in accordance with regulations set out by The Stock Exchange of Thailand which will be commenced in 2017. Accordingly, six topics will be used to assess the performance of the Board of Directors:

- 1) Board structure and qualifications
- 2) Roles, duties and responsibilities of the board
- 3) Board meetings
- 4) Duties of directors
- 5) Relationship with management
- 6) Director's self-improvement and management training

The Company plans to conduct a performance evaluation of the Sub-committee as a whole as well as on each individual Sub-committee. In the future, the Board evaluation process may be delegated to an external independent party in order to demonstrate transparency and effectiveness of the Board.

The Company plans to develop a Board Skill Matrix that provides an overview of the competencies and expertise of the current Board. This will also be used

to develop the training development plan for the Board addressing the duties and knowledge of the business so as to enhance the potential of the Board as a whole. The development of the Board Skill Matrix is due to commence in 2017.

In addition, the Company plans to develop a Code of Conduct that outlines the principles in practice under six key areas:

- 1) Human Resources
- 2) Conflicts of Interest
- 3) Receipt of Gifts, Hospitality and Other Benefits
- 4) Inquiries, Information Provision, Recommendation, Reports, and Complaints
- 5) Safety, Health, and Work Environment
- 6) Supplier and Contractor Code of Conduct

Development of the Code of Conduct is due to be completed in 2018.

The Company is in the process of setting up contact channels for additional enquiries that are related to ethical conduct or Whistleblowing Policy that can be accessed by all stakeholders to send enquiries, complaints, and report of wrongdoings that are suspected violations or non-compliance with the law, legal rules, regulations, or corruption. The contact channels are due for completion in 2017. Provided employees hold any enquiries on ethical conduct beforehand, they are able to seek advice from the Legal Office or the Human Resources and Office Management Department to help identify the most appropriate protocol and practices to follow.

The report or complaint will enable a preliminary review of the case prior to the investigation process. The Company prioritises the maintaining of the confidentiality and anonymity of the whistle-blower, and limits the access of information to only those individuals undertaking investigation of the complaint.

Contact Channels for Enquiries, Report of Wrongdoings, or Complaints

You can contact Sansiri to report wrongdoings or make a complaint via the following channels:



Email: CG@sansiri.com



Post: By sending letters to report an incident or filing complaints to the Chairman of the Corporate Governance Committee (Independent Director), Chairman of the Audit Committee (Independent Director), or the Company Secretary (Legal Office), at the address:

Sansiri Public Company Limited
475 Siripinyo Building, Sri Ayutthaya Road,
Thanon Phayathai Sub-district, Rajthevi District,
Bangkok 10400



Website: www.sansiri.com

**SUSTAINABILITY
AT SANSIRI**



EMBEDDING SUSTAINABILITY

Sansiri recognises the importance of operating business in accordance with sustainable development principles that take into account internal and external factors related to economic, social, and environmental issues. Sansiri has thus set out a clear guidance on sustainability management to prepare for future changes that may take place and impact business operations in the long term.

In 2016, Sansiri revised its organisational structure to increase the scope of work and responsibility of the Corporate Planning Department in overseeing risk management and sustainable development initiatives. With regards to sustainable development, the department shall be in charge of defining strategies and regulating sustainable development of the organisation. In addition, the department will coordinate and inform the related departments of the strategies and manage various action plans to ensure that target goals and objectives are achieved. A monitoring and evaluation procedure for sustainable development shall be in place to assemble data and present information directly to the Chief Operating Officer who will review, regulate, and report the overall annual performance to the Board of Directors and The Stock Exchange of Thailand (SET) in the form of a Sustainability Report.

Sansiri plans to create a Sustainability Strategy Framework that sets targets, regulates, and communicates key issues in corporate sustainability to its related departmental units. The Sustainability Development team will keep abreast of the sustainability trends of property development, Sustainable Development Goals or SDGs established by the United Nations and the Children's Rights and Business Principle (CRBP) established by UNICEF, United Nations Global Compact, and Save the Children organisations. In addition, the strategy involves the review of organisational structure to ensure the most effective means of monitoring the organisation's sustainable development performance.

This shall create the opportunity for internal and external stakeholders to jointly participate in determining the direction of business operations to improve quality of life that is based on sustainable development principles. The aforementioned Sustainability Strategy plan will be completed in 2017.

Sansiri's Sustainability Strategy encompasses all three aspects.

- 1) *Economic* aspects that focus on the improvement and development of processes to enhance product quality and innovation.
- 2) *Environmental* aspects that address environmental impacts from project development along with project concepts that respond and promote environmentally-friendly lifestyles of its residents.
- 3) *Social* aspects that emphasise the safety of employees at the workplace, residents, and tenants; and the support of youth development within the workplace that the company performs in partnership with UNICEF Thailand to support the rights of children and young people as well as continuous contribution towards the United Nations International Children's Emergency Fund.

Sansiri began publishing its first Sustainability Report 2016; demonstrating its commitment to corporate sustainability management. The report presents management approaches and performance on key sustainability issues that are assessed based on economic, social, and environmental impacts of business operations and stakeholder expectations so as to drive the organisation towards achieving its vision for sustainable development.



MANAGING RISK AND CRISIS

Management Approach

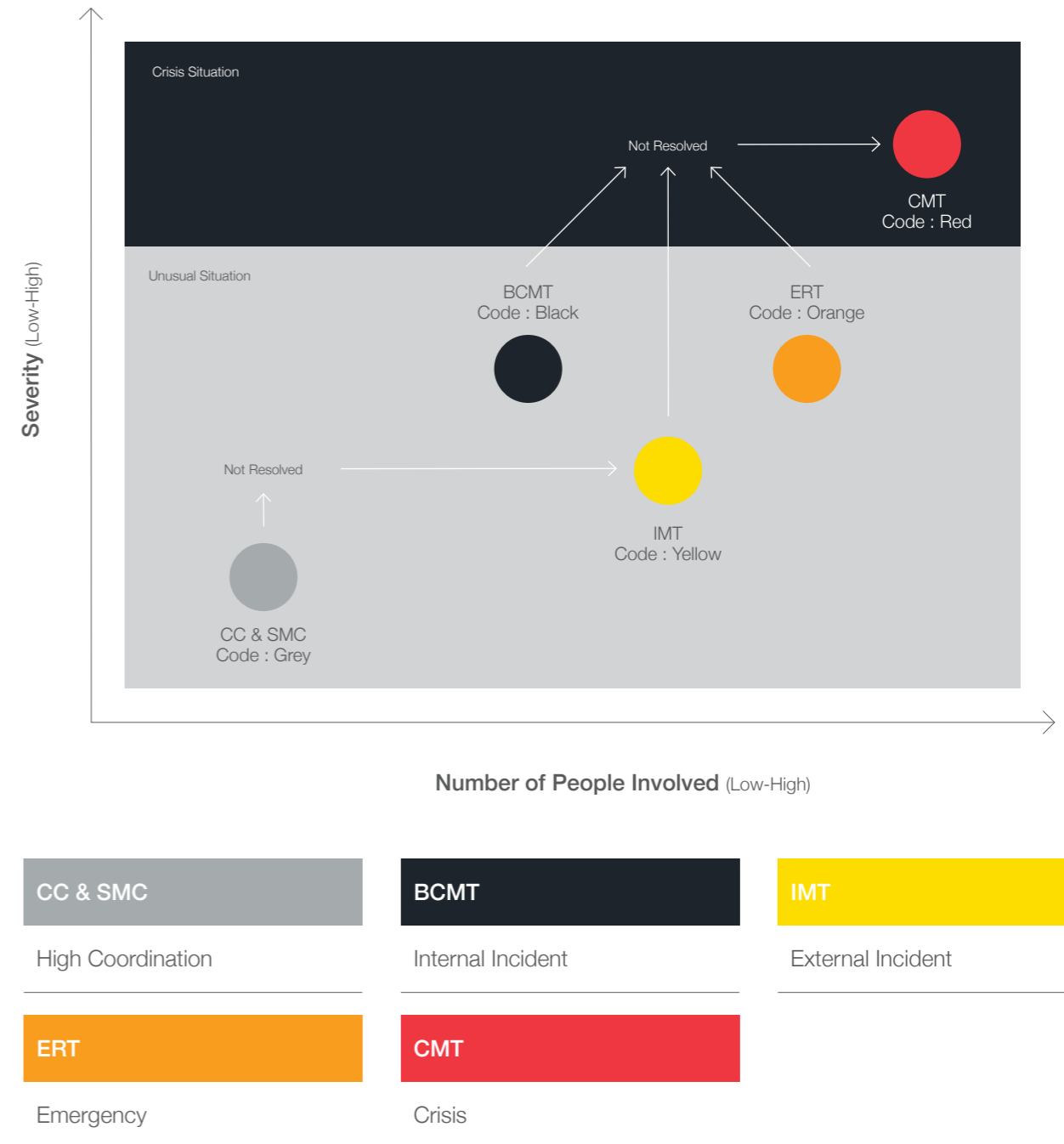
In 2016, Sansiri has established the Risk Management Committee (RMC) to define the organisational risk management and corporate risk governance policies. The RMC comprises of the Sub Risk Management Committee that comprises of Project Development Department, Legal Office, Finance Department, and Corporate Planning and Sustainability Development Department, which are responsible for assessing, planning and implementing measures to manage risks within acceptable levels by coordinating with top executives of each department and division to collect, analyse, and assess the risks and impacts from changes in economic, financial, social, legal events, and competition in the industry through the Corporate Planning and Risk Management Function. The Sub Risk Management Committee manages risk throughout the operations to ensure comprehensive risk assessment and identification, with plans to manage potential risks that may arise. The RMC will perform a review of Sansiri's risk on an annual basis, in which the Sub Risk Management Committee is responsible for reporting performance to the RMC on a semi-annual basis. For the development of new projects, there will be the Investment Committee that consists of representatives from multiple functions that will jointly review the related investment risks and approve the investment.

The Sub Risk Management Committee assesses, analyse, and prioritise corporate risks considering all types of risks including strategic risks, operational risks, financial risks, compliance risks, external environmental risks as well as social risks associated throughout the project development lifecycle and related activities. Thereafter, the action plan will be developed and distributed across the relevant functions to disseminate plans at operational levels for effective risk management. In the process, the Corporate Planning and Risk Management Function is tasked with providing knowledge, understanding, and supporting various operational functions to

carry out the achievement of planned corporate objectives as well as periodic monitoring of the Action Plan performance.

In addition, Sansiri has taken the unusual situations management into account that may affect business operations and the corporate image in the case that such events were escalated into incidents, emergencies, and crises. Sansiri has therefore arranged a systematic approach to manage unusual situations with the aim of reducing the severity of impact, and preventing effects on cost, image, and reputation as well as controlling and preventing crises from cascading in order to facilitate ongoing business operations. Unusual situations are classified according to severity and the number of people involved in which the responsible teams are assigned to oversee the management for each type of unusual situation.

Sansiri sets the centre for the complaints handling through the Call Centre system. For complaints from stakeholders that the Call Centre team (CC) and Social Media Committee (SMC) considers as records with tendency to become incidents (High Coordination), the Incident Management Team (IMT) will be required to manage and help prevent the event from progressing into an external incident. In the case that complaints are internal, the Business Continuity Management Team (BCMT) will be responsible for resolving such events. In the case of emergency situations that require assistance from external agencies, that is a result of natural disasters or impact of man-made events such as protests, arson, etc., the Emergency Response Team (ERT) will be assigned the responsibility. The Company will attempt to control the severity of events such that they do not become crises that may negatively impact the reputation and image of the Company. However, provided the event has become a crisis, the Crisis Management Team (CMT) will be employed for close monitoring and resolution.



Once the situation is resolved, the responsible teams will report the outcome of the resolution to the related persons and conduct a post evaluation before closing the case on the unusual situation via the Call Centre system for records.

In order to raise awareness of executives and employees on risk management as well as the management of unusual situations, training and workshops are organised periodically to provide knowledge and better understanding. In 2017, Sansiri has plans to set long-term goals for the organisation and clearly identify Key performance indicators (KPI) together with risk factors for not achieving those corporate goals.

Performance

In 2016, Sansiri conducted corporate risk assessment to identify risks that directly impact Sansiri's performance including risks from shortages of land acquisition for new development projects, risks from shortages of contractors, risks from the fluctuation in

construction materials prices, etc. Global trends and sustainability factors were as well considered and analysed for risks in the long run which may directly and indirectly impact Sansiri's competitiveness in the future such as climate change, ageing society, etc. In this regard, Sansiri has prepared to manage long-term risks in the future by studying approaches towards the utilisation of renewable energy such as the study to incorporate solar rooftops in development projects, as well as research on silver-hair market to formulate and design products that will be suitable for target residents.

In order to improve its service excellence in 2017, Sansiri plans to conduct a training course of unusual situation management and effective complaint handling for 120 executives and staffs who are at the supervisor levels and above.

STRENGTHENING OUR SUPPLY CHAIN

Performance Highlight

Sansiri achieved cost savings of over 228 Million Baht compared to the target at 210 Million Baht through collaboration with suppliers in the bidding of products used in project developments.



Sansiri implements the change management approach to deal with internal and external factors by applying digital systems to respond to customer demand, and expedite operational processes. The issue is considered to be a sustainability issues for Sansiri. Moreover, Sansiri also have an effective supply chain management processes in place such as bidding processes that enable suppliers to fairly and effectively compete which reflect Sansiri's leadership in the property development industry.



Mr. Eakgaluk Sakulwatcharin
Assistant Manager,
Product Development Department
SB Furniture Industry Co., Ltd.

Management Approach

Supply Chain Management

Sansiri's supply chain management focuses mainly on cost control, the use of innovative products that are environmentally-friendly, and the standard of product and contractors' service quality. Key stakeholders are the suppliers and contractors responsible for the project development. Key targets for 2016 are:

- 1) To reduce 10 percent of high-rise project procurement cost and 5 percent of low-rise project procurement cost, compared to these of 2015
- 2) To retain qualified contractors for the Company's project developments
- 3) To source new suppliers and contractors to increase opportunities in the supply of innovative products for use in Sansiri's projects; for example, anti-bacterial onground water tanks, water-saving sanitary wares, and energy-saving LED bulbs.

In addition, Sansiri plans to develop a Supplier and Contractor Code of Conduct in 2017 to provide sustainable practice guideline for suppliers and contractors.

Selection of Suppliers

Sansiri uses a supplier selection system to acquire quality products and services which begin with the review of basic qualifications, supplier capacity, quality of products and services, as well as inspection to verify that quality of production processes conform to the Company's requirements prior to entering the bidding process to secure the best supplier in terms of both product quality and price.

Procurement Initiation

The Product Development Department together with Project Procurement Department provides the design and selection of materials based on the standard, price, and the inspection results of the product quality.



Procurement Profile Approval

The Project Procurement Department, Product Development Department, Project Development Department, Quality Control Department, Customer Relations Department and the Home Care Department jointly approve vendors that are qualified as bidders according to the specified requirements.



Bidding and Contract

The bidding is conducted jointly with the vendors prior to the announcement of bidding results and signing of contract with the vendor. The Company has plans that provide details which cover Environmental, Social, and Governance factors in the future.

Supplier Risk Management

Risk factors in the Company's supply chain include the shortage of products to be used in projects and the delivery of products with qualities that do not conform to the Company's required standard. The Project Procurement Department and Project Development Department has therefore jointly set up a supply chain risk management measure to source new suppliers in order to increase opportunities for price competition and reduce the risk of product shortages. Suppliers are also audited twice a year on product quality, product delivery, and supplier collaboration to ensure that the quality of Sansiri's suppliers meet the required criteria so as to deliver quality products and services to its customers.

In addition, Sansiri has an environmental, social, and governance risk assessment plans for the supply chain, and has developed a list of critical suppliers in the future which based on spending analysis and

non-substitutable suppliers. The Company also plans to audit the supply chain in accordance with environmental, social, and governance factors to ensure that the suppliers are capable of conducting sustainable business practices with the Company.

Supply Chain Collaboration

Sansiri annually presents the Project Procurement Award to suppliers who display outstanding performance in quality. Qualifications of suppliers include procurement contract value over 5 Million Baht per year, strong track record with at least 3 project references with the Company, and more than 80 percent score of a quality assessment jointly approved by the Project Procurement Department, Product Development Department, Project Development Department, and the Home Care Department. Moreover, Sansiri arranges weekly meetings with suppliers to jointly discuss solutions for problems that may arise; for instance, problems that

arise from the contractor's workmanship of kitchen installment or problems of shipping delay. Sansiri has stipulated its suppliers to attend meetings with the project management team and to provide continuous monitoring and reporting on planning and performance.

Contractor Management

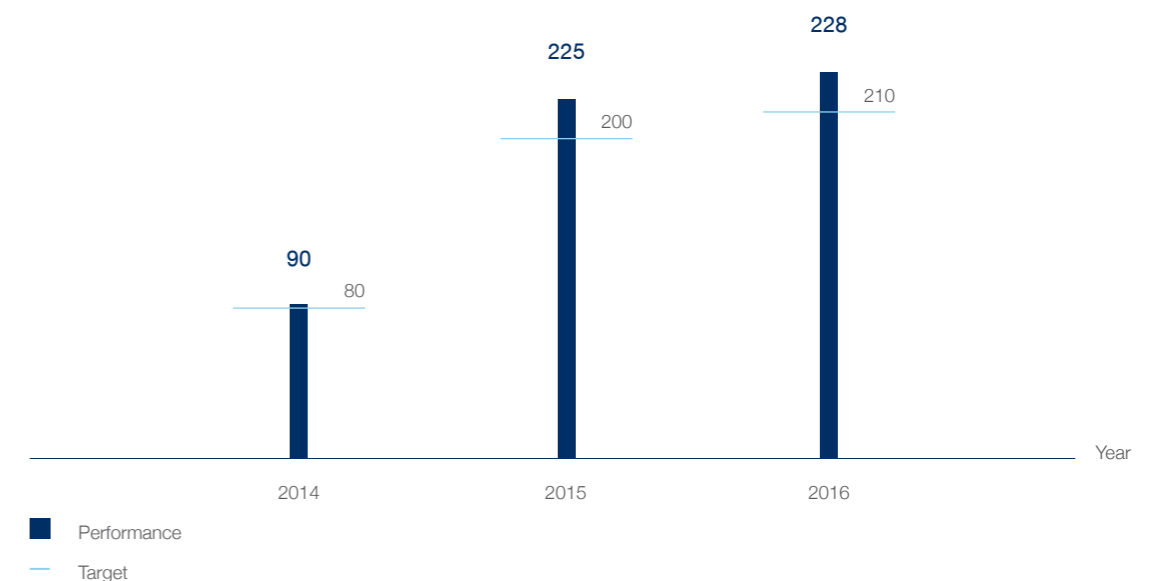
Sansiri manages its contractors by project type; high-rise project developments and low-rise project developments, both are subjected to different operational schedule, process, and requirements. The Project Development Department, Quality Control Department and the Home Care Department are responsible for the selection of contractors. The selection is based on multiple factors including comparisons on reference prices, track record, registered capital, contractor capacity, financial strength, and the compliance with Environment Impact Assessment (EIA) requirements as explicitly specified in the Terms of Reference (TOR) to control impacts from project development in which contractors are to strictly comply with.

In addition, Sansiri assigns contractors with the responsibility of safety oversight in which each project is to report on safety issues via daily safety audits, construction site observational reports, and weekly safety meetings in order to achieve safety targets. Sansiri has a policy to temporarily suspend payments to contractors in the case that safety hazards arise from the contractor's activities until the contractors comply with the prescribed safety measures.

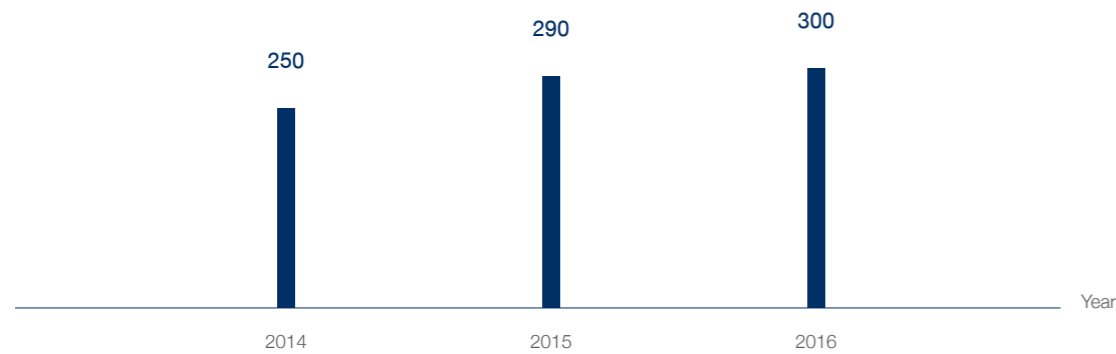
Sansiri assesses the contractors' performance during and upon the completion of projects. The assessment is based on various indicators such as construction duration, quality inspection scores, project progress relative to variation orders, and the project commissioning period. In addition, Sansiri motivates contractors to deliver operating performance as planned by presenting the Sansiri Quality Award to contractors that are able to achieve project development targets according to plan.

Performance

Cost Reduction from Bidding in 2014-2016 (Million Baht)



Number of Suppliers



In 2016, Sansiri was able to save over 228 Million Baht on costs from competitive bidding which exceeds the target of 210 Million Baht. This accounts for a reduction in cost of 7.7 percent for low-rise project developments and 9.5 percent for high-rise project developments compared to 2015. Targets for 2017 are set at 10 percent for low-rise project developments and 14 percent for high-rise project developments. Sansiri develops projects together with local suppliers that accounts for 90 percent and international suppliers that accounts for 10 percent of the total procurement volume.

In addition, Sansiri is able to pursue innovation from a diverse range of suppliers. The Company has 17 new suppliers compared to the target of 12 suppliers. New suppliers increase opportunities in expanding the source of supplies and advantages in terms of price and quality. For 2017, Sansiri has set a target to select 20 new suppliers in order to increase opportunities in pursuing environmentally-friendly products and reduce the risk of non-substitutable suppliers.

Sansiri has presented a total of 4 Sansiri Quality Awards to qualified suppliers and contractors that pass the quality assessment: 2 awards for the category of product delivery and 2 awards for the category of delivery and installation. Schemes to strengthen long-term business alliance and relationships are under deliberation by the Company.

E-Auction

Sansiri uses the E-Auction system to enable suppliers who meet the basic qualifications to take part in the bidding. The Company reviews various criteria such as the terms of payment, installation standard, warranty, quality assurance, commissioning processes, non-conformance records, standard of contract documents, terms of reference (TOR) that cover social and environmental factors, and the terms and conditions.

Thereby, Sansiri is able to assure stakeholders that the Company conducts business with its suppliers through a transparent bidding process and takes into account sustainable operation as well as targets for cost reduction that are set through the supply chain management.

Innovative Product

Sansiri has brought forward the use of innovative products that help conserve resources consumption in development projects. For instance:

LED Lights



The use of LED in residential projects result in greater efficiency, a better standard for saving electricity, a longer lifespan that of fluorescent bulbs, and minimal emission of heat relative to conventional bulbs that in turn improve energy efficiency from air conditioner units and reduces over 10 percent of the cost when compared with conventional bulbs. Sansiri has installed LED bulbs in a number of projects including Setthasiri Lamlukka, Burasiri Rangsit-Pathumthani, Burasiri Ratchaphruek-345, SIRI Place Tiwanon, Kanasiri Rangsit-Klong 2, SIRI Square Charoenkrung 80 and SIRI Avenue Phetkasem 81.

DOS Silver Nano Titanium



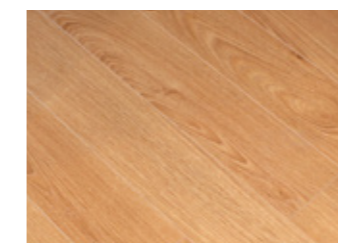
The Anti-bacterial DOS Silver Nano Titanium onground water tank has been used in projects such as Setthasiri Pinklao-Kanchanapisek, Burasiri Rangsit-Pathumthani, Burasiri Ratchaphruek-345, and SIRI Square Charoenkrung 80.

Sanitary Ware



Water-saving sanitary wares with 25 percent reduction of water use, compared with industry average, are manufactured in high-efficiency factories that reduce waste production and energy consumption up to 10 percent during production processes. Sansiri has installed water-saving sanitary fixtures in a number of projects including The LINE Sukhumvit 101, The LINE Phahon-Pradipat, The LINE Ratchathewi, and The LINE Jatujak-Mochit.

Laminate Wood



Sansiri uses only high-quality, durable, and environmentally-friendly laminate wood flooring in our residential projects, in order to help protect the natural environment and sustain its abundance and balance. Sansiri has installed laminate wood flooring in a number of projects including The LINE Sukhumvit 101, Setthasiri Lamlukka, Burasiri Rangsit-Pathumthani, and Burasiri Ratchaphruek-345.

ENGAGING WITH OUR CUSTOMERS



At Sansiri, we believe that a home is more than a place where people live. It is a sanctuary where individuals and families can enjoy life in an environment, surrounded by feelings of comfort and happiness. We are dedicated to providing residential properties and service that best respond to our customers' deeper needs. This is our promise to those who have put their trust in us and become an important part of our Sansiri Family.



Management Approach

The key goal of Sansiri's customer relationship management is to create a living experience that exceeds the customer's expectation through our products and services. Achievement of this goal would certainly build confidence among customers in which in turn create business opportunities and foster long-term customer relationships.

Sansiri manages the customer experience along all customer touch points which begin at sales gallery throughout the living experience following the transfer of residential units to customers. At sales gallery, Sales team will provide all details and recommendations to assist customers in making decisions, as well as facilitate the process of sales agreement and sales contract signing. Consequently, Customer Relations team will provide details of monthly installment throughout the construction period, and also accommodate our customers with mortgage offers from financial institutions as requested for residential unit transfers. Furthermore, after-sales services are provided for our customers and residents, including home repair and maintenance by Home Care team, and property management by Property Management team, to ensure the pleasurable living experience as part of our long-term relationship with our customers. Communication channels with the Company for either notification or information enquiries are available through call centre, website, and mobile application named, Home Service Application.

In order to deliver service excellence, Sansiri conducts a customer satisfaction survey via all customer touch points including the Sales team, Customer Relations team, and the Home Care team in the form of individual assessments.

The Call Centre team will contact customers to collect information on customer satisfaction so as to generate a Customer Satisfaction Score whilst the Call Centre team will be rated concurrently on service quality by the customer through an automated system prior to ending of every call. Customer satisfaction score is one of the Key Performance Indicators (KPI) for the aforementioned departments.

Thereafter the customer moves into the project, the Business Support team will conduct a second assessment on customer satisfaction for both product and service and will generate a Customer Satisfaction Index (CSI) based on the results. CSI compares Sansiri's delivery of product and services to the customer's expectation level which serves to ensure that the customer is satisfied with Sansiri's product and services.

Moreover, Sansiri is deliberating the use of the Net Promoter Score (NPS) to gauge overall corporate performance. The NPS provides a more superior gauge of customer satisfaction relative to that of the CSI as it measures the likelihood of customers to

recommend Sansiri's product and services to other potential customers in the future.

Sansiri equips employees with an in-depth understanding of the Company's product and services in order to provide customers with service excellence and seamless customer experience. All employees in the Sales Department must complete basic training on etiquette, negotiation, as well as general knowledge to allow employees to provide information, recommendations, and service on a professional level. Salespersons must undertake knowledge tests twice a year with minimum required scores of 80 percent and are subject to performance audits conducted by the Service Development Department to ensure the delivery of utmost satisfaction to customers. Meanwhile, all Customer Relations Department employees have received customer service training on the ownership transfer, provision of information on financial transactions, and the

introduction to condominium and housing estate juristic persons and common areas.

In addition, Sansiri has in place programmes and activities that support the administration of good customer relations. This includes:

- Appointment of the Property Care team to assist international customers that are not residents in Thailand on information and facilitate payments for the common fee through direct debit. The Payment Gateway further helps expedite the process for international customers.
- Sansiri Family is a programme that Sansiri established in order to serve and offer the best selections to meet the needs of Sansiri families. It is also a channel to communicate activities and special privileges that are offered to Sansiri home owners. More information is available at www.sansiri.com/family.



Sansiri Lounge

Sansiri Lounge located on the 3rd Floor of Siam Paragon shopping mall, is exclusively available for Sansiri customers, to experience our service excellence.

- The SCB Sansiri Platinum Card or S-Card Programme is a scheme Sansiri has initiated together with the Siam Commercial Bank (SCB) to facilitate payment procedures for installment payment and common fees via credit card services. The programme also offers other benefits for Sansiri customers holding an S-Card.
- Sansiri Lounge is a facility providing lifestyle services to Sansiri home owners, with a library of design, art, and lifestyle, as well as the Sansiri Collection, to complete residents' living experience. It is also a channel for residents to contact and receive information from Sansiri as well as to process down payment installments for projects.

In addition to property development, Sansiri is also operating property service businesses including Habito Mall, community retail located at Sukhumvit 77 and Escape Sansiri Hotel Collection which is currently operating in two locations: Hua Hin and Khaoyai. Sansiri has also organised training course for employees in both businesses as well as set up meetings to monitor and review operations on a monthly basis to ensure that employees are delivering services that enhances the customers living experience.

Performance

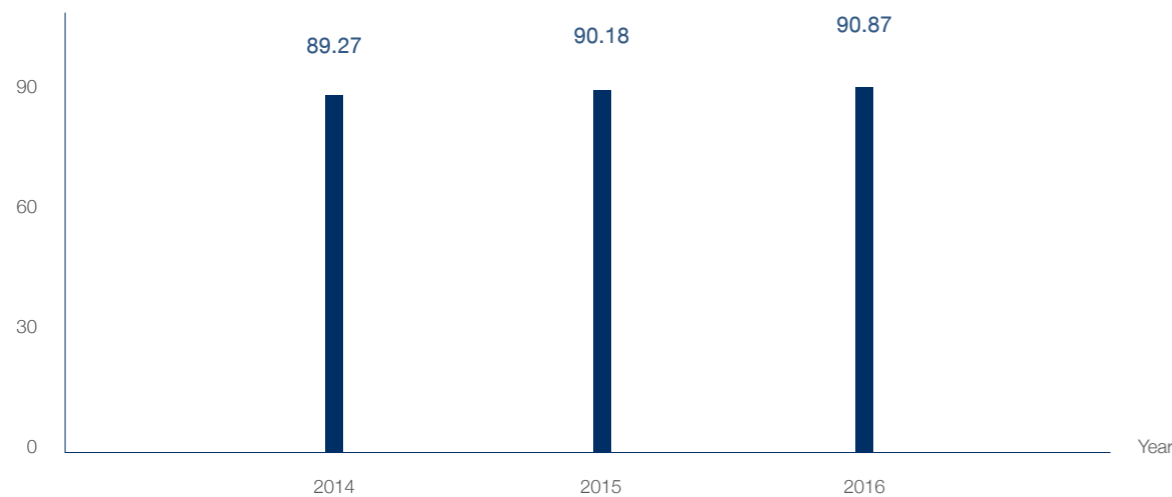
Referring to the customer satisfaction survey on Sansiri's products and services that was conducted

by all teams responsible for customer care and service, overall customer satisfaction ratings have been continuously increasing since 2014.

Sansiri always values feedback and comments from customers for our product and service improvement. In 2017, Sansiri plans to improve customer satisfaction survey system and implement the survey process to other customer touch points including property management team, to ensure the service excellence at all contact points across the Company.

In 2016, Sansiri received 78 complaints from customers mainly related to the services provided by employees. Fewer numbers of complaints were made concerning the follow-up on repair works, impact of construction works, and management duties performed by the juristic person in charge. The Company has resolved 77 complaints without any significant impacts on the Company's reputation. There is only 1 pending complaint that is currently being addressed and resolved. Following the review and resolution of complaints, the Company continues to train employees on service quality and issue warning letters to employees that do not perform in accordance with the Company's standard and regulations in order to prevent misbehaviors that may affect customer satisfaction in the future.

Average Rating for Overall Customer Satisfaction* (%)



*Average customer satisfaction ratings from Customer Relations Department, Home Care Department, and the Call Centre Department.

Sales Role Model

In 2016, Sansiri initiated the Sales Role Model project which involves the selection of salespeople with outstanding performance in terms of service, attitude, and personality to be role models for fellow employees. The project will inspire continuous improvement among Sales team. In 2016, there were 18 employees that were selected and awarded as role models. These employees will help coach fellow salespeople to perform in accordance with standards for service excellence.

In 2017, Sansiri plans to continue developing potential of Sales team by empowering and expanding the role model team to groom this Sales team with knowledge, cultures and service standards, for service excellence.



EMBRACING INNOVATION

Management Approach

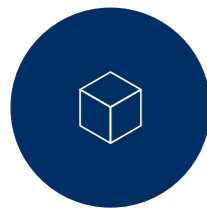
Sansiri commits to bring forward innovation through every step of the business; from design and construction processes to customer service. The Company's innovation can be divided into the following areas:

Design Process Innovation

To meet the needs and lifestyle of various customer groups, Sansiri has been continuously improving the design process to ensure the good construction management. In this regard, Sansiri has implemented the Building Information Modeling (BIM) into the design process, in addition to the current use of CAD (Computer Aided Design) software, in order to effectively and precisely plan the construction as the project's conceptual design is being developed.

Building Information Modeling (BIM) is a 3D modeling platform that will enable architecture, engineering and construction professionals to better plan, design, construct, and manage buildings through the shared knowledge resource. Benefits of BIM include not only an improvement of productivity and collaboration among teams of architects, engineers, contractors, quantity surveyors and precast factory staff, but also a reduction of conflicts and rework, along with the better cost management and financial analysis.

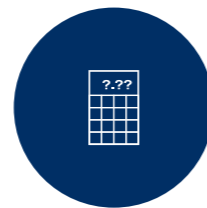
Dimensions of BIM



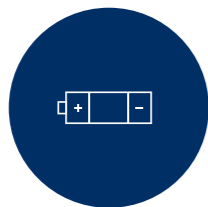
3D-BIM: Shape (Model)



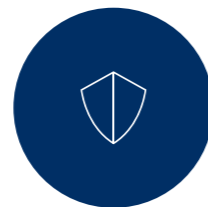
4D-BIM: Scheduling (Time)



5D-BIM: Estimation (Cost)



6D-BIM: Sustainability



7D-BIM: Facility Management

3D-BIM: Shape (Model)

The single source of information with integrated 3D models and embedded clash detection search capabilities in the software, help improve collaboration through linked data sets and enhance the process in terms of speed and accuracy.

4D-BIM: Scheduling (Time)

The visualisation of the construction sequence will be linked to specific activities according to the construction schedule to provide a real-time image of work progress for better project management and budgetary control.

5D-BIM: Estimation (Cost)

Cost-estimating process has always relied on the inputs from the design process. Consequently, the inputs that are rich with information of each model element will not only provide accurate cost estimation but also help facilitate the cost estimation process if there are any changes to the construction plan.

6D-BIM: Sustainability

The single source of information with attribute data will help provide an analysis of energy consumption that would result in energy saving plan and efficient use.

7D-BIM: Facility Management

The building information provided by BIM will enable the building managers to manage operation and maintenance of the building throughout their operational lifecycles.

Product Innovation

Sansiri researches and develops products used in construction and residential housing to deliver projects that are outstanding in quality, aesthetic, and functionality responsive to the resident’s needs. Sansiri has adopted the following product innovations:

- *Precast Structure* - Sansiri adopts Precast technology in the construction of various projects due to its advantages, including the consistent quality control with international standards, the shorter construction period, and the better cost control. At present, Sansiri Precast Factory is fully operated with the maximum production capacity due to the continuity of development to support the continuous growth of the company. Moreover, Sansiri Precast Factory has also improved the construction standards to achieve the goal of delivering high quality products to customers by developing the Double Protection system to reduce the risk of water leaking into the house at all joints of Precast slabs.
- *Recycled Lightweight Cellular Concrete Block* Lightweight cellular concrete blocks that are leftover from projects are crushed and mixed into Earth Blox that are used thereafter to construct walkways, fences, and plant pots. Earth Blox innovation is patented and was presented the Architizer A+ Award 2015 in the United States.

In addition, Sansiri designs and builds common areas known as “co-living” spaces which comprise of common areas for working (co-working), common areas for recreation (co-recreation), and common areas for activities amongst residents (co-lifestyle). Sansiri plans to bring forward the use of innovations in projects, such as the duplex co-working space at The LINE Sukhumvit 101 that comes equipped with a white board projector and treadmill desks; the co-kitchen space at The LINE Phahon-Pradipat that is equipped with a complete set of food preparation equipment; as well as the LED Multi-sports Court located within co-recreation space of The LINE Sukhumvit 101 that is the first in the Southeast Asia region to be using this German technology.

Service Innovation

Sansiri has developed service innovation to create a better living experience for home owners through the following approaches:

- *Home Service Application* - In 2016, Sansiri further developed the Home Service Application to enhance the efficiency in services and communication between home owners and the related juristic persons. Home Service Application also serves as an alternative channel to provide convenience for Sansiri residents. The application alerts and notifies users on various subjects, including the communication of news and events, notification on delivered parcels, follow-ups on repair and aftersale services, and provision of a comprehensive guidelines for moving in.
- *REFUN: Waste Machine* - A programme that supports the recycling of plastic bottles for residents and in turn reduces the labour of housekeepers and waste storage facilities. Residents could put plastic bottles into machines and receive money from the sales of bottles that may be used as a discount for their common fees or donated to a community foundation that supports education for children and young people.

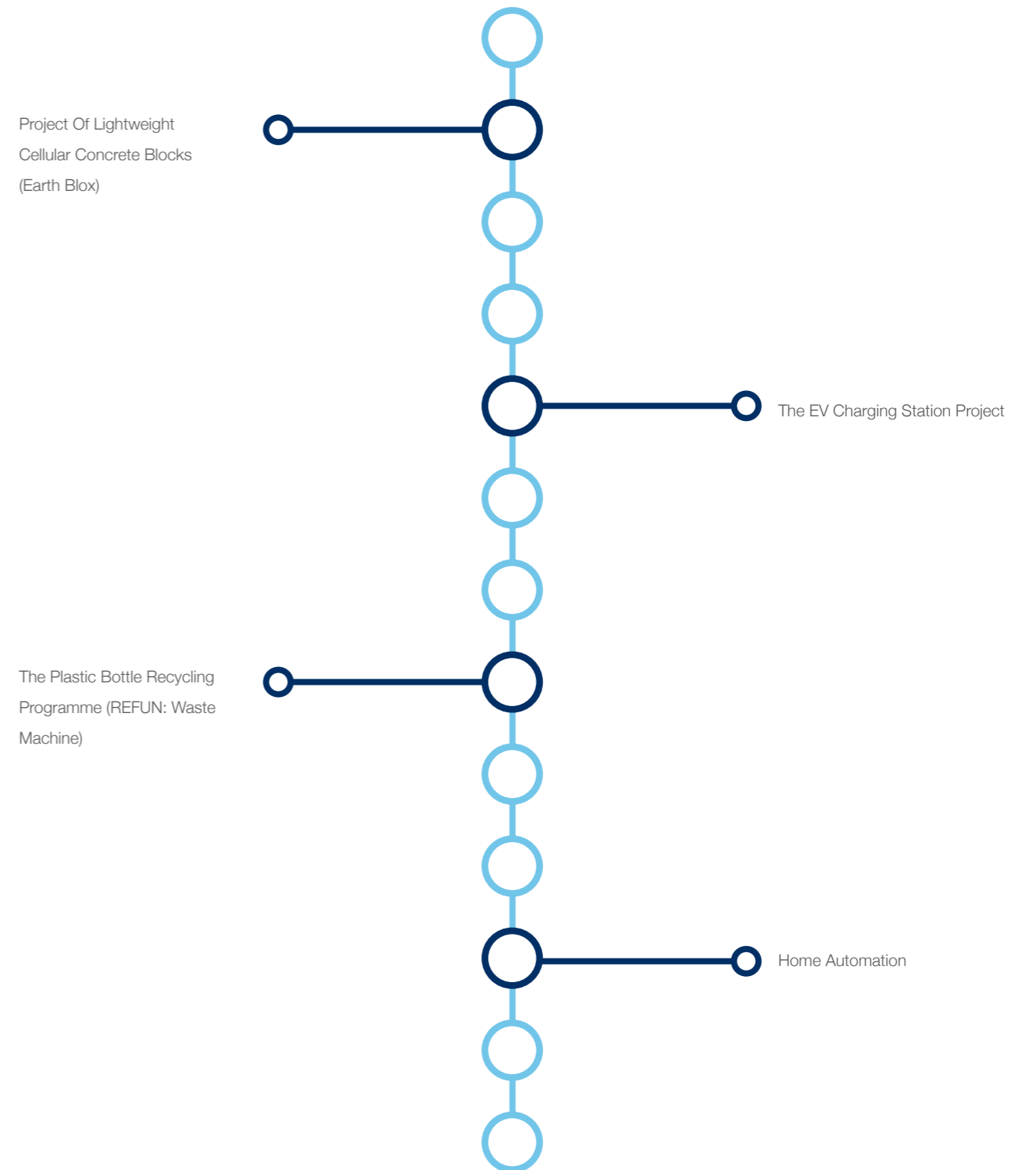
In addition, Sansiri is also in search for innovative environmentally-friendly products to be used in projects. Examples include the Electric Vehicle Charger (EV Charger) to serve residents and accomodate the growth of electric cars in the future, solar-powered charging points, and the use of solar-powered lighting systems in projects’ gardens.

Performance

In 2016, Sansiri has allocated over 10 Million Baht on research and development for innovation. Nine innovation projects are currently under study and four projects have been launched. The four projects include the recycling project of lightweight cellular concrete blocks (Earth Blox) that has been continuously in progress since 2014, the EV Charging Station project, the plastic bottle recycling programme (REFUN: Waste Machine), and the Home Automation project.

○ 4 Launched Projects

○ 9 Under-studied Projects



Design Innovation

In the past year, Sansiri has developed design innovations in several projects as follows:
The LINE Sukhumvit 101 - Raising ceiling height to 3.40 metres, not only creates the sense of space but also provides natural daylight whereas the multifunctional furniture design caters to various desired usage of home owners.

In the common areas, the “co-living space” concept has been introduced together with the provided amenities. This includes a co-working space equipped with multiple workspaces and services that support collaboration and a co-kitchen space in which residents are able to share the co-kitchen space together so as to encourage interaction among residents.



The LINE Sukhumvit 101

In addition, the project has applied the concepts of co-recreational common areas in which space for recreational activities is equipped with the LED Multi-sports Court technology allowing the space to be alternated to accommodate a wide range of activities whether it is futsal, basketball, or mini tennis.



The LINE Sukhumvit 101



The LINE Sukhumvit 101



The LINE Sukhumvit 101

The LINE Phahon-Pradipat - The co-living space concept has also been applied to the project's common areas. The co-working areas that integrated with the atmosphere of surrounding gardens, a co-kitchen connected to a large garden, and a co-recreation space that can be adjusted for use as a video room or a multi-purpose room.



The LINE Phahon-Pradipat



The LINE Phahon-Pradipat

MORI HAUS - A low-rise condominium combines design innovation that expands living spaces into balcony areas that in turn create larger rooms.



MORI HAUS



Recycling Innovation

Earth Blox Material Recycling Project - The Recycling of leftover construction materials that can be used to substitute for 30 percent of the required raw material. Earth Blox sheets are currently used in more than 12 of Sansiri projects including Setthasiri Pattanakarn, Setthasiri Charan-Pinklao, and Habitia Motif Panyaindra.

Plastic Bottle Recycling Project (REFUN: Waste Machine) - The plastic bottle compressing machines could accommodate an average of 12,000 plastic bottles per month. Sansiri has currently installed a total of 4 automatic bottle compressing machines at The LINE Jatujak-Mochit, EDGE Sukhumvit 23, Habito Mall, and Sansiri PLC Head Office at Siripinyo Building.



Renewable Energy Innovation - EV Charger

Electric Vehicle and Plug-in Hybrid Electric Vehicle Charging Station (EV & PHEV Charging Station) At Sansiri, we promote alternative energy usage to help reduce pollution and greenhouse gas emissions. To help lessen the impact on our environment and society, we support residents who own electric cars by installing EV and PHEV charging stations at our 16 projects, including The XXXIX.

Service Innovation

In 2014, Sansiri developed the Home Service Application which is made available as a free download for Sansiri residents via the App Store and Google Play. The application adopts technology to facilitate the living experience of the residents by allowing them to contact and communicate with the project's juristic person through their smartphones, receive news of activities, events and special privileges, as well as to use other services that are made faster and more convenient.

Features and services of the Home Service Application include:

- Messaging services to the Property Management team to contact and make appointments with Sansiri's Home Care Department for repair services
- Payment notification of monthly bills including water bills, electricity bills, common fees, and installment payments.
- Notifications of delivery of letters or parcels arriving at the resident's mailbox.
- Announcement of news, activities, and special privileges under the "Sansiri Family" programme for home owners and residents.
- Identity verification for access to Sansiri Lounge.
- For customers who are in the process of transferring property ownership, the Home Service Application is an alternative channel that customers can use to contact Customer Relations. It can also be used to notify information on reservation fees, down payments, transfer fees, as well as to follow up on the project construction progress.
- A channel for Sansiri residents to provide feedback for service quality improvement.

To accommodate Sansiri's international clientele, the Home Service Application is available in four languages: Thai, English, Chinese, and Japanese. Customers are able to use the application while they are abroad.

In 2016, Sansiri has over 11,000 residents who registered the Home Service Application. The application has a continuous increase of new registrations at an average of 281 users per month in 2016, and currently has more than 3,100 monthly active users. The overall satisfaction score from customer rating on the application was at 3.45 on a 5-point scale.

Energy Conservation Award

In 2016, Sansiri's project design received an Energy Efficient Building Award with design compliance with the Building Energy Code (BEC) set under the Ministerial Regulation prescribing the Type or Size of Building and Standards, Criteria and Procedures for Designing Buildings for Energy Conservation, B.E. 2552 (2009) that was administered by the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy. The criteria takes into account various design features including ventilation systems as well as LED (Light Emitting Diode) lighting systems. This is considered a success for Sansiri as the first private company in Thailand to be presented with the Award. In addition, Sansiri has plans to submit future projects for assessment of energy conservation. The four projects that received the Award are:



The Monument Sanampao



The BASE Park West Sukhumvit 77



The BASE Park East Sukhumvit 77



NYE by Sansiri

DELIVERING PRODUCTS AND SERVICE EXCELLENCE



Developing a Project requires the collaboration among functions; therefore, the key to operate efficiently is an effective communication and relationships among the teams. Sansiri commits to delivering high quality projects to all customers and ensures these expectations will be met through our quality management system.



Sansiri focuses on continuous improvement throughout the processes of product development and service delivery, from pre-construction stage to ownership transfer to customers. The Company is attentive to detail and takes into account the customer preferences that vary according to project locations. This resulted in an outstanding architectural design with quality in every detail.

Management Approach

Sansiri's quality control process involves several departments including Product Development, Project Procurement, Project Development, Quality Control, Construction Standard, and Home Care Department, to ensure quality management throughout the process of product design, material selection, construction, and after-sale services. In this regard, the Quality Control and Project Development Department oversee, coordinate and communicate to all related functions including the construction managers, contractors, and suppliers, to ensure that Sansiri will deliver the project development at utmost quality.

Sansiri has implemented quality control process at pre-construction stage by selecting project's material from qualified suppliers products and services that meet our quality standard. Besides, the Project Development Department and Quality Control Department will provide the quality management

approach and the Quality Control Manual to all working teams. The quality manual which details the standards for quality control and inspection acts as an effective tool to promote clear and accurate communication to all related teams including the construction managers, contractors, and suppliers.

During the construction period, the Product Development Department and the Project Development Department are responsible for the supervision and communication of the construction management in order to monitor and control the contractor closely to ensure that the contractor can deliver the quality of project development conforming to the Company's construction and safety standard and also aligning with project concept. Throughout the project life cycle, the Quality Control Department collaborates with the Construction Standard Department to perform work in progress inspection and quality assurance. At Sansiri, we use the QC Application during inspection process to facilitate the process and improve efficiency and accuracy of data filing system.

Quality inspection for low-rise project development is divided into four categories in accordance with the construction phases. Category 1 involves the overall structural and architectural works, including the masonry works. Category 2 addresses the above-ceiling inspection and site drainage system

inspection. Category 3 involves the inspection of surface preparation works and finishing, and Category 4 includes the final quality inspection of architectural works, all building systems, sanitary works, and furnishings.

Quality inspection for high-rise project development is divided into three main categories. Category 1 addresses above-ceiling inspections whereas, Category 2 involves the final inspection of the surface-wall wet works, and Category 3 is the final quality inspection of architectural works, all building systems, sanitary works, and furnishings.

In addition, the Customer Relations Department and the Project Development Department are responsible for obtaining customer suggestions for construction defect repair (if any), preparation for project delivery, and ownership transfer process. Consequently, the

Call Centre team will coordinate and follow up with the related teams such as the Home Care Department or the Project Development Department, to repair and address other matters of the resident's concern. In this regard, the Call Centre department will follow up on the progress of repair works continuously and record the result in the database systematically.

Performance

Sansiri intends to improve quality control procedures across all departments. Sansiri has conducted evaluation form to assess the customer satisfaction of project quality. The assessments are subsequent to the delivery of the project, which are used to inform quality management approaches for future projects. The Company divides customer complaints into two categories, low-rise and high-rise residential works, and common area works.

	Non-Conformities	Corrective Action
Residential Works in Low-rise Projects	Cracks in joints between precast concrete and masonry walls, and among precast concrete walls	Improve work procedures, installation, and change sealant material
Residential Works in High-rise Projects	Leakage between precast concrete joints	Improve work methods by installing double-protection waterproofing system
	Unstable installation of sanitary fixtures and shower partitions	The Quality Control Department ensures quality inspection of installations in every unit
	Blockages in waste water pipes from the construction process	Appoint the Construction Standard Department to inspect and develop measures to prevent blockages in the piping system

	Non-Conformities	Corrective Action
Common Areas Works	Roads cracking issue from settlement of the project subbase	Review and refer to inspection reports produced by the Quality Control Department upon issuing disbursements according to contractor performance. Perform density tests of the subbase at every level as per Sansiri's required standard and record test results via the QC Application
	Construction works do not align with permitted drawings	All related departments are to jointly consolidate the project construction drawings. During the construction period, the Construction Standard and Quality Control Department are responsible for the inspection and report of non-conformities on a monthly basis via the QC Application

In 2016, the Company set up the Sansiri Quality Day, an event that has been organised annually to build relationships with suppliers and contractors that work with the Company. The event also aims to promote quality standard in construction works carried out by the contractors. The Company presented awards at the event to contractors that pass the quality assessment rating that conforms to the Company's requirements. A total of 3 contractors received the Diamond Quality award, and 9 contractors received the Gold Quality award. The award criteria is based

on the quality inspection under the construction category as well as the final inspections including architectural works, building systems, the quality of sanitary fixtures and furnishing, and the conformity with the Company's required standard for low-rise and high-rise projects. The award includes a Certificate of Honour, a free accommodation voucher at Escape Resort Khao Yai, as well as other rewards that were presented by the Project Development Department.

QC Application

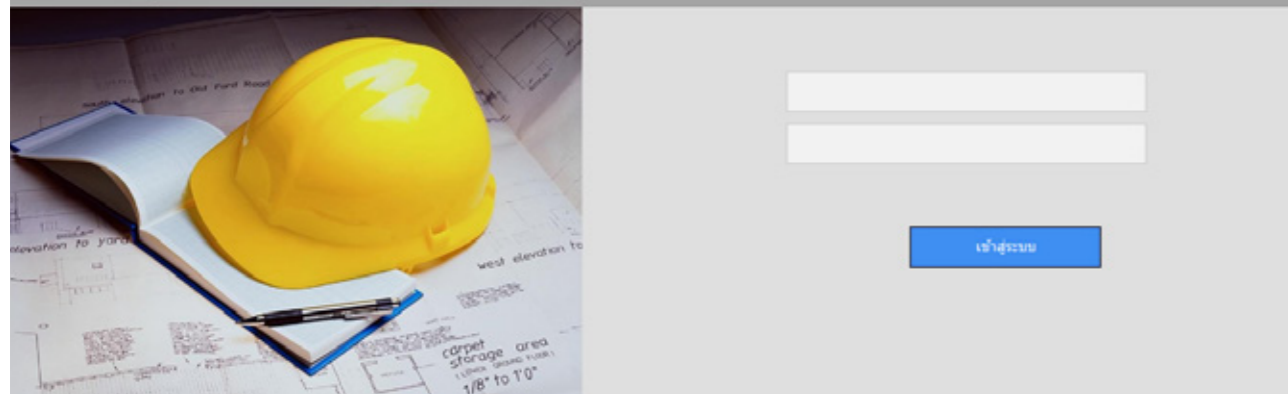
The QC Application is a programme used by the Quality Control Department to perform quality assurance on all of Sansiri's projects prior to the delivery of projects to homeowners. The QC Application programme aims to improve the efficiency and increase the standard of the quality assurance process.

The QC Application programme allows quality assurance officers to perform real-time assessments. This improves the effectiveness of quality inspections by two-fold comparing with paper-based assessment methods. The application also enables quality assurance standards to be accurately maintained throughout all projects.

In addition, the QC Application helps facilitate the work process flow and improve filing system and coordination with the Home Care Department whereas details of quality inspection and repair record are stored on a database to produce an effective management report.



Sansiri Quality Control Online



PROTECTING OUR ENVIRONMENT



8 projects received EIA approval in 2016



1 project is on reviewing process of EIA approval

Management approach

Environmental Impact Assessment of the Project

The process of environmental impact management of project development begins with environmental impact analysis process prior to the commencement of construction. The Project Development Department collaborates with the Consultant to conduct a project screening which considers the project's usable area, or total project area as a key factor in producing the EIA report. In this regard, the high-rise projects with more than 80 units or more than 4,000 square metres of usable areas, as well as the low-rise projects with land development more than 100 Rai or more than 500 sub-plots of land, are subject to EIA report submission.

Preparation process of the EIA report begins with scoping and providing an environmental impact analysis, which will be used to develop the mitigation and impact management plan, and will be submitted to the Office of Natural Resources and Environmental Policy and Planning (ONEP) for project approval prior to project development. The plan involves the

following issues and areas of environmental impact:

- *Physical Environmental Resources* focus on land geomorphology, soil, climate and air quality, noise, seismicity, earthquake, and water quality e.g. the allocation of green area within the project or project's fencing to separate project from the public water sources.
- *Impact on Biological Resource* to ensure that the project development does not adversely impact land and water eco-systems.
- *Impact on Use Value* such as water management, waste management, electricity use, safety, traffic, communication, and land use. This includes the adequate allocation of water resource to meet the needs of project residents, assessment of the amount and quality of wastewater discharged from the project, allocation of space for solid waste, arrangement of assembly points in the event of a fire, reducing stormwater runoff and control of wastewater discharged from the project, energy conservation, and wastewater treatment.
- *Impact on Quality of Life Value* such as socioeconomic conditions, public health,

occupational health and well-being, recreational and tourism areas, and public participation.

Sansiri submits the Environmental Quality Monitoring Reports every six months to the ONEP in accordance with measures set out in the EIA report.

Project Development

Sansiri upholds strict environment management in the project development site throughout the project construction period. The Project Development Department is responsible for supervising the contractors' duties and their adherence of environmental impact management according to the Company's Term of Reference (TOR) and the environmental impact management measures stipulated in the EIA report. Sansiri has been working with contractors to develop solutions that can reduce physical and biological environmental resources impacts, as well as human use and quality of life values.

In addition, the Company has worked together with Construction Managers (CM) to supervise, monitor, and evaluate construction performance so as to ensure compliance with environmental protection measures specified in the EIA report.

Precast Factory

Sansiri works together with qualified contractors with certified environmental standards in the precast concrete factory. The Environmental, Health and Safety Department of Sansiri Precast Factory is responsible for the supervision of contractors to ensure the factory's operation and performance complies with the Company's TOR. The standards help control factors that may pose environmental impact throughout the production process, from raw material mix and formation of precast structure by managing dust and wastewater prior to being discharged to a public water source. Precast concrete that has been manufactured and inspected is then transported to the construction site in a secured packaging that prevents possible environmental impacts. The precast concrete will

then be installed on site for architectural work subsequently.

Performance

In 2016, Sansiri had a total of 9 condominium projects that are subject to EIA report submission to the ONEP for approval prior to project development. Eight projects have received approval while one project remains in the reviewing process and is expected to get approval in 2017.

Project Development

Sansiri set up communication channels for feedback and complaints through the Company's Call Centre and corporate email address. In 2016, Sansiri had received 9 environmental complaints regarding the Company's operation. The complaints were related to dust, noise, and the cleanliness of the project area. Nonetheless, the Company has coordinated and provided corrective actions for all complaints. For the management approach to the environmental complaints from stakeholders, the Project Development Department will investigate the root cause of the problem, analyse the impact, and expedite corrective actions. Those affected will be contacted directly to clarify the cause of the problem, the corrective or mitigating measures, and compensation for the damages, as well as be continuously informed of the progress on corrective actions. To further investigate the environmental problem, the Company will coordinate with the construction manager and contractor to examine the work procedures, the readiness and the efficiency of the preventive equipment, and the performance of duties of contractor. The Company has planned to analyse the environmental impacts from project development to improve the Company's overall project development process, prevent the repeated complaint, and reduce environmental complaints in the long term.

The Company and contractors have also arranged inspection and preventive equipment maintenance plan that are used in the construction process to ensure they are properly functional at all time.



The Company supervises the contractors closely and the contractors must report their performance and environmental impacts that may occur from the construction. Moreover, Sansiri also organises activities to raise awareness among workforce on the environmental impacts from construction activities.

Precast Factory

Sansiri Precast Factory operates in compliance with the Thai Industrial Standards (TIS) set out by the Thai Industrial Standards Institute (TISI). The factory's Environment, Health and Safety Department is responsible for overseeing the production process to ensure that operations conform to factory's environmental standard, and that potential environmental impacts to the communities such as the management of dust, noise, and sewage are controlled. The Company works together with contractors in environmental management to prevent internal and external environmental impacts of the factory. This encompasses transportation processes and involves the following measures:

- 1) *Cleaning the factory and production units in operation and surrounding areas such as the factory, drainage pits, roads surrounding the sandstone piles, and the production unit, to ensure that there is no concrete debris or sewage that are trapped in operating areas and prevent impacts that may extend into the environment outside of the factory area.*
- 2) *Supervising contractors transporting precast concrete by setting out measures that instruct drivers to examine the environmental impacts from the transportation process. Measures include wheel cleaning before entering and exiting the factory, speed limit of transport vehicles at a maximum of 20 kilometres per hour, and ensuring that contractors are fully and properly equipped with equipment in the production units.*
- 3) *Supervising contractors transporting cement by inspecting vehicles and cement tanks to ensure that transporting vehicles are in perfect condition (i.e. no leakages, tank lids are tightly sealed, and the seal lock mechanism is in place). Procedures*

are taken to prevent accidents during transit so as to increase safety and avoid impact on transportation routes. As for cement blowing process at the concrete mixing plant, the Company will install cement pipes and securely lock the joints which are subsequently inspected by plant staff prior to all cement blowing processes. The blowing process is controlled at a pressure less than 2 bars. Moreover, dust collectors are installed at ventilation points on top of each cement tank to prevent the spreading of dust into the environment.

4) *Supervising contractors transporting gravel and sand* by spraying water on gravel for approximately 5 minutes before they are poured into the silos in order to clean out dust from the mill and reduce the amount of dust that will occur during the process. Meanwhile, areas surrounding the silos are installed with water spray equipment to increase moisture and reduce the spreading of dust.



98 Wireless

Environmental Standard Project

98 Wireless is the first residential project in Thailand to register for the Leadership in Energy and Environmental Design (LEED) certification for New Construction and Major Renovations. The project reflects the design of sustainable projects, adhering to the seven LEED credit categories: Sustainable Sites, Water Efficiency, Energy and Atmosphere, Material and Resources, Indoor Environmental Quality, Innovation in Design, and Regional Priority. The certification process will be completed in 2017.

CARING FOR OUR PEOPLE

Management Approach

Sansiri commits to the sustainability of the business process and gives our top priority to our employees' and contractors' safety at all our projects, precast factory and the head office.

Project

Sansiri sets Zero Accidents Target for every project. Safety control during construction process is divided into two main parts: Precast concrete production and installation, and Project construction and architectural works. The safety in the precast operation is overseen by the Precast Factory Department, whereas the safety in the Project construction is overseen by the Project Development Department.

Sansiri developed the Precast Concrete Panel Installation Manual and provided trainings by engineers and safety officers for precast structure construction personnel, contractors, and crane operators. The manual and training provide the workforce with standards and procedures for precast concrete installation as well as safety measures during operations. Apart from training that is provided prior to the construction process, the Safety Department also inspects on-site performance to monitor compliance with the required safety standards. Additional training may also be provided for employees on site. With regard to the condition of machinery and equipment such as cranes, the Company has appointed service providers to check the condition of cranes every 3 months, in order to assure the heavy machinery passes the required safety assessment (PorJor 1). Contractors also received safety trainings prior to the commencement of their work, and are supervised to adhere to the safety guidelines in the Precast Concrete Panel Installation Manual. Attention to the use of personal protective equipment is also emphasised on a regular basis to workforce. Once the installation of precast structures is completed, the Project Development Department

proceeds to the architectural work and supervises the contractors to operate in compliance with the safety requirements set out in the TOR. The safety requirements that are explicitly addressed include the contractor's provision of morning safety talks, daily safety surveys, development of work plans to increase safety within the project development area, as well as weekly meetings with the Project Development Department to discuss safety issues. The Project Development Department has policies set in place to withhold payments in case that contractors fail to comply with safety measures throughout the construction process.

Precast Factory

The Precast Factory has the same target of Zero Accident Target as the project development and construction. The Environment, Health, and Safety Department is responsible for overseeing the precast concrete factory operations. Safety management in the Precast Factory addresses the following procedures:

In the precast concrete production process, Sansiri has installed a safety fence to reduce the risk of workers' exposure to machinery hazards during operations. The safety fence is connected to a semi-automated carousel system in all areas with automated machinery, and the safety fence system will instruct the machine to immediately suspend its operation when the safety fence doors are opened (activated), preventing injuries in the event that an employee accidentally enters the area while the machine is currently in operation.

Employees, including contractors, will receive the standard and specific personal protective equipment (PPE) according to the required activities such as ear plugs for hearing protection in noise prone areas and safety equipment for work in high elevation spots. Furthermore, employees must receive regular safety training as well as weekly safety talks.

Safety Management Procedures in the Precast Factory

Provide training for Sansiri employees and contractors in all processes prior to the commencement of work	Supervision and evaluation of safety procedures in the operating process including the preparation of raw materials, precast concrete production, precast concrete transportation, on-site installation of precast concrete structures, and inspection of environmental impacts	Monitor working environment
Inspection of factory safety system	Provide basic firefighting training and annual fire drills.	Promote safety in workplace such as organising safety activities.

Appointment of a Safety Committee that consists of 7 representatives from various employee levels or 5 percent of all employees. The Safety Committee functions as a channel to receive complaints and suggestions as well as a working group that monitors and set up measures to promote safety in the workplace.

During the precast transportation, Sansiri worked with the contractor's drivers to survey and select the most effective and safest logistical route. Prior to every round of transport, the route is checked for road blockages and obstacles that may deter the transportation process. Racks are used to pack the work piece and a Standard Packing List is provided to specify the weight of the concrete, further ensuring a safe trip to the project's destination.

The transportation vehicle that will transport the concrete will also undergo safety inspection and maintenance to ensure its readiness for deployment. More importantly, the drivers must have various examination including health check, and alcohol test prior to each transportation, and a random drug screening every three months.



The Occupational Health, Safety and Environment Committee



Head Office

Sansiri's management of workforce health, safety, and well-being at the Head Office is regulated by the Human Resources and Office Management Department, where the department supervises and organises safety training at the corporate level such as annual fire drills. In addition, the Head Office uses a centralised building safety management system. Sansiri supports the well-being of employees by focusing on employee needs in each locality. Employee benefits include annual Health Check Programme with the hospital, discounts on fitness facilities, promotion of good mental health through counselling sessions with expert psychiatrists, health insurance programmes, and employee retirement programmes. Employee welfare programmes are provided to foster relationships between Head Office employees, and the employees based at the precast factory, regional project sites, and projects managed by Sansiri's property management team. Sansiri therefore arranges site visits which are organised by the Human Resources Department, to visit fellow employees. The site visit uses the opportunity to conduct surveys on safety and employee's well-being, and inform them of their welfare benefits. Feedback will be used to further develop plans on employee's safety and well-being, and improve the activities and events, in order to further build good employee relationships.

Sansiri also promotes child-friendly business operations. Sansiri has a child-friendly policy set in place that creates child-friendly and mother-friendly office environments and workplaces. Breastfeeding rooms and children's corner are arranged at the workplace to accommodate nursing mothers. Employees who are parents can also bring their children to the children's corner at anytime. The Company has provided facilities such as freezers for milk storage, electric kettles, milk bottle sterilizers, cleaning detergent, milk bottle cleaning liquid, milk bottle brush, bins with lid, as well as books on mother and child development and educational toys. The Company has also provided breastfeeding rooms

at its subsidiary offices, including Ratchapark Building, Habito Community Retail, and the Precast Factory.

Performance

Project

In 2016, Safety performance in project development areas consisted of 53 minor accidents, and 2 lost-time accidents cases by the contractor. As a result, the Company has reviewed the construction processes with the construction managers, contractors, and all relevant teams in order to reinforce the safety measures and activities such as increasing the frequency of morning safety talks prior to commencing work on site.

Precast Factory

In 2016, no lost-time injury was sustained by employees or contractors at the Precast Factory. However, Sansiri has analysed minor accidents that occurred with workforce, and has coordinated with contractors to investigate and provide corrective actions. The Precast Concrete Factory had only 5 cases of minor accidents.

Sansiri has organised activities that promote safety in the workplace. This includes development of annual safety plans, safety training for factory employees, as well as publication of safety media to raise employee awareness.

Type of Accident	Severity	Performance in 2016	
		Project*	Precast Factory
Minor Accident	Level 1 (Severity 1) means that the individual has sustained minor injury, can be given first-aid and does not have to stop construction work.	53	5
Lost-time Accident	Level 2 (Severity 2) means that the individual has sustained lost-time injury; the individual is not considered as disabled or handicapped.	2	0
	Level 3 (Severity 3) means that the individual has sustained lost-time injury; the accident has led to dismemberment or fatality.	0	0

* Contractor accidents in 2016 address only those that occurred in high-rise projects and the Precast Factory. Sansiri will extend the scope of report to encompass all projects from 2017 onwards. This report addresses all groups of Sansiri employees in low-rise projects, high-rise projects, and the Precast Factory in which no minor accident and lost-time accident was found.

Head Office

For the performance on safety and well-being at the Head Office, Sansiri conducts fire drills on an annual basis, and has invested in 15 projects that are related

to employee well-being. Thirteen of the projects are regular ongoing projects and 2 projects are special projects that are held exclusively each year.

Projects for Employee Wellbeing
Ongoing Projects
- Annual health checks
- Life insurance
- Emergency loans
- Welfare, loan fund, provident fund
- Funeral allowance
- Medical fees

Projects for Employee Wellbeing (cont.)

Ongoing Projects

- Dental fees
- Mental health counselling and treatment
- Hospital gift baskets
- Fitness
- Breastfeeding rooms
- Provision of resort accommodation for employees
- Baby baskets

Additional Projects in 2016

- Yoga
- Muay Thai

SANSIRI | SITE VISIT

SITE VISIT
เยี่ยมเพื่อน เยือนไซต์

สิงหาคมนี้...

เตรียมพบกับภารกิจใหม่จากทีม HR
ที่พร้อมจะส่งตรงความเคลื่อนไหวของแอสสิริ
และกิจกรรมดีๆ มากมาย ให้คุณถึงที่ กว่า 40 ไซต์ทั่วประเทศ

SITE VISIT

In 2016, the Human Resources Department from the Head Office visited fellow employees that are based across the 178 projects as part of the Company's annual Site Visit programme. The programme aimed to foster employee engagement, and inform employee of their welfare and benefits. In 2017, Sansiri will set out the same target of site visits for every project, to evaluate employee well-being, which reflects Sansiri's commitment to the safety and well-being of all employees.

Welfare for Mother and Child

Sansiri values the employee's well-being in all aspects, especially employees who are currently breastfeeding their children. Sansiri has partnered with UNICEF Thailand to provide breastfeeding rooms in 4 office locations: Siripinyo Building, Ratchapark Building, Habito Community Retail, and the Precast Factory. The rooms are equipped with facilities for nursing, milk storage, a multi-purpose space for children and a children's bathroom.



ENSURING SAFE AND WELL LIVING

“ Putting your heart into what you do is the key for achieving results that are beyond quality. Our security employees have been well educated with standards of best practice by Sansiri Security Inspection, a team of professional instructors that improves security levels through fully-integrated services to ensure the safety and well-being of “Sansiri Family” members. ”

Management Approach

Management of safety and well-being for our residents starts from the safety in building and structural design, selection of quality material and products, the quality control procedures, safety training of our security personnel, and performance evaluation for continuous improvement. Sansiri provides the highest safety standards for the residents, complied with standards stipulated by the Company and gains approval from the Environmental Impact Assessment (EIA) with regards to safety measures.

Upon project completion, Sansiri will set up the juristic persons to look after residents and manage property. During the first year following the setup of juristic person, the Property Management Residential (PMR) Department under Plus Property Co., Ltd. (subsidiary of Sansiri), will manage all Sansiri projects, covering the safety issues within projects, and overseeing common areas and building systems; for instance, the operation of elevators, electrical and lighting systems, sanitation systems, fire exits, fire extinguisher maps, firefighting systems, and assembly points. Sansiri regularly inspects the safety system to ensure that they are in good conditions and ready to use at all times.

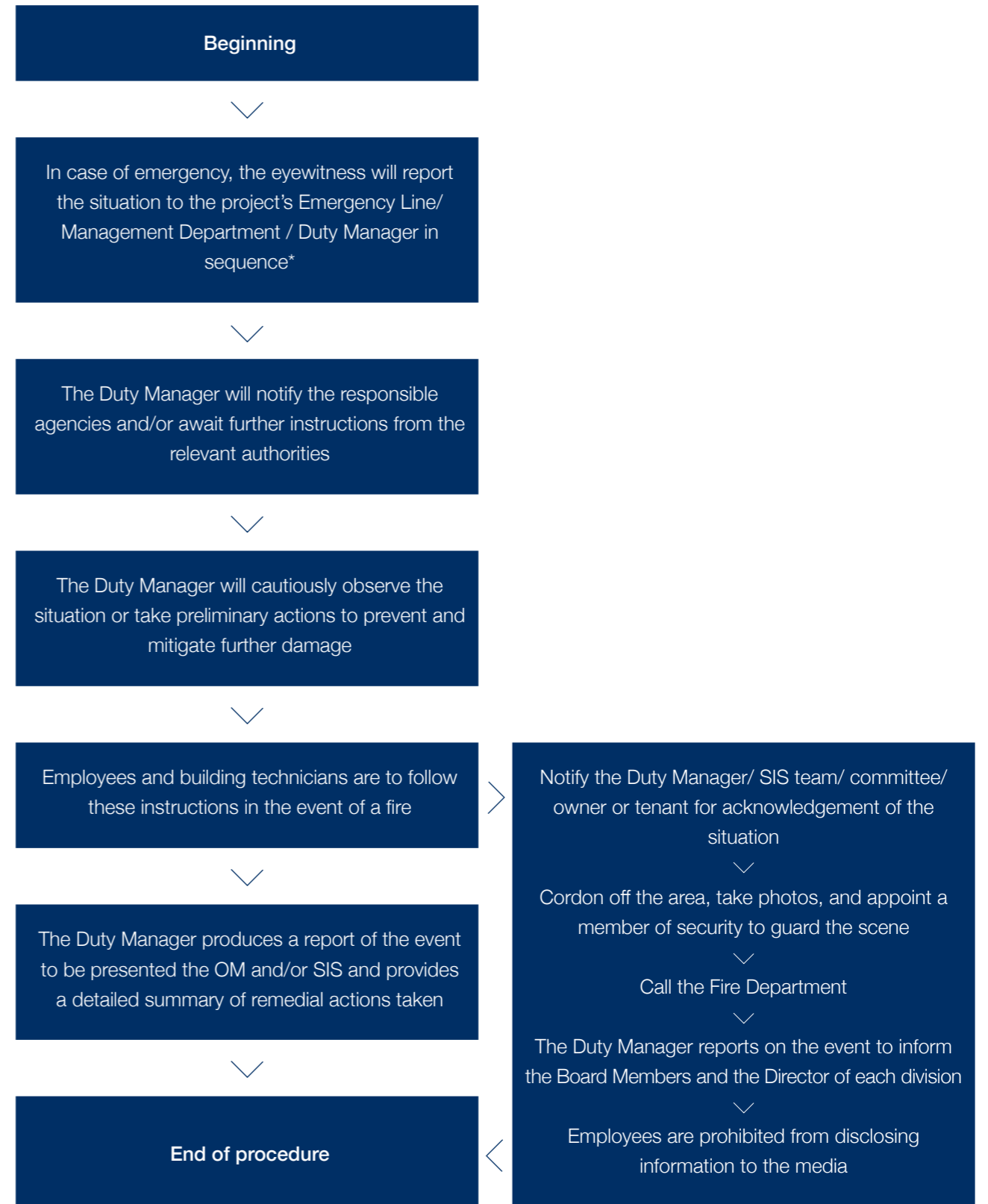
The PMR Department also manages activities related to the residents’ safety which involve fire drills (for evacuation and preliminary fire extinguishing) that are held on an annual basis, the swimming pool water

testing on weekly basis, cleanliness and maintenance of roads and sidewalks, to ensure the safe and convenient living experience of our customers.

Sansiri has security measures in place, including CCTV camera systems, automated project entrances and exits, alarm systems, anti-theft systems, trained security personnel, roadway management, specified parking for garbage trucks that do not disrupt traffic and is kept clean and orderly, as well as allocated spaces within projects for fire engines in the case of emergencies.

Sansiri conducts a customer satisfaction survey of residents on an annual basis for projects that are managed by the PMR Department to gain feedback on PMR’s departmental performance as well as to follow up on the safety and well-being of residents. Home owners and residents could provide suggestions and comments on the overall management of the project as well as on the management of safety and security issues via multiple channels e.g. the Home Service Application, the project’s juristic person, and Sansiri’s Call Centre, in which requests and complaints will be documented in the “Corrective Action Request (CAR)” form that will be sent to the project for executing corrective action.

Sansiri has launched initiatives to facilitate and support the well-being of residents. For instance, Habito Mall, community retail for Sansiri residents within the Sukhumvit 77 locality, is designed with



* Emergency telephone number
 Fire Emergency - 199
 Emergency Medical Services – 1669

common areas that accommodate people who are elderly, disabled or handicapped, nursing mothers, and families with young children. In addition, elevators, baby changing and breastfeeding rooms, pedestrian and roadways, as well as areas for children are also provided within the mall to serve residents and visiting customers.

Performance

All projects developed by Sansiri are subject to quality and safety inspections. The PMR team oversees projects for residential safety and well-being as well as accommodates all groups of residents within the project. Accordingly, there was no non-compliance case regarding regulations and safety issues in 2016.

Sansiri continues to strive for higher standard of safety and security for all projects. In 2016, Sansiri set up the Sansiri Security Inspection (SSI) team, where instructors with expertise in security-attendance, conduct trainings for security personnel across all of Sansiri's residential projects. SSI has strict inspection procedures for all persons and vehicles that enter and exit the project, including the visitor's identity verification on each visit, and inspection of blind spots

within the project area in order to coordinate with the relevant teams for corrective action and preventive measures. The SSI team is also tasked with the responsibility to ensure that project security personnel have high standards of service, proper etiquette, and credibility, in order to ensure safety in all of our residential projects. Sansiri believes that a "home is not merely a place you return for comfort, but must be a place that you feel is the safest".

In 2016, Sansiri had surveyed residents in projects that are managed by the PMR Department, Plus Property Co., Ltd., and found that the majority of residents suggested improvements on the security personnel performance to ensure that duties are conducted stringently and correctly. The Company has followed up on these suggestions, and has delegated the responsible persons to take immediate corrective action. The building manager or housing estate manager in charge of the project will summon the security team and issue a warning that may either be in the form of a verbal communication or warning letters in order to ensure that security employees are aware of the situations and will improve their services accordingly.



DEVELOPING OUR PEOPLE

Performance in 2016

Average number of training hours per employee is at 24 hours per employee per year.



Sansiri....Journey for Tomorrow

Creativity happens when you dare to think and dare to change. Sansiri encourages our employees to develop their skills and capability continuously; emphasises the importance of thorough and comprehensive knowledge, attention to detail, and encourages employees to learn and apply technology to improve efficiency



Journey for Tomorrow

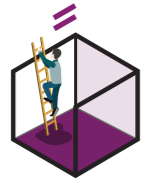
'Journey for Tomorrow' is Sansiri's human capital development strategy which comprises of five elements including



DARE TO BE CREATIVE
กล้าคิด กล้าต่าง อย่างสร้างสรรค์

1. Dare to be Creative

Sansiri encourages employees to use their creativity to deliver tangible benefits through human capital development activities and projects.



ENHANCE YOUR SKILLS
เสริมทักษะ พัฒนาศักยภาพ

2. Enhance your Skills

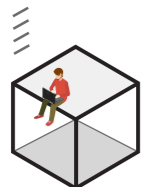
Sansiri develops learning roadmap for career path opportunities and employee development. In this regard, Sansiri set up development programmes for talented employees and capacity development programmes for executives, to strengthen effective corporate leadership in future practice. Employee development is also a means to retain employees in the organisation.



FOCUS ON DETAILS
รู้จัก ใส่ใจในรายละเอียด

3. Focus on Details

Sansiri encourages our employees to focus on knowing and understanding their work process flow thoroughly. It is our employees' attention to detail along with their creativity that leads to the uniqueness and an outstanding design with high-quality construction of our residential projects. Employee creativity is fostered through multiple communication channels such as the intranet and the placement of posters.



EMBRACE TECHNOLOGY
เรียนรู้ ก้าวทันเทคโนโลยี

4. Embrace Technology

To drive our business towards “digital transformation”, the Company supports and encourages employees to continuously engage in

the learning and applying new technologies and innovation in order to improve the work processes, which encouraging analytical thinking and developing an integrated human resource system.

In order to effectively implement technology in the human resource management process, Sansiri has planned to integrate and digitise human resource development programmes including:

- 1) an online recruitment and selection process (E-Recruitment) that allow identity profiles to be instantly stored in the organisation’s database
- 2) skills development system made accessible through smart phone applications and the Sansiri Passport system that specifies both soft skills and technical skills necessary for employees to further enhance their skill sets
- 3) a performance management system
- 4) digital communication system that serves as a channel to inform employees of news and information, as well as to encourage them to participate and suggest the desired welfare, benefits, and working environment
- 5) HR Analytics Dashboard to improve promptness and efficiency of human resource management



BALANCE YOUR LIFE
เต็มความสูง สร้างสมดุลให้ชีวิต

5. Balance your Life

The strategy creates and supports a healthy work-life balance for employees by analysing data and needs of employees in each working area in order to arrange benefits accordingly. The strategy offers great care for physical and mental health well-being. This also includes the organisation of various activities to create a happy work environment at Sansiri.



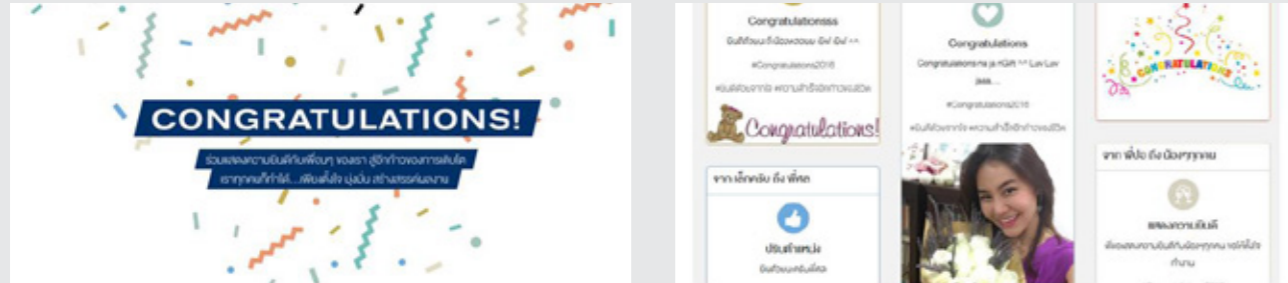
Balance Your Life

In 2016, Sansiri organised activities and events in response to the ‘Balance Your Life’ campaign, such as the ‘**Sansiri Summer Splash!**’ programme which employees participated in voting the most popular photo of staff taken during Songkran festival and the ‘**Luck and Happiness**’ programme which employees participated in the quiz during the Chinese New Year. Sansiri organises seasonal events on a regular basis to create employee engagement within the organisation.



Recognition

Sansiri values employee recognition within the organisation in order to create a good working environment. In this regard, employees are able to congratulate fellow employees who have been promoted via posting message on the siriintranet, the Company's internal network.



Employee Performance Reviews

Sansiri conducts annual performance reviews on all employee members. Assessments are based on key performance indicators (KPI) that employees and supervisors jointly set targets, and the employee's competencies that support their performance.

Promoting Employee Engagement

Sansiri places great importance on listening to employees' voice and employee engagement. Surveys have been continuously conducted by external organisations to assess levels of employee engagement from 2016 onwards. Sansiri has disclosed the survey results to employees allowing them to see the overview of employee engagement in the organisation. The assessment criteria consider factors that are related to company reputation, company leadership, performance evaluation procedures, assigned job descriptions, remuneration and benefits, and the nature of work and business of the organisation. These factors reflect employee engagement in various aspects. The survey result will also be compared with other industry leaders in order to benchmark the company's performance, and develop plans to increase levels of employee engagement in the organisation.

Employee's Capability Development

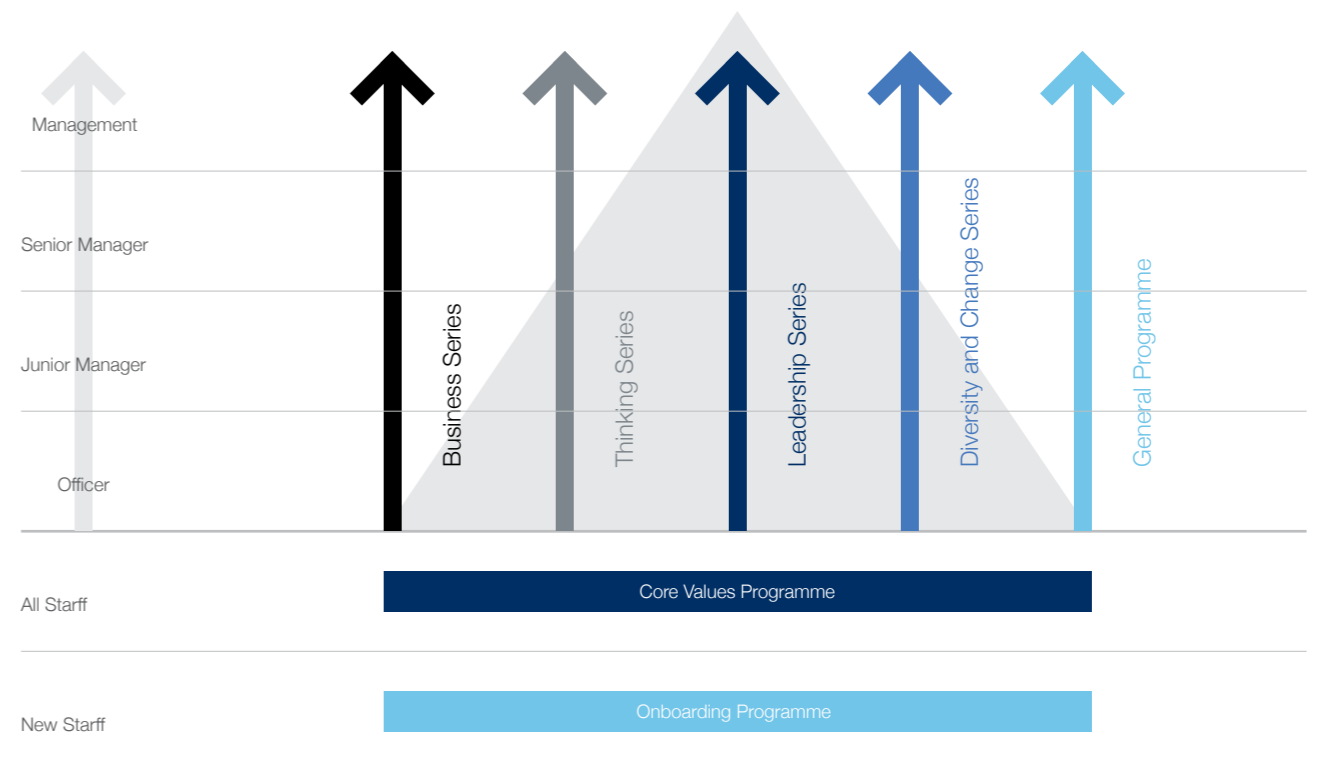
Employees are a key force in driving the organisation towards goals and success. Sansiri has thus set up the Sansiri People Development Framework for employee development at all levels. The framework begins with the onboarding programme which includes activities such as employee orientation, supervision of new employees to develop understanding of the work process, supervision of employees via the Sansiri Passport tool, provision of mentors for new employees to ensure adaptation to work in the organisation, knowledge-sharing on human resources and IT systems in the organisation, as well as providing knowledge and awareness on the importance of sustainability and safety in practice. The programme also includes a framework for employee development in accordance with the organisation's core competencies, which is a desirable behaviour in Sansiri employees. Competencies that the organisation emphasises include self-awareness in achieving goals and targets, customer care, service-mindedness, attention to detail, and creativity.

In addition, Sansiri also empowers employees at all levels with development and career growth which will drive the organisation to achieve its vision and mission. Sansiri's employee development path consists of the following five dimensions:

- 1) **Business Dimension** such as business management, financial management, and product and service management.
- 2) **Thinking Dimension** such as strategic thinking, analytical thinking, and systematic thinking.
- 3) **Leadership Dimension** such as employee management for effective performance and employee development.
- 4) **Diversity and Change Dimension** such as collaboration among teams, risk and crisis management, management of unusual situations that impact the organisation.

5) **Basic and General Knowledge Dimension** that focuses on basic skills in practice and collaboration among staff. The knowledge is provided on the first day of working at Sansiri, through the Onboarding Programme, which consists of orientations, the Sansiri Passport, and the E-Service system. The programme also encompasses the creation of corporate culture that reflects Sansiri, such as service quality courses, development of employee character to reflect the corporate image, effective communication skills, as well as the use of basic software in practice.

Career Path



Performance

Promoting Employee Engagement

The employee engagement survey in 2016 was conducted by an external organisation and consisted of responses from 91 percent of all employees. The survey

revealed a satisfactory improvement over the target with employee engagement score of 72 percent, compared to 63 percent in 2013. This survey results will be used to define the action plans in 2017.

Areas with High Employee Satisfaction		
Customer Focus	Brand	Senior Leadership
Employee perceptions on the level of attentiveness or importance of meeting customers' needs.	Employee perceptions on the organisation's brand and the pride to be part of the organisation.	Employee perceptions on senior executives in terms of confidence in decision-making in business management and the effectiveness of senior executives.

Work Plans to Improve Employee Satisfaction			
Talent & Staffing	Rewards and Recognition	Performance Management System	Career Opportunities
Operate to gain organisational reputation, and become more renowned. This includes the inauguration of projects to properly care for employees in order to retain talented employees and attract new potential applicants.	Operate with clarity and properly care for employees with fairness on employees' dedication in practice. Raise awareness in rewards and recognition.	Review and improve the performance management system to ensure that the performance aligns with the organisational goals.	Focus on employee development plans that will enable employees to develop their potentials for future career opportunities.



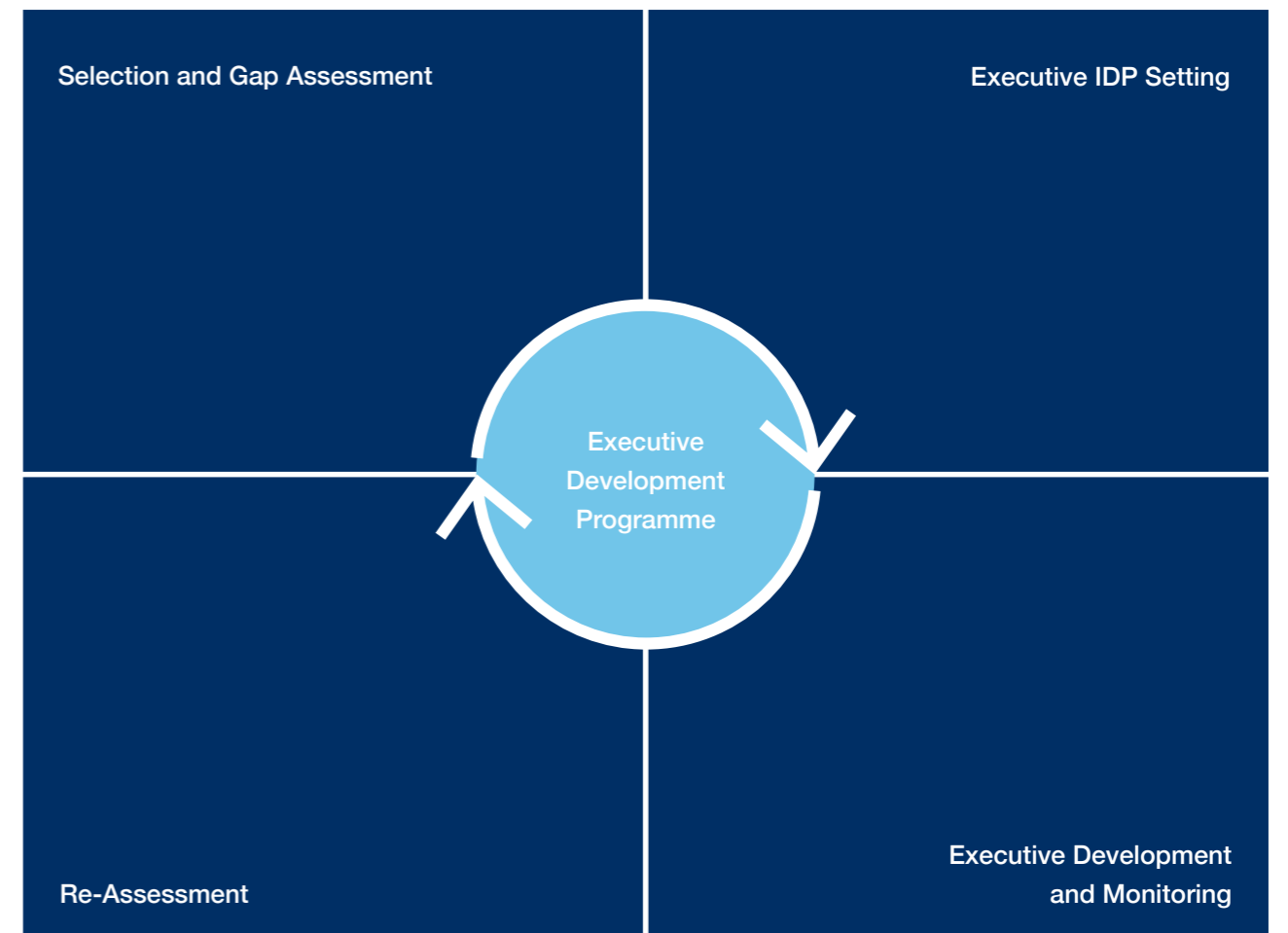
Employee Development

In 2016, the Company allocated a budget of 17 Million Baht for employee development. Employees received an average of 24 hours of training per year, equally for both male and female employees.

Executive Development Programme

Sansiri develops the executives' potential for succession planning through the Executive Development Programme that prepares for advancement in the career path. The plan consists of three parts: practical assignments (70 percent of the programme), coaching (20 percent of the programme), and training (10 percent of the programme).

Sansiri's executive development programme began in 2016 with a total of 8 candidates. Performance of the programme will be assessed in 2017. It is anticipated that 3 out of the 8 candidates will be ready as successors within 2 years.

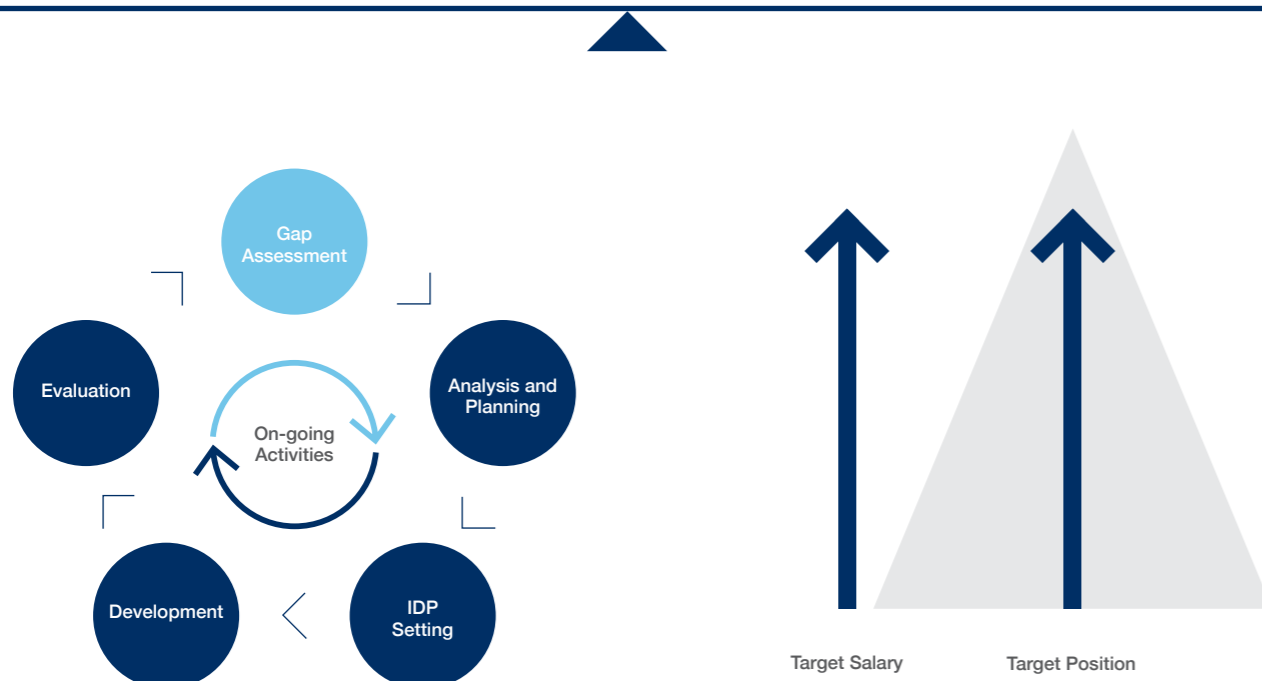


The Challenger Programme

Sansiri develops and retains talented employees in three parts. First, the setup of the performance development plan, preparation for career advancement, and the building of leadership which is further developed in three parts: 70 percent of practical assignments, 20 percent of coaching, and 10 percent of training. Second part involves planning the target salary to provide a competitive level of remuneration that can retain and attract this group of employees. Third part involves planning suitable target positions for talented employees.

The Challenger Programme was introduced in 2016 with a total of 44 employees who joined the programme. As a result, the performance of the participant improved to 79 percent, compared to 76 percent at the commencement of the programme. Sansiri has plans to continue the programme with an employee development target for the particular group to succeed accordingly within 2 years.

Development **Retention**



Sansiri Leadership Programme (SLP)

The Sansiri Leadership Programme (SLP) prepares talented employees for top management positions. Employees will learn strategies, new approaches in management, and develop their presentation skills. Employees, who are part of the programme, will then plan projects that utilise technology and innovation for more effective management and operational efficiency. SLP Projects will then be proposed to the executives, for approval to be developed into actual projects. Project performance will be tracked and measured for tangible results.

A total of 10 SLP projects had been selected in 2014 and are in the evaluation process, including the Email Alert Notification of Project Master Schedule, where all related departments will receive notification emails as a reminder on scheduled tasks or alerts on the delayed works, enabling a more effective tracking and management of project timelines and construction plans. The Email Alert Notification system will also reduce the unnecessary expenses for expediting work processes or penalties that arise from project delays.

In 2016, a total of 26 projects have been approved, including the HR Analytics Dashboard Project which supports the big data of human resource management within the organisation. The project provides the more effective solution for the management of key information that affects the Company as data is managed through analysis and visualisation.

Another SLP Project that was approved is the Budget Transformation Project, which develops a platform for online budget approval system that will facilitate "Working anywhere, anytime" or the working with no constraint on time or location.

Performance of the abovementioned projects as well as other approved SLP Projects will be reported from 2017 onwards.



**ABOUT
THIS REPORT**

ABOUT THIS REPORT

Sansiri Public Company Limited has developed this Sustainability Report 2016 as the first report. The report discloses the Company's management approach and performance on key sustainability issues to all stakeholders, addressing economic, social, and environmental dimensions of the Company's operation. The report covers the period of January 1st, 2016 to December 31st, 2016, and is prepared in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guideline (GRI G4) at the level of the Core Option.

Scope of Reporting ^(G4-17)

The scope of this report covers the performance of Sansiri Public Company Limited and other subsidiaries that Sansiri holds more than 50 percent of the shares, and are under the Company's management. Information that has not been provided in this report

can be referred to in the Company's Annual Report 2016 and the Company website (www.sansiri.com).

Sustainability Materiality ^(G4-18)

Sansiri's Sustainability Materiality 2016 have been compiled through the review of external and internal factors that are related to the Company's operation. In order to assess the significance of sustainability topics under each of the four principles set out by the GRI regarding Sustainability Context, Materiality, Completeness, Stakeholder Inclusiveness. The Company has procedures in place that are reviewed by the Corporate Planning and Sustainability Development Department and the Chief Operating Officer. The procedures consists of the following four key stages:

1. Identification of material topics and defining the scope of reporting

Identify material topics that reflect Sansiri's sustainability and economic, environmental, and social impacts, as well as business risks and opportunities from internal and external factors. For instance, business direction and strategies, topics that are of interest to stakeholders, topics that receive international attention in the context of sustainability, as well as global trends in sustainable development.

2. Ranking of material topics

The management and working group rank the importance of each material topic by taking into account the following two dimensions: 1) the substantive influence of material topics on the assessment and decisions of stakeholder and 2) the significant impact on business operations. Rankings are based on the assessment of risks and business opportunities for the organisation.

3. Examination of Material Topics

A summary of the material topics is consolidated and checked for compliance with the GRI reporting categories and the scope of reporting. The Corporate Planning and Sustainability Development Department, and Chief Operating Officer reviews and approves the disclosure of information as well as the completeness of the content to ensure transparent, accurate, and comprehensive disclosure of information.

4. Continuous Report Development

The Company plans to continuously review the disclosure of information in the report and gather feedback from related stakeholders to improve the contents of the Sustainability Report for the next issue. This includes adjusting report contents to suit and correspond to the desired topics for communication.

Assessment of Sustainability Material Topics ^(G4-19)

From the assessment of 21 sustainability topics and the review of relevant factors, a total of 9 material topics were identified as Sansiri's topics for 2016. The material topics encompasses economic, environmental, and social dimensions of sustainability and are identified as the following:

- 1) Risk and Crisis Management
- 2) Supply Chain Management
- 3) Customer Relationship Management
- 4) Innovation
- 5) Product and Service Quality
- 6) Environmental Impacts of Project Development
- 7) Workforce Health and Safety
- 8) Tenant Health, Safety, and Well-being
- 9) Human Capital Development

Sansiri has also identified the following sustainability topics as emerging areas; Lifecycle Impacts of Building and Infrastructures and Climate Change Impacts. Emerging areas are considered important according to global trends and seen to hold substantive levels of influence on stakeholders. Identification of emerging areas allows the Company to prepare for the management of future topics in a timely manner according to changes that may occur.

Significance to Stakeholders



Economic	Environment	Social
1. Risk and Crisis Management	10. Environmental Impacts of Project Development	16. Workforce Health & Safety
2. Lifecycle Impacts of Building & Infrastructures	11. Land Use & Ecological Impacts	17. Tenant Health, Safety, and Well-being
3. Business Ethics	12. Energy Efficiency	18. Human Capital Development
4. Corporate Governance	13. Water Management	19. Talent Attraction and Retention
5. Transparency	14. Climate Change Impacts	20. Human Rights
6. Supply Chain management	15. Waste Management	21. Stakeholder Engagement
7. Customer Relationship Management		
8. Innovation		
9. Product & Service Quality		

Sustainability Material Topics and Scope of Reporting ^(G4-19, G4-20, G4-21)

Report Chapters	Sustainability Material Topics	GRI Material Aspects	Scope of Reporting
Managing Risk and Crisis	Risk and Crisis Management	Strategy and Analysis, Organisational Profile	- Sansiri - Creditors, Investors and Shareholders - Customers - Society and Communities - Business Partner, Suppliers and Contractors
Strengthening our Supply Chain	Supply Chain Management	Procurement Practices, Environmental Product and Service	- Sansiri - Business Partner, Suppliers and Contractors
Engaging with our Customers	Customer Relationship Management	Product and Service Labeling	- Sansiri - Customers
Embracing Innovation	Innovation	Environmental Products and Services	- Sansiri - Customers - Business Partner, Suppliers and Contractors
Delivering Products and Services Excellence	Product and Service Quality	Customer Health and Safety	- Sansiri - Customers - Society and Communities - Business Partner, Suppliers and Contractors
Protecting our Environment	Environmental Impacts of Project Development	Environmental Grievance Mechanisms	- Sansiri - Society and Communities - Business Partner, Suppliers and Contractors - Government and Regulators
Caring for our People	Workforce Health and Safety	Occupational Health and Safety	- Sansiri - Contractors
Ensuring Safe and Well Living	Tenant Health, Safety, and Well-being	Customer Health and Safety	- Sansiri - Customers - Government and Regulators
Developing our People	Human Capital Development	Training and Education	- Sansiri

Stakeholder Engagement ^(G4-24, G4-25)

Engagement with stakeholders who are directly or indirectly influenced by Sansiri's operation is an integral part in determining the direction for sustainable development of the organisation.

Sansiri has analysed the organisation's operation to identify stakeholders that are affected in terms of sustainability and have informed the respective stakeholders of the material topics that concern each stakeholder group. Stakeholder feedback is subsequently integrated into the Company's decision-making and business planning process.

Sansiri divides its external and internal stakeholders into the following 7 groups:

- 1) Creditors, Investors and Shareholders
- 2) Employees
- 3) Customers
- 4) Society and Communities
- 5) Business Partners, Suppliers and Contractors
- 6) Government and Regulators
- 7) Competitors

Sansiri's Stakeholders



Creditors, Investors and Shareholders



Employees



Customers



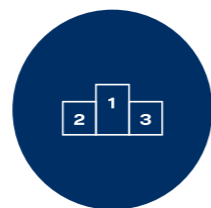
Society and Communities



Business Partners, Suppliers and Contractors



Government and Regulators



Competitors

The format of communication and stakeholder engagement varies for each group. Details are provided in the following Table. ^(G4-26, G4-27)

Stakeholder	Stakeholder Engagement	Stakeholder Expectation
Creditors, Investors, and Shareholders	<ul style="list-style-type: none"> - Annual General Meetings 	<ul style="list-style-type: none"> - Business performance - Corporate Governance - Transparency and Accountability
Employees	<ul style="list-style-type: none"> - Quarterly meetings with employees to exchange views and feedback - Annual employee visits at factories or developing projects 	<ul style="list-style-type: none"> - Career opportunities - Welfare and benefits - Employee potential
Customers	<ul style="list-style-type: none"> - Customer satisfaction surveys after the delivery of every project unit - Home Service Application - Call Centre 1685 	<ul style="list-style-type: none"> - Product and service quality
Society and Communities	<ul style="list-style-type: none"> - Communicate with communities for the preparation of Environmental Impact Assessment reports for high-rise projects 	<ul style="list-style-type: none"> - Operation does not adversely impact the well-being of the community
Business Partners, Suppliers, and Contractors	<ul style="list-style-type: none"> - Monthly business partner meetings 	<ul style="list-style-type: none"> - Business performance - Fair market competition - Transparency and responsibility
Government and Regulators	<ul style="list-style-type: none"> - Submission of monthly reports to Thai Listed Companies Association under supervision of The Stock Exchange of Thailand (SET) - Submission of Environmental Impact Assessment (EIA) reports to the Office of Natural Resources and Environmental Policy (ONEP) prior to the commencement of projects - Submission of the Environmental Monitoring and Auditing (EM&A) reports throughout the project phases according to measures defined in the EIA report to ONEP every 6 months 	<ul style="list-style-type: none"> - Legal compliance - Transparency and responsibility - Performance reporting

Stakeholder	Stakeholder Engagement	Stakeholder Expectation
Market Competitors	- Collaboratively disclose information to centralised repository of real estate data and information which will provide information and statistical indicators of Thailand	- Fair information for equitable competition - Source of overview and trend of the real estate markets for each Company's business planning and growth of real estate market of Thailand.

Contact Channel (G4-3, G4-5, G4-31)

For more information, please contact
Corporate Planning and Sustainability Development Department
Sansiri Public Company Limited

475 10th Floor. Siripinyo Building, Sri Ayutthaya Road,
Thanon Phaya Thai Sub-district, Rajthevi District,
Bangkok 10400.

Tel. (662) 201 3313
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GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page Number	Omissions/ Remarks	
Strategy and Analysis	G4-1	9	
	G4-2	34-36	
Organisational Profile	G4-3	20, 86, 92	
	G4-4	20-21	
	G4-5	92	Head quarter location is disclosed at http://www.sansiri.com/eng/investor-contact
	G4-6	20	
	G4-7	20	
	G4-8	20-21	
	G4-9	16, 20	
	G4-10	-	Information is not available. Sansiri is currently establishing information collection process and will be available in the future.
	G4-11	-	Information is not available. Sansiri currently does not collaborate with trade union for establishing Collective bargaining agreement. Such action is planned to initiate in the future.
	G4-12	22-23, 37-40	
	G4-13	32, 34	

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page Number	Omissions/ Remarks	
Organisational Profile (cont.)	G4-14	34-35, 61-62	
	G4-15	32	
	G4-16	94	Sansiri is a member of Thai Real Estate Association (TREA: http://www.thairealestate.org) and Real Estate Information Centre (REIC: http://www.reic.or.th)
Identified Material Aspects and Boundaries	G4-17	86	
	G4-18	86	
	G4-19	87, 89	
	G4-20	89	
	G4-21	89	
	G4-22	-	Information is not applicable. This is the first report; therefore, there are no restatements of information provided in previous report.
	G4-23	-	Information is not applicable. This is the first report; therefore, there are no significant changes from previous reporting periods in the Scope and Aspect Boundaries.
Stakeholder Engagement	G4-24	90	
	G4-25	90	
	G4-26	91-92	
	G4-27	91-92	
Report Profile	G4-28	86	
	G4-29	86	
	G4-30	86	
	G4-31	92	
	G4-32	86	
	G4-33	-	Sansiri is currently improving internal process then will establish external assurance in the future.

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page Number	Omissions/ Remarks	
Governance	G4-34	27	
	G4-35	32	
	G4-36	32-33	
	G4-37	28-29	
	G4-38	95	This indicator refers to Sansiri Annual Report 2016 page 79-80
	G4-39	95	This indicator refers to Sansiri Annual Report 2016 page 79
	G4-40	95	This indicator refers to Sansiri Annual Report 2016 page 81
	G4-41	95	The information for this indicator is available at http://www.sansiri.com/pdf/governance/responsibility-of-the-board-of-directors-en.pdf
	G4-42	95	The information for this indicator is available at http://www.sansiri.com/pdf/governance/responsibility-of-the-board-of-directors-en.pdf Sansiri Board of Directors has obligations as per indicator statement. However, the relevancy to economic, environmental and social impacts is not clearly stated.
	G4-43	95	The information for this indicator is available at http://www.sansiri.com/pdf/governance/responsibility-of-the-board-of-directors-en.pdf Sansiri Board of Directors has been provided trainings for collective knowledge. However the training topics regarding economic, environment, and social are not clearly stated.

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures		Page Number	Omissions/ Remarks
Governance (cont.)	G4-44	96	This information is disclosed in Sansiri Annual Report 2016 page 134, section - Procedures and Criteria for the Board of Directors' Performance Evaluation
	G4-45	34-35	The information is also available at http://www.sansiri.com/pdf/governance/responsibility-of-the-board-of-directors-en.pdf
	G4-46	34	
	G4-47	34	
	G4-48	87	
	G4-49	28	
	G4-50	-	The total number of critical concerns was under formal data collection process which will be reported in the future
	G4-51	96	Sansiri currently discloses dividend payment policy in Sansiri Annual Report 2016, page 75, and remuneration of directors and management in page 91-94. Remuneration criteria regarding economic, environmental, and social objectives will be stated in the future.
	G4-52	96	Sansiri discloses process of remuneration determination in Annual Report 2016 page 91-94; however, the statement regarding involvement of remuneration consultant statement will be stated in the future.
	G4-53	96	Sansiri currently discloses dividend payment policy in Sansiri Annual Report 2016, page 91.
G4-54	-	Such information is confidential for public disclosure.	
G4-55	-	Sansiri operates core businesses in Thailand only.	
Ethics and Integrity	G4-56	28	
	G4-57	28	
	G4-58	28	

SPECIFIC STANDARD DISCLOSURES			
Material Aspects	DMA and Indicators	Page Number	Omissions/ Remarks
Economics			
Economic Performance	G4-DMA	24-25	
	G4-EC1	16, 26	
Procurement Practices	G4-DMA	37-39	
	G4-EC9	40	
Environmental			
Products and Services	G4-DMA	48, 61-62	
	G4-EN27	48, 53-54, 56, 64	
Environmental Grievance Mechanisms	G4-DMA	62	
	G4-EN34	62	
Labour Practices And Decent Work			
Occupational Health and Safety	G4-DMA	65-68	
	G4-LA6	68-69	
Training and Education	G4-DMA	78-79	
	G4-LA9	74, 80	
	G4-LA11	78	
Product Responsibility			
Customer Health and Safety	G4-DMA	57, 72	
	G4-PR1	57, 74	
	G4-PR2	74	
Product and Service Labelling	G4-DMA	42-44	
	G4-PR5	44	



SURVEY OF READERS' OPINION

Your views and suggestions will be incorporated in the improvement of Sansiri Sustainability Report. Please mark X in or provide a comment in the space provided.

1. Which of the following groups are applied to you?

- Sansiri's Employee
- Customer / Resident / Tenant
- Partner / Supplier / Contractor
- Investor / Shareholder / Financial Institute
- Government / Regulators
- Community / Society
- Others (Please specify.....)

2. How do you find out about Sansiri Sustainability Report?

- Sansiri's Website
- Seminar / Lecture / Exhibition
- Sansiri's Employee
- Annual General Meeting of Shareholders
- Others (Please specify.....)

3. Please rate your level of satisfaction for the Sansiri Sustainability Report 2016

- | | | | | |
|------------------------------------|-------------------------------|---------------------------------|------------------------------|--|
| Completeness of the report | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |
| Topics presented in the report | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |
| Interesting content | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |
| Easy to understand | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |
| Report design | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |
| Overall satisfaction of the report | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low | <input type="checkbox"/> Needs improvement |

4. Which of Sansiri's sustainability topics are you interested in? (Please specify reasons)

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.....

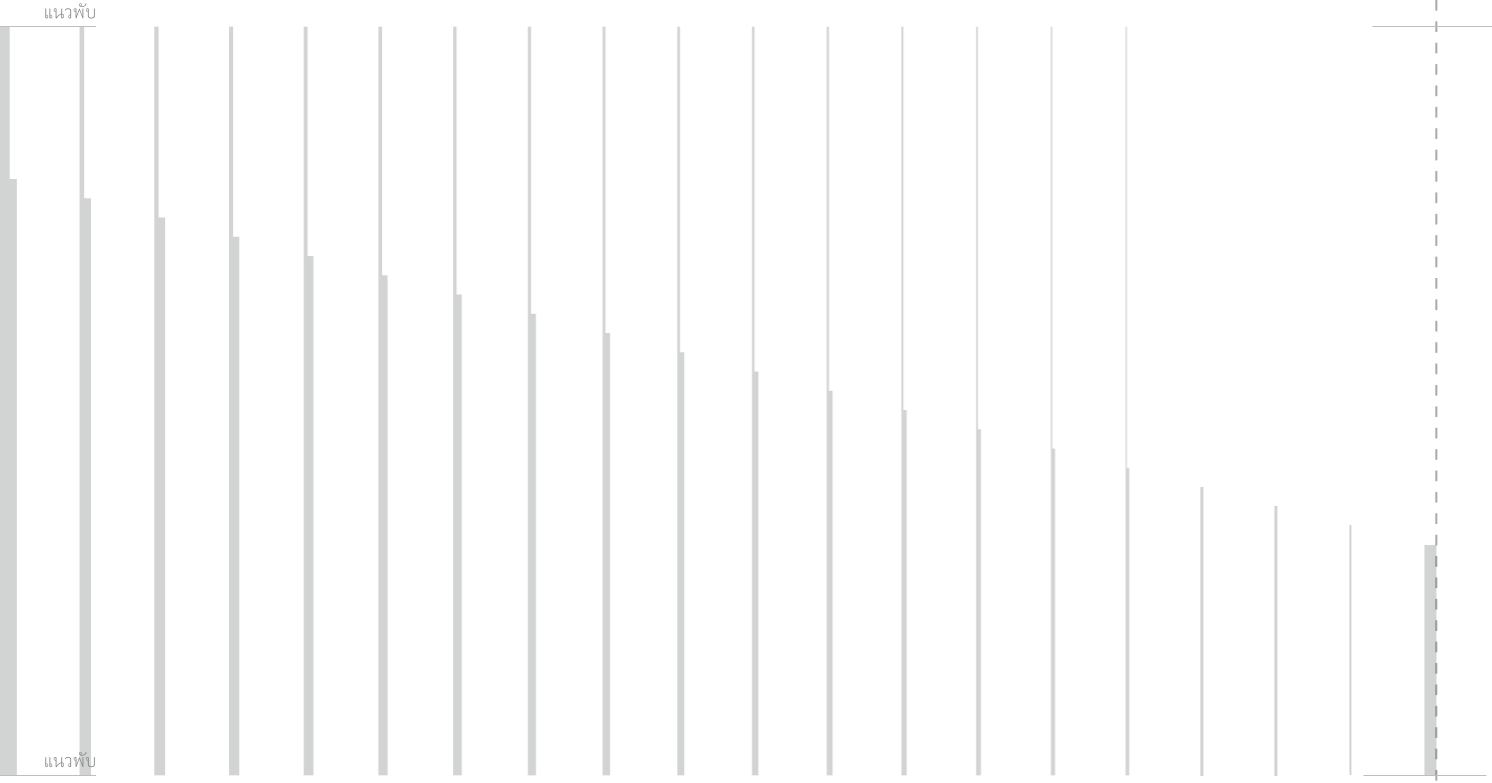
5. Additional suggestions for the next report

.....
.....

Please fill the survey and submit to Sansiri Public Company Limited
Thank you for your cooperation

SURVEY OF READERS' OPINION

SUSTAINABILITY REPORT 2016
SANSIRI PUBLIC COMPANY LIMITED



สำหรับปีงบประมาณ พ.ศ. 2554
ในกรุงเทพมหานคร
สำนักงาน

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Sansiri encourages iodized salt consumption to help boost IQ of children

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