



THAI BEVERAGE PUBLIC COMPANY LIMITED



Always with you

Sustainability Report 2014



THAI BEVERAGE PUBLIC COMPANY LIMITED

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ThaiBev...Always with you

We're dedicated to enhancing our sustainability,
and driven to do our best to always be with you in every moment of your day

Always with you



Message from the President and CEO



Sustainability is of paramount importance to Thai Beverage Public Company Limited (“**ThaiBev**”). While we are proud that ThaiBev is Thailand’s leading beverage company, we seek to secure an even more stable and sustainable leadership position in Southeast Asia, and to become the leading total beverage company in Asia.

In order to align our diverse businesses and harness our combined strengths, we have developed our Vision 2020, a roadmap for the next six years. Vision 2020 outlines our strategic imperatives in the areas of growth, diversity, brands, reach, as well as professionalism. We aim to build on our strong and mutually beneficial relationships with our stakeholders. To this end, we are committed to be a responsible corporate citizen that will deliver not only sustainably financial success, but also long-term social and environmental responsibility.

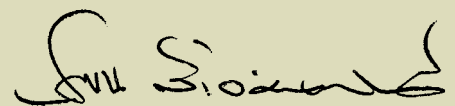
Our plan to achieve sustainable financial success connects with the strategic imperatives under turning Vision 2020. Seeking to grow and diversify our revenue streams beyond our stronghold in Thailand’s alcoholic beverage market, we are stepping up initiatives to expand our non-alcoholic beverage business and our footprint in other Southeast Asian countries. With the anticipated launch of the ASEAN Economic Community (AEC) in 2015, it is an opportune time for ever greater business expansion. Adopting a consumer- and market-driven approach, we have identified core brands, as well as primary and secondary markets with the greatest growth potential, for each our three key product groups – spirits, beer, and non-alcoholic beverage. We have also set out to ensure that we have robust and efficient routes to all markets. We will strengthen our existing distribution networks, build new ones, as well as enter into partnerships with third-party distributors if required. Recognizing that our employees play an important role in our quest for deeper and wider market leadership, we continually attract and retain qualified employees and further develop their skills to realise their full potential.

On the social front, we remain dedicated to contributing to the communities in which we operate. The renowned “ThaiBev Unites to Fight the Cold” campaign, which we rolled out for the 15th consecutive year in 2014, bears testament to our enduring commitment in this area to bring warmth to our fellow citizens who are afflicted by the cold. In addition, we initiated the “ThaiBev Safe Driving Programme” with the aim to raise awareness of safe driving. With the determination to provide social support, we also sponsor and manage a wide variety of

social development programmes in areas of education, public health, arts and culture, and sports. The “β Young Entrepreneur” programme has been launched to promote business education and cultivate entrepreneurs’ awareness of business ethics. We honor and give recognition to dedicated teachers through our support provided for the “HRH Princess Naradhiwas Rajanagarindra’s Teacher Award”. In relation to public health, ThaiBev provided funding for the construction of the Bhumirajanagarindra Kidney Institute Hospital to serve as Asia’s leading kidney institute. We have also opened “Chang Clinic” to take care of communities surrounding our factories. In respect of arts and culture, ThaiBev is dedicated to promoting and supporting a wide variety of musical performances, arts exhibitions, as well as arts contests. Regarding sporting activities, we have continuously delivered our support to various sport associations, teams, and players ranging from youths to national players.

Environmental issues are our top priority. Conscious that our extensive operations draw on capital provided by the earth, we actively manage our value chain to ensure that we preserve biodiversity and conserve natural resources. We take care of our operation value chain from raw material sourcing and purchasing, water and energy consumption, production efficiency, to emissions control.

More information can be found in the following pages of this Sustainability Report, which provides disclosure in accordance to the Core Level of the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines for the first time, marking another step forward in our unwavering pursuit of greater sustainability. The GRI is an esteemed global organisation that pioneered the development of a framework for sustainability reporting in order to enhance transparency and accountability. Widely recognized across the world, the framework has also been endorsed by the Singapore Exchange and we are glad to be able to support GRI and contribute towards realizing its vision of a sustainable global economy.



Thapana Sirivadhanabhakdi
President and CEO

About Our Report

ThaiBev first started reporting on sustainability in 2011. The most recent edition of ThaiBev's sustainability report was published in April 2014, and reported on the company's performance and progress in the economic, environmental and social dimensions.

Since then, ThaiBev has continued to put emphasis on improving the quality of its sustainability reporting in order to achieve transparency, completeness, and accuracy, at a level that will best meet the needs and expectations of all our stakeholders.

This report was prepared "in accordance" with the Core option requirements of the G4 Global Reporting Initiative (GRI) guidelines. The information provided in this report covers the 2014 fiscal year (January - December 2014), and the report boundary considers ThaiBev and entities in the group in which it has 100% shareholding (excluding OISHI group, Sermsuk group and international operations). Being ThaiBev's first GRI sustainability report, this report covers its operations in Thailand only. Moreover, the details of ThaiBev's financial and corporate governance performance as a whole will be disclosed in the annual report.

Over time, however, ThaiBev is committed to expanding the scope and boundary of the report in order to continue to meet the changing needs of all its stakeholders in the future.

This report has been prepared in both Thai and English, and is published on the website: www.thaibev.com. In order to continue to improve our sustainability report, ThaiBev would be very pleased to hear any comments or questions you may have. You can contact our Corporate Sustainability Development Working Team at info@thaibev.com.

About ThaiBev



Thai Beverage Public Company Limited (“ThaiBev”) was established in 2003, with the aim of integrating our founding shareholders’ and investors’ leading businesses related to beer and spirits into the ThaiBev group. Later, in 2006, ThaiBev was listed in the Singapore Exchange (“SGX”), and has since expanded its business from spirits to non-alcoholic beverage, to increase the variety of products that ThaiBev offers, improve the effectiveness of its logistics channels, and diversify the business’ risk. Today, ThaiBev is not only Thailand’s leading beverage producer, but also one of Asia’s largest producers. Our business consists of 3 segments, namely spirits, beer and non-alcoholic beverage under more than 100 brands.

ThaiBev’s 18 distilleries and 3 breweries are the production bases that are widely recognized for meeting internationally accepted standards and are environmentally friendly. From the sourcing of quality raw material, the standardized production and packaging processes, to effective by-product management, we are proud to deliver products and services that deliver to the needs of our consumers around the world.

ThaiBev’s products are sold in 5 continents, over 90 countries all around the world. ThaiBev has 1,100 direct sales teams across Thailand. We also have distribution centers and networks, locally and abroad, to ensure our products reach our consumers with quality.

Vision 2020

Vision 2020 is ThaiBev’s strategic roadmap for the next six years. It underpins our endeavours to further the success that we have progressively achieved over the years, and sets ThaiBev up for an accelerated growth story. Driven by the five strategic imperatives outlined below, we seek to provide customers with even better products, create greater value and deliver more sustainable returns to shareholders, and enlarge opportunities for our employees.

Growth

We aim to solidify ThaiBev’s position as the largest and most profitable beverage company in Southeast Asia.

Diversity

To support and sustain ThaiBev’s growth, we plan to diversify our revenue streams, increasing revenue contribution from non-alcoholic beverages and the sale of products outside of Thailand.

Brands

By streamlining ThaiBev’s businesses into three product groups (spirits, beer, and non-alcoholic beverage) and identifying core brands within each, as well as focusing on primary and secondary markets with the greatest growth potential, we look to expand the business via a consumer- and market-driven approach.

Reach

To realize the potential of ThaiBev’s core brands, robust and efficient routes to all markets are required. Accordingly, we seek to build on our market leading business processes and supply chains to strengthen existing distribution networks, establish new ones, and also enter into partnerships with third-party distributors when appropriate.

Professionalism

We strive to ensure that we have a diverse and high performance workforce, and that the teams behind all three product groups work together seamlessly, leveraging cross-product group synergies where applicable, further strengthening our long term potentials.

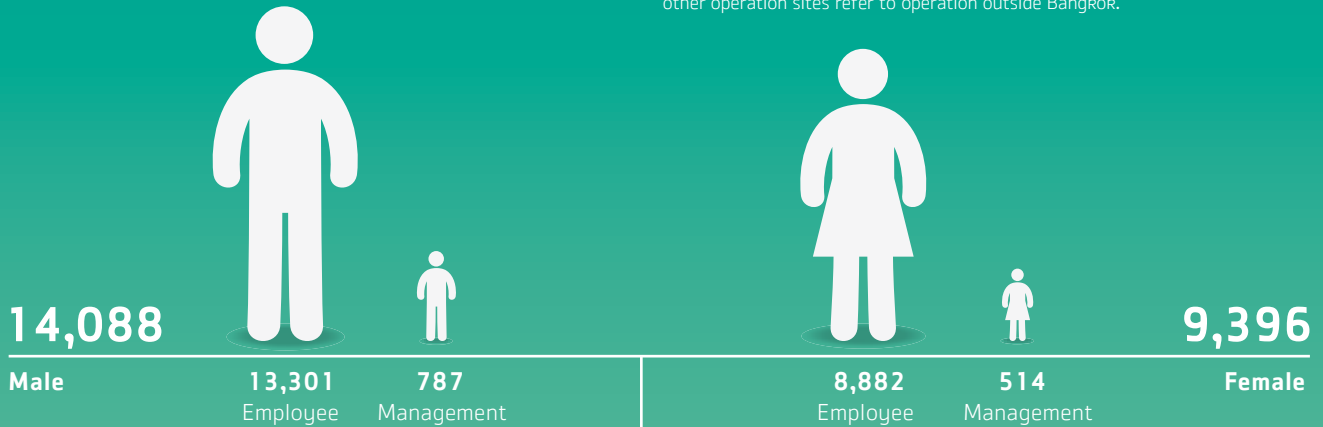
ThaiBev’s Mission

Our stakeholders and our engagement with them are important to us. ThaiBev recognizes that a sustainable business will enhance long-lasting value to all our stakeholders. ThaiBev is therefore committed to developing a solid business foundation by expanding our operations both within Thailand, and towards the global arena, in order to be a leading total beverage producer in Asia. We aim to build stability and a sustainable business alongside good governance and environmental and social development to build trust and enhance long-term returns to our shareholders and business alliances. (Refer to page 69 of the ThaiBev Annual Report 2014 for further details.)

Employee Profile (person)

	Male	Female	Total
Head Office	1,273	1,318	2,591
Other Operations Sites	12,815	8,078	20,893
Total	14,088	9,396	23,484

Remark: Head office refers to operations in Bangkok and other operation sites refer to operation outside Bangkok.



23,484

Remarks

- Total number of employees covers Thai Beverage Public Company Limited and entities in the group in which it has 100% shareholding (does not include Oishi, Sermasuk or international operations: Information as at December 31, 2014).
- Total number of employees includes contractors: Male 60 persons and Female 9 persons. Information as at December 31, 2014

ThaiBev's Products Available in 5 Continents



ThaiBev's Sustainability Governance



Corporate Sustainability Development Committee was established on May 12, 2014 following the directive of the President and CEO. Members of the committee comprise senior executives from all departments with the President and CEO as the President of the committee.

Corporate Sustainability Development Committee is responsible for considering, planning, and setting policies for implementing sustainability in the short-, medium- and long-term, in line with the Board of Directors' or Executive Committee's direction.

Moreover, the Corporate Sustainability Development Committee has also appointed a working team to carry out initiatives to support ThaiBev's sustainability agenda according to the strategic plan. The working team consists of management and employees from all departments such as Beverage Production, Related Business, Marketing, Sales, Office of Controller, Office of Strategic Planning, Office of Corporate Communication, Office of Corporate Secretariat, Office of External Affairs, Office of Legal Affairs, Office of Human Resources, Office of Asset Management & Services, Center of Excellence and Office of Internal Audit.

Sustainability Across the Value Chain

With our activities extending from procurement and sourcing to production, distribution, marketing and sales, right through to byproduct and disposal, we know that having a good understanding of our value chain – and the stakeholders along it – is critical to ensuring the effectiveness and sustainability of our business. In particular, we recognize the importance of knowing who our stakeholders are, ThaiBev’s impacts on them, their dependency on us, and their needs and expectations – along our entire value chain.

ThaiBev is committed to ensuring the sustainability of its value chain. Each of our companies, at each stage of the chain, are similarly committed to presenting stakeholders with the quality and value they are looking for. ThaiBev has no spare effort to innovate in product, technology for our sustainability across the value chain. In 2015, the co-innovation program with our supplier of beer aluminium foil has won the Alufoil Trophy 2015 from European Aluminium Foil Association in category Resource Efficiency for Chang Beer Product.

Be responsible for managing our packaging through using the right approach and being environmentally-friendly – such as through recycling glass bottles.



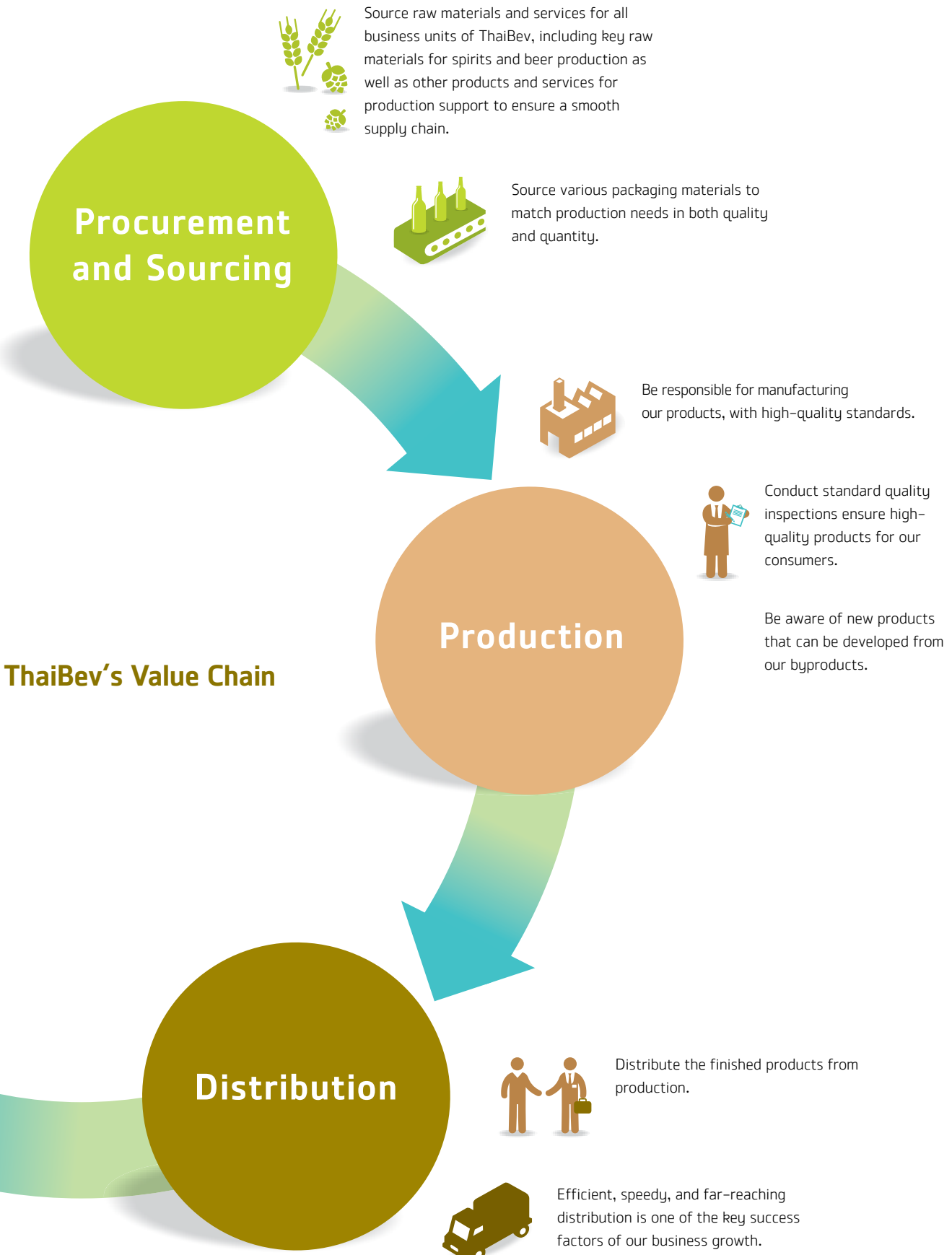
**Post-Consumer
Packaging
Management**



**Marketing
and Sales**



Communicate product knowledge and create sales promotion campaign to continuously boost up our sales volume.



ThaiBev's Value Chain



The World is Changing

At ThaiBev, we recognize that – across the world – economic, environmental, and social megatrends are changing the way we do business.

They're leading to the emergence of new types of financial and non-financial risks and opportunities that we, along with other businesses, will have to manage in order to ensure we keep creating long-term value.

Economically, it's clear that global economic power is shifting towards emerging economies. Environmentally and socially, the World Business Council for Sustainable Development (WBCSD) highlights 9 key areas in which scientific research shows critical action is required if 9 billion people are to live well, within the limits of the planet by 2050. These are: climate change, the release of nutrient elements, ecosystems, the exposure of harmful substances, water, basic needs and rights, skills and employment, sustainable lifestyles, and food, feed, fiber, and biofuels. (WBCSD, Action2020)

Thailand is no exception

Thailand is not immune from the challenges of a changing economic, environmental and social context – and nor is ThaiBev, as Thailand's leading beverage producer.

In the economic dimension, political instability has had a significant impact on the economy and consumer confidence. Competitiveness, the readiness of production factors and transparency in government and private sector also remain critical issues for Thailand. In terms of environmental concerns, droughts and floods are a frequent occurrence, tending to occur over land that has suffered a high rate of deforestation, and exacerbated by severe weather brought on by climate change. In the social dimension, primary and higher education, as well as professional skills development, still have a long way to go. Reducing income inequality, the creation of opportunities and improved wealth distribution will help enhance sustainable development. At the same time, ageing population begins to impact the working-age population and health system.

Relevance to ThaiBev

As Thailand's leading beverage producer, and one of Asia's largest ones, we recognize that we have an important role to play in not only helping to address the social and environmental challenges that we directly or indirectly contribute to, but also those that affect the larger context in which we operate. Through beginning our journey in developing a clearer, more focused, sustainability strategy, and publishing this report – our very first one in accordance with GRI G4 Sustainability Reporting Guidelines – we hope to be able to meet this objective, and also thereby fulfil our commitment to be with all our stakeholders over the long term.

Our Sustainability Approach



Overview of ThaiBev's Sustainability Strategy

'Always with you'

In alignment with our overarching theme of 'Always with you', our sustainability strategy is based around 'being with you always', or taking care of our stakeholders and business over the long term, through: 1. Creating business value (Economic dimension), 2. Taking care of our impacts (Environmental dimension) and 3. Caring and sharing with others (Social dimension).

Details of each theme are presented below:

Economic dimension: Creating business value

- Robust Economic Performance
- Responsible Procurement and Sourcing

Environmental dimension: Taking care of our impacts

- Water
- Energy
- Emissions

Social dimension: Caring and sharing with others

- Consumer Health and Safety
- Training and Education
- Governance and Compliance
- Marketing Communications
- Local Communities

Materiality

The working team first worked to identify the universe of key social and environmental issues associated with our current and future business strategy, across our value chain. In addition to reviewing the key megatrends impacting the beverage sector, and performing a media and competitive scan of the key issues highlighted by peers in our sectors, we also interviewed senior executives from across the business, and conducted a materiality workshop at the working team level to identify issues considered material to ThaiBev.

Overall, we identified 14 issues of importance and relevance to our current and future business (See ThaiBev's Materiality Matrix Page 17)

Understanding what's most important to our stakeholders

In the process, we also identified our stakeholders across the ThaiBev value chain, and prioritized them according to their importance to our business.

To identify our key stakeholder groups, we considered the degree of impact each group has on ThaiBev and, on the other hand, considered to what extent these groups depend on our business. Those groups with both high impact on ThaiBev and also, significantly depend on the company's business operations were identified as ThaiBev's key stakeholders.

Following this, we then performed a stakeholder perception assessment for each of the 14 issues, in order to identify those issues of most significant concern to the stakeholders. This being our first year of our journey toward sustainability, we agreed that this initial assessment would be performed internally, basing our assessment of stakeholder perceptions on the experienced views of those closest to the stakeholders under consideration.








Understanding what's most important to our business

In terms of importance to our business, each issue was assessed in terms of its level of actual or potential severity of impact on our business value (i.e. revenue, cost and reputation), as well as the likelihood of issues arising.

Those 10 issues that were identified as being both of high concern to stakeholders, and high importance to our business, as well as those that were of both of medium concern to stakeholders, and medium concern to our business, were selected as our material issues.

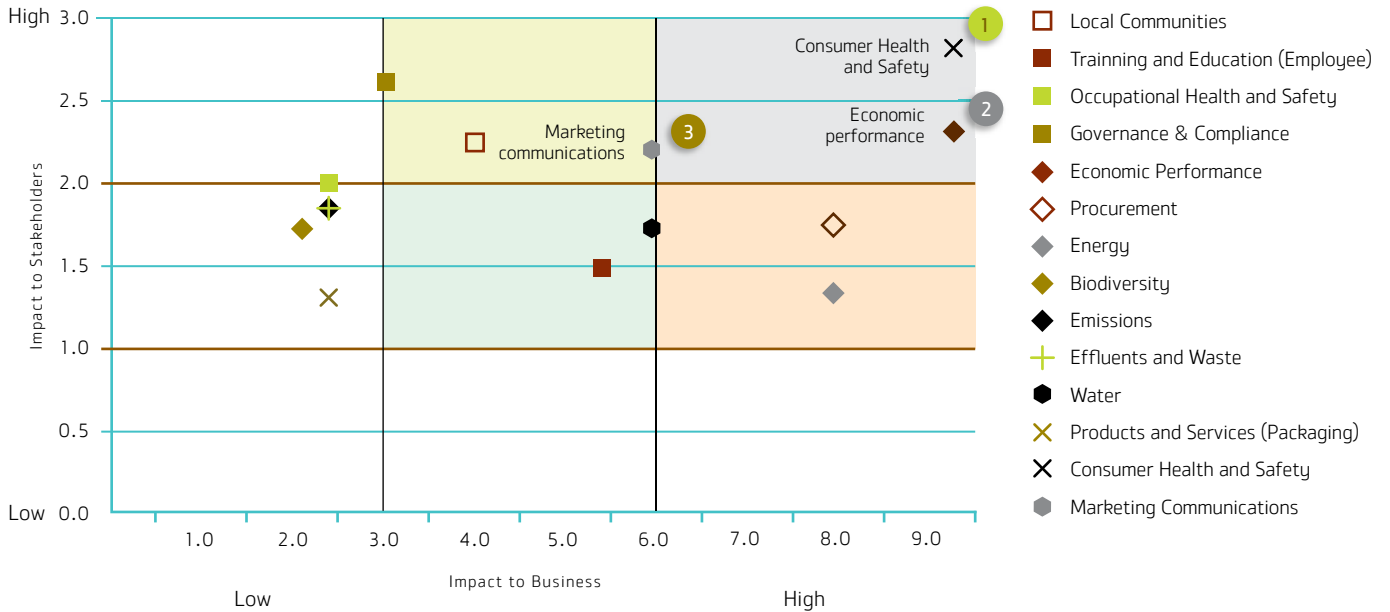
- Economic Performance
- Procurement and Sourcing
- Water
- Energy
- Emissions
- Consumer Health and Safety
- Training and Education
- Governance and Compliance
- Marketing Communications
- Local Communities

Stakeholder Engagement

Stakeholder	Engagement platforms	Frequency of engagement	Examples of topics that were addressed 2014
Employee 	One way communication channels include <ul style="list-style-type: none"> • ThaiBev E-News • ThaiBev Radio • ThaiBev Magazine • SMS Two way communication channels include <ul style="list-style-type: none"> • Line Application • Intranet • Annual Management Meeting • Department Meeting • Annual Activities e.g. sport competition country music competition, 8 clubs activities • Roadshow e.g. Core values Roadshow, Vision 2020 Communication Roadshow 	<ul style="list-style-type: none"> • Weekly • Daily • Bi-weekly • Regularly <ul style="list-style-type: none"> • Daily • Daily • Annually • Regularly • Annually <ul style="list-style-type: none"> • Annually 	<ul style="list-style-type: none"> • Engagement and Caring • Close Collaboration and Stronger Support • Cross Functional Team • Teamwork • Loyalty • Happy Workplace
Supplier 	<ul style="list-style-type: none"> • Yearly Audit : Approved Vendor List (AVL) • Meeting with key suppliers 	<ul style="list-style-type: none"> • Annual (depending on performance) • Quarterly 	<ul style="list-style-type: none"> • Collaborative Work Plan • Market Innovation
Customer 	<ul style="list-style-type: none"> • ThaiBev Expo • Agent Meeting • Sales Training • Agent Development • Business Review • Agent Factory Visit 	<ul style="list-style-type: none"> • Occasionally 	<ul style="list-style-type: none"> • Company's Economic Performance and Profitability • Sustainable Partnerships • Continuous Strong Relationship between the Company and Customer
Consumer 	<ul style="list-style-type: none"> • Brand experience in lifestyle events, outdoor and an on-premise type • Brand communication through mass media communication : tv, radio, billboard, digital screen • Interaction between consumer and brand via social network 	<ul style="list-style-type: none"> • Occasionally 	Consumer activities <ul style="list-style-type: none"> • Marketing Events • Social Media • Consumer Interview
Investor 	<ul style="list-style-type: none"> • Annual Shareholders Meeting • Investor Roadshows 	<ul style="list-style-type: none"> • Annually • Regularly 	<ul style="list-style-type: none"> • Provide shareholders with more insights into and updates on ThaiBev's business
Community 	<ul style="list-style-type: none"> • Questionnaire • Activities • Interviews • Local Community Meetings 	<ul style="list-style-type: none"> • Monthly • Monthly • Monthly • Annually 	<ul style="list-style-type: none"> • Skills in Sport, Music, Art • Vocational Knowledge (e.g. packaging) • Improve Economy • Professional Skills Development
Regulator 	<ul style="list-style-type: none"> • Cooperate and work together 	<ul style="list-style-type: none"> • Occasionally 	<ul style="list-style-type: none"> • Compliance with Regulations

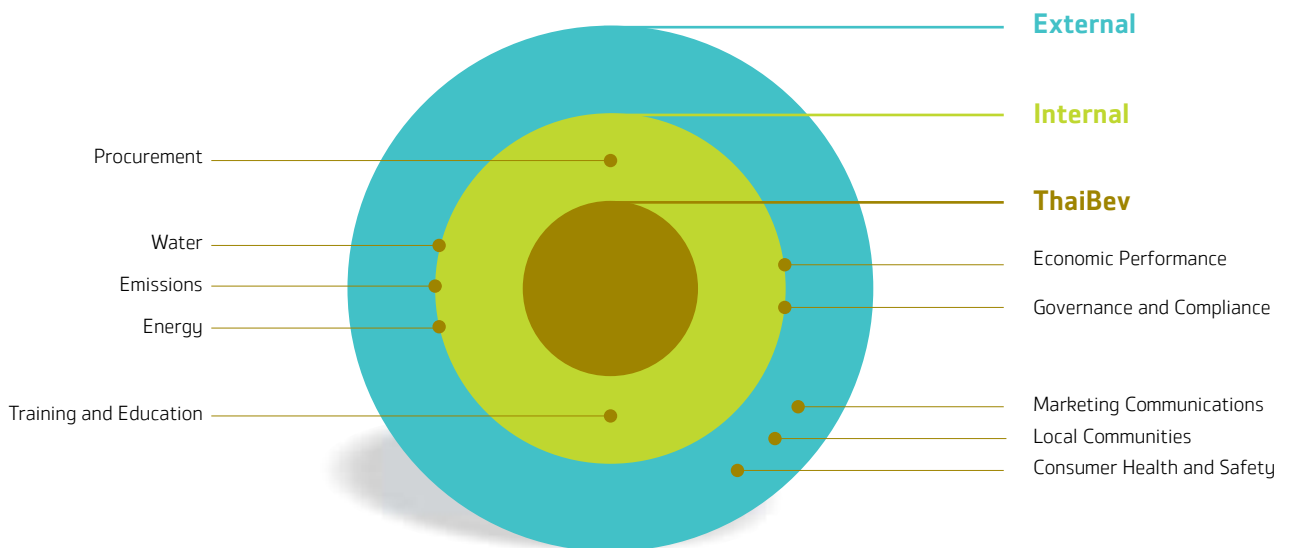
Remark: We highly emphasize the value of regular stakeholder engagement. However, as this report is our first GRI report, we merely conducted a primary assessment of stakeholder's perception by leveraging first-hand experiences of the ThaiBev working team, who are most familiar with these stakeholder groups.

ThaiBev's Materiality Matrix



Remark: This materiality assessment is based on the results from a workshop with ThaiBev, industry peer research, pre-assessment issue from ThaiBev team and management interviews. Scoring of local communities and marketing communications are based on an external consultant's analysis of management validation interviews. Emissions, while not assessed as material for ThaiBev in particular, were, nonetheless, considered important for reporting purposes, as it is widely recognized as an industry issue, and also reported by some peers. ThaiBev has also a number of good practice initiatives in this area that the company would like to share with stakeholders. Governance was included a together with compliance, as these are seen to be related topics, anti-corruption practices will also be included under this aspect.

ThaiBev's Aspect Boundaries



ThaiBev has identified the boundary for each Material Aspect in the report, by considering where each Aspect's impact occurs (impacts on the stakeholders within the organization, impacts on stakeholders outside the organization, and impacts on both stakeholders within and outside the organization). With clear boundaries identified, we can see the overall impacts of each Aspect, allowing us to plan and improve the quality of data collection.

Economics: Creating Long Term Value

Economic Performance

As Thailand's leading beverage company, ThaiBev emphasizes continued economic performance, as it is important not just for ourselves but, also, for all of our stakeholders. We aim to maximize the value we create for everyone – whether shareholders, employees, partners, customers, our diverse consumers, communities and society. To do this, ThaiBev is determined to strengthen our business growth in the coming years by boosting our sales and margin continuously.

We run the business with transparency and responsibility, and operate with care and consideration for stakeholders throughout our entire value chain – from ensuring fair deals in quality procurement and sourcing, to producing high standard products for all consumers at reasonable prices, distributing them through trusted agents, to having good governance and compliance. Through this, we're then able to share the value we create to our employees and shareholders. Moreover, we are committed to enhancing community, social and national development through transparent tax payments.

Vision 2020 and our business direction

Notwithstanding the constantly changing business context, ThaiBev is committed to build a robust and sustainable business growth through the 5 core strategies of our Vision 2020, which will be executed over the next 6 years. These are Growth, Diversity, Brand, Reach, and Professionalism.

We'll be focusing on strengthening our leading position in this region, along with our continuous improvement of our core products. In addition to revenue growth from alcoholic beverage, we also aim to create more business value from non-alcoholic beverage, particularly healthy drinks. Our plan is to simultaneously increase our revenues from non-alcoholic beverage, and revenues from overseas sales, to over 50 percent of our total revenues by 2020, respectively.

The three products in our product portfolio are spirits, beer, and non-alcoholic beverage. We are currently looking to expand our market reach by focusing on our core brands, ensuring strong distribution via our networking agents, and implementing a modern operating model that can respond effectively to an ever-more dynamic business context.

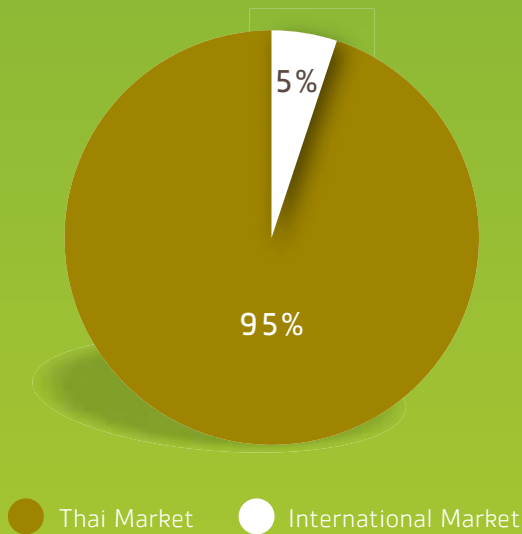
We will also continue to build and develop our employees in all three product groups unit to be able to work effectively and collaboratively with professionalism. Moreover, we welcome employee diversity at all levels, without discrimination of gender, age, or nationality.

Vision 2020 and our stakeholders

ThaiBev's stability will ensure that we grow together sustainably with our business partners and other stakeholders. Our assorted products assist our agents in reaching various groups of consumers and ensure stability as well as business growth for both parties. This, in turn, results in worthy returns for our investors, opportunities for our employees to grow and develop professionally, and improved distribution of wellbeing to our communities, society, and the country as a whole.

Economic Performance¹

Income²
162,790 Million Baht



Cost of Sales
114,710
Million Baht

Employee
Benefit Expenses
11,638
Million Baht

Income Tax
Expenses
4,552
Million Baht

Annual Dividend³



Remarks:

- Economic value generated and distributed is defined by income (refer to G4-EC1 : Revenues), Cost of Sales (refer to G4-EC1: Operating Costs), Employee Benefit Expenses (refer to G4-EC1: Employee Wages and Benefits), Income Tax Expenses (refer to G4-EC1: Payments to Government) and Annual Dividend (refer to G4-EC1: Payments to Providers of Capital). However, the scope of this report is limited to operations conducted in Thailand.
- Geographical income for Thai Beverage group according to Thai Beverage Public Company Limited and its subsidiaries' financial statements, ending December 31, 2014
- Annual Dividend to shareholders of Thai Beverage Public Company Limited

Procurement and Sourcing

As Thailand's leading beverage producer, it's imperative that in addition to having effective internal operations, distribution and sales, our raw materials must also be sourced sustainably. Quality raw material and suppliers are an integral part of delivering quality products to our customers and consumers. If we cannot ensure the continued and sustainable supply of raw material and maintain relationships with our suppliers, this will ultimately affect the quality of our products and impact the company as a whole. On the other hand, as a large producer, ThaiBev also has the opportunity to support suppliers and the local economy through both payment of wages and taxes, and supplier engagement.

Sustainable sourcing

Evaluating our suppliers

Over the past year, ThaiBev has taken the initiative to improve its supplier evaluation tool applied in selecting and purchasing from suppliers. We have included topics such as environment, health, safety, human rights, and business ethics into our evaluation criteria – where in the past we had only considered our suppliers' quality and capacity for production. This is to ensure that our suppliers recognize effective management and sustainable operations. Moreover, this move shows our commitment to sustainability in evaluating our suppliers and our appreciation for quality from the very beginning of our supply chain, to our end consumers.

Furthermore, ThaiBev aims to maintain good relationships with our suppliers in order to enable effective communication, innovation, and efficacy.

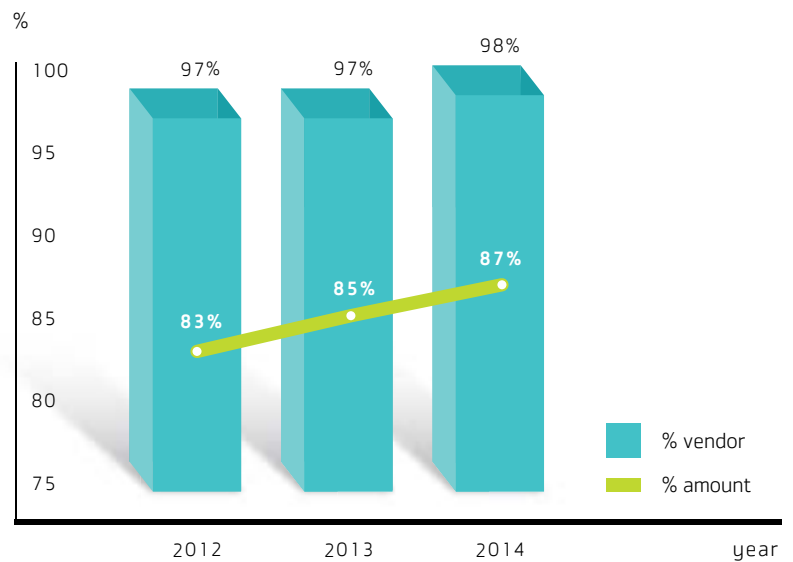


Rice : raw materials used in production

Local suppliers

We are dedicated to sourcing from our local suppliers to stimulate employment within local communities and support labor practices in Thailand. The proportion of spending on local suppliers at significant locations of operation continues to increase and is maintained at a high level. In 2014, 98% of ThaiBev's suppliers were local suppliers, an increase from 97% in 2013. In terms of value, we have also increased the monetary amount spent on local suppliers to 87% in 2014 from 85% in 2013. We are proud to be able to support the local economy through not only job creation but also potential additional investments to the local economy.

Procurement from Local Supplier



Remarks:

- Local suppliers, means a group of suppliers who operate their business in Thailand, have direct business relationship with ThaiBev.
- This refers to local suppliers for ThaiBev and entities in the group in which it has 100% shareholding (does not include Oishi, Sermsuk or international operations)

Green Procurement

We pay particular attention to our impact on the environment and are dedicated to conserving it. As such, ThaiBev has a green procurement policy aimed at reducing the use of resources in the production plan, through procurement of products that have been registered with a green label, redesigning packaging to reduce negative impacts caused by those products, and improving the actual production process itself.

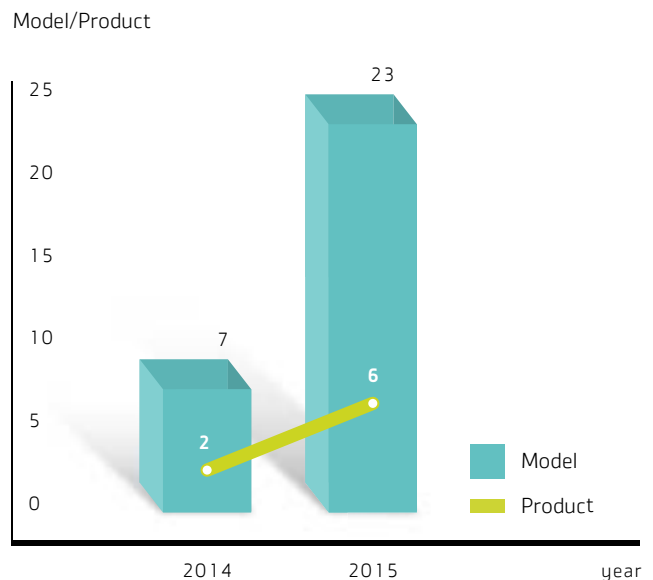
Purchasing of green labels

Where we can, we select products that have been registered with green labels, which are products that have been certified for creating less environmental impact than others. In 2014, ThaiBev procured 2 green label products which are copy paper and exterior paint (total 7 models). These are all products which are used daily in ThaiBev's operations and are consumed in high quantities each year. This is ThaiBev's first step towards reducing its environmental impact and waste from its products, and creating awareness among employees to adopt environmentally friendly practices beyond consideration of pure financial profitability. Furthermore, we have set a target for 2015 to increase purchase of green label products, and are committed to continuing this activity to ensure sustainable procurement.

3Rs Policy

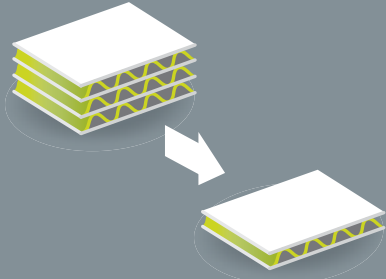
ThaiBev follows the 3Rs principle: Reuse, Reduce, and Recycle in order to meet the objectives of reducing our environmental impact, creating standards in the procurement process, and decreasing our production costs. The principle is being applied to our bottles and boxes.

Green Label Procurement



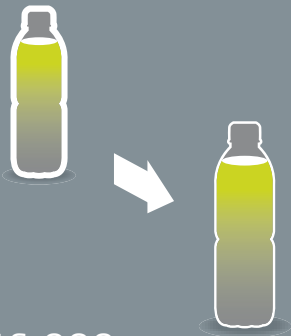
Reduction in packaging usage from our 3Rs policy in 2014

Reduce the paper usage in packaging



14,000 kilograms

Reduce the weight of plastic used for bottle model



56,000 kilograms

Reducing

We have also redesigned the form and size of our paper packaging in order to reduce the amount of raw material used. This project is a collaboration between our factory, procurement, and production teams, and has focused on finding ways to reduce the amount of paper used without impacting the quality of the product. By changing the size of the box, the corrugated paper, and the size of this corrugated paper in the past year, ThaiBev has been able to reduce the paper usage in packaging by 14,000 kilograms. Despite the reduction, we can assure that the quality of our packaging remains at a standard high quality.

Additionally, ThaiBev has reduced plastic use through its initiative to reduce the weight of plastic used for bottle molding by 56,000 kilograms. These initiatives reflect our company's commitment to reducing raw material procurement and usage, and we are dedicated to continuing these practices in the next years.

Reuse glass bottle



922,282,485 glass bottles
equivalent to
353,116.07 tons

Reusing

In 2014, we have reused 922,282,485 glass bottles, equivalent to 353,116.07 tons of glasses.

Recycle cullet



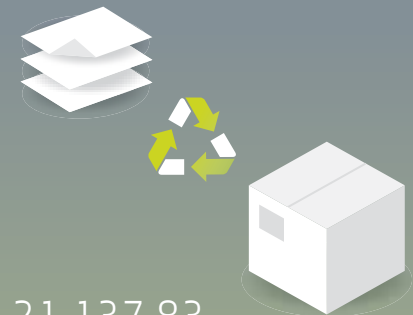
19,061.37 tons of cullet

Recycle Set of Carton-insert



1,648.75 tons

Recycle Old Corrugated Container



21,137.83 tons

Recycling

We have also recycled 19,061.37 tons of cullet, 35,898,463 sets of carton-insert that equivalent to 1,648.75 tons, and 21,137.83 tons of OCC (Old Corrugated Container)

Environment: Taking Care of Our Impacts

Water

Water is gaining attention as a key global and local issue, with water scarcity issues a particular issue of emphasis. This issue results from the increasing demand for water consumption and also results from climate change, which has direct impact to the richness of water resources.

Water is a main raw material for ThaiBev's business as a manufacturer and supplier in the beverage industry – with quality and quantity of water having a direct impact on our products.

We thus place significant importance on sustainable water management across our value chain – from both quality and quantity perspectives. We also place strong importance on responsibly managing wastewater from our manufacturing processes, as well as water scarcity issues.

Sustainable water management across the value chain

In line with our resource conservation policy, we encourage the use of water according to the 3Rs principle – Reduce, Reuse, Recycle:

- **Reduce** : By mean of improvement of process efficiency such as optimization and improve efficiency of Cleaning in place process resulted reduction of time consumed in rinsing fermentation tank process which is naturally reduce in water consumption.
- **Reuse** processed water e.g. the used cleaning water from bottle washer is feedback to pre-soaking bottle before through the bottle washer machine to improve the cleaning efficiency and reduce water consumption, in using water from steam trap and condensate water as feed water to Boilers to reduce water and energy usage
- **Recycle** water from backwash activated carbon and reject water from Reverse Osmosis (RO) to be used in in-house water supply. This also includes recycling treated water to use as a substitute for water used in treating waste water or watering the plants around the factory, and recycling water for agricultural purposes (planting rice, sugarcane, etc.) for the surrounding community.

Our efforts from 2012 to 2014 allowed us to reduce water consumption through reuse and recycling as shown below.

Table: Amount of water reused and recycled (cubic meters/year) 2012-2014

Business Group	2012			2013			2014		
	Reuse & Recycle (m ³)	Raw water, (m ³)	% of Reuse & Recycle	Reuse & Recycle (m ³)	Raw water, (m ³)	% of Reuse & Recycle	Reuse & Recycle (m ³)	Raw water, (m ³)	% of Reuse & Recycle
Spirits Business group	1,000,646	8,700,535		1,008,627	8,344,103		1,415,511	8,329,987	
Beer Business group	1,494,673	5,747,360	17	1,584,425	5,462,660	19	1,381,655	4,935,117	21
Total	2,495,319	14,447,895		2,593,052	13,806,763		2,797,166	13,265,104	

Remark: Source of water reused and recycled from calculation and flow meter

Water resources for our process is comprising of source from surface water, ground water, rain water, and municipal water supply, whereby the amount of consumption is shown below

The total amount of water used per production unit for the Spirits and Beer Business Group in 2012-2014 is shown below.

Table: Total water consumption (cubic meters)

Business Group	2012	2013	2014
Spirits Business Group	8,700,535	8,344,103	8,329,987
Beer Business Group	5,747,360	5,462,660	4,935,117
Total	14,447,895	13,806,763	13,265,104

Remark: Source of information from flow meter record measurement

Table: Total water consumption per production unit (liters/production liter)

Business Group	2012	2013	2014
Spirits Business Group	15.21	15.35	15.35
Beer Business Group	6.13	6.28	6.12

Remark: Source of information from spirit and beer flow meter record measurement



Effluent to environment

It was found that water consumption in 2013 for the Beer Business Group increased per production unit. This is a result of additional installed packaging line. Hence, in 2014, ThaiBev introduced projects to improve efficiency of water usage by mean of process optimization, reducing in loss, etc. By then the water consumption can regain to the expected target in 2014. We have installed continual improvement projects to push continual reduction of water consumption in 2015.

For Spirits Business Group, higher water consumption in 2013–2014 resulted from installation of Mechanical Vapor Recompression Evaporation (MVR) system (by Thaibev Energy Co., Ltd.) and cooling tower at Sura Bangyikhan plant to increase production efficiency and reduce energy consumption.

Aside from our measures to continual and sustainable improvement across our value chain, we've also signed up to participate in a water footprint project for food exporters with the Thai government. We're using water footprint to measure our consumption of water, which will not only reduce our water consumption, but also help us to manage our wastewater. The initiative will begin in February 2015, and end in June of the same year. ThaiBev is looking forward to supporting water consumption reduction and water resource optimization as a corporate citizen of the world.

Risk management of water sources

ThaiBev applies the Global Water Tool developed by World Business Council for Sustainable Development (WBCSD) and Aqueduct developed by World Resources Institute (WRI) despite the fact that all 18 Distilleries and 3 Breweries located in plentiful water areas. Through this, ThaiBev is able to identify water supply and scarcity risks in those areas that could impact not only ThaiBev itself, but also the surrounding community and environment. To address these risks, ThaiBev has conducted a study and invested in establishing a water supply system to substitute current consumption of ground water for the breweries group, and using ground water to substitute consumption of surface water in the distilleries group. In addition, ThaiBev also applies a risk management framework to help increase the efficiency of water resources management.

Risks from natural disasters such as floods and droughts can also affect changes in water quality. ThaiBev have now implemented measures to manage them as you'll see in the cases below.

- The factories of Sura Bangyikhan Co., Ltd. located in Pathum Thani province, Nateechai Co., Ltd. located in Surat Thani province, Cosmos Brewery (Thailand) Co., Ltd. and Beer Thip Brewery (1991) Co., Ltd. have each invested in building defenses surrounding the factories' perimeter to mitigate risks from flood.

- The factory of Sura Bangyikhan Co., Ltd. located in Pathum Thani province plans to invest in a liner pond project in 2015, which will help to control water quality risk of high chloride content during the drought season.

In addition, all spirits and beer factories also took into account the impact on surrounding community and has invested and been designed to protect such impact. For example, Beer Thai (1991) Public Company Limited and Beer Thip Brewery (1991) Co., Ltd. have built reservoirs to keep water during the rainy season, so no water from outer sources is not required in summer and is reserved for the surrounding community.

Wastewater management

Aside from ensuring that we have water sources of the right quality and quantity, we also recognize the importance of managing waste water management from our manufacturing processes. In this respect, we comply with ISO 14001, Green Factory Concept, and the Environmental Governance Project. Some of our key initiatives in this area include:

- Investment in an anaerobic wastewater treatment system ; (1) Up Flow Anaerobic Sludge Blanket (UASB), (2) Internal Circulation Reactor (IC Reactor) which is a high organic loading rate system, helping to reduce time and power consumption. The efficiency is higher than 99.5% and follow by aerobic wastewater system. Result is higher quality water 3-5 times when compared to regulation. In addition to the efficiency of the system we gain byproduct from the wastewater treatment process –methane –that can be used as a substitute to fossil fuel for boilers. At the same time result from anaerobic wastewater treatment system produces fewer sludge and reducing environmental impact.
- Managing intensive organic waste water through a burning method by using Slop Evaporator and Incinerator, resulted in heat energy that can substitute fuel oil for boiler. Application of this method benefit in a cost reduction for steam production by 64% per year, which equal to 13.5 million liters of fuel oil consumption. Moreover, byproducts can be used in place of chemical fertilizers and is a method for soil conservation.

- The research on the properties of distillery slop. Findings showed that distillery slop is composed of nutrients of benefit to plants and soil. With the permission and control from the government, ThaiBev has been able to support local farmers by providing 1.3 million cubic meters of distillery slop as fertilizer, in 2014 – eliminating their need to use chemical fertilizer. Waste-water from the production process which has been treated to standards is also used for in-house plant watering in accordance with our zero discharge concept.



Use of slop for soil improvement in place of chemical fertilizers



Aerobic wastewater treatment system

- The reduction of pollutants in treated water. The treated water has continue reduction of pollutant load 2% per year in term of Chemical Oxygen Demand (COD) units, equivalent to 0.009 kg COD/HL products, compared to the 2011 base year, we currently we have achieved COD reduction of 26,809 kg COD/year or 4.03% in 2014 compared to 2011. We have several initiatives aimed at cleaner effluent and create value by turning this waste to value added byproduct such as the initiative to reduce suspended solids from the Spent Grain Drying Plant by mean of taking away suspended solid from the waste from spent grain drying process and added value to create as valued by product and reduce suspended solid to waste water treatment. This initiative has implemented through the application of the Clean Technology (CT) or 3Rs principle. The initiative involves minimizing waste at the source, reducing chemical consumption throughout the value chain, and minimizing discharges from manufacturing process.

In our efforts to control the quality of treated water, we have a strong intention to install sustainable management and monitoring system. This is shown through the installment of equipment and the international environmental standards that our laboratory meets.

Our laboratories are all registered as a certified private laboratory and we are also certified as a water quality control specialist and water quality analyst accredited by the government body, the Industry Department. Beyond the government body certification, we have been certified with the International Laboratory management system ISO/IEC 17025 for the analyzing of BOD, COD, pH.

Online Reporting

Government agencies are welcome to perform quality inspections of our treated water at any time through the BOD online report to the Provincial Industry office and/or the Department of Industrial Works. In addition, we have competence human resources who are certified as a water pollution control specialist and water pollution analyst to operate and control water and waste water treatment activity. We have strictly set the target for effluent indicators to be tighter than the regulation requirements which would indicate our strong intention to having responsibility to the environment. Our performance can show that the treated effluent from our production site is continuously 3-7 times cleaner than the regulation limit.

Table: The comparison of result of treated water in each standard parameter

Parameter	Effluent		
	Standard Target per Regulations*	ThaiBev Target	Actual
pH	5.5 – 9.0	≤ 8.5	8.02
COD	≤ 120 mg/l	≤ 100 mg/l	28 mg/l
BOD ₅	≤ 20 mg/l	≤ 20 mg/l	3 mg/l
TSS	≤ 50 mg/l	≤ 30 mg/l	9 mg/l
TDS	≤ 3000 mg/l	-	914 mg/l

Remark: *Refers to Ministerial Notification No.2 B.E. 2539 (1996), issued in accordance with the Factory Act B.E. 2535.

Energy

Energy sources, especially electricity and thermal, are indispensable for our industry. Yet, current global and regional concern over climate change and resource scarcity have the potential to bring about direct impacts on our business sustainability, whether through rising prices and stakeholder expectations.

Part of the problem is rooted in the continuous, excessive consumption of energy by the business sector. ThaiBev recognize our role in helping to address this issue, and thus adhere to energy and environmental conservation policies that aim to enhance energy efficiency. Moreover, to enhance energy sustainability, we have been working on research and development to promote energy reuse and reduce environmental impacts from energy consumption from both alternative energy and renewable energy as well as sourcing for the alternative energy.

Energy and environment conservation policies

In view of widespread concern over energy scarcity and rising prices, ThaiBev has joined the pilot project for energy management promoted by the United Nations Industrial Development Organization (UNIDO). The factory of Sura Bangyikhan has been selected to be the pilot plant of the project in 2013. Follow by the factory of Red Bull Distillery (1988) Co., Ltd. in 2014 and the factory of Fuangfuanant Co., Ltd. in 2015. In additional, we aim to continuous improvement process for effectiveness of energy usage such as

- Improve efficiency of energy consumption and minimize waste energy; for example, reusing waste heat from ammonia gas to heat reverse-osmosis water before it enters the steam boiler. This method helped to reduce the quantity of energy used in heating reverse osmosis water and reduce waste energy from the system.
- Improving the energy efficiency of machinery and equipment; for instance, the redesign of heat distribution of our Wort Kettle Project can reduce the quantity of steam used during brewing process. Our Wort Circulation System also helps to reduce the average Dimethyl sulfide (DMS) in cooled wort and improve the efficiency of hop utilization which improve in both view of quality and cost.
- Introducing the Total Productive Maintenance (TPM) to support machine efficiency as well as energy saving

- Encouraging awareness raising campaigns and promotion on energy conservation
- Supporting ThaiBev employees in participating in energy conservation activities

In addition to installed sustainable management system, ThaiBev has adopted ISO 50001 as an international energy management standard to help improve capacity, efficiency and energy conservation. In 2014, we had two factories, including Sura Bangyikhan Co., Ltd. and Atimart Co., Ltd. which became certified by ACM SERVICES COMPANY LIMITED, in collaboration with Kasetsart University. Moreover, ThaiBev is planning to expand this energy management system to be implemented in every factory, with the objective of bringing about value in the following ways:

1. Increasing the efficiency of ThaiBev's energy management through adopting ISO 9001 and ISO 14001
2. Adopting standards as a guideline for benchmarking, documentation and reporting on the results of energy consumption improvements and management of Greenhouse gas reduction projects
3. Assigning responsible persons along the production process to encourage energy efficiency

4. Improving energy resources utilization to reduce costs and increase production efficiency
5. Supporting the development of new energy efficient innovations
6. Developing ThaiBev’s energy management practices, in a way which is concrete, practical and supports continuous improvement

Alternative energy resources management

ThaiBev has used renewable energy to substitute for non – renewable energy as a source of thermal energy, and to reduce the amount of electricity used in our factories. This is to reflect our dedication to reducing our environmental impact. The total amount of energy consumption can be found in the following table.

Table: Amount of total energy consist of Non-Renewable, Renewable and Electrical Energy

	Energy consumption from non-renewable (MJ)			Energy consumption from renewable (MJ)		
	2012	2013	2014	2012	2013	2014
Business Group						
Spirits Business Group	2,565,126,939	1,757,440,210	1,590,390,535	533,817,810	406,672,291	414,956,232
Beer Business Group	756,644,405	783,119,422	679,184,361	262,837,853	203,972,986	115,816,878
Total	3,321,771,344	2,540,559,632	2,269,574,897	796,655,032	610,645,277	530,773,110

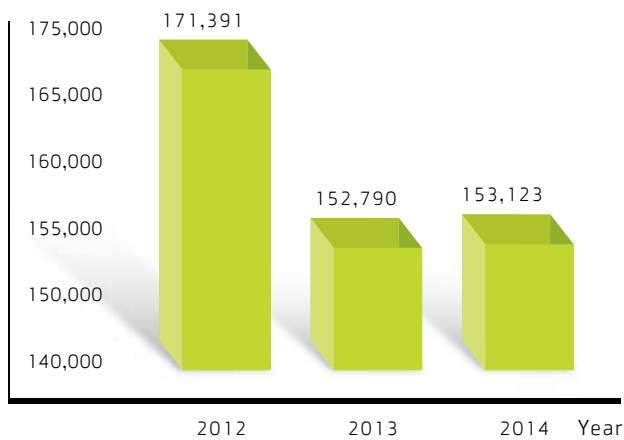
Remark: Source of data is from 18 distilleries and 3 breweries

	Electrical consumption (MJ)			Total Energy (MJ)		
	2012	2013	2014	2012	2013	2014
Business Group						
Spirits Business Group	264,032,412	219,831,309	221,847,173	3,362,976,531	2,383,943,810	2,227,193,940
Beer Business Group	352,976,602	330,211,757	329,396,760	1,372,458,859	1,317,304,165	1,124,397,999
Total	617,009,014	550,043,066	551,243,933	4,735,435,390	3,701,247,975	3,351,591,940

Remark: Source of data is from 18 distilleries and 3 breweries

Electricity Consumption from overall production lines

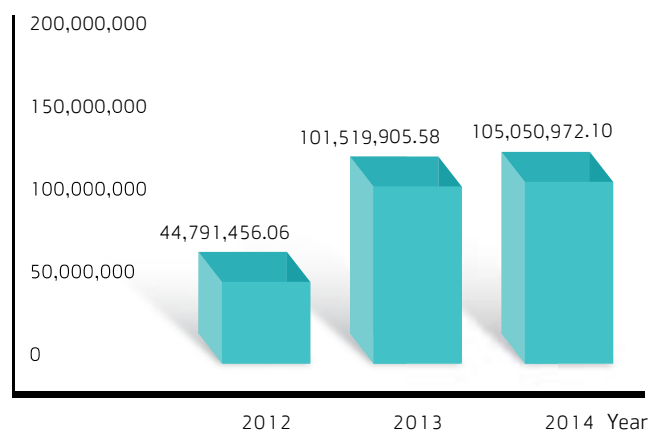
Megawatt-hours



Remark: Source of data is from 18 distilleries and 3 breweries
Factor of Electrical Energy 1MWH = 3,600 MJ

Cost Saving from solid fuel and C₂⁺

THB



Remark: Source of data is from Beer Thai (1991) Public Company Limited which has started implementing since 2012, Beerthip Brewery (1991) Co., Ltd. and Cosmos Brewery (Thailand) Co., Ltd. have started the program in 2014.

Examples of some of our related projects include:

- Thermal Hybridization**

ThaiBev has installed thermal hybridization machinery at our factories which enables us to effectively switch between power sources, including heavy fuel oil, biogas from the wastewater treatment, C₂⁺ which needs to be eliminated from the petroleum refining process, and solid fuel in the production process. This pilot project enjoyed tremendous success, resulting in the reduction of heavy fuel oil use by 90 percent.

- Solid Fuel and C₂⁺ for Boiler Project**

ThaiBev has studied alternative energy and replaced heavy fuel oil with solid fuels and C₂⁺. Through this, in 2012, the Company was able to reduce steam production costs by approximately Baht 100 million per year. The project also helped to improve air quality by reducing the quantity of dust caused by combustion, as illustrated in the graph below.

- Energy Conservation Project**

We installed the Mechanical Vapor Recompression Evaporation (MVR) at Sura Bangyikhan plant in Pathum Thani. This latest technology helps reduce the use of heavy fuel oil for steam production at 13.5 million liters, equivalent to 615.5 million megajoules of thermal heat. Moreover, it also helps mitigate the impact from gas emission and waste to the communities.

Emissions

Given rising global and local concern over climate change and air pollution, here at ThaiBev, we know we have an important role to play in ensuring we manage emissions from our operations as best possible.

Aside from having a clear policy and measures to control pollution and air emissions throughout our product cycle – from upstream to downstream ThaiBev also has a standardized air quality control system of United States Environmental Protection Agency (U.S. EPA). This system helps to ensure that any emissions from our facilities that has no negatively impact surrounding communities. In addition, our competence employees are also certified as an air quality control specialists and air quality analysts for both laboratories and pollution and are able to ensure that both treatment and controlling processes comply with standards.

The Company also regularly conducts air quality tests of air released from all stacks of our factories in Spirits Business Group and Beer Business Group. Test results indicated that the volume of particles dust, Oxides of Nitrogen (NO_x), and Sulfur dioxide (SO_2), emitted by the facilities beyond the required air quality standards as per the regulation limit of the Department of Industrial Works on Prescriptions of the Content Values of Air Contaminants Emitted from the Factory B.E. 2549

Air quality management

In addition to our policy ensuring that we conduct business in accordance with law, regulations and ISO 14001 we also actively focus in continous monitoring system by promote in high standard equipments and mechanisms in laboratory to control air quality at the standard. ThaiBev has installed air pollution reduction systems including:

- Gas Washer to reduce the quantity of Sulphur released in gas and the erosion of the steam generator



Measuring air quality at the stack of a spirits production site



Air quality from stack to atmosphere

- O₂ Trim to control the quantity of oxygen in combustion to ensure complete combustion without releasing excess air
- Bag Filter and Wet Scrubber to filter dusts, gas and vapor as well as small particles released from the stack of the boilers

According to the assessment of air pollution released from the stack of boilers, the values passed the criteria of the Notification of Department of Industrial Works. This obviously demonstrates the importance ThaiBev puts on ensuring that air quality control is beyond regulatory compliance.

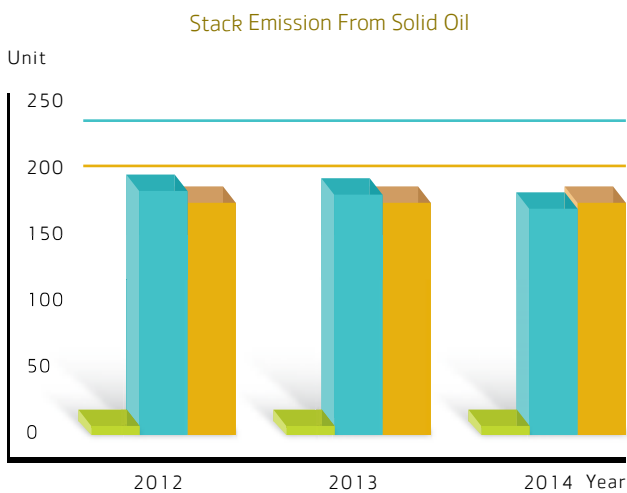
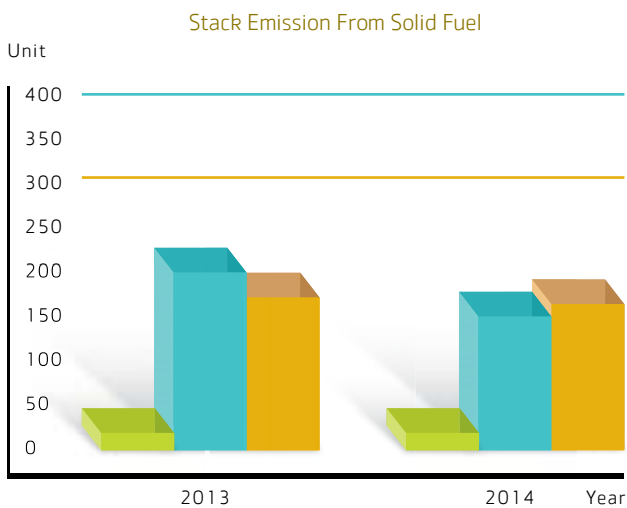
Table: Factory emissions compared to standard values by law and factory air quality values

Emission	Standard Values by the law	Factory air quality Values	2012	2013	Average
					2014
Dust (mg/m ³)	≤240	≤220	184.6	192.42	162.94
Carbon monoxide (CO) (ppm)	≤690	≤600	10.52	10.79	58.56
Sulfur dioxide (SO ₂) (ppm)	≤950	≤900	640.54	534.23	471.92



Nateechai Co., Ltd. in Surat Thani

Figure: Comparison to legal standard of pollutant in released air from breweries's boiler using solid fuel and fuel oil



■ CO₂ (%) Comparison based on the Notification of the Department of Industrial Works on Prescriptions of the Content Values of Air Contaminants Emitted from the Factory B.E. 2549. The amounts are calculated by standard methods:
■ Dust (mg/m³) CO₂ : Fyrite Method,
■ NO_x (ppm) Dust : Electrochemical Method
— Standard Dust NO_x : Electrochemical Method
— Standard No_x

The Notification of the Department of Industrial Works on Prescriptions of the content values of air contaminants emitted from the factory B.E.2549 does not mention CO₂ emission from the factory

Table: The cleaner portion of released air beyond regulatory compliance

Measurement Points	Level of cleanliness of released air from the stacks beyond regulatory compliance comparing to the controlled level (times)
Raw materials acquisitions and pollution control of dusts caused by raw materials processing	11.6 times
Spent grain drying	12.98 times
Yeast drying	23.5 times
Boiler	1.9 times

Greenhouse gas emission reduction

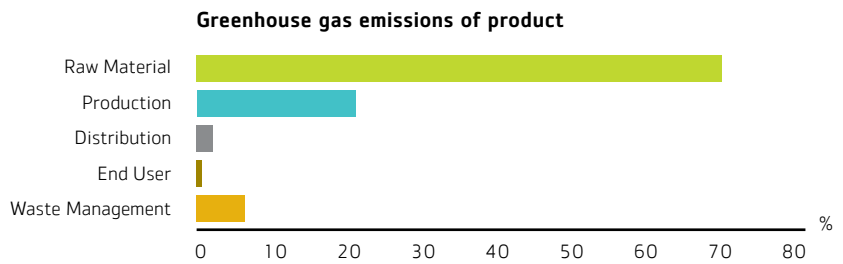
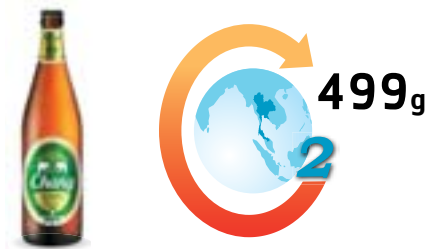
We're committed to being a leader in reducing greenhouse gas throughout our product cycle by adopting production technology, ensuring the sustainability of both our business and our stakeholders though ensuring we utilise local resources efficiently.

In this connection, we are proudly participating in the Carbon Footprint Project which is Good Practices on Productivity and Continuous Improving to Carbon Label Project, to demonstrate the quantity of carbon emissions along the product cycle – from raw materials acquisition, logistics and distribution, to consumers. Our participation in the Carbon Footprint Project reflects our commitment to transparency by actively participating in global warming reduction and complying with internationally-accepted carbon emission standards.

In 2012, Chang Classic Beer in glass bottles size (640 ml) emitted 523 grams carbon dioxide equivalent and became the first and only beer in Thailand granted a certificate from the Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment, along with approval to use the product carbon footprint symbol. Due to our continuous commitment to reducing our Greenhouse

gas (GHGs) impacts, in 2014, the 630 ml Chang Classic Beer emitted 499 grams carbon dioxide equivalent. Following recertification, we once again received the product carbon footprint symbol, with carbon emissions per bottle reduced from 2012 when compared at a 630 ml base, which is 3% reduction.

This is our key development from 2012 and we aim to continuously reduce our Greenhouse gas.



In addition, ThaiBev adopts the 3Rs Principles: Reduce, Reuse and Recycle to reduce carbon emissions in our business operations.

- Reduce – for example, reduce the height and thickness of spirit bottle, reduce the weight of brown bottles and reduce the height of whiskey box
- Reuse – for example, reuse old bottles and reuse used packaging
- Recycle – for example, re-melt cullet to produce new bottles

The 3Rs Principle helps reduce carbon emissions by approximately 187 millions kgCO₂e/y.

We recognise that the fuel we use can impact emissions and, as such, we place a priority on selecting fuels that create the lowest impact possible.

To support this, ThaiBev is currently conducting research and implement in alternative energy availability in Thailand. Our findings indicate that Petroleum Gas (C₂⁺) released from crude oil production has a relatively low environmental impact, and can be used for our steam generation. This is the clean energy alternative source that has been implement to reduce the non-renewable energy source and leverage the industry to minimize negative impact from emission this C₂⁺ as a waste gas to the atmosphere.

Table: Comparison of pollution quantity between Fuel Oil and C₂⁺

Emission	Fuel Oil	C ₂ ⁺
CO ₂ (%)	10.58	7.98
Dust (mg/m ³)	177.82	16.37
NO _x (ppm)	176.12	51.49

In addition, ThaiBev Energy Co., Ltd. has registered with the Thailand Voluntary Emission Reduction Program (T-VER) of the Thailand Greenhouse Gas Management Organization (Public Organization). As regards Spirits Production, ThaiBev has also registered for the Clean Development Mechanism (CDM) and UNFCC projects during 2015–2020, starting with Kankwan Co., Ltd. and its target to reduce carbon emissions by an average of 74,114 tCO₂e/y. Nateechai Co., Ltd. also has a target to reduce carbon emissions by an average of 26,588 tCO₂e/y. Fuengfuanant Co., Ltd. has a target to reduce carbon emissions by an average of 30,762 tCO₂e/y.

Society: Protecting and Sharing with Others

Consumer Health and Safety

As a leading company in the beverages industry, ThaiBev aware of our consumers' health and safety. Our aim is to develop quality beverage products that are safe for consumption, in line with both our own quality policies and international standards. For ThaiBev, we place food safety for consumers as our highest priority and we also respond to consumer's needs, which include safety and quality. To this end, we have a quality assurance protocol covering the entire production process – from the procurement of raw materials to the manufacturing process, and the delivery of finished goods. With this protocol, consumers can be ensured that all our products have an international quality and safety as specified by the regulations.

Food Safety Management System

In regard to consumers' health and safety, ThaiBev has established several quality control systems to comply with the international standards e.g. Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Point (HACCP), ISO 9001, and ISO 22000. These international standards focus on the safety of products by considering all physical, chemical and biological impacts to prevent contamination to 100% of our products. Our drinking water is also certified by National Sanitation Foundation (NSF), which inspects the quality of water in accordance with The United States Food and Drug Administration (U.S. FDA). All of our products also comply with regulations demonstrated in the table.

Table: Name of the International standard and regulation regarding quality of the products and the year that ThaiBev obtained certification

International Standard	Company/Year of Certified																						
	Beer Thai (1991) Public Company Limited	Beer Thip Brewery (1991) Co.,Ltd	Cosmos Brewery (Thailand) Co.,Ltd	SangSom Co., Ltd. (Nakhon Pathom)	SangSom Co., Ltd. (Kanchanaburi)	Fuengfuanant Co., Ltd.	Mongkolsamai Co., Ltd.	Thanapakdi Co., Ltd.	Kanchanasingkorn Co., Ltd.	Sura Piset Thipharat Co., Ltd.	Sura Bangjikhon Co., Ltd	Athimart Co., Ltd.	S.S. Karnsura Co., Ltd.	Theparunothai Co., Ltd.	Kankwan Co., Ltd.	Red Bull Distillery (1988) Co., Ltd	United Winery and Distillery Co., Ltd.	Simathurakij Co., Ltd.	Luckchai Liquor Trading Co., Ltd.	Nateechai Co., Ltd.	United Products Co., Ltd.		
ISO 22000 : 2005	2008	2009	2010					2009		2010						2009	2010	2009	2010	2009			2009
GMP/HACCP	2000	2003	2003				2004			2004						2004	2006						2009
GMP Codex Rev.4 : 2003		2006																					
HALAL			2009																				
NSF (National Sanitation Foundation)		2009																					
ISO 9001 : 1994		2000														1998	1999						
ISO 9001 : 2000		2003	2005				2005			2005						2003							
ISO 9001 : 2008	2010	2009		2009						2009			2009			2008	2009						
TLS 18001 : 2003			2007																				
OHSAS 18001 : 2007		2008	2009																				
ISO 14001 : 1996	2000																						
ISO 14001 : 2004	2006	2006	2005	2008	2009		2007		2008		2009				2007	2008	2009		2008				
ISO 50001						2014				2014													
Regulation	Alcohol Act B.E. 2493 released by Ministry of Finance Thai Industry Standard No.2088-2544 (Standard of Distilled Spirits) and No. 2090-2544 (Standard of Beer) released by Ministry of Industry Thailand																						

Remark: HALAL Certification for Chang Drinking Water



2010 marked the third consecutive year that Chang beer won the gold medal (2008–2010) and therefore, it was awarded the International High Quality Trophy as an honorary guarantee from Monde Selection.



Quality awards we are proud to have received

Quality Control and Assurance

ThaiBev also has a quality policy and plan that we use as a guiding standard in controlling raw materials receiving, manufacturing, tracking, inspecting, and finished goods checking processes. This ensures that our products comply with relevant standards and are traceable. ThaiBev has also established a laboratory which complies with the Good Laboratory Practices of the Department of Industrial Works (GLP/DIW) and has received ISO/IEC 17025 certification.

We have also established multiple channels which can easily be accessed by consumers or other stakeholders e.g. call center, mail, direct phone, and email. Consumers with quality concerns are able to contact us and feedback suggestions at any time.

Table: The lists of awards that ThaiBev has received

International Award	Year	Detail
International Golden Award for Food&Beverage	1982	Gold Medal : Sangsom
International Golden Award for Food&Beverage	1983	Gold Medal : Sangsom
Australian International Beer Awards (AIBA)	1998	Gold Medal : Chang Beer
International Golden Award for Food&Beverage	2006	Gold Medal : Sangsom
Australian International Beer Awards (AIBA)	2007	Gold Medal : Archa Beer
Beverage Testing Institute	2008	Gold Medal : Chang Beer Export
Monde Selection	2008	Gold Award : Chang Beer Export
The 2009 Beer Festival of the South Florida	2009	Gold Medal : Chang Beer Export
Monde Selection	2009	Gold Medal : Chang Beer Export
Monde Selection Bruxelles International Institute for Quality Selections	2009	Mekhong
Monde Selection	2010	Gold Medal : Chang Beer Export
Monde Selection	2010	High International Quality Trophy : Chang Beer Export
Los Angeles International Wine&Spirits Awards	2010	Mekhong
International Wine and Spirit Competition	2010	Mekhong
World Beer Awards Best Lager	2011	Chang Beer
Beverage Testing Institute USA	2012	Silver Medal : BlackMask Tropical Chai Spiced Pacific Rum
Monde Selection	2013	Gold Medal : Chang Beer Export
Monde Selection	2014	Gold Medal : Chang Beer Export

Innovation of Product Development

In addition to caring for our consumer, ThaiBev engaged in product innovation such as creating functional drinks which include vitamin water and functional water. We have also investigated using byproducts from the manufacturing process to make value-added products as the examples mentioned below:

- Brewer’s yeast from the manufacturing process is extracted to be used as supplementary protein, vitamins and minerals that are important for the human body. Brewer’s yeast can also be extracted as a food ingredient.
- Spent tea leaves from Tea Drink manufacturing process is extracted to get Catechin which has been used as supplement as the antioxidant material.

Safe Driving with ThaiBev

Apart from quality control of the products, ThaiBev also plays a very important role in reducing the number of accidents from drinking alcoholic beverage. “Safe driving with ThaiBev” is a campaign which has been promoted since 2004. The objectives of this campaign is to promote responsible drinking to the public when traveling on the road. This campaign has gotten a collaboration from the government, private sector, and other organizations from the past up to the present.



ThaiBev’s Safe Driving Project

Training and Education

At ThaiBev, we value our people as a fundamental and key success driver of the organization. To achieve our Vision 2020, we place critical importance on developing our people to reach their potential and improve their capabilities. Our approach is to take care of and develop our people equally – but, all the while recognizing that we'll need to take different methods to be able to meet their needs and career aspirations. Ultimately, we'd like our people to grow together with us.

People Development

We have a talent development plan to prepare our people for our international business expansion, especially to the ASEAN region. To meet this objective, since 2014, we have implemented the following initiatives:

Individual Development Plan (IDP)

Completing the Individual Development Plan (IDP) opens the opportunity for our people to make their development plan together with their direct supervisors, focusing on developing the required skills to improve their current performance and/ or to reinforce their strengths to grow up to the next level. The key success factor of the individual development planning process is the close cooperation between employees and their direct supervisors, starting from planning and agreeing on development approaches, to monitoring and evaluating.

Succession Planning Program

Owing to the importance of business continuity and the promptness of successors of critical positions, Succession Planning Program was started informally in 2014. Certain critical positions were identified, especially positions that will be vacant in the near future due to the retirement of current jobholders. A number of candidates will be assessed and developed; and finally one will be named the successor. This pilot program was conducted for the Accounting and Finance Unit first and we plan to roll out similar projects to other units in 2015. Nevertheless, the succession plan will be reviewed every year to ensure the accurate needs for successors for critical positions in the organization.



Executives training employees on management strategy

Performance Development

Our performance evaluation is completed with fairness and transparency without any limitations of age, gender, or level of position. Our people always have the right to know how they are performing, understand their areas for improvement, and are expected to develop their own development plans accordingly. This allows for their continuous self-development, in parallel with organization growth.

The formal performance evaluation is conducted at least once a year. In 2014, 100% of our people were evaluated.

Additionally, we provide training to match our people's roles and responsibilities, and position levels. This is to strengthen their skills, expertise, and knowledge required for working in current and future roles.



Employee and management training

Figure: Employee Training Hours in 2014



Governance and Compliance

We recognize that ensuring good governance and compliance is our social responsibility, and also a critical factor to the sustainability of our business. We have always been committed to conducting our business with transparency, and right and good intention – and, as such, we've been fortunate enough to be accepted as part of our communities from the past to the present.

Good Corporate Governance

At ThaiBev, we conduct our business strictly in alignment with good corporate governance principles, and have effective business management processes that are transparent and traceable. We not only comply with regulations, but also aim to be a model for professionalism, transparency, and good corporate governance, in order to create trust amongst our shareholders, investors, employees, customers, and all concerned parties.

ThaiBev has disclosed its good corporate governance report in the Annual Report for 2014, which clearly presents Board matters, remuneration matters, accountability and audit, and shareholders rights and responsibilities. The said Annual Report also disclosed the information of operating results, business opportunities in the future, and the approaches we will take to become a sustainable organization. This includes how we will leverage our internal stakeholders to create competitive advantage and long-term value to the shareholders. We also share the importance of developing ourselves continuously to create value for our customers, and demonstrate our responsibility to our internal and external stakeholders.

To ensure we grow our business with sustainability and acceptance from society, ThaiBev has established the 'Business Ethics of Thai Beverage Group' code to which personnel of all levels must strictly comply. Our business ethics code consists of four parts as follows: Business Ethics of the Company, Ethics of the Directors, Ethics of the Executive Officers, and Ethics of the Employee.



In 2014, ThaiBev received the Most Transparent Company Award 2014 in the Foreign Listing category from Securities Investors Association (Singapore) (SIAS)

The Business Ethics of ThaiBev Group that personnel at all levels strictly observe enables ThaiBev to operate its business in accordance with applicable regulations and laws. Business Ethics of the Thai Beverage Group has been established as part of our responsibility to all our stakeholders. We commit to all parties that we will conduct our business truthfully, lawfully, and will not give, offer to give, receive, accept, or request any bribes.

We apply these ethics in all aspects of our business and have a policy of transparency which allows us to trace our activities. For example, where we, in the past established a new factory, we studied the relevant regulations and also established a governing committee to oversee the project. All standard procedures were strictly followed including area surveying and interviewing local stakeholders to ensure all views were taken into account. From the results of the study, ThaiBev developed an action plan to manage impacts and/or prevent impacts that might occur in the future.

Business Ethics are also a key part of the orientation program for new joiners. We also have e-learning to ensure that employees are updated at all times. In 2014, ThaiBev launched 'Code of Conduct – E Learning' which is a prerequisite for passing probation for new joiners.



Inventing cash van 2020 team 10 finalist teams in the Core values Contest 2014.



3 winning teams from the core values contest 2013 during their field trip to Japan.

At ThaiBev, we have initiated a set of core values since 2011 and one of them is “Virtue”, meaning that we are committed to business ethics, goodwill, integrity, and transparency. Our core values and corresponding behaviors are communicated to our people through various channels within ThaiBev, namely e-news intranet, information boards, banners, and video clips. This is to ensure that our people understand and are able to display their behaviors accordingly. Moreover, throughout the year of 2014, we have conducted the “Core Values Roadshow” for our business units all over the country.

‘Business Ethics of Thai Beverage Group’ clearly mentions the importance of anti-corruption, and corruption prevention. We aim to conduct our business with honesty, truthfulness, morality, and ethics and comply with the regulations. Every working step is transparent and under the supervision from committees. Complaints relating to corruption can be raised through suggestion boxes.

ThaiBev has been fostering our people to work with strong ethics and morals for a long time. To make it tangible, our HR Department arranged a “Dhamma on Tour” activity for the second year since 2013. The activity was instructed by Phra Maha Sompong, and provided guidance on how to work happily with morality and transparency. In 2014, 5 sessions were conducted in our offices in various locations.

ThaiBev’s good governance leads to complete compliance to law and regulations. Additionally, ThaiBev keeps monitoring, preventing and withstanding every form of corruption by raising and embedding awareness into employees’ mindset, resulting in no reporting of non-compliance.

Marketing Communications



At ThaiBev, we are fully aware of the potential negative social and safety impacts that alcoholic products may give rise to, if not consumed in an appropriate manner – and it's a critical priority for us to minimize these impacts the best we can. In this connection, we place strict attention on ensuring that the marketing and advertising of our alcoholic products comply with regulations.

Internal controls

Our policy is that every advertisement complies with regulations. Prior to the release of any advertisement to the public, our legal department will ensure that their content will not be restricted by any regulation.

In addition, our legal staff is regularly sent on training courses arranged by the government, and our legal department also collects, maintains, and updates our database to cover both government regulations and other relevant information, so as to ensure that they are always up-to-date with new regulations and that ThaiBev is always in compliance with regulations.

Internal and external communications

We believe that communicating with and educating both our employees and our partners helps us in sharing information and ensuring compliance with regulations.

ThaiBev therefore places importance on sharing knowledge on the legal context concerning advertising, especially to employees in sales and marketing department by conducting legal seminar, as well as sharing general legal knowledge to employees in other departments by publishing a column in our ThaiBev Magazine on the topic called "Mr. Law", which we publish on a bi-weekly basis.



Cooperation with the public sector, both in terms of complying to anti-corruption regulations and demonstrating responsibility to our consumers.

Communication to our partners is also important. All our legal units in each regional office are assigned to provide necessary legal context background and other useful information to partners in their responsible areas.

Cooperation with the public sector and other industry players

ThaiBev also regularly engages with regulators and other alcoholic beverage manufacturers and suppliers in order to obtain views and suggestions on regulatory issues. In addition, we promote knowledge sharing and provide suggestions to regulators to help ensure that the process for issuing regulations are as clear, suitable, and beneficial – to both the public sector and industry – as possible.

Our procedure with communications to develop understanding among employees and suppliers effectively help prevent issues arising from non-compliance.

Local Communities

“The implementation of [ThaiBev’s] corporate social responsibility activities should consider 3 key aspects: being close to our business, engaging with our customers and engaging with our business partners”

Thapana Sirivadhanabhakdi

President and CEO

ThaiBev Public Company Limited

In order to grow sustainably, we believe that there must always be a clear vision and goals in place to guide development. This is no less true when it comes to community and social empowerment. ThaiBev aims to support local communities and their people to be self-sufficient in a way that suits their livelihood, local values and wisdom – so that, as we grow, they may grow alongside us, sustainably.

In this connection, in collaboration with other organizations with the same goals, we’ve developed initiatives that focus on building prototypes role models for other localities in every region, and supporting them to effectively manage and leverage local natural resources to create value for communities, society and the nation as a whole.

We’ve set clear guidelines for implementing our social and community development initiatives. In particular, ThaiBev has initiated a policy to develop role model communities that are resilient and sustainable, allowing members to collaborate and work together to create value that truly benefits the society as well as is able to continue operating projects on their own over the long term.

ThaiBev leverages the Hub and Spoke strategy, which seeks to increase cooperation from a large stakeholder group in implementing community development projects. The first principle in the strategy is to build a capable model community (Hub) that will act as the knowledge base and can influence surrounding communities. The model community can encourage others to become interested and take quick action.



Our Corporate Social Responsibility (CSR) department is responsible for the implementation of this strategy, and are applying it both to the communities surrounding our operations, and the development of model communities (Hub).

Community engagement

Areas surrounding factories

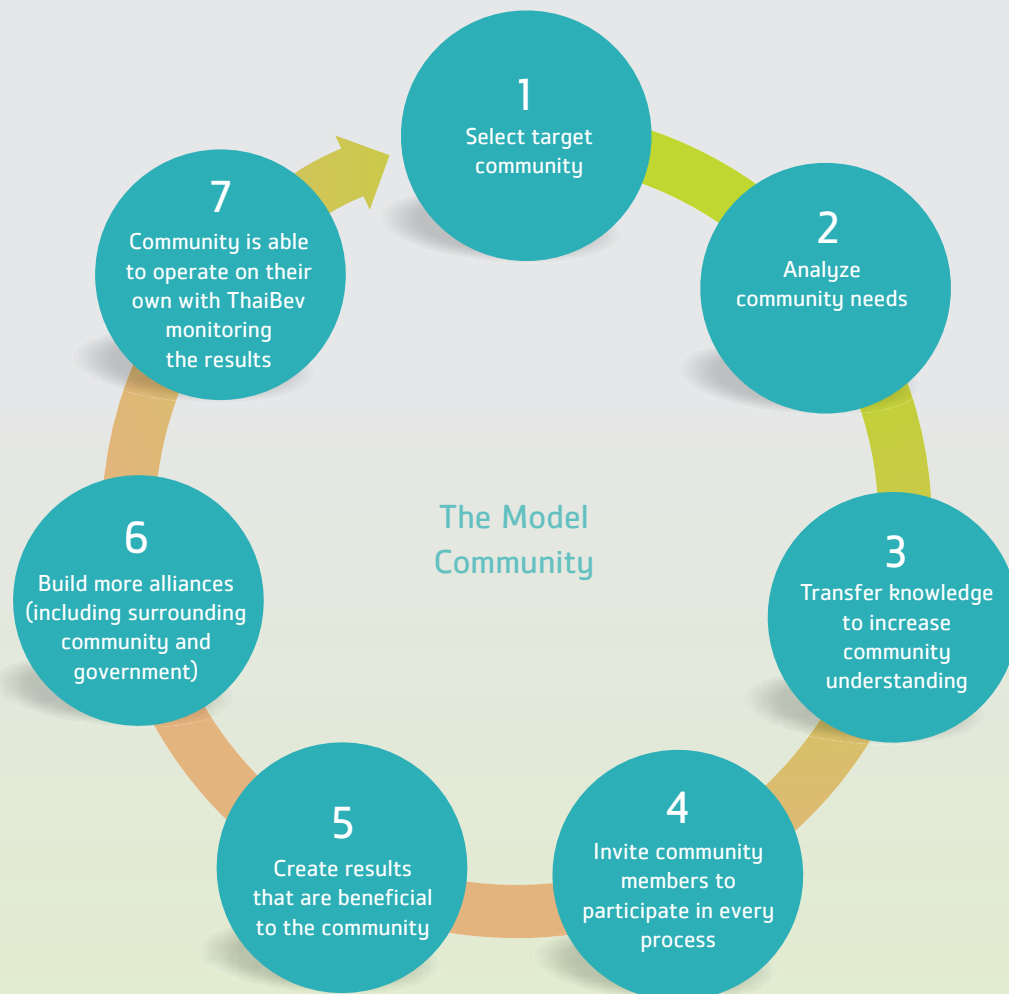
90.4% of overall areas

(Implemented in 19 out of 21 factories)

Sale Target Areas

50% of overall areas

(Implemented in 11 out of 21 provinces)



Communities surrounding our operations

ThaiBev has taken big steps to build continuous relationships with surrounding communities and improve understanding, in order to minimize conflicts with our operations. Through our engagement, we also aim to develop communities in a sustainable way – as we believe that we cannot operate effectively without a strong and supportive community around us. We have various initiatives to respond to the community's needs as follows.



Youth camp activities undertaken as part of the Role Model Community Project at Bang KhuWat Community

"Model Youth Bang-Ku Wat" Project	
Context for sustainable development	<ul style="list-style-type: none"> Surrounding communities did not have a positive perception of our operations Conflicts often arise between the community and our operations As a semi-urban community with high development gap, youth are at risk for precarious activities
Objectives of the project	<ul style="list-style-type: none"> To increase the leadership capability of 60 community leaders in the first 3 years of the project To increase the leadership capability of 120 youth through training and consultation in the first 3 years of the project To develop at least 6 pilot projects on quality of life development that emphasize the importance of engaging with the community with regards quality of life (e.g. promoting cultural values, developing the economy, improving physical well-being and education) in the first 3 years of the project To encourage participation from ThaiBev's employees in community development
Approach	<ul style="list-style-type: none"> Develop leadership capability amongst children and youth in the area surrounding the Sura Bangyikhan factory, Pathumthani province Develop employees at the Sura Bangyikhan factory to build cooperation and capability of scholars as mentors in the Beta Young Entrepreneur Leverage the capability of the children and youth in the program to connect with the community leaders in the 12 villages surrounding the factory.
Duration	2013-2015
Outcome	Currently in progress, the children and youth in the community have initiated 6 pilot projects under the role model club, Bang Khu Wat community .They are now more aware of the project and ThaiBev operations
Monitoring	Monitor the project and its results regularly with the Kenan Institute Asia

"Building Good Community with Smiles" Project

ThaiBev places importance on communities in the factory area because we believe that growing together with communities will support us in growing sustainably. ThaiBev then created engagement activities and provide frequent communication to the communities.

We aim for active response to communities' needs especially with regards to creating happiness to the surrounding communities. We then initiated the "Building Good Community with Smiles" Project because smiling is the symbol of happiness. We continue to create smiles and happiness throughout the country in order to build good communities and a strong society by leveraging on experienced personnel to enhance this project.

For all 12 communities under the "Building Good Community with Smiles" Project ThaiBev pays attention to children and youths, especially those who live in remote locations. We conduct a local survey to obtain the needs of each specific location and found that education, music, arts and sports are the needs for those children and youths.

Our interaction with the communities created an understanding to our business and showed our responsibility to the community. In addition, the project also created a stronger relationship between ThaiBev and the local communities.



Children and youth participating in ThaiBev's Building Smiling Communities Project



Student in the Beta Young Project participating in various community-building activities



Music skills training by the Ajarn Sugree Charoensook Foundation, and Art skill training by Silpakorn University, as part of ThaiBev's Building Smiling Communities Project



One of our proudest achievements is supporting 'Bird' Ekachai Jeerakul to achieve first place in the classical guitar category of the GFA Guitar Foundation of America International Concert Artist Competition, 2014

Education

ThaiBev aims to cultivate the love of reading in children and youth through the "This Book for my juniors" project that donates textbooks and extracurricular books to them.

Moreover, ThaiBev initiated the "Beta Young Entrepreneur," project which, in collaboration with "Good Community with Smiles" project, helps provide educational guidance and recreational activities to develop learning potential of youth in several areas. Beta Young students from the "New generation entrepreneur for the community" project have been supported by Sirivhadnabhakdi foundation and Thai Chamber of Commerce, Thai Chamber of Commerce University, which developed this curriculum for its Bachelor's Degree program, Faculty of Business Administration, Thai Chamber of Commerce University. This project aims to develop new, young-blood entrepreneurs with strong potential and teaches them to conduct business with ethics, moral and social responsibility.

HRH Princess Naradhiwas Rajanagarindra's Teacher Awards

In addition to supporting and enhancing learning opportunities for students in various areas, ThaiBev also recognizes the importance of "teachers" – especially those known to be committed, dedicated, and self-sacrificing in performing their duty with for the common good. It does this through the Compassion of Her Royal Highness the Princess Mother Project, "HRH Princess Naradhiwas Rajanagarindra's Teacher Awards". The award honors outstanding teachers that are recruited from amongst volunteers, the Thailand Mountain Community Learning Center, the border patrol, the department of basic education, and remote areas in the highlands (9 provinces in the North) and 3 Southern provinces. The award also serves to encourage teachers to continue to teach and in turn generate positive benefits for the country.

Music and Art

ThaiBev invited a voluntary speakers from Dr.Sugree Charoensook's foundation to share knowledge on music. Also, the Faculty representatives from the Faculty of Decorative Arts, Silpakorn University was invited to be a lecturer and share inspiration with us

Sport

ThaiBev has been dedicated to implementing sports projects continuously for over 15 years. We see the harmony that football brings to many people in Thailand, given its popularity across a large group of people; this is similar to ThaiBev products that create harmony through its various product lines and distribution across different regions in Thailand.

ThaiBev provides comprehensive support for football to youth, professionals, and national and international level players. Our dedication to sports is in line with our dedication to our work around the area of sustainable development. In the past 15 years, the budget for a majority of our activities were focused on ThaiBev sports, in particular football. One of our long-standing initiatives is the ThaiBev Football Academy, which aims to not only create opportunities for youth to learn and develop skills in playing football, but also develop knowledge in the areas of science and sports according to internal standards, free of charge. These are necessary requirements to develop the to the international football standards.



Developing football skills as part of the Chang Mobile Football Unit Project



Children and youth participating in the Chang Junior Project

From there, ThaiBev dispersed the opportunities to learn throughout the regions through the Change Mobile Football Unit Project; the project acts as Thailand’s first mobile football clinic. With the objective of strengthening Thailand’s sports capacity, ThaiBev also conducted the Chang Advanced Football Camp where each year, ThaiBev conducts the camp throughout the different regions around the 30 provinces where ThaiBev has operations or key business partnerships.

In addition to dispersing opportunities, ThaiBev is also a part of developing strong football capabilities in Thailand towards excellence. This is achieved through the formation of the Chang Junior football team for youth aged 12–14–16. Members of the team are selected from the ThaiBev Football Academy. ThaiBev also works towards building capabilities through the selection of youth throughout the country to be awarded the Assumption Thonburi “White Elephant” scholarship. Furthermore, ThaiBev worked collaboratively with the Everton Football Club in England to support the Chang Everton Junior Football project. Within the project, there are 4 key programs, namely Chang–Everton Advanced Football / Chang–Everton Coaching–C License (AFC) / Chang–Everton Junior Cup / Chang Thai goes to Everton. The objectives of these programs are to create experiences and embed sustainable conducts towards becoming football professionals with the mind set of training, as well as build partnerships with football agencies around Thailand. This is in line with ThaiBev’s sustainable development framework to create solid knowledge foundations prior to operating. The continuity and clarity in actions that ThaiBev takes, makes ThaiBev one of the strongest private company in the Thailand football arena.

“School Bird” Project	
Context for sustainable development	<ul style="list-style-type: none"> The urban community lacked collaboration due to political conflicts If Fuengfuanant Co., Ltd. was not able to respond to the complaints raised by the community in a timely manner, misunderstandings could have arisen
Objectives of the project	<ul style="list-style-type: none"> To increase the community’s quality of life To promote schools as a center for life-long learning for everyone in the community, as well as a center for economic, social, and democracy development To develop teachers’ and students’ capabilities and civic mindedness
Approach	<ul style="list-style-type: none"> ThaiBev has worked together with the Population & Community Development Association (PDA) to continuously improve the community In 2013, ThaiBev expanded collaboration to the Quality of Life project by having the Baan Taa Toom school, Prajeenburi Province as a School Bird center The center aims to improve the quality of life of the entire community including government agencies, local government, academics employees, children, youth and parents, in order for it to become a model community. The key learnings can be transferred and adapted to other tambons and villages as appropriate
Duration	2013–2015
Outcome	<ul style="list-style-type: none"> An organic lunch community learning center where participants may sell their products Increased collaboration between community members, schools, and ThaiBev Local community participation in community development
Monitoring	<ul style="list-style-type: none"> We evaluate the outcomes of the project with PDA continuously



HRH Princess Maha Chakri Sirindhorn, as the Chairperson of the institute of Bhumirajanagarindra Kidney Institute Foundation, graciously visited Bhumirajanagarindra Kidney Institute Hospital.



“Bhumirajanagarindra Kidney Institute Foundation”, the first hospital in Thailand to be dedicated to the comprehensive treatments and researches of kidney diseases.

Public Health

Founding of Bhumirajanagarindra Kidney Institute Hospital, Asia's leading kidney institute, to offer to His Majesty the King as a contribution to his charity fund.

ThaiBev, in collaboration with Sirivadhanabhakdi Foundation, sponsored the foundation of Bhumirajanagarindra Kidney Institute Hospital and subsidized medical appliances for the royal charity on the auspicious occasion of the 60th anniversary celebration of His Majesty King Bhumibol Adulyadej's accession to the throne.

Construction was completed 2 years prior to providing services for outpatients in August 2012.

On August 18, 2007, Her Royal Highness Princess Maha Chakri Sirindhorn named the hospital "Bhumirajanagarindra Kidney Institute" – derived from the royal title of His Majesty the King and HRH Princess Galyani Vadhana, bestowing the greatest royal grace towards nephropathy patients – the number of which has been increasing every year.

On September 28, 2007 Her Royal Highness Princess Maha Chakri Sirindhorn accepted the role of President of the Foundation and officially registered "Bhumirajanagarindra Kidney Institute Foundation" to start providing healthcare services on May 10, 2013.

Recognizing the necessity to support the "Bhumirajanagarindra a Kidney Institute Hospital" to be more than a specialized hospital, and able to provide full services for kidney diseases patients, ThaiBev helped fund further research and study for nephrology-specialized doctors and nurses. We expect that they will be able to leverage their expertise in this field to provide services and educate people, as well as to exchange knowledge with experts and medical professionals from other hospitals, such as King Chulalongkorn Memorial Hospital, Siriraj Hospital and Ramathibodi Hospital, in order to build greater collaboration in kidney diseases treatment in Thailand

Chang Medical Clinic

The initiative for the Chang Medical Clinic came from Mr. Charoen and Khunying Wanna Sirivadhanabhakdi to provide healthcare services for local people in the communities surrounding factories and general public. We helped gather specialized medical practitioners to provide treatment without cost (charging only medication fees at cost). The clinic opened on January 9, 2007 at Mae Lad District, Amphur KlongKlung, Kamphaengphet Province and received royal notice from HRH Princess Galyani Vadhana. Currently, there are a large number of patients receiving medical treatment at the clinic.



Chang medical clinic provides healthcare services in the Kamphaeng Phet province.

Model communities (Model)

In addition to communities surrounding ThaiBev's factories, we have been working with some communities that we see as potential 'models' for others. We assess their capability based on leadership; awareness-raising is then the first stepping stone toward sustainable development. Moreover, there must be strong and dedicated community leaders, who are able to lead development and build networks with other communities to share progress and success. There are some success stories from communities that have become models in several areas:

"Tambons with Honest Livelihood"

Together with the Right Livelihood Foundation and company volunteers, ThaiBev seeks to identify strong communities that are proactive in developing their management capability in accordance with their development plan. In line with Dr. Prawase Wasi's concept of 'sufficient livelihoods', that do not exploit the self, other people, or the environment, the outcome of this collaboration is the '1 Company 1 Tambon' project, which focuses on developing model communities based on their strengths and uniqueness. Communities are asked to participate in sharing problems that may have hindered development, and enhancing the sustainability of their own communities. Currently, there are 3 pilot projects in 3 Tambons, namely:

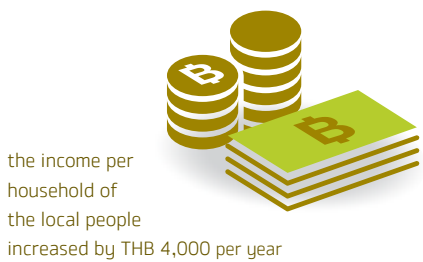
Nan Province: "1 Organic Farming 1 Company 1 Right Livelihood Tambon" Project

Tambon Bua Yai, Nan Province is the targeted tambon which aimed to potentially be a prototype community (Hub). We conducted a local survey and found that local people are currently facing problems of non-plentiful areas due to the wrong practices in plantation, dry water resources, forest invasion, and also cancer, due to chemicals used in agriculture.

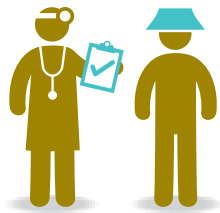


Format for baling water to high areas for organic agricultural processes and non-toxic vegetable plantation. To ensure good quality of life for the community in our 1 Rai organic farming for Model Livelihood Tambon in Buayai Tambon. Na noi district, Nan Province, to return richness to our land, water, and forests.

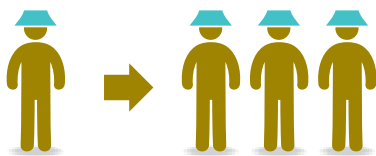
Results that were achieved from the “1 Organic Farming for the Model Livelihood Community” Project (Nan Province)



the income per household of the local people increased by THB 4,000 per year



less amount of chemicals found



The number of project members raised from 100 to 300 people

ThaiBev helped the community to enhance its development plan and also take it into action. Organic plantation is initiated in order to solve the issues regarding water sources, forests, and the use of chemicals in agriculture. The initiative focused on areas with high water resources as the first priority, starting with a 1 rai area and expanding into many areas afterward. In addition to the organic plantation, ThaiBev also encouraged local people to save money by initiating the “THB 1 saving per day” project in order to create the fund to carry on some other useful projects in the future which started out with 100 local participants.

After the implementation of the project, water scarcity was still a challenging problem because out of the 214 water sources, there were only 4 active sources that can be used for agriculture. In addition, since the project area is located in highlands with mountainous areas, water supply is one of the most challenging problem. As a result, the outcome of the project did not reach a satisfaction level as high as expected. For this reason, ThaiBev adapted frameworks and lessons learned from His Majesty the King’s Project on managing water in highlands, by requesting the engineers from Pu Far Pattana Center to conduct knowledge sharing regards how to supply water to highland areas. The trial project was implemented through 11 areas which connected up to a 200 rai area with 165 population coverage.

The outcome of the initiative was beyond expectation, with water sources recovered into plentiful condition faster than the initially planned timeline and the organic plantation providing high productivity. We also observed that the income per household of the local people increased by THB 4,000 per year as a result of additional income from selling those organic products. Moreover, results of the blood test conducted on the local community were positive, with less amount of chemicals found. As the results from projects implementation, Bua Yai Tambon quickly became a well-known community (Spoke). The number of project members raised from 100 to 300 people and the government came to support the project, initiating a weir recovery project at the same time.

With the corporation from all parties, self-development initiatives, and Hub and Spoke strategy; ThaiBev’s initiative was successfully implemented and recognized by The National Reform Council as the model initiative at the country level, to be leveraged at other communities further.



The development of the Poanthong Model Tambom to ensure sustainability, support livelihoods, and create a community economy under the concept of organic farming for all tambons in the poanthong area, Mung District, Chaiyaphum Province.

Chaiyaphum Province: Model Tambon on Organic Farming with ThaiBev	
Context for sustainable development	<ul style="list-style-type: none"> • A community had capability and local wisdom in rice processing but was still unable to meet market demands. They also lacked distribution channels and standardized packaging • Health problems from agriculture • Lack of effective community management
Objectives of the project	<ul style="list-style-type: none"> • To develop a model organic farming learning center • To reduce household costs in farming • To build capability, knowledge and skills for organic farming, as well as technology, to increase agricultural produce and management techniques for change agents • To develop prototyped chemical-free organic rice and vegetable plantations to increase production and income for farmers
Approach	<p>Phase 1</p> <ul style="list-style-type: none"> • Develop the whole production system of germinated brown rice to address the market demand • Develop and improve community drinking water production to reduce cost and increase income from selling clean water and enhance the economy in the Tambon <p>Phase 2</p> <ul style="list-style-type: none"> • Push forward the Tambon master plan to drive the economy through organic farming, consisting of <ul style="list-style-type: none"> ✓ model plantations and rice intensification across 20 rai for 20 households (riceberry) ✓ Set up organic vegetable gardens for 25 households ✓ Develop organic fertilizer to support and reduce cost in organic farming
Duration	2013–2014
Outcome	<ul style="list-style-type: none"> • Ability to produce germinated brown rice with standardized process, and broader markets, especially medium and large sized markets • Leaders able to implement the model plantation (rice intensification and organic farming) for 20 households • Ability to increase rice production by around 800–1,000 kg per rai and increase income of Baht 6,000–10,000 per rai • Leaders have deep knowledge in rice intensification and are able to leverage their knowledge to help people in the community • Empowerment of the local organic fertilizer group to produce standardized fertilizer at reasonable prices for the community • Reduction in expenses of farmers through organic farming • Increased quantity of organic vegetables produced in 25 households: increase in income of Baht 1,000 per household per month and no less than 20 percent increase in prices • Development of 25 learning centers on off-season organic vegetable growing (1 rai, 1 family)
Monitoring	<ul style="list-style-type: none"> • Continuously monitor the results of management, distribution and expansion of Tambon model towards other localities

Surat Thani Province: Model Tambon on Sustainable Natural Resource Conservation through Community Tourism	
Context for sustainable development	<p>People in the community lacked knowledge and direction in community management around the topic of</p> <ul style="list-style-type: none"> • Standardized management and planning on community tourism • Local herbs development (this Tambon is one of the best sources of local herbs in the Southern region) • Depletion of mangroves and natural resources • Integrating all natural resources in the area to build sustainable community economy
Objectives of the project	<ul style="list-style-type: none"> • To develop and leverage community activities under the Tambon strategy which covers all relevant dimensions (tourism, herbs, natural resource conservation) • To develop activity groups/community enterprises that promote greater income and economic development in a community • To develop a working mechanism that integrates all activities to reflect the overall capability of the community • To restore natural resources and community livelihoods
Approach	Inspire and leverage knowledge of local resources to improve community economy through tourism and conservation of local natural resources, with participation of tourists and villagers
Duration	2014
Outcome	Ongoing development
Monitoring	Monitor and continuously develop new plans with coordinators and community members



Eco-tourism activities aimed at creating a community economy, starting from building competencies and conserving natural resources in the area to create value added products / activities, in order to support the livelihood of communities in the Kao Tan Tambon, Taachang District, Surat Thani province.

“ThaiBev Unites to Fight the Cool” Project

This project was initiated because ThaiBev wanted to share warmth through providing quality green blankets for those experiencing declining temperature. The project aims at targeting the impoverished population especially in the rural Northern and North Eastern regions, where this natural disaster is experienced continuously. ThaiBev has donated 200,000 blankets each year throughout the last 15 years (2000–2014), totaling 3 million blankets. (If the blankets were lined up, the distance would equal 6,090 kilometers, and the area would equal 7,740,000 square meters).

ThaiBev worked cooperatively with the Department of Disaster Prevention and Mitigation, Ministry of Interior to deliver this project successfully across the various provinces. The project was also a collaboration with the local agencies in each province.

The success of the project was a result of 4 factors, namely

- Continuation of the project: Throughout the past 15 years, we have delivered up to 3 million blankets, and we are committed to continuing to share this project with society
- Efficiency in operations: The collaboration between ThaiBev and the Ministry of Interior, local agencies, and the private sector
- Quality of the blankets: ThaiBev checked the blankets stringently throughout the past 15 year to ensure quality and usability of the blankets
- Timing of the project: We are determined to provide blankets to the victims before the winter arrives each year to ensure warmth and success of the project

In addition to supporting those in crisis or those affected by natural disasters, in all of the activities that ThaiBev conducts for community and social development, we are ready to deliver our support and products to all communities. We want all of our stakeholders to know and feel our commitment to “always be with you”.



ThaiBev's Unites to Fight the Winter Project has continued to share our warmth continuously over the past 15 years

GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Statement from the CEO	Please refer to page 4-5 in this Sustainability Report.	
ORGANIZATIONAL PROFILE			
G4-3	Name of organization	Thai Beverage Public Company Limited	
G4-4	Primary brands, products and services	Please refer to “Product Portfolio” in the Annual Report 2014.	
G4-5	Location of the organization’s headquarters	14 Vibhavadi Rangsit Road Chomphon Sub-District Chatuchak District, Bangkok 10900	
G4-6	Number of countries where the organization operates and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Please refer to “Notes to Financial Statements” in the Annual Report 2014 for the list of countries where the organization operates.	
G4-7	Nature of ownership and legal form	ThaiBev is a public company limited and is listed on the Singapore Exchange (SGX-ST) main board. (Please refer to “Investor Information” in the Annual Report 2014.)	
G4-8	Markets served	Please refer to page 7 in this Sustainability Report.	
G4-9	Scale of the organization	Please refer to page 7 and 8 in this Sustainability Report. Please refer to “Financial Statement” in the Annual Report 2014.	
G4-10	Breakdown of workforce	Please refer to page 8 in this Sustainability Report. Most of the work at ThaiBev is performed by full time employees; no substantial portion of the organization’s work is performed by workers who are legally recognized as self- employed, or by individuals other than employees or supervised workers. There are no significant variations in employment numbers.	
G4-11	Percentage of total employees covered by collective bargaining agreements	Not applicable. ThaiBev does not currently have any collective bargaining agreements in the organization. To align with laws, we have working committees consisting of ThaiBev staff representatives which is responsible for addressing the welfare/benefits. ThaiBev regularly communicate through various communication channels to employee the messages about company direction, business update/ performance as well as any welfare/benefits changes. In addition, the company ensures the quality of communication by having HRBPs (Human Resource Business Partners) in the organization, in order to hear and help to resolve any issues, including the company suggestion box.	

GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
ORGANIZATIONAL PROFILE			
G4-12	Describe the organization’s supply chain	Please refer to “Sustainability Across the Value Chain”, page 10–11 in this Sustainability Report.	
G4-13	Report any significant changes during the reporting period regarding the organization’s size, structure, ownership or its supply chain	Please refer to “Shareholdings Structure & Report of the Board of Directors” in the Annual Report 2014.	
G4-14	Addressing the precautionary approach or principle	Please refer to “Operating and Financial Review” in the Annual Report 2014.	
G4-15	External charters, principles or initiatives endorsed	<p>Please refer to page 36 in this Sustainability Report.</p> <p>ThaiBev acknowledges the importance of acting in alignment with leading practices focused on environmental and social issues. Therefore, ThaiBev has endorsed various initiatives such as</p> <ul style="list-style-type: none"> • National Food Institute, Ministry of Industry’s “Good Practices on Productivity & Continuous Improving to Carbon Label 2554”: Conduct carbon footprint, a methodology to estimate the total emission of greenhouse gases (GHG) in carbon equivalents from a product across its life cycle from the production of raw material used in its manufacture, to disposal of the finished product (excluding in-use emissions). • National Food Institute, Ministry of Industry’s “Project to Manage Water Resources Sustainably through Water Footprint in the Food industry for Export”: Conduct water footprint, calculating the volume of fresh water appropriated to produce the product, taking into account the volumes of water consumed and polluted in the different supply chains. • NSF: The public health and safety organization for the development of public health standard and certification programs to protect and improve global human health. • Department of Industrial Works’ “Project to Improve the Ability to Use Waste”: 3Rs – Reduced, Reused, Recycled. 	
G4-16	Membership of associations and advocacy organizations	<p>Thai Beverage Public Company Limited, as a holding company, liaises closely with ThaiBev’s subsidiaries which are a member of the following organizations :</p> <ul style="list-style-type: none"> • The Federation of Thai Industries • The Thai Chamber of Commerce 	

GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
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IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Report coverage of entities included in the consolidated financial statements	Please refer to “Notes to Financial Statements” in the Annual Report 2014 for the list of entities in ThaiBev’s financial statements. Entities included in the scope of this report are ThaiBev and entities in the group in which it has 100% shareholding.	
G4-18	Process for defining the report content and the aspect boundaries	Please refer to page 15 and 17 in this Sustainability Report. ThaiBev has implemented the Reporting Principles for Defining Report Content throughout its process of stakeholder identification and materiality assessment. Moreover, we have performed an assessment of the report against the principles to ensure completeness.	
G4-19	Material aspects identified	Please refer to page 15 and 17 in this Sustainability Report.	
G4-20	For each material aspect, report the aspect boundary within the organization	Please refer to page 17 in this Sustainability Report.	
G4-21	For each material aspect, report the aspect boundary outside the organization	Please refer to page 17 in this Sustainability Report.	
G4-22	The effect of any restatements of information provided in previous reports	Not relevant as this is ThaiBev’s first GRI report.	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Not relevant as this is ThaiBev’s first GRI report.	

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organization	Please refer to page 16 in this Sustainability Report.	
G4-25	Basis for identification and selection of stakeholders	Please refer to page 15 in this Sustainability Report.	
G4-26	Approaches to stakeholder engagement	Please refer to page 16 in this Sustainability Report.	
G4-27	Key topics and concerns raised	Please refer to page 16 in this Sustainability Report. ThaiBev is responding to the issues raised through various activities as set out in each aspect’s DMA in this Sustainability Report.	

GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
REPORT PROFILE			
G4-28	Reporting period	Fiscal year	
G4-29	Date of most recent previous report	April 8, 2014	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions	Corporate Sustainability Development Working Team info@thaibev.com	
		Please refer to page 6 in this Sustainability Report.	
G4-32	'In accordance' option, the GRI content index and external assurance	Core	
		Please refer to page 6 in this Sustainability Report.	
G4-33	Policy and current practice regarding external assurance	For this report, ThaiBev has not yet sought to obtain external assurance for the report.	
GOVERNANCE			
G4-34	Governance structure of the organization	Please refer to page 9 in this Sustainability Report	
		Please refer to "Organization Structure" in the Annual Report 2014.	
ETHICS AND INTEGRITY			
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and code of ethics	Please refer to "Corporate Governance Report" and "Our People...Our Success" in the Annual Report 2014.	
		At ThaiBev, we adhere to good corporate governance principles, and we conduct our business in compliance with all applicable laws, rules, and regulations, including to SGX Listing Manual.	

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Reference page / Explanations	External Assurance
ECONOMIC			
Economic Performance	DMA	Please refer to page 18 in this Sustainability Report.	
	G4-EC1	Please refer to page 19 in this Sustainability Report. Note that community investments have not been included here as information is currently unavailable in a format appropriate for reporting. Over the next year, ThaiBev will work to explore options for being able to report this information in the next period.	
Procurement	DMA	Please refer to page 20, 22-23 in this Sustainability Report.	
	G4-EC9	Please refer to page 21 in this Sustainability Report.	
ENVIRONMENTAL			
Water	DMA	Please refer to page 24 in this Sustainability Report.	
	G4-EN8	Please refer to page 25 in this Sustainability Report.	
	G4-EN10	Please refer to page 25 in this Sustainability Report.	
Emissions	DMA	Please refer to page 32 in this Sustainability Report.	
	G4-EN15	Please refer to page 34-35 in this Sustainability Report.	
Energy	DMA	Please refer to page 29 in this Sustainability Report.	
	G4-EN3	Please refer to page 30 in this Sustainability Report.	
SOCIETY			
Consumer Health and Safety	DMA	Please refer to page 36 in this Sustainability Report.	
	G4-PR1	Please refer to page 36 in this Sustainability Report.	
	G4-FP5	Please refer to page 36 in this Sustainability Report.	
Training and Education	DMA	Please refer to page 39 in this Sustainability Report.	
	G4-LA9	Please refer to page 40 in this Sustainability Report.	
	G4-LA11	Please refer to page 40 in this Sustainability Report.	
Compliance	DMA	Please refer to page 41-42 in this Sustainability Report.	
	G4-SO8	Please refer to page 42 in this Sustainability Report.	
Local Communities	DMA	Please refer to page 45-46 in this Sustainability Report.	
	G4-SO1	Please refer to page 46 in this Sustainability Report.	
Marketing Communications	DMA	Please refer to page 43-44 in this Sustainability Report.	
	G4-PR7	Please refer to page 44 in this Sustainability Report. There have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	

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