



THAI BEVERAGE PUBLIC COMPANY LIMITED

Always with you  
Sustainability Report 2015



THAI BEVERAGE PUBLIC COMPANY LIMITED



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# Message from the President and CEO

Thai Beverage Public Company Limited (“**ThaiBev**”) places significant emphasis on operating and developing its business in a sustainable manner, and is committed to continue doing so over the long run. We established a Corporate Sustainability Development Committee around two years ago, with myself as the Chairman and other senior executives from various business functions as members. The committee is responsible for considering, planning, as well as formulating development policies that are based on principles of sustainability, and then carrying them out over the short, medium, and long term in alignment with Vision 2020 – the six-year strategic roadmap for ThaiBev’s businesses. Since then, all of us within the organization have become increasingly focused on performing our roles and business operations with such principles in mind. Be it economic, social, or environmental matters, we strive to build good relationships with our stakeholders across all sectors.

Economic development is critical and should not be overlooked. We are proud to be a part of the Public–Private Steering Committee, a collaboration between the government, private sector, and citizens to cultivate a “Civil State.” In addition, we have established C asean, a social enterprise that aims to inculcate knowledge about business, arts and culture, as well as to develop professional networks and activities for the younger generation; and also to tap on expertise derived from the private sector’s experiences, leveraging them for the development of the ASEAN region.

Our initiatives on the social front cover aspects such as community and social development, education, public health, arts and culture, as well as sports. In particular, our community development programs are focused on creating value as well as being a role model for society by creating frameworks that other social development organizations can reference for their work. One example is our Model Youth Project in the Bang Kuwat Community, located nearby one of our production facilities. This projects seeks to raise education levels and develop youth leaders in the area so as to empower them to improve their economic standing and quality of life. We promote education among Thai youths as we recognize that it is an important factor that would enable them to more effectively contribute to country’s development. ThaiBev has therefore also supported the Beta Young Entrepreneur Project, which provides Thai youths with the opportunity to learn how to operate real businesses and raises their awareness of morality, ethics, and corporate social responsibility. We also continuously support a wide range of public health programs, allocating funds to aid in the construction of the Bhumirajanagarindra Kidney Institute Hospital and Chang Medical Clinic, for example. In 2015, Chang Medical Clinic launched a special humanitarian project – “Prostheses for the Disabled and Health Checkup for the Elderly” – to commemorate HRH Princess Maha Chakri Sirindhorn’s auspicious 60<sup>th</sup> birthday.

At ThaiBev, we take great pride in our Thai heritage, and are keen to share it with the world, especially via platforms that are highly visible to tourists that visit the country. We have therefore supported activities that showcase the diverse facets of Thai arts and culture, and sponsored Thai artists in various fields, such as painting, sculpture, Thai classical music, international music, and photography. The sports arena is another area we are passionate about. ThaiBev has continuously sponsored various sports programs and teams for over the past 20 years, not just locally, but internationally too. We also look to foster sportsmanship among athletes, especially youths, in order to equip them to better contribute to society in the future.

Finally, in the environmental sphere, we are dedicated to caring for the environment and have set clear targets for our efforts to minimize pollution and emissions of waste into the ecosystem. In 2015, we established a working group to analyze water-centric matters and create action plans for better water resource management and usage over the short and long term. Besides advocating ecological health, we are also stepping up our drive to promote healthier drinks, developing new products such as sugar-free or low-sugar variants of our non-alcoholic beverages. This also helps us to meet the increasing demand for such drinks among consumers who are becoming increasingly health-conscious.

Sustainability has always been core to our business and the way we execute our plans. To ensure that we remain a sustainable business and become even more adept at it, we conducted a survey in 2015, polling various stakeholders for their feedback on sustainability-related issues, as well as to deepen our understanding of the matters that they deem interesting and important. All their views and ideas are being considered, and we will take steps to enhance our performance.

I would like to express my gratitude to the Board of Directors, the management team, the Corporate Sustainability Development Committee, as well as all employees and stakeholders for their strong support to sustainable development. With sound principles as the bedrock of ThaiBev’s business, we are able to conduct ourselves and carry out operations with corporate social responsibility undergirding our every action. The extensive cooperation between personnel within the organization and external stakeholders from across various sectors strengthens our resolve to be a stellar corporate citizen while steering our business forward sustainably, in a manner that impacts society positively in the long run.



**Thapana Sirivadhanabhakdi**  
 President and CEO

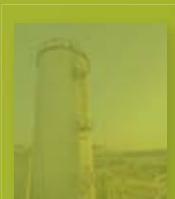


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Always with you  
Thai Beverage Public Company Limited

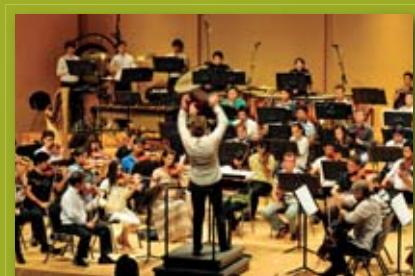


# Always with you





We are proud to be able to fulfill every consumer's moment with happiness. Thai Beverage Public Company Limited is committed to create total beverage products to satisfy consumers of all ages and strive to maintain our core concept of "Always with you."



**Remark:** All photos on this page were captured during the actual happy moments by ThaiBev's staff from around ASEAN region, which represents the "Always with you" concept.

# About Our Report

Thai Beverage Public Company Limited ("ThaiBev") has published our annual Sustainability Report since 2011. This 2015 Sustainability Report is our second report, in accordance with the 'Core' level of the Global Reporting Initiative's G4 Guidelines. Our report aims to share information related to our company's sustainability performance, addressing key material issues that are important to not only ThaiBev, but also to our stakeholders, in order to propose strategies, guidelines, and approaches for the sustainable development of the company.

Our economic performance, such as revenue, expenditure and tax, are referenced from our 2015 Annual Report. The environmental and social performance reported here covers the period from 2013 to 2015, and presented to our stakeholders with the aim of updating our progress, development and improvements in relation to sustainability.

This report covers the fiscal year period from January to December 2015, and its scope includes ThaiBev and our subsidiaries in Thailand, but does not include our international subsidiaries and associates companies. The environmental data covers 29 factories: 18 distilleries, 3 breweries and 8 non-alcoholic beverage production facilities (3 Oishi factories and 5 Sermsuk factories)\*. In addition, we have set targets on Water, Energy, and Emissions and Air Pollution by using 2014 data from all business units as our base year.

ThaiBev publishes both Thai and English versions of this Sustainability Report, as well as on our company website at, [www.thaibev.com](http://www.thaibev.com). For any suggestions or inquiries, you are welcome to contact our Sustainable Development Working Team (SDWT) via email at [info@thaibev.com](mailto:info@thaibev.com). You can also give us feedback by submitting to use the form included at the end of this report. We would greatly appreciate any feedback as it helps us continuously improve our Sustainability Report.

\* Scope of this report does not include Sermsuk Beverage Co., Ltd. and Wrangyer Beverage (2008) Co., Ltd. the database is being created and will be included in next year report.

# About ThaiBev



## Vision

ThaiBev Group's vision is to be Thailand's world-class total beverage producer and distributor, embodying commercial excellence, continuous product development and premiumisation, as well as professionalism.

## Mission

Our mission is to build strong mutually beneficial relationships with all our stakeholders in every aspect, guided by the following six principles:

- Offer top quality products to all customer segments
- Respond professionally to distributors' demands
- Grow revenue and profits in a sustainable manner to create value for shareholders and provide favorable returns on investments
- Be a role model of the highest standards of professionalism, corporate governance, and transparency
- Build a sense of ownership among employees by trusting, empowering, and rewarding them
- Contribute to society

## ThaiBev Strategy Imperatives

- Growth
- Diversity
- Brand
- Reach
- Professionalism

## Background

ThaiBev was established in 2003 to consolidate a number of leading spirits and beer businesses in Thailand belonging to our founding shareholders and other investors. In 2006, we registered ThaiBev's listing on the Singapore Exchange ("SGX"), where the market cap of ThaiBev is currently over US\$ 12.3 billion (as of 31 December 2015).

Subsequently, ThaiBev expanded its business to the non-alcoholic beverage and food sectors to diversify our product portfolio, enhance logistics efficiency, and mitigate business risks. Today, ThaiBev is not only Thailand's leading beverage producer, but also one of Asia's largest beverage producers. Our business consists of four segments – spirits, beer, non-alcoholic beverage, and food.

## Product or Services

ThaiBev has 125 subsidiaries (as of 31 December 2015), including 18 distilleries, 3 breweries and 10 non-alcoholic beverage production facilities. The Group has an extensive distribution network covering 400,000 point of sales in Thailand. ThaiBev's most recognized spirits brands include Ruang Khao, SangSom, Mekhong, Hong Thong, and Blend 285. Chang Beer, the Group's signature beer, is very popular among Thai beer drinkers. For non-alcoholic beverages, ThaiBev's leading brands includes Oishi green tea, Est cola and Crystal drinking water. ThaiBev has an international presence in 90 countries and engages in several distillery operations overseas; it has 5 production facilities in Scotland, which are famous for the production of single malt scotch whiskies such as Balblair, Old Pulteney and Speyburn. ThaiBev also owns 1 distillery in China, which produces a famous Chinese spirit branded Yulinquan.

## Fiscal Year 2015 Financial Headlines



Sales revenue

172,049

Million Baht



Number of employees

39,335

Persons



Net Profit

26,464

Million Baht

ROE

23.63%

D/E

0.53

time

# ThaiBev's Value Chain

We believe that it is of great importance to deliver high quality and valuable products to consumers, as well as to be responsible towards our stakeholders. Therefore, ThaiBev gives priority to the value chain, starting from procurement and sourcing, continuing on to production, distribution, marketing and sales, to the final process of post-consumer packaging management.

We set guidelines to ensuring that our value chain remains sustainable, while also engaging with our stakeholders. ThaiBev strongly believes in a collaborative approach towards sustainability, and aims to work with each stakeholder in its value chain towards long term prosperity.

Over the past year, we engaged our stakeholders through conducting surveys on the economic, environmental and social dimensions of sustainability with various groups of stakeholders. The survey provided ThaiBev with stakeholder's opinions and recommendations on issues of significance and interest. ThaiBev has integrated the stakeholder feedback into its current sustainability development process with plan to improve our sustainability performance and mitigate any negative impacts on stakeholders while increasing cooperation.

## Procurement and Sourcing

We give great importance to the quality of the raw materials and focus on working with our suppliers to develop the best products. Our selection process for suppliers includes factors such as their performance relating to both the environment and society. ThaiBev emphasizes the importance of sustainability and good business ethics to our procurement staff, and aims towards ensuring that our procurement and sourcing process meets these standards.

## Procurement and Sourcing



## Post-Consumer Packaging Management



## Post-Consumer Packaging Management

ThaiBev aims to reduce the impact of packaging waste in order to minimize the effects on the environment, society and stakeholders.



# Our Sustainability Approach

## Sustainability Strategy

Our sustainability approach is developed in line with business's vision. Currently, ThaiBev's sustainability direction supports our Vision 2020 to become a **stable and sustainable ASEAN leader**. To achieve this vision, we know that we must engage and build good relationships with our stakeholders, and ensure that they grow together with us. Recognizing this, our sustainability strategy is focused on 3 key areas:

1. Creating business value (Economic dimension)
2. Managing our impacts (Environmental dimension)
3. Caring and sharing with others (Social dimension)

This year, ThaiBev has improved its sustainability performance through an increasingly inclusive process involving all our key stakeholders and subsidiary companies.

## ThaiBev's Sustainability Governance

ThaiBev's Corporate Sustainability Development Committee was established on 12 May 2014 by the President and CEO. The Committee is comprised 12 Directors including the President and CEO, Executive Vice-Presidents, Senior Vice-Presidents, and Executive Management from all departments with the President and CEO as the Chairman of the committee.

The Corporate Sustainability Development Committee is responsible for considering, planning, setting policies, managing and developing of short-, medium-, and long-term initiatives in line with policies set by the Board of Directors or Executive Committee.

The Corporate Sustainability Development Committee has also appointed the Corporate Sustainability Development Working Team to ensure the successful implementation of

initiatives related to sustainability within the company through the Centre of Excellence. Within this Corporate Sustainability Development Working Team, there are special representatives from all departments consist of Spirits Product Group, Beer Product Group, Non-alcoholic Beverage Product Group, Supply Chain Management and the Corporate Function Committee (such as the Office of the President, Office of Accounting, Office of Treasury, 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, Centre of Excellence and Office of Information Technology). These representatives are appointed for a 2 year rotation to further their professional development and deepen their engagement with sustainability, as well as truly embed sustainability into the organization.



## Materiality Assessment Process



### Step One: Issue Identification

ThaiBev and its subsidiary companies operating in Thailand first identified the ‘universe’ of sustainability issues related to our operations, with participation from our Executives, internal experts from related functions and external sustainability experts. We also perform a media and competitive scan of the key issues highlighted by peers in our sectors. We first identified a total

universe of 50 sustainability issues, and then refined our list by applying the following criteria:

1. Support to ThaiBev’s vision and obligations
2. Relevance to ThaiBev’s value chain
3. Relevance to beverage industry key current and future trends

From this initial screening using the three criteria listed above, ThaiBev narrowed its list to 28 sustainability issues as follows:

1. Economic Performance
2. Marketing Communications
3. Local Communities
4. Human Rights
5. Occupational Health and Safety
6. Governance and Compliance
7. Water
8. Effluents and Waste
9. Products and Services (Packaging)
10. Emissions and Air Pollution
11. Consumer Health and Safety
12. Procurement and Sourcing
13. Public Policy
14. Transportation
15. Training and Education
16. Energy
17. Anti-Corruption
18. Risk Management
19. Labor Practice
20. Biodiversity
21. Investment on Social
22. Unfair Competition
23. Child Labor
24. Agricultural Practice
25. Genetically Modified Organism (GMO)
26. Diversity and Equal Opportunity
27. Climate Change
28. Research and Development Innovation

### **Step Two: Materiality Assessment**

The selected sustainability issues were then prioritized considering both the level of interest and impact to stakeholders, and the level of impact to our business.

### **2.1 Assessing the Level of Interest and Impact to Stakeholders**

In 2014, ThaiBev recognized the need to strengthen its stakeholder engagement process and, as a result, has now redefined its key stakeholders to include those related to both its value chain as well as its sector. Key stakeholders were identified through applying following criteria:

1. Level of impact on ThaiBev and its subsidiaries
2. Level of dependence on ThaiBev and its subsidiaries

The key stakeholder groups are 8 groups in total as follows:

1. Employees (Board of Directors, Executive Committee, Top Executive Management, Middle-Level Management and employees)
2. Suppliers
3. Customers
4. Consumers
5. Investors
6. Communities
7. Regulators
8. Non-Governmental Organizations (NGOs)

To seek stakeholder's views and feedback on the identified 28 key sustainability issues, ThaiBev launched a survey for each of the 8 stakeholder groups. In total, 1,058 employees, 15 suppliers, 172 customers, 250 consumers, 6 investors, 539 people from the local communities, 50 people from all regulators, and 10 people from NGOs participated in the survey. The surveys for consumers, regulators and NGOs were deployed by experienced external professionals. The individuals were selected randomly except for the supplier who were selected from a list of high transactions value and high risk suppliers.

The 16 issues were identified as being of most interest and impact to the 8 stakeholders. (Refer to ThaiBev Group's Materiality Matrix)

## 2015 Stakeholder Engagement and Survey Results

ThaiBev aims to engage and build relationships with all its stakeholders. In the past year, we have developed our stakeholder engagement process to focus on improving communication, and obtaining stakeholder's feedback regarding the issues of their highest interest and most impact to develop ThaiBev's sustainability initiatives and enhance collaboration with our key stakeholders.

### Result of Sustainability Survey and Stakeholders Engagement of ThaiBev in 2015

Stakeholder	Engagement Platforms	Examples of topics that were identified in 2015	Relevant sustainability issues
<b>Employee</b>	 <ul style="list-style-type: none"> <li>News (ThaiBev E-News)</li> <li>Radio (ThaiBev Radio)</li> <li>Magazine (ThaiBev Magazine)</li> <li>Message (SMS)</li> <li>Application (Line)</li> <li>Intranet</li> <li>Meeting (Annual Executive Conference, Labor Practice Committee Meeting, Employee Benefits Committee Meeting, Occupational Health and Safety Committee Meeting, Trade Union Committee Meeting, and Functional Meeting)</li> <li>Suggestion box</li> <li>Annual activities (ThaiBev Sport Day, Country Song Singing Contest, and activities from 8 clubs etc.)</li> <li>Roadshow (Core Values Road Show and Vision 2020 Road Show etc.)</li> <li>Survey (Annual Sustainability Survey, Employee Engagement Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Work safety</li> <li>Workplace environment</li> <li>Training to develop relevant skills and knowledge for work</li> <li>Compensation and benefits</li> <li>Building relationships and collaboration</li> <li>Building employee loyalty</li> <li>Building happy workplace</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Training and Education</li> </ul>
<b>Supplier</b>	 <ul style="list-style-type: none"> <li>Annual audit (Approved vendor list)</li> <li>Meeting with key suppliers</li> <li>Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Purchasing department staff ethics</li> <li>The organization's anti-corruption policies</li> <li>Sustainable Sourcing</li> <li>Legal compliance</li> <li>Collaborative and innovative work plan with supplier</li> </ul>	<ul style="list-style-type: none"> <li>Procurement and Sourcing</li> <li>Public Policies</li> <li>Governance and Compliance</li> </ul>

<b>Stakeholder</b>	<b>Engagement Platforms</b>	<b>Examples of topics that were identified in 2015</b>	<b>Relevant sustainability issues</b>
<b>Customer</b> 	<ul style="list-style-type: none"> <li>• Annual conference and exhibition (ThaiBev EXPO 2015)</li> <li>• Agent meeting</li> <li>• Sales training</li> <li>• Agent development activities</li> <li>• Business review activities</li> <li>• Agent factory visit</li> <li>• Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>• Good governance company</li> <li>• Sustainable and transparent business relationships</li> <li>• Punctuality in delivery of product</li> <li>• Fair selling prices</li> <li>• Product quality</li> <li>• Company's economic performance and profitability</li> <li>• Sustainable partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Governance and Compliance</li> <li>• Economic Performance</li> <li>• Products and Services (Packaging)</li> <li>• Customer Health and Safety</li> </ul>
<b>Consumer</b> 	<ul style="list-style-type: none"> <li>• Creating a brand experience, Outings, Selling and Marketing</li> <li>• Brand communication through mass media communication: TV, radio, billboard, digital screen</li> <li>• Interaction between consumer and brand via social network</li> <li>• Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and Safety of product.</li> <li>• Variety of distribution channels</li> <li>• Fair selling price</li> <li>• Organization's reputation</li> <li>• Building relationship through marketing activities such as online social networking and consumer interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Products and Services (Packaging)</li> <li>• Customer Health and Safety</li> <li>• Marketing Communications</li> </ul>
<b>Investor</b> 	<ul style="list-style-type: none"> <li>• Annual shareholders meeting</li> <li>• Meeting and conference call</li> <li>• Investor Factory Visit</li> <li>• Roadshow (Investor road shows)</li> <li>• Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of information disclosed</li> <li>• Company's economic performance and profitability</li> <li>• Brand development and management</li> <li>• Providing accurate information to shareholders and investors</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Governance and Compliance</li> </ul>

Stakeholder	Engagement Platforms	Examples of topics that were identified in 2015	Relevant sustainability issues
<b>Community</b>	 <ul style="list-style-type: none"> <li>Community Activities</li> <li>Interviewing</li> <li>Community representative meeting</li> <li>Survey (Annual Sustainability Survey, Community Needs Survey, Community Satisfaction Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Supporting community education</li> <li>Job creation</li> <li>Promoting health and wellness to community</li> <li>Community anti-drug cooperation</li> <li>Developing skills in sports, music and art</li> <li>Community economic development</li> <li>Dust management around the work site</li> <li>Transportation around the work site</li> <li>Community communication channels and information disclosure</li> <li>Child labor and human rights</li> </ul>	<ul style="list-style-type: none"> <li>Local Communities</li> <li>Emissions and Air Pollution</li> <li>Transportation</li> <li>Marketing Communications</li> <li>Human Rights</li> </ul>
<b>Regulator</b>	 <ul style="list-style-type: none"> <li>Corporate and work together</li> <li>Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Transparent tax management</li> <li>Advertising and selling ethically</li> <li>Environmental and social corporate responsibility</li> <li>Labor rights</li> <li>Workplace safety</li> <li>Human rights</li> <li>Compliance with environmental law and regulation</li> <li>Water footprint</li> <li>Waste management</li> <li>Environmental-friendly packaging and labeling</li> <li>Emissions of greenhouse gases and air pollution</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Marketing Communications</li> <li>Emissions and Air Pollution</li> <li>Water</li> <li>Effluents and Waste</li> <li>Products and Services (Packaging)</li> <li>Human Rights</li> <li>Occupational Health and Safety</li> <li>Governance and Compliance</li> </ul>
<b>Non-Governmental Organizations (NGOs)</b>	 <ul style="list-style-type: none"> <li>Survey (Annual Sustainability Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Caring customer health and safety</li> <li>Labor rights</li> <li>Social and environmental responsibility</li> <li>Regulator relationship management</li> </ul>	<ul style="list-style-type: none"> <li>Customer Health and Safety</li> <li>Human Rights</li> <li>Local Communities</li> </ul>

Regardless of whether or not they relate to our material issues, we take *all* matters raised by our stakeholders seriously, and ensure they are addressed by relevant functions as appropriate.

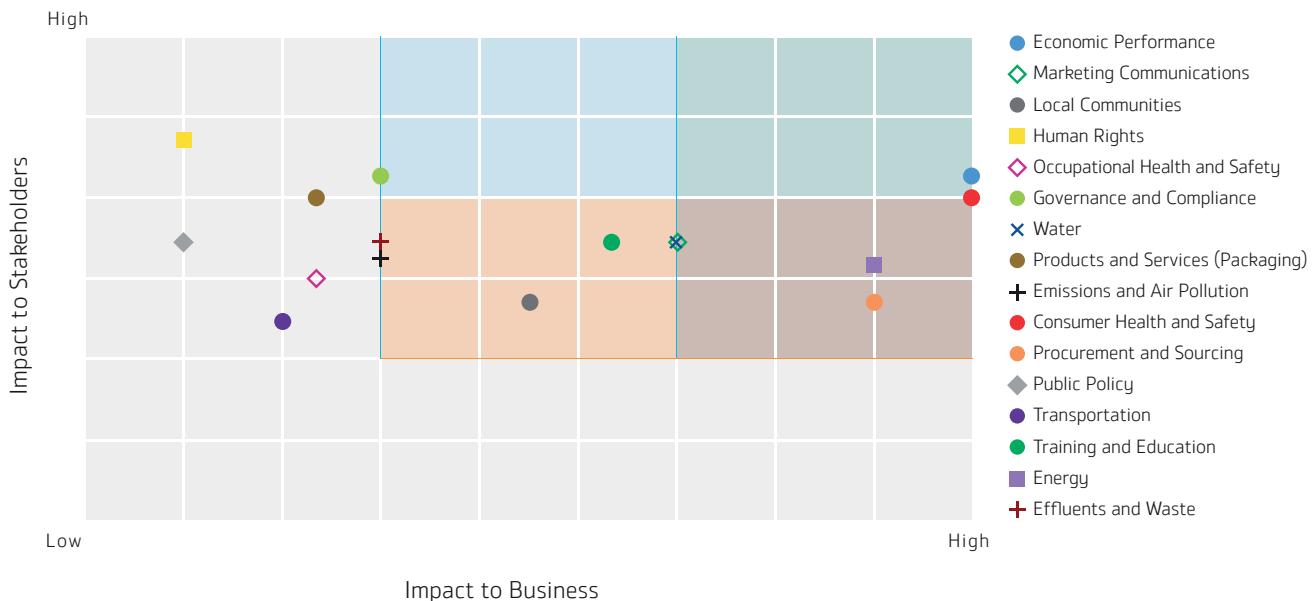
## 2.2 Level of Impact to Business

After consideration of stakeholders' feedback and the review of our 2014 material issues, ThaiBev's middle-level management, top executive management and Corporate Sustainability Development Working Team were asked to select which of the 16 sustainability issues were most important to the business with consideration to the following three criteria:

1. Relevance to ThaiBev's vision and business plans to increase sales
2. Relevance to ThaiBev's ability to reduce cost
3. Relevance to ThaiBev's ability to contribute to a good reputation and image

Following internal meetings with executives, special representatives from each area of the business and Corporate Sustainability Development Working Team, the Corporate Sustainability Development Committee confirmed the 11 issues as material for ThaiBev. (Refer to ThaiBev Group's Materiality Matrix)

### ThaiBev Group's Materiality Matrix



#### Remark:

While Human Rights was not identified as one of the material issues, ThaiBev recognizes its importance to stakeholders and will carefully address any issues related to such on a case-by-case basis.

### Step Three: Establishment of Reporting Boundaries

The scope of this report is limited to the boundaries of the 11 material issues. In preparing for this report, ThaiBev collected data on the 11 material issues from the most relevant departments and stakeholders. Efforts have been taken to ensure quality and accuracy of data.

#### Reporting boundaries

	Procurement and Sourcing		Production		Distribution		Marketing and Sales		Post-Consumer Packaging Management	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Economic Performance**	●	●	●	●	●	●	●	●	●	●
Consumer Health and Safety				●						
Energy*			●	●						
Water*			●	●						
Marketing Communications							●			
Procurement and Sourcing	●								●	
Training and Education	●		●		●		●		●	
Local Communities				●						
Governance and Compliance**	●	●	●	●	●	●	●	●	●	●
Effluents and Waste			●	●						
Emissions and Air Pollution *			●	●						

#### Remarks:

\*\* Although this report focuses on our Thai operations, as data for the topics of economic performance and governance and compliance is collected from ThaiBev's global headquarters, it will include data for the whole group and not only for the Thai operations.

\* The environmental data (energy, water and emissions) covers the 29 factories, 18 distilleries, 3 breweries and 8 non-alcoholic beverage production facilities (3 Oishi factories and 5 Sermsuk factories) and includes data from the whole site, not just from the production process.

### Step Four: Verification and Continuous Development

ThaiBev reviews and evaluates the materiality assessment methodology and process every year. The Corporate Sustainability Development Committee with external experts review and evaluate both the assessment process and selection of material issues specifically to ensure real-time importance to ThaiBev, accuracy and transparency – with a view to continually improving our sustainability performance.

# Economic: Creating long term value

## Economic Performance

In 2014, ThaiBev as Thailand's world-class total beverage producer and distributor, declared our intention and determination to strengthen our business competitiveness through our Vision 2020 strategy.

ThaiBev is determined to grow our business in a stable and sustainable manner, maintain the quality of our products, and share the economic value we create with our stakeholders.

Over the past period, ThaiBev has undertaken various activities to strengthen our business operations throughout our value chain. For the year 2015, total sales revenue of the Company was Baht 172,049 million, an increase of 6.2 percent or Baht 10,009 million, from Baht 162,040 million of last year. This was due to an increase in sales revenue of spirits business by 1.3 percent, beer business by 22.5 percent and non-alcoholic beverages business by 4.5 percent although there was a decrease in sales revenue from food business by 0.4 percent. We further plan to simultaneously increase our revenues from non-alcoholic beverages, and revenues from overseas sales, to over 50 percent of our total revenues by 2020 respectively.

We have also shared economic value with our local and international suppliers through effective procurement totaling over Baht 38,000 million per year, and with local communities through the hiring of local workers. Our strong branding and fully integrated and efficient distribution system are additional factors that support ThaiBev's sustainable growth.

ThaiBev supports local employment in every area where our production facilities are located, ranging from beverage and food facilities, to offices and distribution centers. It is our intention to share income with the surrounding communities and improve their quality of life. This includes our employees, employed by both ThaiBev and our subsidiaries in Thailand, who in 2015 received wages of over Baht 12,653 million.

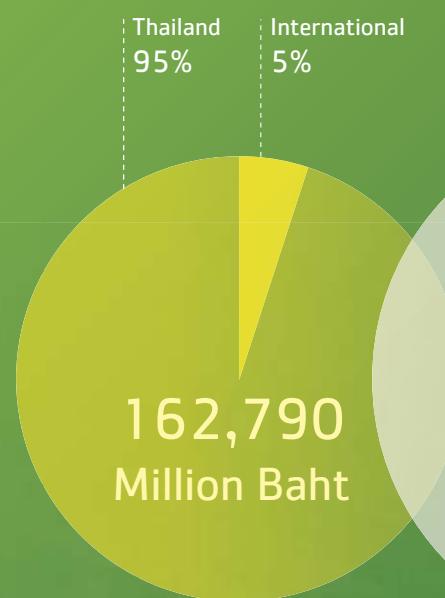
ThaiBev has also reduced the disposal costs of packaging waste. In 2015, we purchased used bottles from more than 600 small suppliers, thereby distributing income and generating employment locally. Through managing by-products from manufacturing processes, we are also educating the surrounding communities to convert by-products into valuable items for generation of their own income.

In 2015, corporate income tax was Baht 4,508 million. We also have a dividend policy of not less than 50 percent of net profits after the deduction of all specified reserve, subject to the investment plan as the Board of Directors deems appropriate. For the financial year ended 31 December 2015, the Board of Directors has recommended total dividend of Baht 15,317 million.

ThaiBev has also continuously supported the development of communities and society, education, public health, arts and culture, and sports. In 2015, we provided funding support of more than Baht 440 million for such development projects.

## Economic Performance

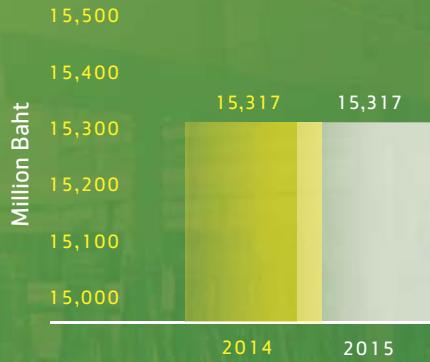
Total Income 2014



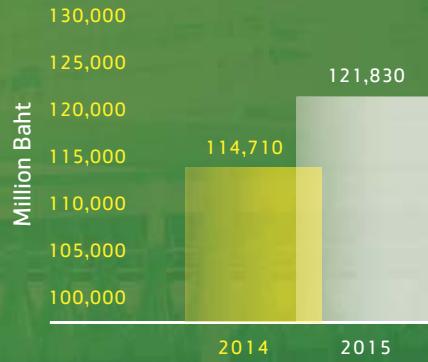
Total Income 2015



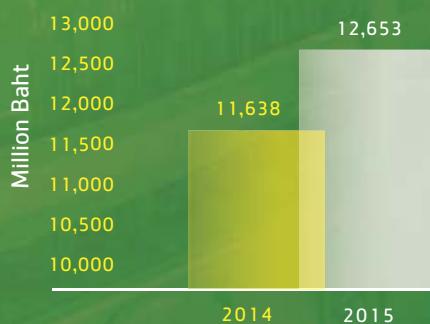
Annual Dividend



Cost of Sales



Employee Benefit Expenses



Income Tax Expenses



### Remarks:

1. 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: Payment to Government) and Annual Dividend (refer to G4-EC1: Payment to Providers of Capital). The scope of this report is limited to operations in Thailand. However, the Economic performance section refers to ThaiBev and subsidiaries and are consistent with the 2015 Annual report.
2. Cost of sales includes employee benefit expenses for Baht 3,412 million in 2015 and Baht 3,218 million in 2014. The excise tax paid to the government is also included in Cost of Sales
3. Geographical income for the Thai Beverage group according to ThaiBev's financial statements for the period ended 31 December 2015
4. Annual dividend to ThaiBev's shareholders

# Procurement and Sourcing

The procurement and sourcing process is an important starting point in the ThaiBev value chain, and the selection of potential suppliers is a vital process to our sustainability. In order to supply standardized and high quality raw materials for production process and delivery of products to consumers, ThaiBev has established criteria for the selection of suppliers and raw materials prior to the production process of each product.

In selecting potential suppliers to participate in our stakeholder survey, ThaiBev considered transaction values and risks, and then asked selected suppliers to comment on concerns and significant issues. We found that these suppliers prioritized sustainability in procurement and sourcing and the ethics of procurement staff in particular. As a result of these findings, ThaiBev held various activities during

the year to promote sustainability in the procurement and sourcing process, including fostering interactions with suppliers and staff, in order to encourage our suppliers to understand and recognize the importance of sustainability. In addition, ThaiBev worked on instilling the concept of sustainability into the whole purchasing process through various channels appropriate to each stakeholder group.

## Risk Mitigation in Procurement and Sourcing

### **The selection process for effective suppliers**

ThaiBev realizes that an effective supplier selection process is the foundation of sustainable procurement and sourcing as it reduces the risk of unqualified raw materials, as well as creates transparency in the procurement and sourcing process – an important issue emphasized by our suppliers. ThaiBev also builds good business relationships with its suppliers through fair business conduct, thereby enabling ThaiBev and suppliers to grow together based on a sustainable value chain.

### **Sustainable Risk Assessment**

We have established guidelines for the risk assessment of raw materials and suppliers based on the consideration of the transaction value and potential risks of each supplier in various aspects, such as inventory management, fluctuations in commodity prices, and the proportion of raw materials purchased from each supplier. Moreover, over the past year, ThaiBev has also taken environmental and social risks into consideration such that the risk assessment covers all dimensions of sustainability, such as environmental impact management and employee relations policies. In this regard, our business suppliers and raw materials are categorized based on the outcomes of the risk assessment, leading to efficiency in planning and managing our suppliers and raw materials.

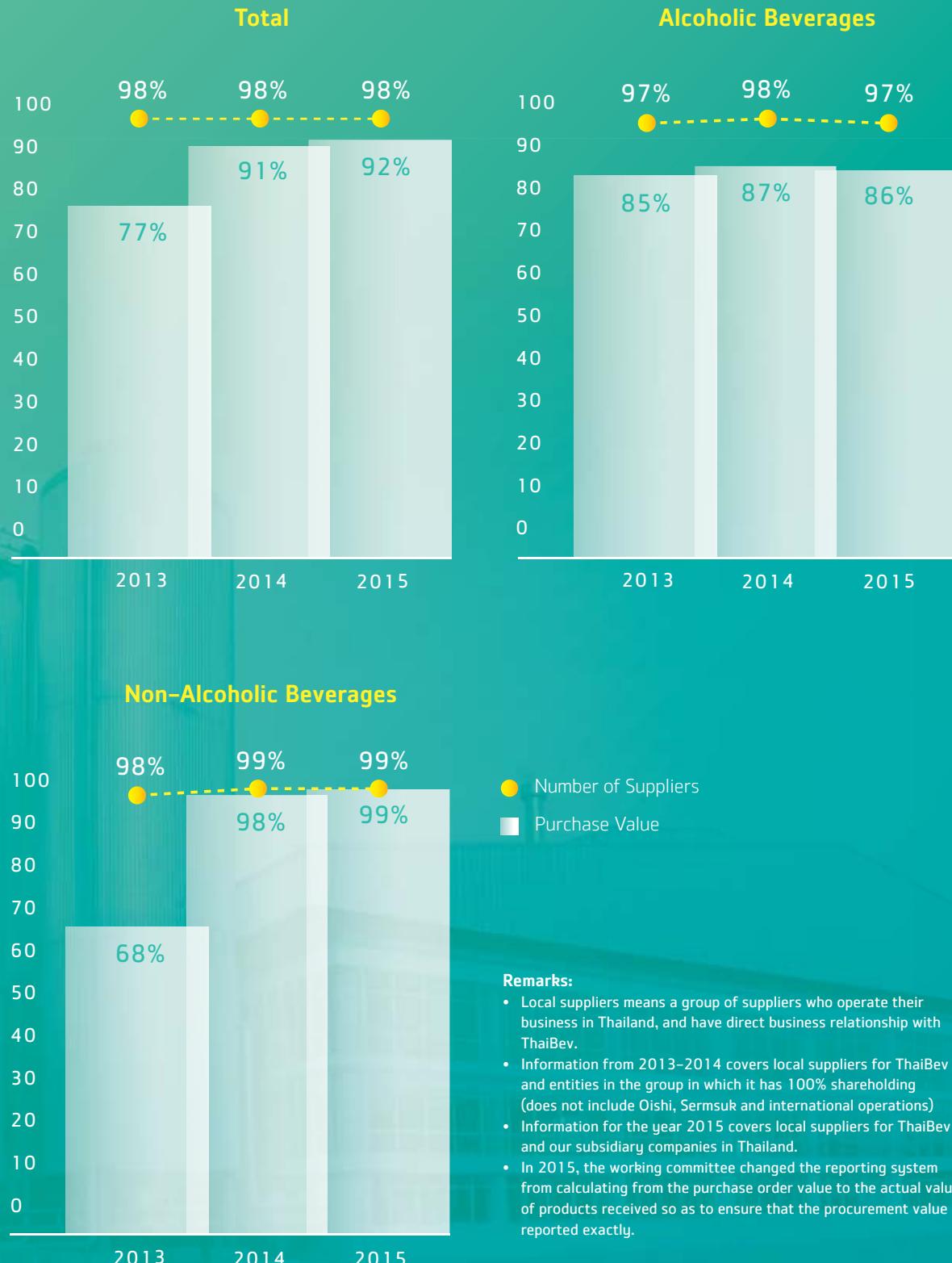
### **Local Sourcing**

ThaiBev supports the purchase of raw materials from local suppliers to promote local employment. We believe that national economic stability can be initiated through a fair distribution of income to the community so as to ensure self-reliance. We therefore give first priority to local suppliers situated near our facilities. In addition to providing job opportunities for the local workforce and adding value to local raw materials, local sourcing can also minimize pollution caused by transportation.

In 2015, ThaiBev's local suppliers accounted for 98 percent of all suppliers, and 92 percent of the total transaction value of the group. In the alcoholic beverages business, local suppliers accounted for 97 percent, a slight decrease from 98 percent in 2014, while the purchasing value accounted for 86 percent, a slight decrease from 87 percent in 2014. This is because sales growth in the beer business in 2015 was relatively high and some major raw materials needed to be imported; thus, decreasing proportion of local procurement.

In the non-alcoholic beverages business, local procurement accounted for 99 percent, a similar percentage to that in 2014, while the purchasing value of this business group accounted for 99 percent of total purchasing value, an increase from 98 percent in 2014.

## Procurement from Local Suppliers



### Water Resources Management by suppliers

As a major beverage producer, water is a key element of production. As such, we place great importance on water management, specifically: the acquisition of water resources, water consumption, and wastewater disposal. ThaiBev assesses risks related to water resources systematically on an annual basis. We also apply the said risk assessment to our important suppliers in order to determine whether or not those suppliers are at risk in relation to water resources. For those identified as having a higher water shortage risk, ThaiBev will communicate and have meetings with such suppliers. This is to raise their awareness of the importance of water resources, or jointly develop measures for risk mitigation so as to manage the risks in relation to water resources effectively and achieve desirable results throughout the value chain of ThaiBev.

## Improvement of the Quality of Raw Materials and Suppliers

### Sustainability Policy for suppliers

An important focus for ThaiBev and suppliers is to jointly establish the standards for sustainable business relationships and quality of products. We therefore established sustainability standards for our suppliers, to ensure that they understand the expectations of being a sustainable supplier, with a supplier code of conduct and guidance on sustainable packaging and agriculture. Prior to transacting business, ThaiBev will provide the aforementioned information to the suppliers so that they receive sufficient information before making a decision to conduct business together, and recognize the importance of a sustainable value chain. This also contributes to controlling the quality of products and developing capabilities of suppliers to grow together with ThaiBev in alignment with Vision 2020.

### 2015 Annual Meeting with suppliers

In 2015, we invited our important suppliers to participate in our annual meeting with suppliers at ThaiBev EXPO 2015. At the event, we explained to suppliers our strategic goals according to Vision 2020, as well as guidelines for sustainable procurement, and what we expect from our suppliers. We declared our clear intention to conduct business in a sustainable manner so as to encourage continuous and sustainable development of suppliers in the same way as ThaiBev.



Mr. Kosit Suksingha, Senior Vice President, explain our Vision to the suppliers



ThaiBev's Executives explain the strategic goals to the suppliers in ThaiBev EXPO 2015

### Caring for our World with the 3Rs Policy

Our packaging is very important in preserving our products, both in terms of the physical appearance and quality, before they reach our customers. ThaiBev pays great attention to selecting raw materials for packaging, and takes the waste from the production process into account. In this connection, we have adopted and complied with the 3Rs policy: Reduce, Reuse and Recycle. As a result, we have been able to reduce the quantity of raw materials for the production every year and see continuous improvement. In addition to giving rise to economic benefits to the company, our activities also support environmental and social improvements.



4.42  
Million Kilograms

Reduced Plastic  
1,080  
Tonnes

Reduced Pollution  
4,392  
Tonnes CO<sub>2</sub>e.



#### Reduce

In 2015, ThaiBev undertook activities to reduce the use of various types of packaging, such as changing the color of beer bottles from amber to green which reduced cullet for production by a total of 4.42 million kilograms, and reducing the use of plastic for bottles, caps, and labels of PET bottles which reduced plastic by over 1,080 tonnes per year, and reduced pollution by over 4,392 tonnes CO<sub>2</sub>e.



#### Reuse

In the alcoholic beverages business group, ThaiBev reused over 1,050,634,414 glass bottles in the production and filling processes, or the equivalent of approximately 460,000 tonnes of cullet. The results demonstrate that we reused an additional 128,351,929 glass bottles in our production and filling processes when compared to 2014, or an approximately 14 percent increase. ThaiBev contributed to environmental conservation through energy savings from production of new bottles of as much as 500 million kilowatts per year.



17,300

Tonnes



35,042,175

Set



20,956

Tonnes



#### Recycle

Over the past year, the company recycled cullet, packaging filling, and paper scrap in order to reduce environmental impact from the production of these materials. Last year, our recycled materials included 17,300 tonnes of cullet, 35,042,175 sets of packaging filling, or the equivalent to approximately 2,733 tonnes of paper, and 20,956 tonnes of old cartons and paper scrap.

ThaiBev has set a target to reinforce the 3Rs: Reduce, Reuse, and Recycle. In 2016, we set up the target to reduce plastic use by 20 percent, compared to 2015 and increase reuse of bottles by 5 percent, for the purposes of continuous development and improvement of every process. This demonstrates ThaiBev's commitment in conserving natural resources and maintaining a pristine environment.

# Environmental: Managing our impacts

Climate change has a significant impact on the environment and resources globally and nationally, and is due in large part to agricultural and industrial operations. ThaiBev also contributes to this impact, while being affected by the climate change as well. The patterns of such climate change, ranging from flooding to drought, directly and indirectly affect ThaiBev's business operations. The recent El Nino resulted in an unusually long drought. Consequently, plantations were affected, including some crops that are ThaiBev's major raw materials, such as sugar cane for the production of sugar – leading to increases in the price of sugar. It is therefore necessary for ThaiBev to be proactive in managing and mitigating potential climate change risks.

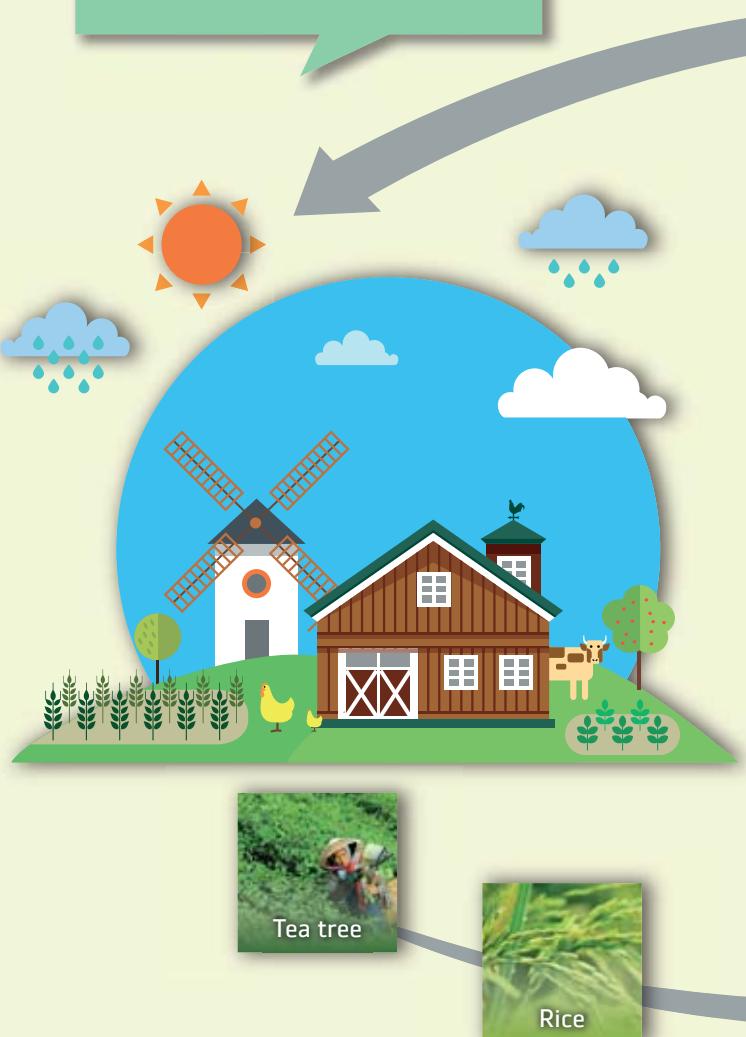
ThaiBev needs to find solutions to these problems and encourage the participation of stakeholders in solving various issues in order to ensure the least possible negative impact on the environment in both the short and long term.

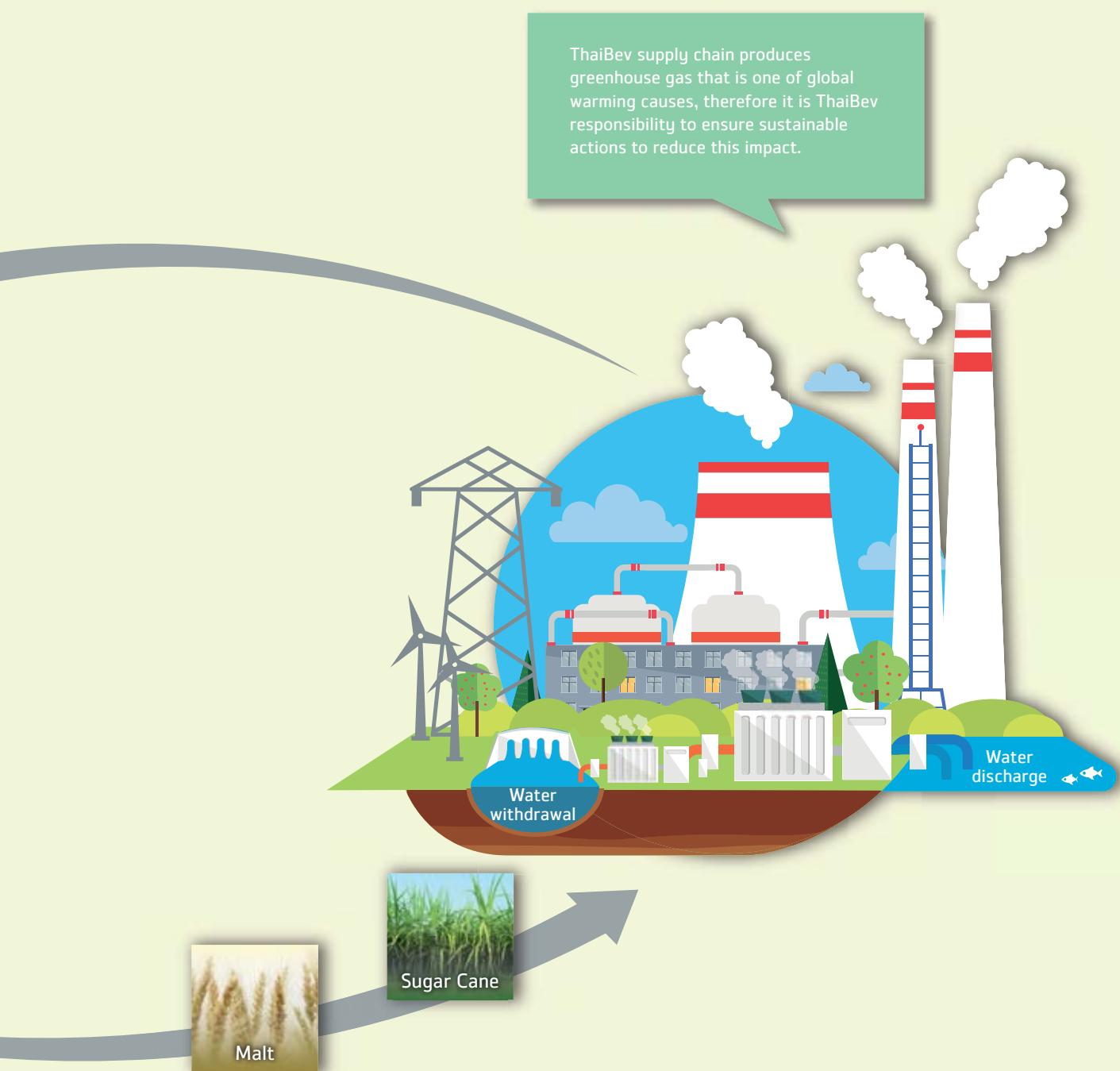
Because ThaiBev understands this impact to our business we intend to minimize the emission of greenhouse gas (GHG) from our production process.

**Remark :**

- ThaiBev changed its reporting method of environmental operating results from 3 product groups into a consolidated number.
- In 2015, ThaiBev choose to disclose water withdrawal rather than water consumption. 2014 Energy and emission factors have been updated for more accuracy.

ThaiBev proactively manages environmental impacts that affect its communities surrounding its factories as well as at national level and participates in various activities and government campaigns across the entire value chain.





## Water



# 5%

Commit to reduce its overall specific water withdrawal by 2020

ThaiBev's water withdrawal target refers to a base year of 2014

# 6%

Reduced overall specific water withdrawal by

# 11%

Increased reused and recycled water by

## Environment

## Emissions

Eff  
and

11%

Proportion of reduced and  
recycled water  
of total water withdrawal

Sustainable  
development

Water

Energy

Climate change

Fluents  
and waste

Water is an essential resource for human beings, as well as for agricultural and industrial activities. As a beverage manufacturing company which uses water as a main ingredient, ThaiBev understands its significance, and has a comprehensive water management system. We have integrated water management strategies into our business processes, ranging from:

1. Water risk assessment of suppliers; in order to promote awareness throughout the industry value chain.
2. Efficient water management in production and

compliance, ensuring efficient public water usage, and treatment of water before discharging into public sources; and

3. Joint activities with local communities government sector and our employees.

ThaiBev promotes water management and seeks to minimize our negative environmental and social impact to all parties. Risk management in water resources and water management for the production process are key responsibilities of ThaiBev, and is continuously implemented.

## Risk Management of Water Sources

It is widely known that currently the volume of rainfall and water in natural water sources has been uncertain, mainly because of volatile climate conditions, resulting in the shortage of water and flooding in some areas of the country. Since ThaiBev realizes the importance of such issue, the Risk Management Committee has determined that water sources management must be seriously considered and driven at the organizational level in order to concretely perform activities and ensure that the company be able to continue the production based on responsibility for the community and social contribution.

In 2015, ThaiBev established a working team for sustainable water resources management, primarily in the spirits business group. The working team is responsible for analyzing problems, planning for water sources management and water usage in both the short and long term, reporting sustainable development operating results to the committee on a monthly basis, and presenting the results to the Risk Management Committee on a quarterly basis.

Over the past period, ThaiBev evaluated the water shortage risk through assessment of its facility locations using the Global Water Tool (GWT) of the World Business Council for Sustainable Development (WBCSD) and the Aqueduct of World Resources Institute (WRI). In 2015, ThaiBev also conducted a Water Resources Review (WRR) by additionally studying data from the government sector and closely monitoring the accumulated volume of water in sources such as dams, wetlands, and rivers, as well as evaluating the effects of our facilities' water usage on the stakeholders who rely on the same water sources. The objectives are to analyze and estimate the prospective volume and evaluate the sufficiency of water for the production at present and in the future. We also consider rules, legal conditions, as well as water-related expenses which are subject to change afterwards. Such information is then utilized to evaluate the risks and impact on operations in order to facilitate

the decisions of the Risk Management Committee about each business group's investment in water sources for the future.

To achieve the aforementioned objectives, we have implemented the following activities to mitigate the risks to water resources:

### The Spirits Business Group

A plastic lining was installed at Sura Bangyikhan Co., Ltd., with a total construction cost of over Baht 17 million. This was done to reserve water for production (60 consecutive days) should there be any risk from flooding or contamination from chloride. Sangsom Co., Ltd, and Red Bull Distillery (1988) Co., Ltd. invested a total of over Baht 19 million in drilling groundwater wells, to ensure water reserves for prevention of water shortages. This enables the production process of the facilities to carry on during the dry season without affecting the water used for agricultural purpose around the facilities.

### The Beer and the Non-Alcoholic Beverages Business Group

As a result of the assessment of the Global Water Tool, the Beer and the Non-Alcoholic Beverages Business Group are located outside the stress area. ThaiBev continues to evaluate its water risk by comparing the water usage with the volume of water supply to mitigate the risk of water shortages for production. Because some facilities such as Oishi Trading Co., Ltd., and Sermsuk Public Company Limited are located in industrial estates, the emergency water supply plan is managed by such industrial estates. Meanwhile, some facilities have established plans and evaluated the water usage volume since before the facilities were constructed, such as breweries, in addition to maintaining guidelines on keeping water reserves in storage tanks and reservoirs that can be used in a water shortage for at least 90 days



Picture of the reservoir lined with plastic sheets at the Sura Bangyikhan Co., Ltd.

without affecting the production process, and importantly, not affecting the surrounding community if drought occurs. Moreover, we also utilize the 'Global Water Tool' to evaluate the locations of our major suppliers' facilities to identify

if there are any potential water risks. If any partner is at risk, ThaiBev will communicate and organize a meeting with the particular partner, while providing advice and jointly developing measures to mitigate the risk in an appropriate manner as mentioned in procurement and sourcing topic.

## Water management of the production process

Apart from risk management in relation to water sources, ThaiBev also manages its water resources efficiently, fairly, and sustainably based on good governance principles. ThaiBev emphasizes efficient water usage for all business activities and encourages all stakeholders to do the same. The activities in 2015 were as follows:

1. Managing water usage from natural sources to maximize the quality and efficiency of the production process. For example, the Red Bull Distillery (1988) Co., Ltd. invested in establishing a water quality improvement system to convert rain water in its reservoir into high quality water for fermentation and distillation of white spirits. Another example is Sangsom Co., Ltd. in Kanchanaburi province, which invested in the installation of a reverse osmosis (RO) water purification unit, with a capacity of 10 cubic meters/ hour, in order to produce boiler feed water, resulting in a lower amount of water being blown down from the boiler.

2. Participating in a project on sustainable water resources management in the food industry for export. In 2015, every business group of the Company which consists of 3 distilleries, i.e., Sura Bangyikhan Co., Ltd., Red Bull Distillery (1988) Co., Ltd., and Sangsom Co., Ltd. in Nakhon Pathom province; 3 breweries, i.e., Beer Thai (1991) Public Company Limited, Beer Thip Brewery (1991) Co., Ltd., and Cosmos Brewery (Thailand) Co., Ltd.; and the facility of non-alcoholic beverages business group, namely, Oishi Trading Co., Ltd., participated in the "Project to Manage Water Resources Sustainably through Water Footprint" initiated by the Federation of Thai Industries. Moreover, Fuengfuanant Co., Ltd., participated in the "Pilot Project for Water footprint assessment by the Water Institute for Sustainability of the Federation of Thai Industries with Fuengfuanant Co., Ltd." in order to evaluate and calculate reference values of the water footprint. The results will be further applied for efficient management and usage of water resources of the facilities, i.e., reducing water usage, the volume of wastewater, and production costs.

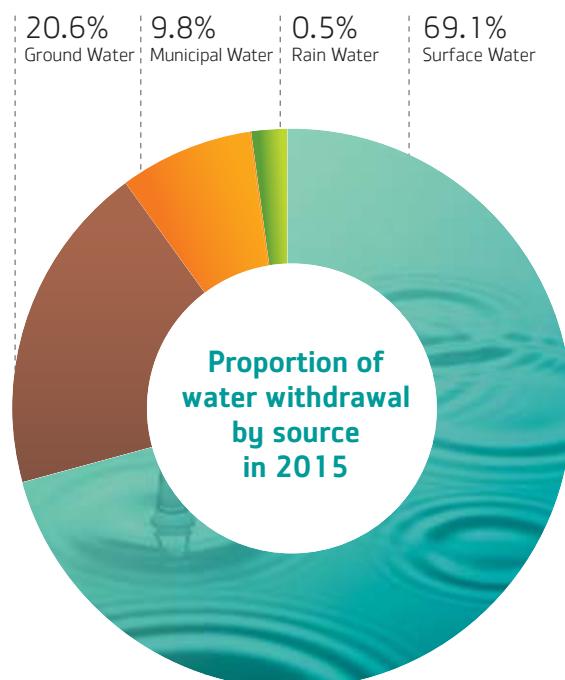
Sources of water supply for ThaiBev include surface water, ground water, municipal water supplies and rainwater. The total volume of water withdrawn by source during 2013–2015 is shown in the table below.

### Total volume of water withdrawal by source during 2013 – 2015

Water Withdrawal Souces	Unit	2013	2014	2015
Surface water	Cubic Meter	14,487,505	14,132,214	14,189,350
Ground water	Cubic Meter	2,620,764	3,707,780	4,224,647
Municipal water supplies	Cubic Meter	1,963,118	1,931,783	2,002,513
Rainwater	Cubic Meter	77,000	108,900	102,850
<b>Total water withdrawal by source</b>	<b>Cubic Meter</b>	<b>19,148,387</b>	<b>19,880,677</b>	<b>20,519,360 *</b>

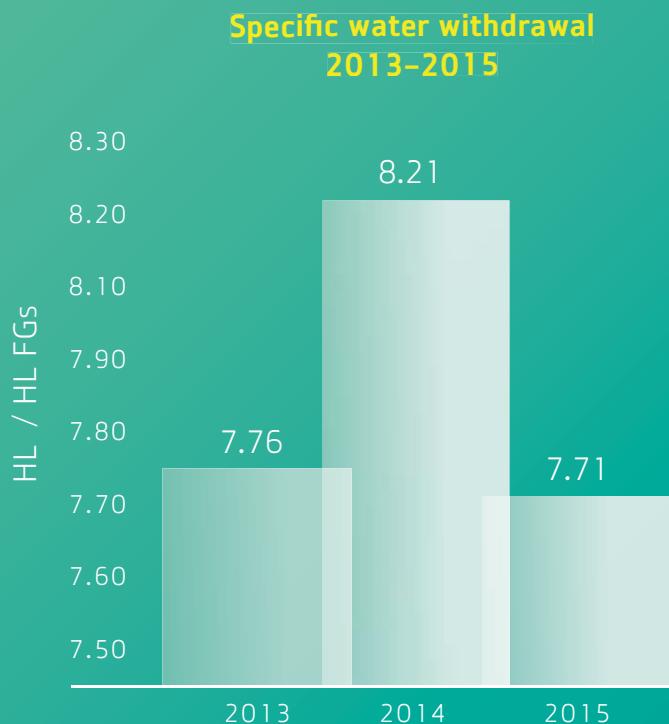
**Remarks**

\* Within KPMG's limited assurance scope (page 124)



**Remarks:**

Surface water, drawn from rivers or ponds, and rain water are measured by internal flow meters. There is a process to calibrate internal flow meters which will be completed in 2016. For ground water and municipal, water usage is reconciled to invoice.

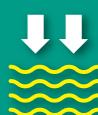


In 2015, ThaiBev used more water in the production process than in the previous year due to production increases resulting from our new products being recognized and gaining popularity among customers. However, specific water withdrawal is 7.71 Hectoliter of water/Hectoliter of finished goods (HL/HL FGs) – representing a decline of 6 percent, compared to 2014. This is a step to achieve our commitment to reduce overall specific water withdrawal by 2020 and demonstrates our ability to manage water effectively and sustainably.

**Remarks:**

Data from flow meter record measurement of all the business group's products

3. Managing water resources in line with the 3Rs Principle: Reduce, Reuse, and Recycle in every business group is as described below.



### Reduce

- Improving piping systems and heat exchange devices to reduce water demand for boilers in the distillation process.
- Reduction of ground water consumption was achieved in the process of water production. The sand filter backwashing process has improved this, resulting in water usage reduction.
- Improvement of the barrel cleaning process in beer production so as to reduce water and chemical usage.
- Reduction of steam consumption in the distillation process by switching from a direct steam distillation system to an indirect steam distillation system.



### Reuse

- Reusing steam condensate to feed the boiler so as to reduce water and heat usage through indirect steam distillation.
- Improving the piping system to enable reuse steam from the tea boiling process to feed the boiler so as to reduce water and energy usage.
- Reusing cooling tower blowdown so as to reduce water usage and volume of waste water.



### Recycle

- Recycling Reverse Osmosis (RO) rejected water to be used in the cooling water system of spirits barrels.
- Improving piping systems and increasing the number of supply pumps to obtain a larger volume of water from the water treatment and sterilization process instead of the normal water supply.
- Improving the quality of water from the backwash system in the water supply filter tank to be recycled as boiler feed water.

### Water reused and recycled during 2013 – 2015

Water Type	Unit	2013	2014	2015
Reused water	Cubic Meter	225,270	781,917	1,000,296
Recycle water	Cubic Meter	749,615	1,308,280	1,322,022
<b>Total volume of reused and recycled water</b>	<b>Cubic Meter</b>	<b>974,885</b>	<b>2,090,197</b>	<b>2,322,318</b>

**Remark:**

Data of volume of reused and recycled water based on the calculation and meter.

Considering the operating results during 2013 – 2015, the total volume of water that was reused and recycled increased by 11 percent compared to 2014 and represents 11 percent of total water withdrawn in 2015.

4. Cooperating with the government sector, participating in government campaigns, and organizing activities for employees and communities to raise awareness of water conservation and the importance of water management. ThaiBev is determined to support optimization of water usage as well as to improve water quality. Such determination enabled Fuengfuanant Co., Ltd. to receive an award for excellence in river preservation and restoration, and United Winery and Distillery Co., Ltd. to receive an outstanding award for river preservation and restoration from the Ministry of Industry in 2015.

ThaiBev operates its business with care and concern for the environment and society, especially in relation to water resources, as evidenced by our recognition of water as an organizational risk. Our facilities participated in the Water Footprint Project, and efficiently managed water resources in the production process with the 3Rs Principle. Moreover, we considered feedback from our stakeholders, in the process realizing interesting and important issues for consideration in parallel with our business strategy, management plan and activities with our employees, the government sector, the private sector, and the community. As a result, over the past year, ThaiBev was able to reduce the ratio of water withdrawal to its total production volume. We will continue to engage stakeholders on sustainable water management.





Employees and local communities restoring water sources  
(Picture 1,2)

ThaiBev management received awards for the river preservation and restoration  
(Picture 3,4)



## Energy



**5%**

Commit to reduce its overall specific energy consumption by 2020

ThaiBev's energy target refers to a base year of 2014.

**7%**

Reduced overall specific energy consumption by

**20**

Million Baht per year of income from internally generated electricity

Climate

Sustainable development

477

Million Baht of  
saving due to replacing  
heavy fuel oil by alternative energy



Since energy is essential to our production process and value chain, ThaiBev recognizes the critical role of energy management in line with its policy of energy and environmental conservation through the implementation of Total Productive Maintenance (TPM) for maintenance of tools, machines, and equipment to save energy. In addition, the energy management system (ISO 50001), previously established at Sura Bangyikhan Co., Ltd. and Athimart Co., Ltd., was extended to Beer Thai (1991) Public Company Limited<sup>1</sup>, Beer Thip Brewery (1991) Co., Ltd.<sup>1</sup>, Sura Piset Thiparat Co., Ltd.<sup>2</sup>, and Mongkolsamai Co., Ltd<sup>2</sup>. This expansion was certified in 2015 and ensures that ThaiBev has reviewed and supports the improvement of energy conservation performance. Moreover, in 2015, various research projects have been undertaken for the purpose of continuous process improvement for energy efficiency within all subsidiary companies as described below.

### **1. Installation of energy saving fan for evaporative condensers project**

Beer Thai (1991) Public Company Limited has installed fan blades made from fiber-glass reinforced plastic (FRP), which are light and strong, in place of aluminum blades. As a result, the energy required for operating the fan was reduced by 20 percent from 2014.

### **2. Improvement of boiler fueled by biogas from wastewater treatment project**

This project involved the installation of a once-through boiler at Beer Thip Brewery (1991) Co., Ltd., which can use biogas fuel directly in the wastewater treatment process in 2015. It allows biogas to be utilized for production of steam, thereby saving energy.

### **3. Reduction of electricity for reverse osmosis system project**

This initiative involved installing a Variable Speed Drive (VSD) in the high pressure pump at Oishi Trading Co., Ltd. to control the water pressure flowing into the RO system at 45 cubic meters per hour, instead of adjusting the feed valve. As a result, the energy loss due to the valve adjustment of the motor was reduced by 53,293 kWh or Baht 191,854 yearly, compared to 2014.

<sup>1</sup>ISO 50001 has been certified by TÜV NORD Thailand Ltd.

<sup>2</sup>ISO 50001 has been certified by ACM Services Company Limited.

## **Effective use of energy and promoting alternative energy**

In addition to improving energy efficiency and preserving energy consistently, ThaiBev also realizes the replacement of fossil energy with renewable energy in alignment with the government's policy so as to promote alternative energy and reduce impacts of climate change. The said concept has been applied to the design and the installation of the alternative energy system, such as biogas-fuelled wastewater treatment system, and replacement of fossil fuel with C<sub>2</sub>+ energy. Moreover, various projects have continuously been developed as follows:

### **1. Generation of electricity from excess biogas project**

The waste from alcohol production, or distillery slop, can be used in a biogas production system. In this connection, Thai Beverage Energy Co., Ltd. (TBE) is investing in a project to generate electricity from excess biogas at our facilities in Ubon Ratchathani and Buriram provinces. The main goal is to use biogas from the fermentation of distillery slop in place of heavy fuel oil in steam production for the distilleries and electricity generation. Each facility can generate approximately 6 – 8 million kilowatts of

electricity per year, which is sufficient for internal use, while the remaining electricity can be sold to the Provincial Electricity Authority, with the annual income of approximately Baht 20–30 million. With regard to environmental management and the participation of general public in the project on generation of electricity of the two facilities, there have been some activities undertaken prior to commencing projects as follows:

- 1) Conducting an environmental & safety assessment (ESA) report – studies were conducted on environmental impacts, to evaluate and analyse potential hazards from operations, and identify preventive measures and solutions for the reduction of the environmental impacts, such as air quality, noise pollution, and water quality. Moreover, the studies included the establishment of a safety management system, i.e., occupational health and safety. These two measures were approved by the ESA Committee, Department of Industrial Works. In addition, the said measures and safety management system were adhered to throughout the construction and operation phases.

- 2) Preparing an environmental checklist based on the Code of Practice (CoP) which was submitted to the Energy Regulatory Commission (ERC) – This included ensuring preventive measures and solutions, and adherence to a standard checklist. With regard to the participation of general public, ThaiBev held a “public meeting” prior to commencing construction so as to allow all stakeholders to give their opinions from the first stage of the project, as well as to collect their comments and concerns, and set up additional measures as attached to the environmental checklist.

The next project relating to the generation of electricity is to be implemented at our facility in Khon Kaen province. The Company is conducting a review of the environmental and safety assessment (ESA) as of January 2016.

## **2. Combination of solar hot water and heat recovery from – air compressors project**

Sermsuk Public Company Limited has installed solar hot water (evacuated tubular collector) covering an area of 1,125 square meters, together with recovery heat from the air compressor at 4 facilities. The project is able to reduce the usage of fuel oil for steam production by 147,000 liters per year, compared to 2014.

## **3. Utilization of alcohol by-products with fuel oil in the boiler project**

By-product alcohol from the distilling process cannot be used in spirits production. This project is focused on burning the by-product alcohol in boilers together with fuel oil. ThaiBev is carrying out this project at Sangsom Co., Ltd. in Nakhon Pathom province, Red Bull Distillery (1988) Co., Ltd. in Samut Sakhon province, Simathurakij Co., Ltd. in Nakhon Sawan province and Sura Bangyikhan Co. Ltd. The project has resulted in the reduction of fuel oil use in the 4 facilities by 2,070,630 liters per year, and savings of Baht 27,953,744 per year. The Company plans to further apply this project with other ThaiBev subsidiaries.

## **4. Zero discharge project using incineration system**

This system starts by bringing the remaining distillery slop from the distilling process into the evaporator which increases concentration prior to proceeding to the incinerator. The output of burning the distillery slop is thermal energy in the form of high-pressure steam which is used to drive a steam turbine for production of electricity. The energy

is primarily used in the electricity facility, while the remaining energy is sold to the Provincial Electricity Authority. In addition, the remaining low pressure steam from the steam turbine is sent to the alcohol production process. The condensation from the evaporation of distillery slop will be treated and returned to the cooling tower for the next process.



Biogas holder, part of the electricity generation system of Thai Beverage Energy Co., Ltd. in Buriram province



Solar Roof at Sermsuk Public Company Limited



Steam Incinerator fueled by concentrated slop at Sura Bangyikhan Co., Ltd.

ThaiBev partially use alternative energy replacing heavy fuel oil in 2015 by 35 million liters, saving 477 million baht.

## Energy Sources

Energy for the production process of ThaiBev can be categorized into 2 groups:

1. Direct energy refers to energy sources that are owned or controlled by the company and comprises:
  - Renewable energy – namely biogas, concentrated slop and by-products alcohol at 90 and 70 degrees
  - Non-renewable energy – namely, heavy fuel oil, natural gas, C<sub>2</sub>+, biomass, bituminous, benzene or gasoline and diesel fuel.
2. Indirect energy refers to energy purchased from other organizations and comprises electricity and steam.

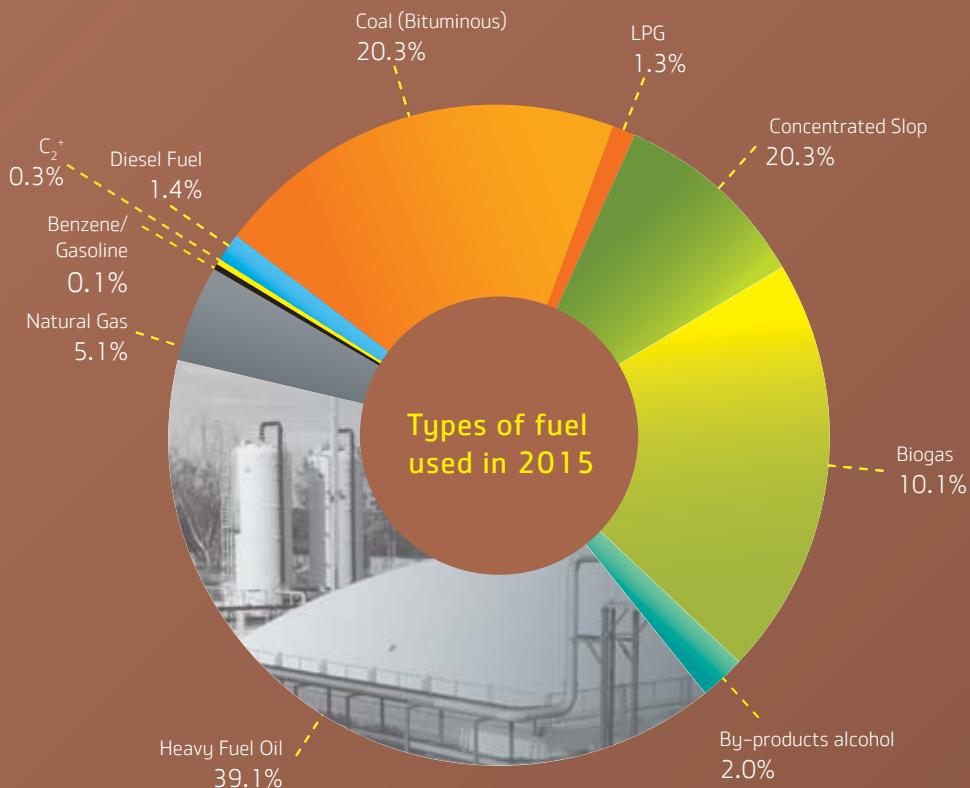
## Total energy consumption including renewable energy, non-renewable energy, electricity and steam purchased during 2013 – 2015

Energy Sources	Unit	2013	2014	2015
<b>Direct energy</b>				
Renewable energy	Megajoule	992,255,022	1,102,885,120	1,133,578,400
Non-Renewable energy	Megajoule	3,244,264,679	3,111,601,864	3,158,522,783
<b>Indirect energy</b>				
Electricity	Megajoule	862,925,483	877,757,843	922,282,355
Stream purchased	Megajoule	6,007,716	5,901,397	4,327,938
<b>Total energy consumption</b>	<b>Megajoule</b>	<b>5,105,452,900</b>	<b>5,098,146,224</b>	<b>5,218,711,475*</b>

### Remarks:

\* Within KPMG's limited assurance scope (page 124)

- Energy consumption = the amount of fuel used x the estimated heating value of each fuel type.  
Conversion factors (heating values) used to convert quantity of fuel consumed to energy are taken from the "Thailand Energy Situation" report by the Department of Alternative Energy Development. Specific supplier energy factors are provided by supplier (for C2+, natural gas, coal and fuel oil) or based on our actual practices.
- The total amount of energy consumption = the total amount of fuel consumption (non-renewable energy + renewable energy) + the total amount of electricity and steam purchased.  
Unit of measurement: MJ per month



### Specific energy consumption 2013 – 2015



In 2015, as ThaiBev products gained more recognition and popularity among consumers, our rising production required more energy consumption, compared to the previous year. However, specific energy consumption of ThaiBev decreased by 7 percent, compared to 2014. Such ratio decrease achieved our target for the year 2020. This represents ThaiBev's determination regarding energy management to ensure valuable and efficient use of energy in a sustainable manner.

#### Remark:

Specific energy consumption includes the use of non-renewable energy, i.e., coal, diesel fuel, benzene, heavy fuel oil, LPG, natural gas, C<sub>2</sub>+, and renewable energy, i.e., biogas, waste from the production process (such as concentrated slop, by-products alcohol), and electricity and steam used within the organization only.

## Emissions and Air Pollution



# 10%

Commit to reduce its overall specific greenhouse gas emissions by 2020

ThaiBev's greenhouse gas emission target refers to a base year of 2014

# 5%

Reduced overall specific greenhouse gas emission by

**Effluents  
and waste**

Climate c





Boiler stacks of our facility at Sura Bangyikan Co., Ltd.



Operator of air pollution control department is measuring air quality at the chimney of Beerthip brewery (1991) Co.,Ltd.

### Air pollution

Given the rising global and local concern air pollution, ThaiBev still adheres to air-quality management of dust particles, nitrogen dioxide ( $\text{NO}_2$ ) and sulfur dioxide ( $\text{SO}_2$ ), emitted by its facilities as required by Notification of Ministry of Industry on Prescriptions of the Content values of Air Contaminants Emitted from the Factory B.E. 2549.

ThaiBev has installed air pollution reduction systems including:

- Gas washers to reduce the quantity of sulfur released in gas and erosion of the steam generator.
- Oxygen trims to control the quantity of oxygen in combustion to ensure complete combustion without releasing excess air.
- Bag filter cyclones and wet scrubbers to filter dusts, gas, and small particles released from boilers' stack.

ThaiBev has implemented a standardized air quality control system in line with the United States Environment Protection Agency (U.S. EPA). This system helps to monitor and measure emissions, and ensure that any emissions from our facilities have no negative impact on surrounding communities.

### Emissions

Aside from committing to air quality management, we also place emphasis on measuring our product and organization carbon footprints which stakeholders expect to be increasingly applied to ThaiBev's subsidiary companies. Furthermore, we encourage our suppliers to pay attention to their own greenhouse gas emission reduction and carbon footprints through more effective application of the data collection methodology from the Life Cycle Assessment (LCA) and Thailand's Greenhouse Gas Management Organization (Public Organization)'s carbon dioxide calculation methodology for our value chain.

**ThaiBev's products that have obtained the 'Carbon Footprint for product' label from Thailand's Greenhouse Gas Management Organization (Public Organization)**



Remark:

\*Application and registration request for Carbon Footprint Label have been submitted to Thailand Greenhouse Gas Management Organization. The approval uses given to ThaiBev on January 13, 2016.

In 2015, six affiliated companies gained approval to use the 'Carbon Footprint for Organization' Label from Thailand Greenhouse Organization, namely:

1. Simathurakij Co., Ltd.
2. Kankwan Co., Ltd.
3. United Winery and Distillery Co., Ltd.
4. Thai Beverage Energy Co., Ltd. (Prachinburi branch)
5. Thai Beverage Energy Co., Ltd. (Khonkaen branch)
6. Thanapakdi Co., Ltd.

And also has subsidiaries in the process of Carbon Footprint for Organization certification, such as Beerthai public (1991) Co.,Ltd., Cosmos brewery (Thailand) Co.,Ltd. and Beerthip brewery (1991) Co.,Ltd. and we plan to expand in 2016 our carbon footprint activities by participating in the "Carbon Footprint for Organization Program" with the Federation of Thai Industries and the Thailand Greenhouse Gas Management Organization (Public Organization) at Oishi Trading Co.,Ltd. and Sermsuk Public Company Limited in order to apply the guidelines to our greenhouse gas management and greenhouse gas emission levels report as shown in the table.

### Total Green house gas emissions including Direct emission (Scope 1) and Indirect emissions (Scope 2)

Greenhouse gas emissions	Unit	2013	2014	2015
<b>Direct emission (Scope 1)</b>	Tonnes CO <sub>2</sub> e	228,947	245,763	256,565*
Emission from fuel used	Tonnes CO <sub>2</sub> e	228,947	238,649	250,142
Emission from refrigerant	Tonnes CO <sub>2</sub> e		N.A.	7,114
<b>Indirect emission (scope2)</b>	Tonnes CO <sub>2</sub> e	139,646	142,035	149,144*

#### Remarks:

\* Within KPMG's limited assurance scope (page 124)

- Our Greenhouse Gas Emission table reports the following gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrogen dioxide (NO<sub>2</sub>). Calculating greenhouse gases emission from fuel used (per page 40) and refrigerants is accomplished by measuring carbon dioxide equivalents using the emission factors from the Carbon Footprint for Organizations (CFO) guidelines from the Thailand Greenhouse Gas Management Organization (Public Organization) and described in the GWP source (the IPCC 4th assessment report)
- Emission factors for renewable energy sources from distillation process waste products are calculated by a consultant from the Thailand Greenhouse Gas Management Organization (Public Organization).

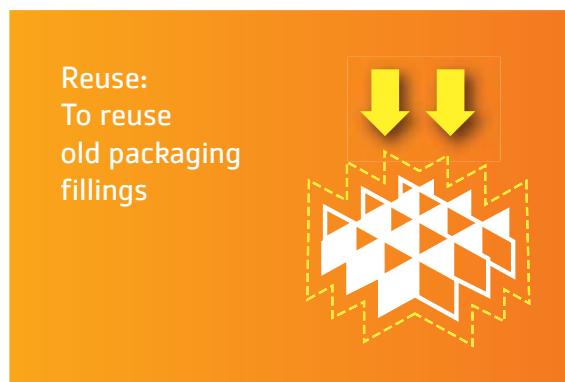
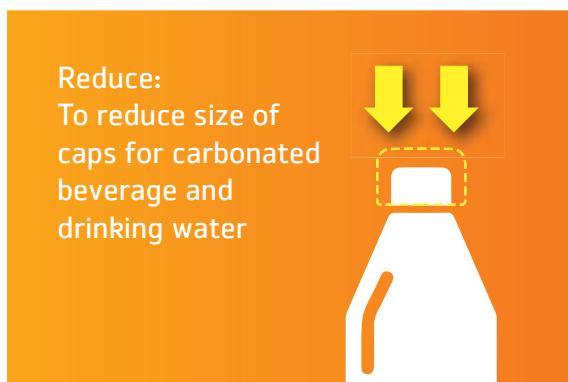
### Specific greenhouse gas emissions 2013-2015

In 2015, ThaiBev's greenhouse gas emissions were higher than in the previous year due to an increase in energy consumption resulting from increasing production. Nevertheless, the specific greenhouse gas emissions decreased by 5 percent, from the 2014. This ratio decrease met our target for 2015. This demonstrates our ability to increase our production capacity while at the same time reducing our environmental impact.



## Greenhouse Gas Emission Reduction

In 2015, ThaiBev reduced greenhouse gas emissions by more than 640,000 metric tons of CO<sub>2</sub> e. This is the result from development of energy efficiency and resources by means of energy reduction – namely, utilization of alcohol by-products or biogas in replacement of heavy fuel oil, production of solar hot water for the boiler, generation of electricity from excess biogas, and applying the 3Rs principle: Reduce, Reuse, and Recycle, to our packaging in order to reduce resources usage and greenhouse gas emissions concurrently.



## Effluents and Waste



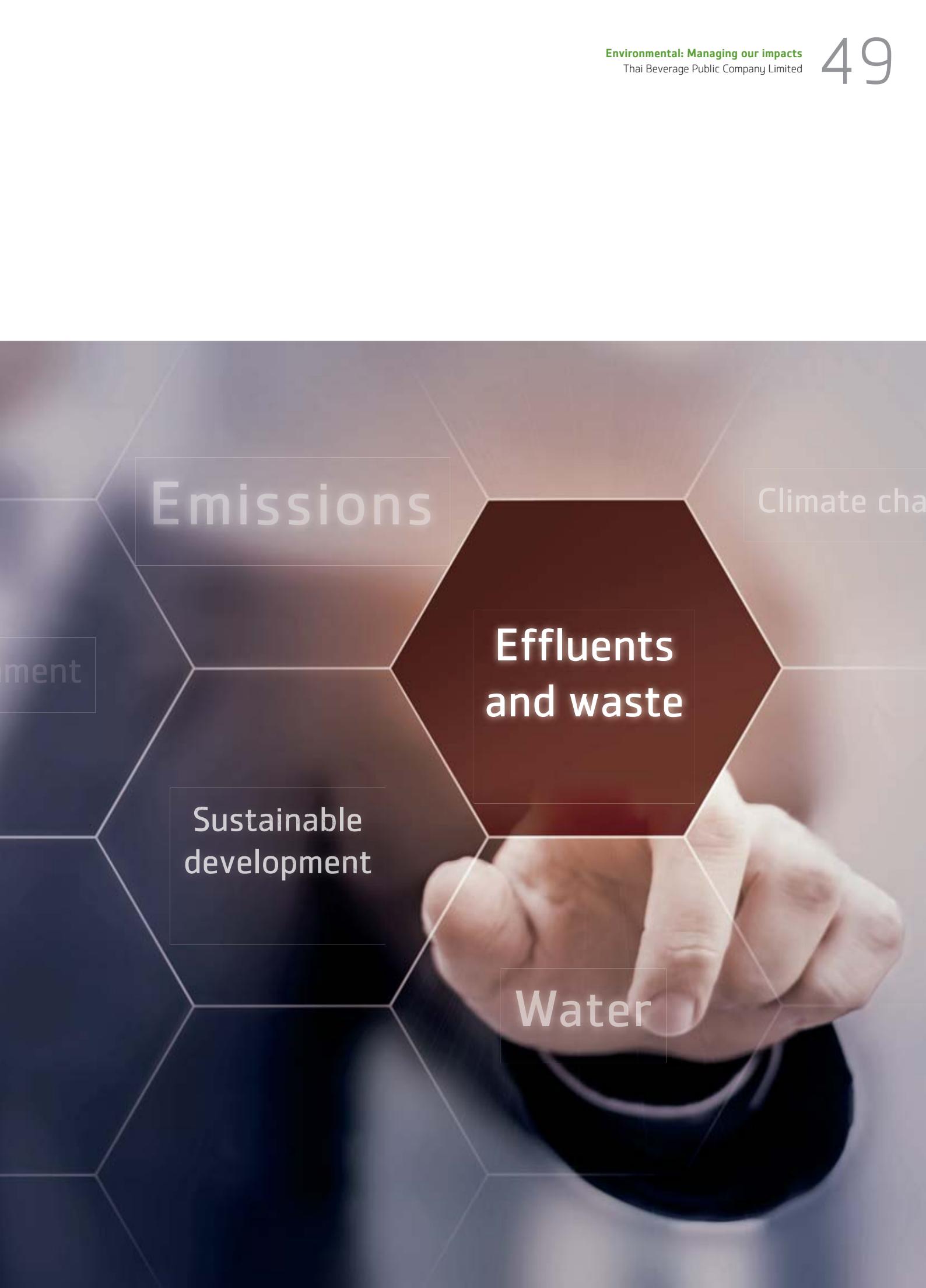
ThaiBev treats its effluents with high standard and fully comply with law and regulations.



ThaiBev effectively manages its waste to ensure full compliant with law and regulations.

Energy

Environ



Emissions

Climate cha

Effluents  
and waste

Sustainable  
development

Water

From our stakeholder engagement survey conducted in 2015, effluents and waste management were issues highlighted. ThaiBev has an internal system of manage these issues and strives to continuously engage our stakeholders to improve our performance in this regard.

## Effluents Management

ThaiBev focuses on effluents management and water ecology preservation. We have a wastewater treatment system to manage wastewater from our production processes that is tailor-designed to each individual facility. Moreover, the effluent from our treatment system complies with the quality standards stipulated by the Ministry of Industry Notification No. 2, (B.E. 2539), issued under the Factory Act, B.E. 2535 (1992), regarding industrial sewage regulation. ThaiBev utilizes the following two technologies:

1. The use of anaerobic wastewater treatment systems, such as an Up-Flow Anaerobic Sludge Blanket system (UASB system) and an Internal Circulation reactor (IC reactor);
2. The use of aerobic treatment systems, such as an activated sludge system, an aerated lagoon and wastewater stabilization ponds.

ThaiBev continuously reports effluent BOD to the government sector via the Online Pollution Monitoring System monitored by the Provincial Industry Offices, under the Department of Industrial Works. Moreover, a monthly report of pollutants emitted from the facilities, comprising air and water pollution, is submitted to the Department of Industrial Works every 6 months.



Aerated ponds of wastewater treatment system



Internal Circulation reactor

ThaiBev manages its treated wastewater from its facilities in the following ways:

1. For facilities located outside industrial estates, there are 2 types of licenses. The first type does not allow treated wastewater discharge (Zero discharge). Qualities of treated wastewater shall meet the quality standards as strictly stipulated by the Department of Industrial Works and further treat to meet proper recycling qualities. This treated wastewater is used in 2 specific activities which are gardening in the facilities and supplying the cooling water system in power plants. The second type is allowed to discharge treated wastewater by the government offices. In this case, the wastewater shall be treated to meet the quality standards as strictly stipulated by the Department of Industrial Works prior to discharge.
2. For facilities located in industrial estates, the wastewater is treated to meet the relevant industrial estate's quality standards and discharged to central wastewater treatment system of each industrial estate.

In this regard, ThaiBev's volume of effluent is shown in the below table.



Observation pond

### Total volume of effluents by destination during 2013 – 2015

Water discharge by destination	Unit	2013	2014	2015
River	Cubic Meter	5,680,389	6,012,679	7,656,912
Waste water treatment system of industrial estate	Cubic Meter	844,290	1,123,751	1,198,874
<b>Total volume of water discharge</b>	<b>Cubic Meter</b>	<b>6,524,679</b>	<b>7,136,430</b>	<b>8,855,786</b>

**Remark:**

Effluent refers to treated wastewater which meets water quality standards required by law prior to discharging into public water sources.

ThaiBev rigorously and consistently monitors and controls the quality of water from its wastewater treatment systems to ensure its quality remains higher than the standard prescribed by the Department of Industrial Works.

### Water discharge by quality in 2015

Parameter	Unit	Standard target per regulations <sup>1</sup>	Effluent quality of ThaiBev <sup>2</sup>
PH	-	5.5-9.0	8.0
COD	Miligram per Liter	≤ 120	38.0
BOD	Miligram per Liter	≤ 20	7.2
TSS	Miligram per Liter	≤ 50	17.3
TDS	Miligram per Liter	≤ 3,000	1,046.5

**Remark:**

<sup>1</sup> Refers to Ministerial Notification No.2, B.E. 2539 (1996), issued under the Factory Act, B.E. 2535

<sup>2</sup> Except for factories located in industrial estates. The plants have an initial treatment to meet the quality as specified by the particular industrial estate prior to the next treatment by the industrial estate

## Waste Management

ThaiBev has continuously paid attention to our waste management. All of our business groups comply with the quality and environmental policies and objectives required for conformity as Environmental Management System (ISO 14001). ThaiBev aims to continuously reduce waste from its production processes.

The production process is responsible for preparing records of waste volume for the monthly and annual summary reports. ThaiBev has a waste sorting and disposal system, as well as a contamination prevention system applied during storage, transportation, and disposal to minimize environmental impact as required by the law.

Waste disposal is classified by types of waste from the manufacturing process, consisting of the following 4 types:

- 1) General waste – disposed of by local authorities, such as the municipality or sub-district administrative organization.
- 2) Hazardous waste – disposed by legally licensed companies.
- 3) Valuable waste – sorted so that it can be reused and recycled.
- 4) By-product waste – handled by Feed Addition Co., Ltd., one of ThaiBev's subsidiary companies, to generate income for the company.

The determination of ThaiBev to reduce waste has been proved by continuous decrease of the total waste by 11 percent in 2014 and 42 percent in 2015.

### Total volume of each type of waste during 2013 – 2015

Waste types	Unit	2013	2014	2015
General waste	Tonnes	4,607	2,502	2,217
Hazardous waste	Tonnes	265	242	177
By-product waste*	Tonnes	54,816	59,400	35,827
Valuable waste	Tonnes	42,064	28,959	14,856
<b>Total weight of waste</b>	<b>Tonnes</b>	<b>101,753</b>	<b>91,038</b>	<b>53,077</b>

**Remark:**

\* The volume of by-product waste is calculated from waste in the production process. It excludes that of the spirits business group which aims to start implementing a record system over the next year.

ThaiBev participated in the 3Rs project initiated by the Department of Industrial Works, Ministry of Industry. As a result, ThaiBev has developed internal guidelines on managing waste more accurately and effectively, contributing to cost reduction under various projects, such as:



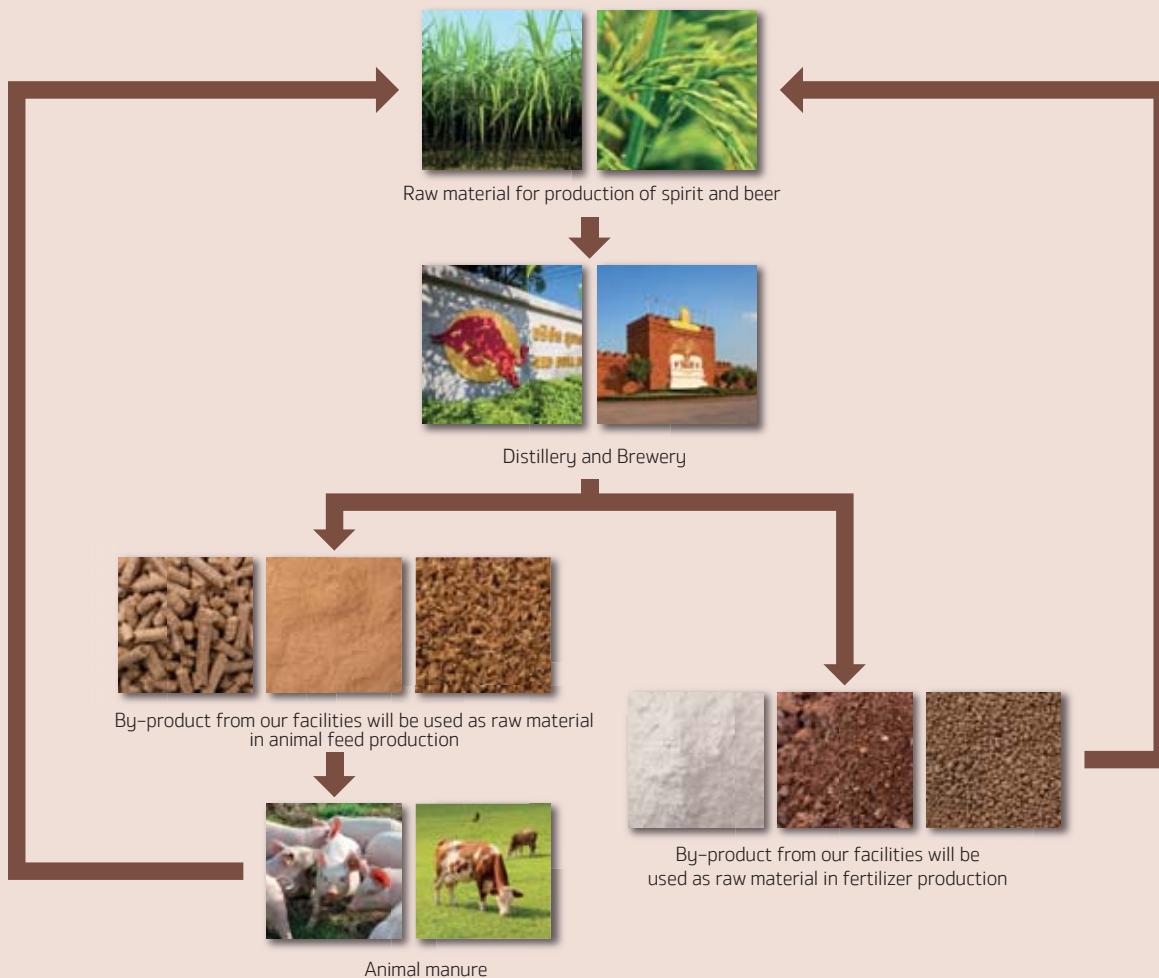
ThaiBev also has guidelines on by-product management for value adding purposes and, in this connection, has established Feed Addition Co., Ltd. under the Thai Beverage Group. This company is responsible for managing by-products from the facilities in the spirits and beer business groups, i.e., settled solid, distillery slop ash, dried malt residue, wet malt residue, dry yeast, and activated sludge.

The main goal is to support and develop high quality raw materials for the agricultural and livestock sectors. Such by-products are sold as nutritional supplements for animals, and for production of organic or organic chemical fertilizers to supply interested feed mills, livestock farms, livestock farmers, plantation farmers, and fertilizer manufacturing facilities.

Additionally, Feed Addition Co., Ltd. carries out research and development projects about by-products of distilleries

and breweries so as to create innovations. For example, the development of products in cooperation with Kasetsart University involves formulating soil supplements based on the bio-mass cycle. This reuse of by-products may prove profitable from sales to farmers in the neighboring areas, and also rejuvenates soil degraded by extensive use of chemical fertilizers. Moreover, such product development contributes to sustainable environmental preservation, good relationships with the surrounding communities, and is a part of ThaiBev's corporate social responsibility.

ThaiBev's waste and wastewater management in 2015 reinforces our commitment to minimizing impact on the community and the environment. This is attributable to the implementation of ISO 14001 in a serious manner, as well as our strict compliance with the law, resulting in no complaints being made to ThaiBev or the authorities.



# Social: Protection and sharing with others

## Customer Health and Safety

The quality , food safety and health promotion policy is the top priority of ThaiBev to serve customer satisfaction. ThaiBev therefore prioritizes and aims to having continual improvement in the quality of products and strengthen research and development new products to serve customer life styles.

### Quality controls for every process

The quality , food safety and health promotion policy is the top priority of ThaiBev to serve customer satisfaction. ThaiBev therefore prioritizes and aims to having continual improvement in the quality of products and strengthen research and development new products to serve customer life styles. ThaiBev has launched new products which promote consumer health such as Oishi Kabusacha no sugar added, low sugar, est Cola “no sugar”, isotonic beverage “100 Plus”, etc. ThaiBev also focus on the research to contribute to health and nutrition study of which was certified by The Nation Science and Technology Development agency such as “the extraction of catechin from spent green tea leaves”, the extraction of beta-glucan from the brewery spent yeast”.

To control and develop our products' quality to meet world-class standards, ThaiBev pays attention to and control every stage of the production process, starting from the selection of high quality raw materials from appropriate suppliers who are qualified in terms of high quality production and ongoing performance against standards. Moreover, ThaiBev closely cooperates with our suppliers so as to ensure such raw materials align with dynamically changing technologies and innovations.

Regarding production process controls, ThaiBev has quality policy and quality plan, as well as other operational standards to control every process from raw material acceptance, production, monitoring, testing and verifying in compliance with the criteria for traceability of all processes. The purposes are to control and improve the safety and health of our customers, and are applied to all ThaiBev products. Furthermore, the company encourages the product quality control laboratory to use testing standards in accordance with the Good Laboratory Practice of the Department of Industrial Works (GLP/DIW), and to seek certification of ISO/IEC17025 for its product quality control laboratory

from the Thai Industrial Standards Institute (TISI). To ensure confidence in the effectiveness of quality and food safety management, ThaiBev has developed internal and external audit processes, as well as audit processes applied to our suppliers. In addition, we operate in accordance with international standards for quality control and food safety control, which are applicable to all ThaiBev products, such as :

- Quality Management Systems (ISO 9001)
- Good Manufacturing Practice & Hazard Analysis and Critical Control Point (GMP & HACCP)
- Food Safety Management Systems (ISO 22000)
- Halal, or the standard certifying that foods are lawful according to Islamic law
- The National Sanitation Foundation (NSF) certifying the quality of drinking water based on the United States Food and Drug Administration (U.S. FDA)



**World-class standards achievement name of international standards for which  
 ThaiBev has obtained certification**

	ISO 9001	ISO 22000	GMP	HACCP	ISO 14001	OHSAS 18001	ISO 50001	NSF	BRC	HALAL
Spirit business group	●	●	●	●	●			●		
Beer business group	●	●	●	●	●	●	●	●	●	
Non-alcoholic business group	●	●	●	●	●	●		●	●	●

## Fulfillment of Customer Needs

ThaiBev understands the importance of responding to customer needs and ensuring customer satisfaction, so we provide multiple channels to receive comments and suggestions from our customers and our value chain, such as mails, emails, call center, direct phone calls and site visit. These channels freely allow customers to contact us with any inquiry, give suggestions, and file complaints, as well as express their opinions conveniently. Upon receiving feedback from our customers, the customer service gathers and analyzes the information and coordinates with any related units so as to quickly respond to our customers and maximize their satisfaction. Furthermore, ThaiBev also analyzes all information from our customers to improve the production process and products on a continuous basis.

ThaiBev also conducts market researches on our customers, and utilizes the research results and customers' comments to develop products with the aim of fulfilling requirements of customers with various lifestyles and offering diverse products to meet customer needs in all groups. Some of the products developed through this method are OISHI Sugar-Free Green Tea and OISHI Sugar-Free and Reduced Sugar Kabusecha, all of which are aimed at fulfilling the requirements of health-conscious customers and to support the government's health policy. In 2014, Sermsuk Public

Company Limited launched a new product called "Est Free" – a sugar-free and calorie-free soft drink and in 2015 also launched 100Plus 2 flavors to provide an alternative for customers who seek refreshing drinks.



## Awards for Outstanding Quality and Technology

ThaiBev and other subsidiary companies have received numerous awards for their products and production both at national and international levels such as:

- Alufoil Trophy 2015—the category “Resource Efficiency”
- European Style Lager—Gold Medal from the Australia International Beer Awards
- International High Quality Trophy from the Monde Selection Bruxelles International Institute for Quality Selection, Jim Murray’s Whisky Bible’s Whisky of the Year
- Gold—Best in Class from the International Wine and Spirit Competition, Environmental Initiatives—Gold from the Global Distillery Masters 2016

- Thai FDA Quality Award from the Food and Drug Administration of Thailand
- The Prime Minister’s Industry Award from the Ministry of Industry.
- “Thai Pack Award” for its OISHI watermelon-flavored green tea from the Thailand Institute of Packaging and Recycling Management for Sustainable Environment, the Federation of Thai Industries (TIPMSE).

All of these awards prove the high quality of our management and production process as well as our leadership in product innovation, and show our commitment to comply with international production standards.



Thai Pack Awards for OISHI watermelon flavored green tea

## Training and Education

ThaiBev's vision is to achieve world-class competitiveness. Vision 2020 was therefore launched to allow ThaiBev and its subsidiary companies in Thailand to take leadership in the beverage market in a stable and sustainable manner. Concrete plans have been formulated to respond to Vision 2020, including business expansion, product development to fulfill growing and increasingly diverse needs, process development to ensure higher quality output in a timely manner, and the employment of technology for efficient production, fast and accurate communication, and effective goods delivery, etc.

Employees are recognized as core to the vision of the organization, which emphasizes competency and professionalism. ThaiBev places equal emphasis on employee development as it does on technology or innovation since the "employee" is a key success factor which helps drive the business to achieve its mission and goals. The human resources management strategies of ThaiBev are based on Vision 2020 and feature a 3-year plan with a clear framework as follows:

- In 2015, the goal is to build foundations for growth.
- In 2016, the goal is to strengthen the organization.
- In 2017, the goal is to institutionalize corporate culture.

In this connection, the Office of Human Resources has been recognized as a strategic partner in building the business competitive advantage of Thai Beverage Group stably and sustainably.



Mr. Sanjay Khosla – Senior Advisor, The Boston Consulting Group (BCG) in one of our ThaiBev Leadership Series workshop "Focus 7 for Growth and Sustainability Leadership"



ThaiBev Group Conference, October 7-8, 2015

## Performance Evaluation

To ensure that the evaluation system is monitored regularly, 2 rounds of evaluation were applied to 100 percent of employees over the past year, consisting of a mid-year evaluation in July, and a year-end evaluation in December. This was to ensure that all employees had the opportunity to acknowledge their performance periodically, and to be able to perform self-improvement in a timely manner. In addition, another key performance indicator (KPI) regarding human resources development was added for the supervisory level upwards.

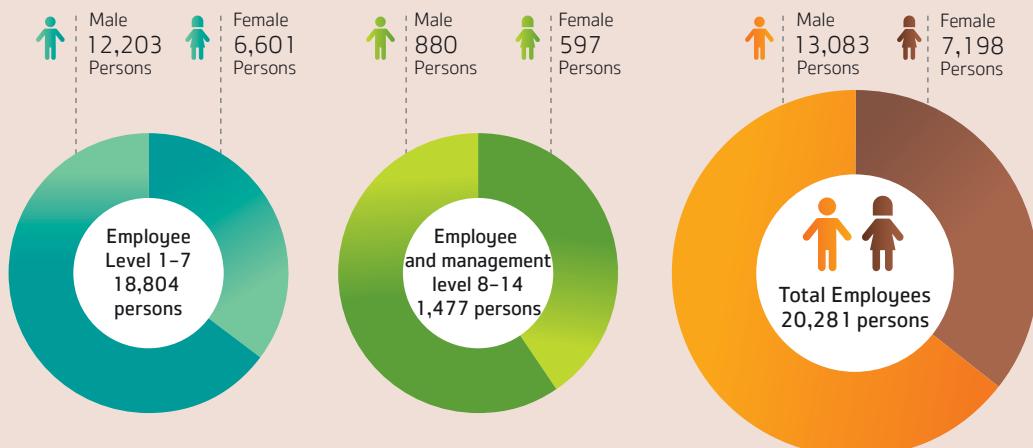
Once the performance evaluation of employees is completed, the information will be used for further self-development. As for the supervisory level upwards, employee information will be presented via a computer system which is acceptable, transparent, traceable, fair, and convenient. The evaluation results are available anywhere and anytime via the computer network system of the organization, while the results can be monitored anywhere as well. The evaluation of employees at the supervisory level downwards is conducted using an evaluation form, the process for which is clear and identical across all functions, and is reviewed by the immediate supervisor. Supervisors are encouraged to directly communicate and listen to the feedback of employees regarding the evaluation results. Employees will then receive a copy of the evaluation form for their information.

Once employees have been evaluated, their work skills and competency are developed to achieve professionalism, as well as to support the overall individual development plan. As a result, the organization is ready to accommodate growth based on Vision 2020, as well as gain benefits from the risk management of human resources, and preparation of employees and executives in accordance with the sustainability development plan.

In 2015, the Company systematically set up the evaluation approach by dividing into groups based on the personnel level in the organization. Each level has a weight chart of KPI, competency, evaluation methods and frequency, as well as communication and close monitoring from human capital executives.

The proportion of evaluated employees in 2015 can be categorized by gender and personnel level as shown in the below table.

The total number of evaluated employees is 20,281 persons.

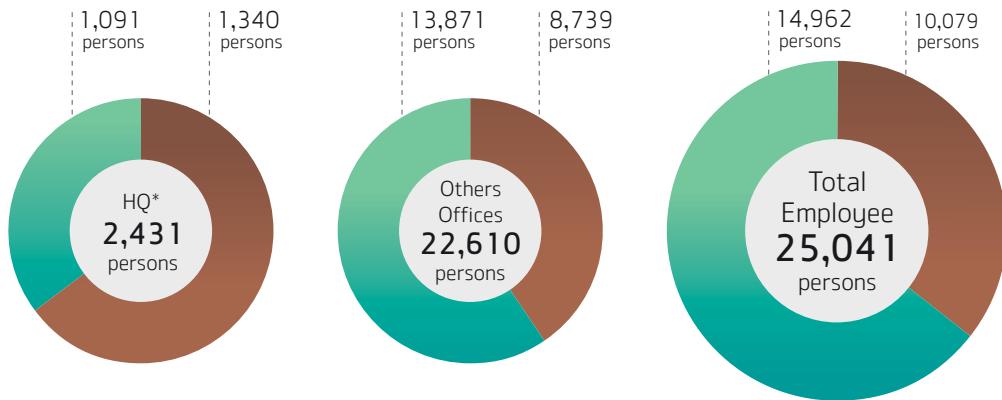


## Headcount by location as of 31 December 2015

\*HQ = Cyberworld bldg, TCC suriwong bldg,  
Park Venture bldg, LPN 1 bldg,  
Arun Amarin bldg, East water bldg,  
Sangsom Phaholyotin bldg,  
Sangsom vipavadee bldg  
Muangthai Phatra complex bldg

### ThaiBev

-  Male
-  Female



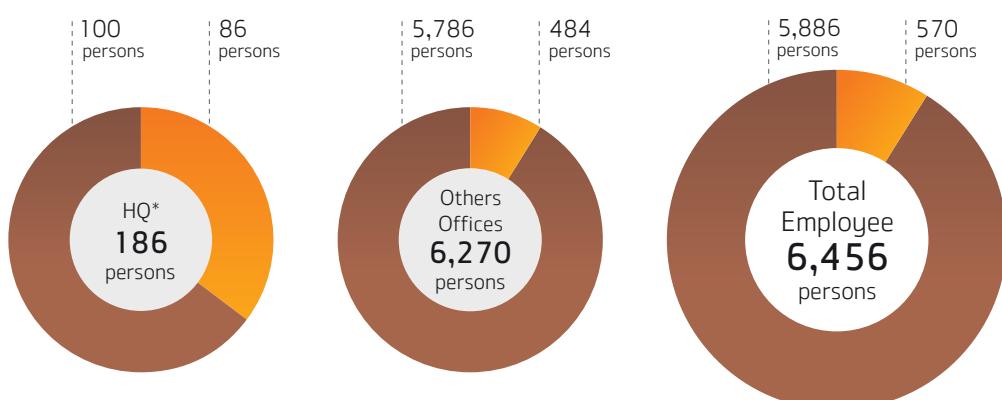
### OISHI

-  Male
-  Female



### Sermsuk

-  Male
-  Female

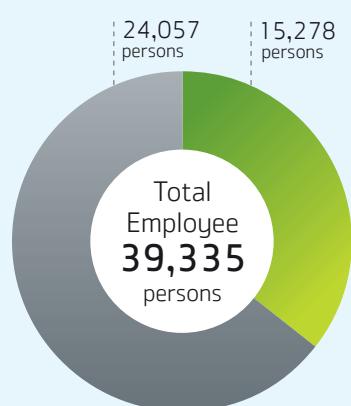
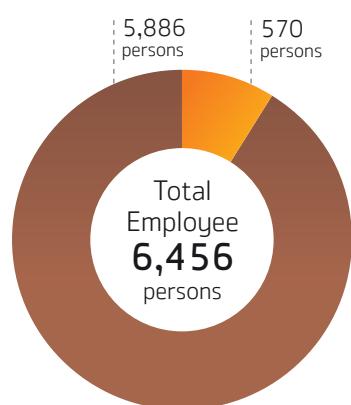
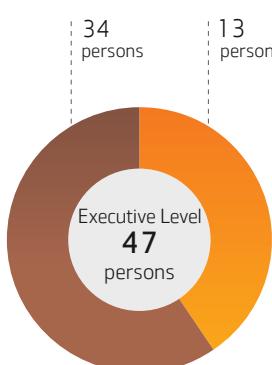
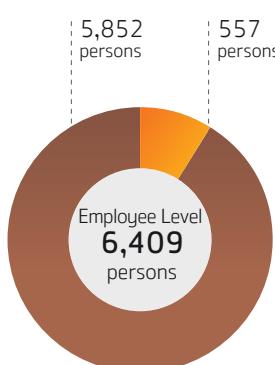
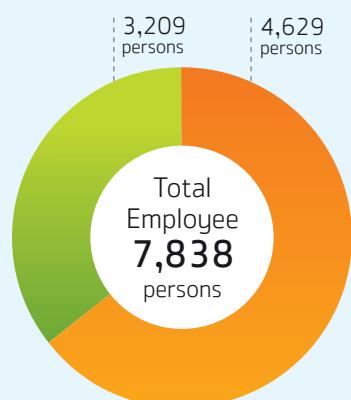
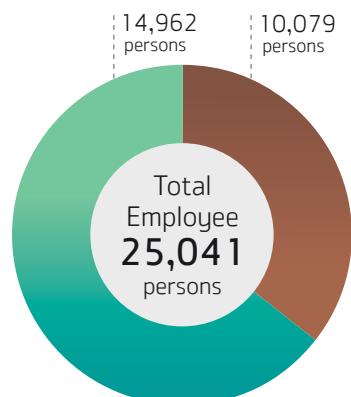
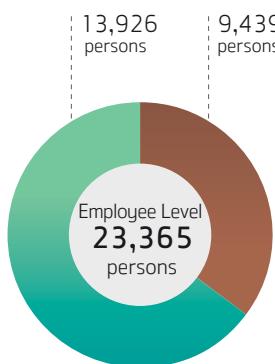


### Total

-  Male
-  Female

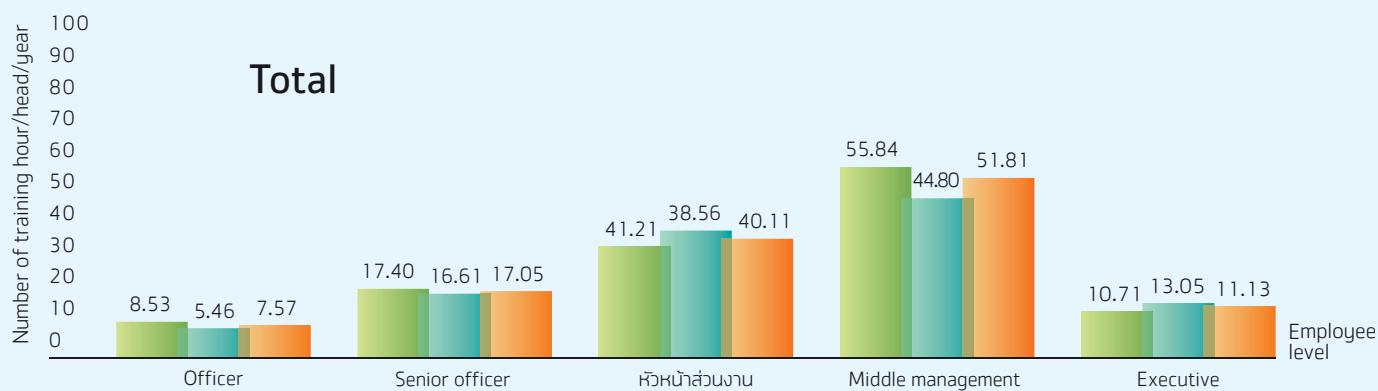
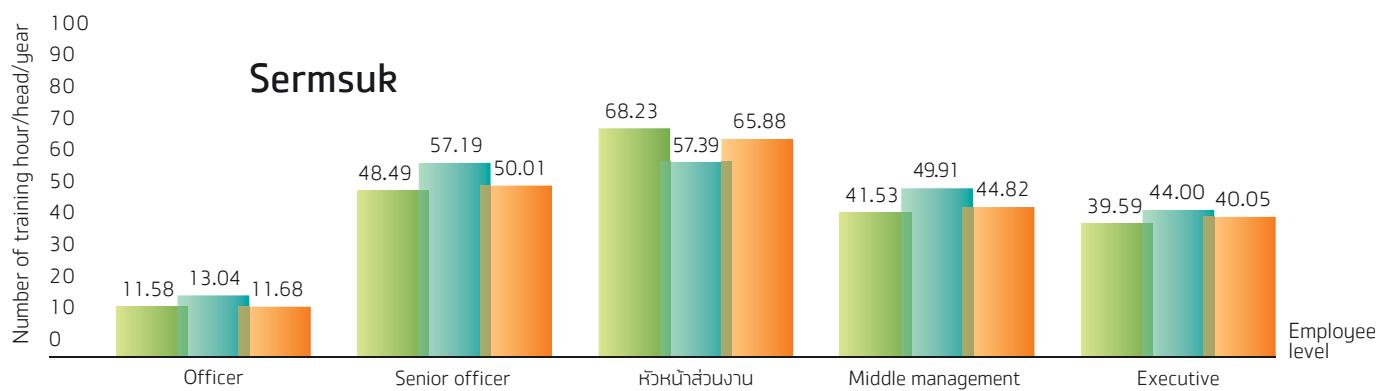
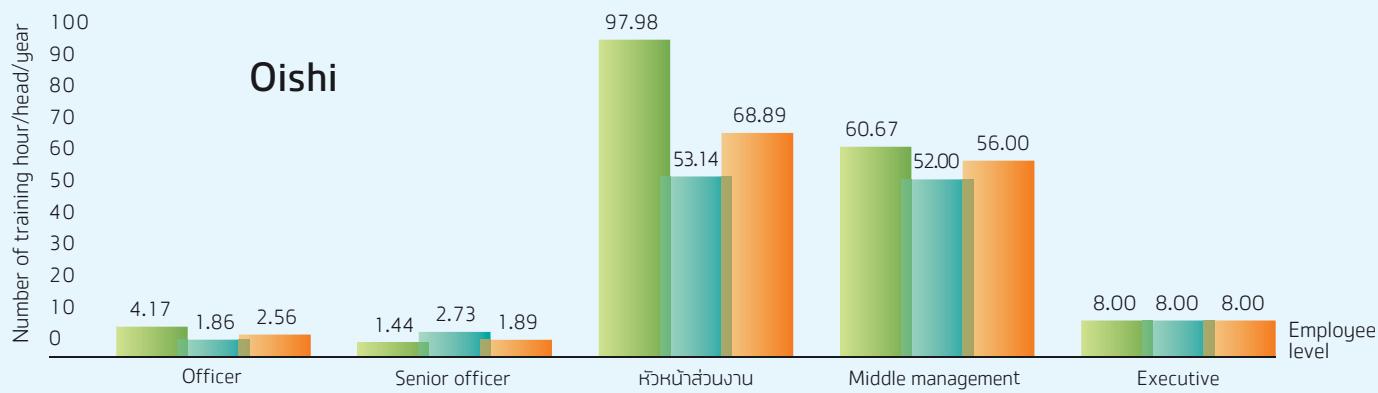
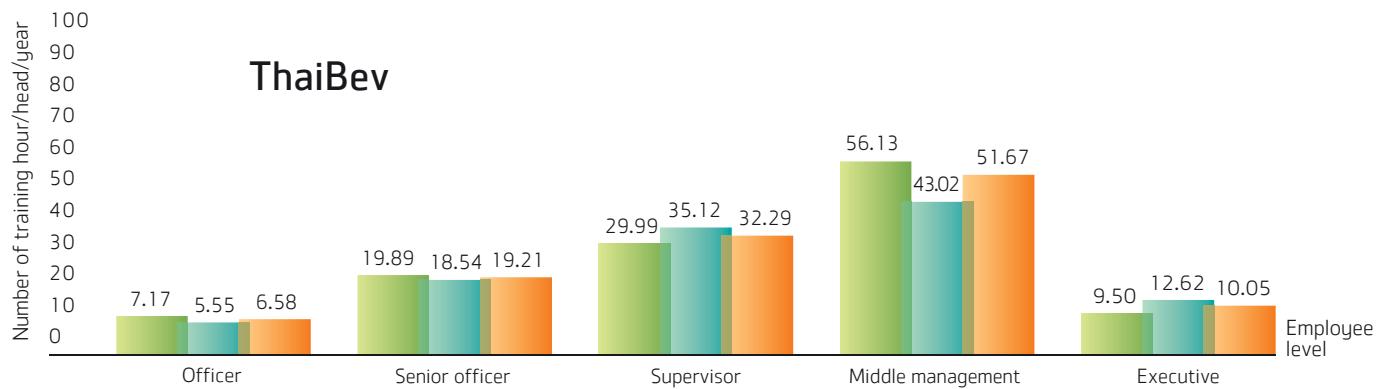


## Headcount by employee level



## Employee training hours in 2015

Male Female Total



ThaiBev's strategic plans to implement the policy on performance evaluation have now been devised and the targets up until 2017 have been established. The annual targets are as follows:

- In 2015, the target is to revitalize mid-year review.
- In 2016, the target is to strengthen bi-annual appraisal.
- In 2017, the target is to stabilize quarterly appraisal.

## Human Resources Training and Development

ThaiBev focuses on developing employees at all levels. Development is systematically structured in accordance with the organizational vision and individual career path. Employees at all levels have been provided with development opportunities in line with the position, including the development of skills necessary for their assignments, resulting from the discussions with supervisors on individual development plans. This is to give confidence to both the organization and its employees that they will benefit from development program in a stable and sustainable manner.

In addition to work-related training and development, ThaiBev also enhances employees' capability in business, as well as leadership development by clearly determining leadership competencies for employees at all levels.

There is a rounded assessment to allow evaluated employees acknowledge the areas that need improvement and formulate a development plan as appropriate. In addition, we offer opportunities for the development of management and teamwork skills, foreign language and computer skills, as well as specific business skills, such as those relating to production technology and processes, logistics and supply chain, and marketing. We emphasize skills and knowledge development and professionalism in each area, and have programs to encourage everyone to achieve Vision 2020, including how to adjust cognition and attitudes, and how to set goals in life and work, etc.

With the belief that a wide range of development opportunities will contribute to effectiveness in employee development, both classroom training and analytical workshops have been developed so as to enable employees to share their work experiences and to apply such experiences to solving problems in the real working environment. In addition, employees can also learn via the e-learning system which allows them to access to learning opportunities anywhere and anytime, and not to waste time and expenses on transportation. In the past year, various programs were developed for employees to review knowledge they gained from previous courses, including

courses for new employees, i.e., the introduction to ThaiBev and its subsidiary companies, ethical issues, products of the Company, general rules and welfare, and production of spirits, beer, and non-alcoholic beverages, and the courses for general employees, e.g., English for general employees. In addition, the coaching and mentoring system was developed so as to enable employees to quickly improve their limited knowledge and skills as required.

After employees complete training programs, their performance will be monitored and assessed. Supervisors will evaluate knowledge and skills of employees via online evaluation form and discuss with employees in order to systematically inform employees about the expectations and their capabilities.



Analytical workshop to enhance our management capability



"Golden driver" skill development Activity by ThaiBev logistics Co., Ltd.

## Talent Management

To support the continuous growth of ThaiBev and its subsidiary companies, the exploration and development of high potential employees is a crucial task of the Company. ThaiBev currently provides a training program for these employees simultaneously with managing to retain them systematically, with an emphasis on increasing the capabilities of these talented employees through challenging assignments so that they can continue to drive the organization in the future.

The development programs for high potential employees include:

1. Executive Development Program (EDP) – This program allows senior executives to participate in development programs at leading education institutes abroad.

2. Management Development Program (MDP)
  - This program is provided for management level to enhance their knowledge and skills in modern management, leadership, and business operations through the action-based learning.
3. Supervisory Development Program (SDP)
  - This program is provided for supervisory level to enhance knowledge on business administration (Business World), as well as the linkages between various functions within the organization (ThaiBev World) in order to prepare those who are promoted to the supervisory level in terms of business management and team management

Courses are developed in cooperation with leading institutions in the country and abroad in order to ensure high quality courses with international standards.



Mr.Thapana Sirivadhanabhakdi give the certification to one of the participants "ThaiBev – Supervisory Development Program (SDP), 3<sup>rd</sup> batch on May 27, 2015



(left to right) Mr.Thapana Sirivadhanabhakdi, Mr. Ueychai Tantha-bhas, Dr. Pisanu Vichiensanth sharing experience about ThaiBev 5 level of leadership in ThaiBev Group Conference, October 7-8, 2015



Mr. Chanavut Narkveg, VP, Office of Human capital (left) and Dr. Agapol Na Songkhla, Chief People Officer (right) congratulate our ThaiBev employees who received the post graduate scholarship in 2015

Moreover, there are other development projects, such as new executives' development (Rocket Project), and scholarships for postgraduate and doctoral programs in Thailand and abroad granted to those who meet the qualifications of the Company. Currently, the Company has granted scholarships to 5 employees, all of whom are in the process of studying. The overseas field trip is aimed at providing learning opportunities and new experiences to employees of ThaiBev and its subsidiary companies. All activities are intended to develop ThaiBev employees, in line with our motto, "Everyone has the opportunity to stably grow together with ThaiBev and its subsidiary companies".

## Leadership Development Journey

Development Streams	Leadership Development	Program	2016			
			Q1	Q2	Q3	Q4
Development Streams Senior Influencer	<ul style="list-style-type: none"> <li>Executive Coaching Program (level 1–3 of 5 levels of leadership)</li> <li>Talent Engagement Workshop (level 4 of 5 levels, 5 levels of leadership for all top executives, excluding Top 20 executives)</li> </ul>	Top Executive Development Program (TEDP)			■	
		Senior Executive Development Program (SEDP)			■	
		Executive Coaching Program	●	●		
	<ul style="list-style-type: none"> <li>Accelerated Leadership Development Program (ALDP)</li> <li>7 Habits for Top Leader</li> </ul>	Engaging People & Talents Program	●			
		Assessment-based Executive Development Program (EDP-A)			■	●
		Management Development Program (MDP)		■		
Middle Management	<ul style="list-style-type: none"> <li>Accelerated Leadership Development Program (ALDP)</li> <li>7 Habits for Top Leader</li> </ul>	Engaging People & Talents Program		■■■■■		
		Accelerated Leadership Development Program (ALDP)				●
		7 Habits for Top Leader	●			
	<ul style="list-style-type: none"> <li>The 7 Habits of Highly Effective People</li> </ul>	Supervisory Development Program (SDP)		■		
		The 7 Habits of Highly Effective People	■			

● Leadership Development Program ■ General Management Program



Mr. Charoen Sirivadhanabhakdi, Khunying Wanna Sirivadhanabhakdi, and Mr. Thapana Sirivadhanabhakdi joined the retirement ceremony to reward long term services from their newly retired employees.

## Succession Planning

Our executives are committed to leading the organization to achieve world-class competitiveness, with the result being that ThaiBev and its subsidiary companies have been highly successful business entities. The challenge now is how to enable new personnel to inherit the business stably and sustainably. In this connection, the Company has initiated a succession planning project, primarily involving important levels and positions. In 2015, the Executive Committee endorsed and approved the policy of the Office of Human Resources regarding the succession planning. In the past year, vacant positions of executives due to prospective retirement were identified in advance. In 2016, individual development plans will be formulated for the target successor group, while the superiors of the participants will jointly give advice and make assessments to support them in achieving their plans. ThaiBev believes that the benefits from the succession planning project will develop skills and capabilities of employees, while also providing the opportunity for them to work with full capacity and potential. It will also help to build a sustainable relationship between employees and the Company.

ThaiBev focuses on employee engagement in the organization because employees are the main contribution to the success and growth of the organization. To cultivate virtuous and intellectual employees with professionalism and readiness for continuous learning, and encourage them to help ThaiBev take care of the society, community, and environment – while driving the organization towards

stable and sustainable leadership – is another significant task. The Employee Engagement Survey 2015 was therefore conducted to acknowledge opinions and expectations of employees at all levels towards the organization so that the future policies and activities can meet their expectations.

The results of the Employee Engagement Survey 2015 were considered along with other factors, such as turnover rates, complaints, etc. The outputs will help to improve human resources management of ThaiBev each year accurately and systematically.

In line with our motto, “We will stay side by side with every success (Always with you)”, the Company focuses on not only customers and suppliers, but also our employees and their potential. Being provided with the opportunity to expand and develop capabilities, employees will be able to grow and move forward together with the successful organization.

ThaiBev and its subsidiary companies place emphasis on employees as we believe that people are not just resources that are daily consumed and become devalued in the future, but human capital that can be developed to drive ThaiBev towards its goals in a stable manner. This is a significant mission of ThaiBev and its subsidiary companies. We are committed to developing the capabilities of our management and employees to manage competition and strongly support ThaiBev in 2016.

# Governance and Compliance

ThaiBev adheres to good corporate governance principles, and conducts our business with efficiency, transparency, and traceability. In addition to our compliance with all applicable laws and regulations, we aim to be a role model of professionalism, transparency, and good corporate governance to build trustworthy relationships with our shareholders, investors, employees, customers, stakeholders, and all concerned parties.

In addition, ThaiBev has disclosed its good corporate governance report in the Annual Report for the year 2015 which explains the structure and procedures of ThaiBev for corporate governance disclosure. Moreover, the said Annual Report has also disclosed the information of operating results and future business opportunities, including the development guidelines for organizational sustainability among Board of Directors, Management Committee, and shareholders, in order to create competitive advantages. It also focuses on providing support and boosting business performance of customers for the long-lasting prosperity, as well as adding values to shareholders in the long run, with consideration to both internal and external stakeholders.

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.

## Business Ethics and Fair Business Conduct

In order for a business to grow and prosper in a sustainable manner and gain social acceptance in the community, one of the most important factors is that the Company must conduct its business ethically. A part of the process to promote ethical practice within the organization is to establish its own ethical standards, to let it be acknowledged by employees at all levels and to ensure that such standards are strictly adhered to and maintained consistently. In 2006 ThaiBev announced The Business Ethics of Thai Beverage group that consists of four interrelated parts as follows: Business Ethics of the Company, Ethics of the Directors, Ethics of the Executive Officers, and Ethics of the Employees.

ThaiBev adheres to responsibilities of all stakeholders, comprising the Company, shareholders, the stock exchange, customers, business counterparts, executives, and employees, including community, society, environment, and nation, by complying with the ethical considerations

and the scope of morality. Giving, offering to give, or soliciting, including receiving or accepting bribes in any circumstances, are not permitted by the Company.

ThaiBev has provided the e-learning channel for employees at all levels to access to our ethical standards, and has consistently carried out the Code of Conduct – E-learning activity which was initiated from 2014. It also includes the topic of business ethics in the training courses for new employees.

ThaiBev is determined to conduct its business honestly, lawfully, morally, and ethically. We have a transparent process of work and adhere to and comply with good corporate governance policy. Therefore, our Business Ethics are shared with personnel of all levels, including directors, executives, and employees in order to ensure that such standards are strictly adhered to and maintained in a consistent manner.

# Marketing Communications

ThaiBev recognizes the importance of our corporate social responsibility towards, and safety of, our consumers. We place strong emphasis on ensuring all kinds of marketing communications strictly comply with the law and are moral. Whether it is our advertising of alcoholic beverages or the arrangement of creative marketing activities of various products of Thai Beverage Group, our communications activities are undertaken with accountability towards consumers.

## Mission of Marketing Communications

ThaiBev does not carry out marketing activities of carbonated beverages with consumers below 12 years of age, nor of alcoholic beverages with consumers below 20 years of age. We encourage responsible drinking behaviors, while also cautioning against adverse effects of drinking alcohol by displaying warning on the packaging of every type of alcoholic beverage, and useful health information is available through a variety of channels.

To achieve our mission to launch a responsible drinking campaign during the long holiday period in Thailand in April 2015, ThaiBev cooperated with the government and private sector in releasing a road safety campaign to welcome the 2015 Songkran Festival called "Don't Drive Drunk, back home safely." The aim of the campaign was to raise awareness on the responsible drinking of alcoholic beverages and encourage people to celebrate

Songkran Festival consciously. The campaign encouraged travelling by train or bus, covering all provinces in Thailand, in order to reduce road accidents in an efficient and concrete manner.

In addition, at the end of 2015, we arranged an activity called "Drink don't drive" at the Blen Fest 2015 concert in Udon Thani province, whereby a total of 7,741 people of over 20 years of age joined the event. Through this activity, we encouraged the audience to keep in mind the concept of "Drink don't drive"; we also provided 4,000 bottles of drinking water and 600 cold towels for refreshment for the return home, free of charge. The campaign received positive feedback, and we are now setting a goal to launch the "Drink don't drive" campaign at all events or special activities in various places.



ThaiBev initiates a space for concert participants to relax by providing bottles of drinking water and refreshing towels to help them freshen up before going back home.

## Operation and Control

We have an internal procedure to control the production and release of advertising through a policy specifying that, if we are uncertain as to whether the advertising about to be released media is lawful, the creators are required to submit it to the Office of Legal Affairs for consideration prior to public release. We also send our employees to attend training courses with the government sector regularly. Our Office of Legal Affairs has also researched, monitored, and collected related information in order to ensure that the Company can keep up with any amendments to the law and comply with the laws accurately and completely. We have established a "Self-Regulatory Policy" Committee. The responsibilities of the committee are as follows:

1

To formulate policy and frameworks relating to partnership between representatives of food and beverage operators, the government sector, and non-profit organizations relevant to food and beverages and health in the country and the Asia-Pacific region.

2

To approve various projects regarding the management of self-regulation among food and beverage operators such as training and development projects for alcoholic beverages sellers, as well as to support or participate in the social contribution projects, and monitor the results.

3

To determine the marketing ethics of Thai Beverage Group for alcoholic beverages and non-alcoholic beverages, also formulate policy in alignment with said ethics, to be deployed by the Board of Directors, management, and employees of Thai Beverage Group – such as issuing a marketing code as an operational guideline for employees and related companies to ensure proper operations.

In addition, ThaiBev began implementing a "self-regulatory" policy at the end of 2015. Relevant personnel now have clearer frameworks to work within, and recognize their accountability to convey quality marketing communications and encourage responsible consumption among consumers. ThaiBev is confident that such measures and policy will help to ensure the company remains compliant with the law.



Mr. Thapana Sirivadhanabhakdi presents his vision to ThaiBev and subsidiary companies in an annual management meeting 2015.



ThaiBev magazine launched every two months to our employees.

## Internal Communication

ThaiBev and its subsidiaries recognize that employees are valuable human resources of the organization and are significant to driving business growth and prosperity. Therefore, we continue to place emphasis on communications with our employees that create knowledge, understanding, loyalty, a feeling of being a part of the organization and pride.

We would like to maintain a pleasant work environment and, as such as promote and effectively stimulate employees' involvement via multiple channels of internal communication in accordance with the organizational goals and mission. For example, we arrange a town hall meeting on a yearly basis to inform employees about the business direction, the organizational goals, and supports of employees.

ThaiBev has also trained marketing, sales and related employees to regularly enhance their knowledge on laws related to advertising, public relations and marketing communications. Our communications present the perspective and vision of the management team of ThaiBev and its subsidiary companies. We have created knowledge and understanding about business operations and operational guidelines in alignment with business goals among our stakeholders.

ThaiBev and its subsidiary companies are further committed to promoting the communication of our human resources development policy for our employees to better understand their career path, including the competency development at employee level, business unit level, and organizational level.

In this regard, the Company has released news regarding good relationships and friendship among employees throughout the year. Various types of our internal communications include ThaiBev Magazine (every two months), One World Magazine (every three months), HR Intranet (electronic information for employees), ThaiBev E-News (electronic news directly sent to employees' computers), ThaiBev Radio (internal radio broadcasting), ThaiBev SMS (short messages), Social Media (Line: HR\_ThaiBev and Facebook: We are ThaiBev), etc.

In every internal communication, we emphasize responsible drinking, and encourage our employees apply this in their personal lives as well.



ThaiBev Expo, October 9-11, 2015.

## External Communication

Aside from communicating with our consumers, we also focus on communication with our customers, suppliers and the government sector. We have fostered a more accurate and complete understanding of alcoholic beverage control laws among our customers by assigning a lawyer to every point of sales in each region nationwide. Moreover, we organize an annual conference for our customers and suppliers, called the ThaiBev Expo, which presents our standard production and distribution processes, as well as introduces new developments and innovations at ThaiBev to our customers, consumers, and suppliers in a comprehensive manner.

ThaiBev also frequently communicates with legislators and the government sector, taking into account their opinions and recommendations, while also significantly contributing to providing them with knowledge, understanding, and perspectives on laws in order to jointly improve the clarity and appropriateness of legislation and enforcement for utmost benefit to consumers.

As mentioned earlier, in 2015, ThaiBev also nominated a committee responsible for formulating the "Self-Regulation Policy" and Marketing Code for controversial activities – the latter of which clearly states that, before launching

any alcoholic beverages marketing communication, especially via social media, which are easily accessed by youth, it should be carefully inspected to ensure that any messages or pictures not imply any violence or undesirable behaviors. Throughout the past year, ThaiBev conducted all marketing communications in compliance with the law.

With regard to marketing communications relating to ThaiBev products, our main strategy is to inform consumers and other stakeholders of our product excellence, in terms of the production quality control, environment, brand creation, concerns over safety of consumers, and responsible consumption. In particular, we help to raise confidence among consumers that our products are manufactured in compliance with hygienic standards, laws, and the regulations of the Ministry of Industry.

Our ultimate aim is to create trustworthiness and encourage consumers to perceive that ThaiBev is the leading total beverage producer that can fulfill the needs of people of all groups, levels and lifestyles. Furthermore, we cultivate the pride of being a Thai company in order to gain recognition from the global community.

## Marketing communication of ThaiBev's subsidiary companies

To accomplish this, the marketing communications of ThaiBev products are diverse. They can be categorized by types of products as follows:

1. **Alcoholic beverages** – The trademark as required by the Alcoholic Beverage Control Act, B.E. 2551, and related laws is strictly displayed.
2. **Non-alcoholic beverages** – Our 3 main companies which produce and distribute non-alcoholic beverages include Sermsuk Public Company Limited, Oishi Group Public Company Limited, and Thai Drinks Co., Ltd. Details of marketing communications of only Sermsuk Public Company Limited and Oishi Group Public Company Limited are highlighted below:

**Sermsuk Public Company Limited** produces and distributes quality food and beverages under 4 main business groups, namely, carbonated beverages, non-carbonated beverages, drinking water, and distribution group. Sermsuk is guided in its marketing by the following approach:

"Sermsuk is aware of customer and consumer rights to obtain and access to quality and safe products at reasonable prices, as well as have the opportunity to try new products. Moreover, we give back to consumers through our periodical promotional campaigns. Sermsuk also has the customer service center and the system of handling customer complaints against its products and services, as well as solving such issues in a timely manner. We adhere to free trade principles, and have a policy on fair competition in compliance with the laws."

Sermsuk's products are certified by ISO2200:2005 Food Safety Management System. Since the beginning, the company has designed products according to Thai Industrial Standards and Notification of Ministry of Industry, and has operational standards in line with food safety requirements. These include the certification of chemical raw materials and packaging, product recall, product quality analysis, and indication of nutritional facts and ingredients on the product label to enhance



consumers' knowledge and understanding of products. Over the past year, we developed a new product design to reduce the volume of plastic and the cost of packaging, while maintaining quality of products for consumers.

The marketing communications of Sermsuk are based on the concept of sharing happiness from the organization via a variety of quality products, which are then distributed by our trusted agents and business partners – who, in turn, spread happiness to all Thai people, wherever they are. In further dedicating ourselves to share happiness to underprivileged people in Thai society, we believe happiness will ultimately return back to us and empower us to performing our duties consistently.

In 2015, Sermsuk collaborated with Thai Drinks Co., Ltd. to organize various marketing activities beneficial to our consumers. We aimed to share happiness and build good relationships between the organization, employees, and stakeholders extensively, with a total budget amount of over Baht 50 million. We organized activities under the concept of "Fill every opportunity



with happiness" by promoting the health and good quality of life of consumers, and providing useful healthcare information. Examples of the activities included the "Be Gorgeous, Be Crystal" event, which provided healthcare techniques to consumers.

We also provided the main sponsorship, together with the Nation newspaper, to a bike tournament to reduce volume of carbon dioxide in the air, as well as supported the Rainbow Room Foundation in organizing a charity run in order to raise funds and generate positive feelings for those with special needs. Sermsuk provided beverages for each event, averaging more than 3,000 bottles. We received satisfactory feedback, with our complimentary beverages consumed within a short period time. Sermsuk has also continuously provided funding support to the Thailand Institute of Packaging and Recycling Management for Sustainable Environment and The Federation of Thai Industries each year. These organizations were able to contribute to increasing the recycled-package ratio of Thailand to more than 84% in 2013.

Furthermore, Sermsuk recognizes that producing pure drinking water goes beyond employing a simple filtering process. "Crystal" is the first drinking water brand in Thailand that is certified by the NSF – the institution of the USA which certifies the quality of drinking water. Every element of our production process needs to be regularly checked to meet international standards, including our



machines, the cleanliness of the facilities and production staff, and the arrangement of consistent training courses on proper and standardized production processes. This is to ensure that our consumers are confident that they are consuming clean, safe, and high quality drinking water.

### Oishi Group Public Company Limited

operates 2 main businesses, namely, beverages and a Japanese food business. The vision of the company is "To be a leader and an innovator of the Japanese food and beverage business for the quality of life and wellness of the new generation." Its missions are:

1. To maintain the quality and good services of the restaurant, bakery and health beverage businesses, as well as the popularity of "Oishi" products among the customers, and give the importance to the standards of the product manufacturing and operation.
2. To select quality raw materials that bring the highest customer satisfaction, in order to be well recognized in both local and overseas markets.
3. To continuously improve the production process by using modern technology in the product's research and development.
4. To increase the effectiveness of the production and the company's competitiveness, in terms of the price and quality, relative to competitors in the local and overseas market as it will help drive Thai economic growth.

The year 2015 was considered a successful year for the non-alcoholic beverages business of ThaiBev, especially for Oishi Group Public Company Limited, which won the "Superbrands Thailand 2015" award. The award emphasizes the success of Oishi as a food and beverage brand which has accomplished successful brand development in Thailand, as well as being recognized as the No.1 brand for consumer choice in terms of brand quality, brand affinity, and brand personality. Superbrands is widely accepted as an award, and is granted by an independent organization that measures and evaluates the excellence of brand development, and involves experts in the field of marketing, advertising and public relations in each country. We believe that to be the No.1 brand for consumers requires diverse marketing activities and efficient marketing communications that truly satisfy consumers.

All Oishi products are produced from high quality ingredients. For our tea, we select only the best and most beneficial part of the green tea leaf, i.e., the "three young buds", and then proceed to the cold aseptic filling production process, which is a world-class innovation. Moreover, due to quality inspections and certifications by GMP Codex, HACCP Codex, ISO 9001:2008, ISO 14001:2004, ISO 22000:2005, BRC, NSF, HALAL, Green Industry, as well as Total Productive Maintenance (TPM) from related organizations, consumers can be confident in products that are safe and that also preserve the benefits of green tea right through to final consumption.



To satisfy health-conscious consumers, Oishi green tea has also launched a sugar-free green tea, i.e., Oishi Kabusecha, a premium green tea available in sugar-free/zero calorie and low-sugar/low calories formulas to fulfill customer needs for healthy products. Oishi implemented comprehensive marketing communications under the campaign "Tea for the emperor" in the last quarter of 2015 via all advertising media.

As for marketing campaigns for social contribution, Oishi launched the campaign "Love Mom with Oishi" in August 2015. Such activities encouraged the sharing of love in the family. Oishi wanted to encourage the young generation to show their love to their mother in their own style via TV advertising and digital media, as well as allow children to see a movie for free of charge together with mothers nationwide on Mother's Day. This campaign received great feedback, with more than 20,000 participants nationwide on August 12, 2015. There was also a campaign allowing Oishi consumers to participate in the lucky draw and obtain gifts for their mothers.

**Thai Drinks Co., Ltd.** In early 2015, the company launched a new product, "Jub Jai", a Jub Liang herbal tea, which is enriched with 10 traditional herbs. The product aims to be tasty, refreshing, and good for health, with herbal benefits that can quench thirst. The company utilizes an innovative production technology called "Cold Aseptic Filling" which contributes to 100% germ free, high quality, and maintains herbal benefits completely.

In 2015, "Jub Jai" carried out a marketing communication activity called "Jub Jai boosts public spending fair" in 8 provinces nationwide in order to encourage Thai people to spend more on affordable products, and stimulate cash flow in the economy – with more than 60 outlets of local SMEs participating. In addition, Young Entrepreneur Chamber of Commerce (YEC) provided investment knowledge to the general public, with the aim of entertaining and educating participants. In each province, there were more than 10,000 participants on average.

In conclusion, all of ThaiBev's business groups have organized different and diverse marketing communication activities, ranging from promoting consumers' health, enhancing corporate social responsibility, sales promotion, to lucky draw – all of which were organized to give back to the consumers for their great supports, and reinforce leadership of ThaiBev products. Nevertheless, all the activities and communications to be released to general public need to be carefully considered by directly responsible persons, and reviewed by the Office of Legal Affairs in order to ensure that the Company's operations comply with the laws and truly maximize benefits to our consumers.

# Local Communities

"In addition to recognizing the importance of producing our products responsibly, ThaiBev also focuses on the development of corporate excellence – creating values, and being a role model for society and all stakeholders. ThaiBev efforts in developing society, communities and the environment will promote stability and sustainable growth. This is also a form of resilience that enables us to operate business without conflicts and while also being recognized by society. These things will build the confidence of our stakeholders and shareholders, not only in regard to their individual interests, but also in regard to our sustainable growth alongside society. I believe that with strength and sincerity, ThaiBev will be able to gain global recognition." said Mr. Vichate Tantiwanich, Senior Vice President – Corporate Services, Thai Beverage Public Company Limited.

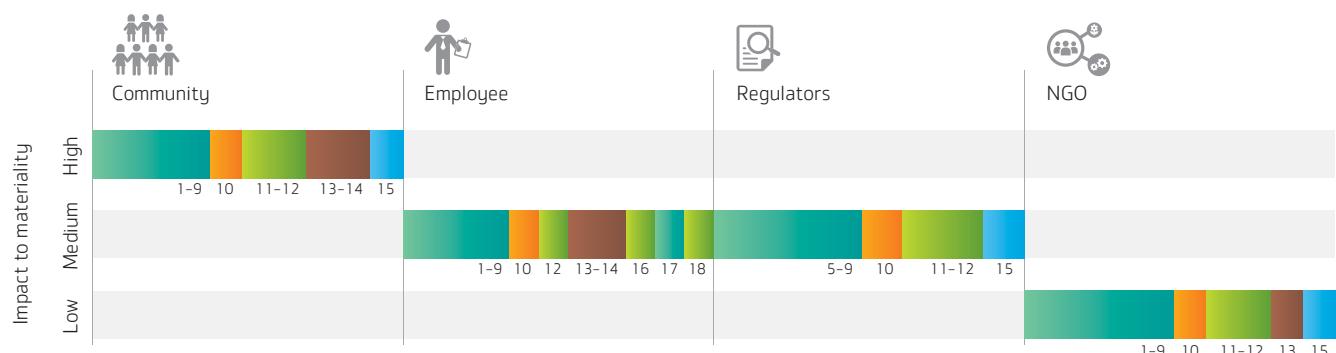
Creating activities for local communities – ThaiBev has evaluated its community activities' relevance to communities, society and other stakeholders, in comparison with the Organizational sustainability materiality (local communities) and the UN Sustainable Development Goals.

## 1) Organizational sustainability materiality (local communities)

### List of ThaiBev Projects

- |   |   |
|---|---|
| 1. Model Youth project of Bang Khu Wat Community              | 10. Sports Development Project                              |
| 2. School Centralized Community Development (School Bird)     | 11. HRH Princess Naradhiwas Rajanagarindra's Teacher Awards |
| 3. 1 Tambon 1 Social Enterprise                               | 12. C asean   |
| 4. Books for young kids                                       | 13. Bhumirajanagarindra Kidney Institute Hospital           |
| 5. The Pracharath Policy                                      | 14. Chang Medical Clinic                                    |
| 6. Beta Young Entrepreneur                                    | 15. Arts and Cultural Development                           |
| 7. ThaiBev Unites to Fight the Cold                           | 16. Scholarships program for the Children of Employees      |
| 8. Huai Hong Khrai Royal Development Study Center Cooperation | 17. Employees Club Project                                  |
| 9. Ping River and Weatern Conservation                        | 18. Master Degree Scholarships for Employees                |

- Society and Community
- Education
- Sports
- Public health
- Art and culture



Most of the projects initiated by ThaiBev relate directly to community and society development. These are followed by initiatives aimed at employees and public sector; currently, few projects are directly focused on NGOs.

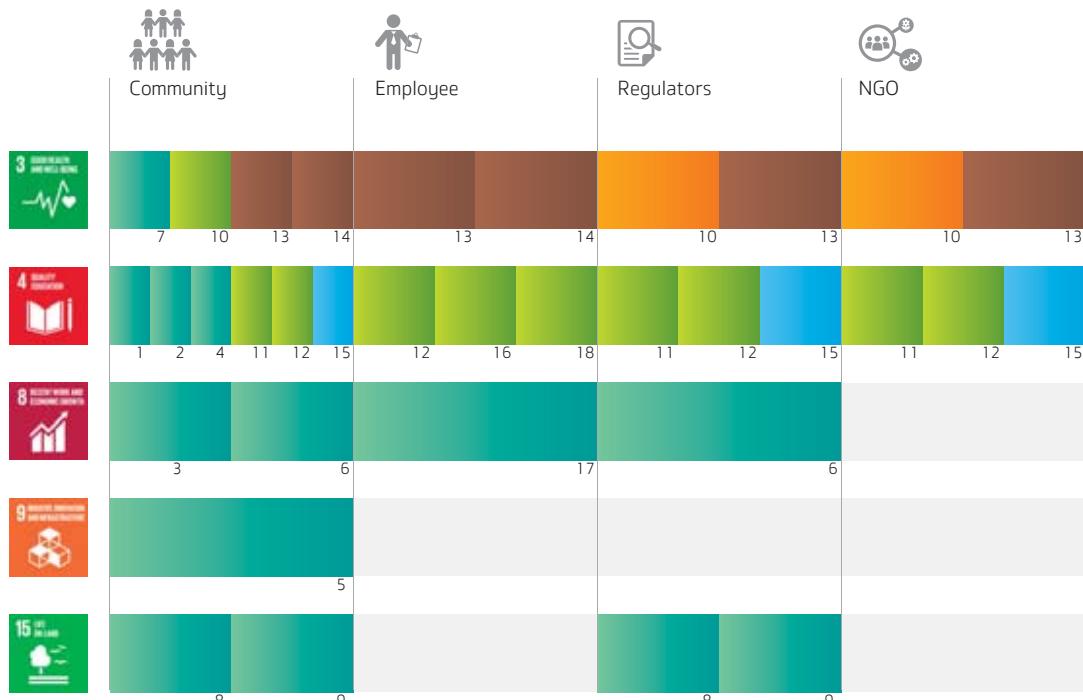
## 2) The UN Sustainable Development Goals

The UN defined a total of 17 sustainable development goals to be achieved within 2030 as follows:



The 17 Sustainable Development Goals

ThaiBev seeks to contribute to the achievement of 5 Sustainable Development Goals as set out below.



Most ThaiBev projects are consistent with the UN Sustainable Development Goals 3 and 4 which concern Good Health and Well-Being and Quality Education.

As a Thai company and a role model for corporate citizens, ThaiBev is determined to launch projects that benefit Thai society, including the Thai communities in which ThaiBev are operating, customers, business partners, employees, and all stakeholders – as demonstrated through the many projects and activities of the Company over the past 20 years.

We have a “community activities planning policy” that can be taken as the guide for others to follow and extend in a continuous and sustainable manner. Our activities are, moreover, diverse and comprehensive to fulfill the needs of each community – as well as consistent with the UN Sustainable Development Goals in many aspects. Our projects, for example, contribute to promoting good health; developing education; promoting adaptation for sustainable and innovative industry; promoting jobs to stimulate the overall economy; building sustainable communities; preserving, restoring and promoting sustainable use of terrestrial ecosystem and sustainable forest management to stop the loss of biodiversity.

As a result of our efforts ThaiBev received the “Best Strategic Corporate Social Responsibility Award” from the event “5th Alpha Southeast Asia Awards”, held by Alpha Southeast Asia magazine. The award is based on the 5<sup>th</sup> annual opinion poll to find Southeast

Asia’s top companies. The votes were collected from 520 financiers throughout Southeast Asia, Europe and USA. The voters consist of stocks analysts, fund managers of large institutions, pension funds, personal financial consultants, and insurance companies, hedge funds investing in Southeast Asia, including analysts from highly specialized securities companies.

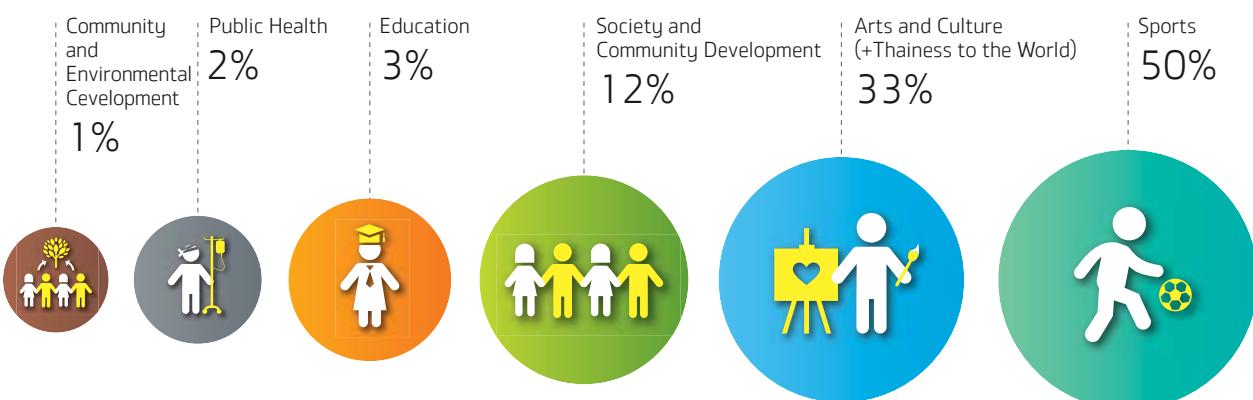
ThaiBev classifies social contribution activities into 5 main categories:

- 1) Society and Community Development, of which Community and Environmental development is a subset
- 2) Education
- 3) Public health
- 4) Arts and culture
- 5) Sports



ThaiBev received the “Best Strategic Corporate Social Responsibility Award” from the event “5th Alpha Southeast Asia Awards”.

In 2015, ThaiBev spent a budget more than Baht 440 million to support these activities and projects as shown in the details below.



When including other social contribution projects since 2003, ThaiBev has spent a significant amount of money to support various projects. All our projects are focused on building economic, social and environmental value, in a sustainable manner as we believe that investing in society and sharing benefits will develop the society alongside our own corporate excellence. For us, it is not a company expense but, rather, an important investment for the organizational stability and sustainability.

ThaiBev has a clear direction for carrying out community and social development projects. We support the community and local people to be able to help themselves in regard to fostering their livelihoods, local values and intellectual

development. To enable these communities to enjoy sustainable growth together with ThaiBev, we have set a policy to develop community model that encourages members to become sustainably self-reliant, provides opportunities for them to think and make contributions to their own communities, as well as undertake projects on their own in the long run.

During 14 October to 11 December, 2015, we conducted a survey on the needs of communities and stakeholders to obtain information to support our community development efforts and improve our strategies in the following years. From the questionnaire survey results, our stakeholders placed emphasis on the following topics:

### Requirements and significant topics of the communities



Responsibility  
for society and  
environment



Supporting  
education in  
the communities



Creating or  
supporting jobs in  
the communities



Promoting public  
health and  
wellness in  
the communities



Promoting  
anti-drug activities  
in cooperation with  
the communities

The survey results also highlighted our success in various sustainable development activities that ThaiBev has organized for the communities.

ThaiBev places great emphasis on our "Hub and Spoke" model, which aims to help build cooperation among stakeholders in carrying out community development projects. Its implementation starts with a community that has enough potential to be a model community (Hub) that can be developed to be a learning center which influences the surrounding communities to learn and rapidly follow the development process of the role model.

The Corporate Social Responsibility (CSR) is the unit responsible for determining the criteria for consideration of the projects and procedures. Communities are divided into 2 groups, namely, the surrounding communities, and potential model communities (Hub).

ThaiBev has worked with different organizations and many leading companies that share the same goals of contributing to the sustainable development of communities, and is focused on building role model communities in every region. We also support community management efficiency, as well as the development of their human resources to be able to create value for the community, society, and the country at large.

## The concept of self-reliance in community development



Ms. Thantip Sirinupong  
Director of Community  
Development Project

"When we decide to be involved in any community development initiative, we always consider participation in learning. We encourage the participation of the community to enable them develop sustainably, according to their needs. We help to fill in their missing parts and solve problems together, so as to enable them become a role model and expand the results to other sectors."



## Community and Social Development

# 80.5%

We have initiated development projects reaching out to 80.5 % of the communities in Thailand. We have defined target areas in all 77 provinces. To date, we have initiated the projects in 62 provinces.



ThaiBev has establishments in every province of Thailand. We have offices, operations, distribution centers, and many 70 subsidiary companies all over Thailand. Thus, community and social development projects are very important to us.

### Communities nearby our operations

ThaiBev recognizes the importance of the communities nearby the operations because we consider our employees as members of the communities. We focus on continuously building good relationships with them because we believe that in order to do business efficiently, we have to support the community to achieve sustainable development along with developing the sustainability of our own company. Having good relationships with the communities includes taking part in developing and initiating various beneficial activities for communities. The aim is to foster close communication and prevent misunderstandings, as well as build good understanding among communities and decrease conflicts between communities and our operations. This is to create a form of immunity for the organization, as well as promote a good corporate image in the communities that is long lasting.

- ▶ "Building Good Community with Smiles" Project
- ▶ "Repair and build a model football field for Border Patrol Police schools" Project
- ▶ "Books for Young kids 2" Project
- ▶ "ThaiBev Unites to Fight the Cold" Project
- ▶ "ThaiBev 1 Tambon 1 Social Enterprise" Project
- ▶ "Model Youth Bang Khu Wat" Project
- ▶ "School Centralized Community Development" Project (School Bird)
- ▶ "ThaiBev United to develop community" Project

### **Building Youth Leaders to Enhance their Potential and Leadership for Sustainable Community Development**

ThaiBev believes that youths are an important human resource to the communities, and that building their capacity to have leadership and self-confidence will lead to strong connections between communities and ThaiBev. This belief has given rise to a number of projects that can prepare youths to be ready for the role of creative leaders, who can contribute to projects and cooperation that will bring changes and sustainable growth to the community. One of these projects is the Model Youth Project of Bang Khu Wat community.

"I am proud to have had a chance to represent my school and present the Model Youth Project of Bang Khu Wat to HRH Princess Maha Chakri Sirindhorn. Participating in this project has made me feel more confident, especially about good presentation and leadership skills."



Ms. Jarinya Kaojui (Noongning)  
 Leader of Youth Model

"I have been a part of the project from the beginning. I have seen a positive change around the relationship between the community and operations.

Previously, whenever the community was affected by our operations, local people would gather to take legal action for compensation. At present, people have better understanding about the operations of the facility. In the case of any problem, the community leader will approach and discuss with us in order to jointly find solutions."



Mr. Nit Panompon  
 Engineering Technician,  
 Volunteer Employee of  
 the Project

### **Model Youth Project of Bang Khu Wat Community**

#### **Objectives and Targets**

- To enhance the leadership capability of 60 community leaders within the first 3 years of the project.
- To develop leadership capacity and provide consultation to 120 youth leaders within the first 3 years of the project.
- To develop at least 6 pilot projects in the first year to improve quality of life by focusing on cooperating with the community in promoting cultural values, economic development, physical quality of life improvement, and education within the first 3 years of the project.
- To give opportunities to ThaiBev's employees to be involved in community development, consisting of 12 White Elephant volunteer employees, and 30 general employees.

#### **Procedure**

- Developing leadership in children and youths in areas surrounding the facility of Sura Bangyikhan Co., Ltd., Pathum Thani province.
- Creating participation in community development by volunteer employees of Sura Bangyikhan Co., Ltd., utilizing the capacity of participating children and youths to connect with leaders of communities surrounding the facility, totalling 12 villages.

#### **Duration**

- 2013–2015 (conducted every 3 months throughout the year)

#### **Results**

- 12 Model Youth Pilot Projects undertaken
- 784 participating youths
- 36 youth models
- 25 participating community leaders
- 115 participating employees
- 22 trained volunteer employees

### To build a strong community is to become self-reliant, stable and sustainable

ThaiBev is, first and foremost, focused on the needs and development of communities surrounding our operations. We strongly believe it is important for our organization to develop alongside with the community, and especially to motivate community leaders to recognize the importance of having knowledge, careers and their own income to ensure stable and sustainable earnings – all of which they can then pass to next generation. A good example of our efforts in this area is the School Centralized Community Development Project (School Bird).



1



2

1, 2. Students work on cleaning planting plot for vegetable.



3

3. Students are discussing on community development.

### School Centralized Community Development Project (School Bird)

#### Objectives and Targets

- To elevate the standard of living for people in at least 5 villages.
- To have a school serve as a life-long learning center for everyone in the community, as well as a center for economic, social and democratic development.
- To enhance capability of the teachers and students, and raise public consciousness and sharing.
- To reduce relocation of members in the community.
- To establish at least one Community and School Development Bank.

#### Procedure

- ThaiBev has been cooperating with The Population & Community Development Association (PDA) in continuously developing the communities, whereby personnel of ThaiBev and its subsidiary companies give advice to schools and communities. Meetings for discussion of the activity plans are held on the 15<sup>th</sup> day of every month.
- In 2013, ThaiBev expanded cooperation into the School Centralized Community Development Project (School Bird) at Ban Thatoom School in Prachinburi province.
- An education institute is at the center of the whole development process in the community, involving local authorities, education personnel and organizations, children, youths, and parents—enabling the community to be adopted as a model for other nearby sub-districts and villages.

#### Duration

- 2013–2015

#### Results

- The learning center for farming for lunch was established so as to enable participants to generate income from products of the project.
- Good cooperation between the community, school and ThaiBev.
- Villagers gathered to contribute to further development in their community.
- The community bank was established to be a funding source based on rules and conditions of the community.
- The community was motivated to push forward various projects for their sustainable development.

## Community Role Model

Apart from the communities surrounding the operations, ThaiBev has also worked with other communities with potential to be a role model. We evaluate the community by analyzing the strength of community leaders. ThaiBev believes that to raise consciousness, we have to start at the individual level, followed by the community level once it has a strong leader and network for expanding to other communities rapidly and effectively. In association with the Right Livelihood Foundation, ThaiBev identified a number of highly successful projects that have now been accepted and used as a model in many areas in Thailand. The company has not only given financial support, but also learned together with the community.

We have chosen three areas for development from 2013 to present as follows:

### 1 Tambon 1 Social Enterprise Project

Role Model of self-management in terms of community-based economics, as well as forest and water sources preservation, and mutual support through cooperation from all sectors

Stakeholders	Objectives	Procedure	Results (evaluation)
<b>1. The community in Pone Thong sub-district, Chaiyaphum province</b>  	<ul style="list-style-type: none"> <li>To develop the learning resources for organic farming</li> <li>To reduce household expenses in relation to rice and vegetable farming</li> <li>To develop potential, knowledge and skills of the change leaders in organic farming, technology for increase of rice and vegetable productivity, and management to the leader of change</li> <li>To develop a demonstration field and increase productivity of organic rice and pesticide-free vegetables for more income</li> </ul>	<ul style="list-style-type: none"> <li>Developing the production system of germinated brown rice to fulfill market demands</li> <li>Improving the community drinking water production system for cost saving of local people and for generation of income from selling clean water, so as to stimulate the sub-district economy</li> <li>Driving the master plan of the sub-district to stimulate the economy through organic farming across the sub-district:           <ul style="list-style-type: none"> <li>To have a demonstration system of rice intensification – for 20 Rai in 20 households (Riceberry)</li> <li>To demonstrate organic farming for 25 families</li> <li>To develop a bio-fertilizer to support and reduce cost of organic farming in the sub-district</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Products from the community enterprise at provincial level</li> <li>Role model in building the community-based economics by means of organic farming in the whole sub-district</li> <li>Learning center for processing germinated brown rice</li> </ul>

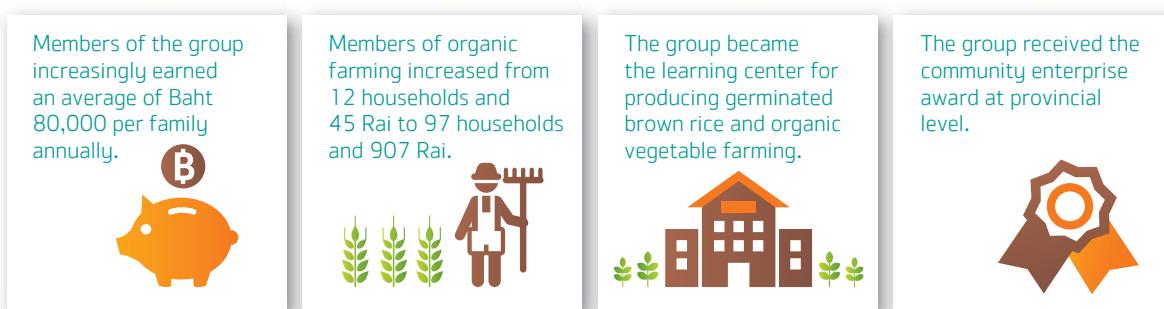
Stakeholders	Objectives	Procedure	Results (evaluation)
<b>2. The community in Bua Yai sub-district, Nan province</b>	<ul style="list-style-type: none"> <li>To extend the community activities based on the sub-district strategic plan covering various dimensions of the community (tourism, herbs, natural resources conservation)</li> <li>To develop the group of activities/small and micro community enterprise for more income and community economic development</li> <li>To develop an operational mechanism in an integrated manner to reflect overall capabilities of the community</li> <li>To restore resources and community way of life</li> </ul>	<ul style="list-style-type: none"> <li>Recording locations and information of the target areas by using GPS device</li> <li>Collecting information on consumption of ThaiBev products</li> <li>Calculating amount of water in the streams</li> <li>Building check dams/ semi-permanent check dams</li> <li>Building alternative energy source to obtain water for organic farms</li> </ul>	<ul style="list-style-type: none"> <li>Restoration of soil, water and forests by 1 Rai Organic Farming Project, totaling 541 Rai and 302 households</li> <li>Managing water from lower to higher land at 11 spots (hydraulic ram)</li> <li>One of the community role models was a guideline for the National Reform Council to formulate plans</li> <li>Development of a water system for organic farming, including maintenance of waterworks and expansion of the areas where we apply the hydraulic ram for the restoration forests in Nan province to become thoroughly fertile</li> </ul>
<b>3. The community in Khao Than sub-district, Surat Thani province</b>	<ul style="list-style-type: none"> <li>To extend community activities based on the sub-district strategic plan covering various dimensions of the community (tourism, herbs, natural resources conservation)</li> <li>To develop the group of activities/small and micro community enterprise for more income and community economic development</li> <li>To develop an operational mechanism in an integrated manner to reflect overall capabilities of the community</li> <li>To restore resources and community way of life</li> </ul>	<ul style="list-style-type: none"> <li>Educating on integrating resources in the community to create the community-based economics through tourism and local resource preservation by tourists and local people</li> </ul>	<ul style="list-style-type: none"> <li>Role model in preserving the mangrove forest and aquatic animals through the community's management system</li> <li>Creation of ecotourism to boost local economy</li> <li>Youths gathered to connect and work together for the whole sub-district. Previously, development had been carried out separately by each group.</li> </ul>

### ThaiBev's Organic Farming Sub-District Model Project (Pone Thong Sub-District, Chaiyaphum Province)

ThaiBev has always recognized the importance of cooperation and collaboration with the community, so that the community feels proud and confident. ThaiBev is a private company that has jointly supported and elevated the quality of life of local people in the community. Based on our continued cooperation in developing a right livelihood model, the community has now developed and established 4 groups, comprising a rice processing group, vegetable farming group, drinking water production group, and fertilizer production group, aimed at generating income and part-time job opportunities, without exploiting the environment.

After 1 year and 6 months of learning and working together, the groups have strengthened, as witnessed by both internal and external parties. They were able to upgrade to become a small and micro community enterprise, managed by the community. Members make more income and have a better living. They were now trusted by local organizations, including the farmer council, public health and local authorities, as a learning center to increase productivity, reduce costs of production, enhance efficiency in using organic fertilizer, eliminate plant diseases, process products, manage pesticides, and advise on using microorganisms. The project has also received a community enterprise award at a provincial level and has been trusted by other economic boosting agencies as a field study, resulting in further group expansion. A larger number of other groups also began to participate due to the community's strength and rising income; these included a Tong Muan (a type of rolled wafer made from germinated brown rice flour) group, a weaver group, and a Mam group (Thai fermented sausage).

### Results from Thai Bev's Organic Farming Sub-District Model Project (Pone Thong Sub-District, Chaiyaphum Province)



"At first I didn't know what ThaiBev could do to help us, but when we started working with ThaiBev, we began to see material outcomes, such as the germinated brown rice processed products and drinking water groups. In the past, the community grew rice and increased its value by processing it, but had no idea where to sell them and could not determine the price of the products. When ThaiBev got involved in this matter and assisted with the marketing channels, we are now able to set the target price of our products, such as Baht 20,000 per ton for organic rice, Baht 80,000 per ton for processed germinated brown rice, and Baht 200,000 per ton for powdered drink mix. We don't have to wait for the government to determine the prices for us."



Prestigious award of the community:  
The outstanding community enterprise  
award at provincial level in 2015.



Ms. Araya Chanpoom  
Village Chief of  
Nong Ya Ranga Village  
Pone Thong sub-district

### Creation of Sharing Society

ThaiBev is taking another step in support of its commitment to expand levels of happiness and warmth into every part of society. ThaiBev believes that sustainability does not happen from us only, but from jointly creating happiness together. Therefore, we are open to all partners with public mind to join us in various activities, such as the "Sharing for Reading" Project to promote learning, and the "Sharing for Warmth" Project to relieve those affected by the cold weather.

### Books for Young kids Project – Giving to Create Learning Opportunities

Given that reading is the foundation of sustainable learning, we are determined to promote reading habits of Thai children and youths under this project by providing comprehensive teaching materials, including outside reading books and various learning materials. The project has been running for consecutive 2 years.



#### Objectives

##### Books for Young kids – Year 1

- To create a sustainable project based on the development of community members and society under the concept of Building Good Community with Smiles Project.
- To give opportunities and build knowledge foundations through learning materials and activities for youths in remote areas, especially in schools under the royal patronage of HRH Princess Maha Chakri Sirindhorn.

##### Books for Young kids – Year 2

- To create a sustainable project based on the development of community members and society under the concept of Building Good Community with Smiles Project.
- To give opportunities and build knowledge foundations through learning materials and activities for youths in remote areas, especially in schools under the royal patronage of HRH Princess Maha Chakri Sirindhorn.
- To celebrate HRH Princess Maha Chakri Sirindhorn, "Top Reading Role Model Princess", in honor of her 60<sup>th</sup> birthday anniversary.

#### Target groups

- 100 schools surrounding ThaiBev operations nationwide.
- 100 Border Patrol Police schools nationwide.

#### Results

- Youths are encouraged to love reading and learning from the books provided by the company.



- Youths are encouraged to love reading and learning from the books provided by the company.
- 100 youths from Border Patrol Police schools submitted 369 essays to join the competition.
- "Sharing for Reading" Project received 1,500 books from the public's donations to Border Patrol Police schools. Apart from the first 100 schools.





### The Project on Creating Young Entrepreneurs for Social Contribution (Beta Young Entrepreneur)

This project, aiming to help make socially-minded young entrepreneurs' dreams come true, is carried out under the cooperation between ThaiBev and Sirivadhanabhakdi Foundation in association with the University of the Thai Chamber of Commerce and Thai Chamber of Commerce. The project gives the opportunity to youths to become real entrepreneurs while they are still studying, as well as cultivate business virtues, ethics and responsibility for the society. The first year of the project continues to contribute to making the young entrepreneurs' dreams come true. The young entrepreneurs have now operationalised their business plans with two approaches were adopted: developing a start-up based on initial capital of Baht 20,000, for the duration of one year, and UTCC BETA DUMMY COMPANY, a simulated company. We presented certificates to the participants of both groups in 2015.

The start-up option was a chance for 37 entrepreneurs who are studying in their second year to learn how to conduct a real business on their own. The foundation gave them Baht 20,000 per person, totaling Baht 740,000, to fund their start-up business. Each young entrepreneur will have an opportunity to individually operate their business for a year. The types of businesses included clothing and fashion, snacks and foods, skincare products, air fresheners, and others.

Over the course of the year, participants faced numerous challenges, ranging from making investments, identifying locations for sales, products not meeting the requirements of customers, among many other challenges – thus gaining real business experience.

One example of success from this project is Ms. Yankawi Piemsukon, a participant of Beta Young Entrepreneur in year 3. Her "Angela" juice cup drink

earned Baht 60,000. The selling price was Baht 10 each and it was sold daily between 14.00 – 20.00 hrs. Sales totalled approximately 200–300 cups each day, but on Wednesday and Sunday during the market fair, she could sell up to 500–600 cups. Within almost one year, she earned a total of Baht 60,000, which was considered a success in line with her goal.

The UTCC BETA DUMMY COMPANY (a simulated company) was provided an initial budget of Baht 1,000,000 by the Foundation, and involved 42 participants in year 2. Following a brainstorming process, the participants were assigned to 3 business groups: clothing under the brand "UNISAI"; a snack box under the brand "Koom Ka"; and beverages sold in the university under the brand "Gang". Throughout the course of the business, each group received continuous advice from ThaiBev staff, business gurus and university professors. The project was aimed at enabling them to learn how to work with others, exchange ideas, and take responsibility together as a team.

An example of success from this project comes from Ms. Pornchanok Jirapongsathon, a participant from Beta Young Entrepreneur in year 2, and a representative from UNISAI clothing brand, which earned Baht 179,032. UNISAI's concept is a comfortable T-shirt for both men and women, coming in neutral colors of black, white, and grey. The T-shirts have a symbol of a sailboat which is the university's symbol. The T-shirts were sold at Baht 250 each. Sales were conducted online via Facebook and Instagram, and the products received positive feedback. The profits were divided into 3 parts: 50% for social contribution; 30% for the group members; and 20% for participants of the project in the following year.

Students who participate in the project also gain opportunities to participate in various activities of ThaiBev so as to promote their morality, ethics, and social responsibility. For instance, Beta Young United participated with ThaiBev to Fight the Cold and Building Good Communities with Smiles, as well as We Are Volunteers in the Water Festival 2015 and River Festival 2016. These activities focus on cultivating youths to realize their duties and responsibilities, self-devotion, and generosity, all of which we believe will further guide them to develop into good entrepreneurs and citizens in society.

### Participatory Learning

ThaiBev recognizes the importance of learning and passing on knowledge and, as such, initiated a project to repair and build a model football field for youth, involving youth. The community and school took part in building, repairing and maintaining the football field which then became the model for other areas. Cooperating with Border Patrol Police schools throughout 2015, we created the first learning model in honor of HRH Princess Maha Chakri Sirindhorn's 60<sup>th</sup> birthday anniversary at Na Yaw Border Patrol Police Secondary School, Ta Kradan sub-district, Sanam Chai Khet district, Chachoengsao province.

### ThaiBev Unites to Fight the Cold Project – Giving for Disaster Relief

#### 16 Years of Sharing Small Warmth for a Greater Happiness

This project was initiated as ThaiBev wanted to share warmth with people affected by the cold weather—especially in the remote areas of the northern and northeastern regions—through the distribution of high quality green blankets. The affected areas have constantly been impacted by cold weather and are areas in which people have low incomes. Collaborating with Ministry of Interior, which defined the affected regions as the north and northeastern parts of Thailand, different areas in 15 provinces have been chosen each year so that the assistance may be thoroughly provided to all victims.

Each year we have given out 200,000 blankets. Over the past 16 years (from 2000–2015), a total of 3.2 million blankets have been donated (if we laid them out, they would be as long as 6,496 kilometers, or a total of 8,256,000 square meters). ThaiBev, in association with Department of Disaster Prevention and Mitigation, Ministry of Interior, successfully supplies the blankets to each province thanks to the great cooperation from each provincial authority. This year we took a further step and invited people with public mind to join in and share warmth by donating over 1,000 blankets to the 16<sup>th</sup> province through the "Sharing for Warmth" project, in addition to the existing goal of 200,000 blankets.



3,200,000

ThaiBev has donated more than  
3.2 million blankets  
to the poor in Thailand

"Once I used to be a receiver,  
and today I am inspired  
to be a giver."



Ms. Mathurada Laowan (A-ju)  
has received assistance  
since 2000

**Success could be achieved through the following 4 factors:**

1. The continuity of the project, which has been carried out continuously over the past 16 years.
2. The efficiency of the project, supported by the cooperation with our allies, such as Ministry of Interior via Department of Disaster Prevention and Mitigation, local authorities, Suan Dok Hospital Foundation, etc.
3. The quality of ThaiBev's blankets is strictly controlled to ensure the good quality of each blanket.
4. We give out the blankets to those in need before the arrival of the cold weather each year. We also supply our products to victims during the crisis and natural disasters. Whenever ThaiBev carries out our community or social development activities, we are ready to deliver our products to all communities as needed, so that all people at all age groups can genuinely feel our good intention and experience ThaiBev as an organization of the community – in line with our slogan "Be with You in Every Moment of Your Day."

Aside from our contribution to community development and well-being, ThaiBev also participates in reforestation to improve people's living conditions along with preserving the environment. We have implemented 2 main projects:



ThaiBev Unites to Fight the Cold Project, continuously sharing over the past 16 years.

### **Huai Hong Khrai Royal Development Study Center Cooperation Project**

The objective of this project is to honor HRH Princess Maha Chakri Sirindhorn on the occasion of her 60<sup>th</sup> birthday anniversary on 2 April 2015, and the dedication to many royal duties since her youth. Her perseverance greatly benefits the people and the country, especially her contribution to developing people's lives in the same way as HM King Bhumibol Adulyadej and HM Queen Sirikit. This project adopts the development model from the successful royal project, Huai Hong Khrai Royal Development Study Center in Doi Saket district, Chiang Mai province, and applies it to areas in Nan province in which HRH Princess Maha Chakri Sirindhorn has identified deforestation as an issue.

The project focuses on both the strength of the community structure and land use patterns in two villages. The project will disseminate knowledge acquired from the Huai Hong Khrai Center to the two areas, and record all changes in order to study and explore how to develop other communities. Related communities have already expressed their interest in participating in training via the Huai Hong Khrai Center in order to restore the forests and water sources with a view to improving quality of life and fostering sustainable self-reliance.



1. A lecturer of the center gives information on different kinds of herbal plantation and utilization.
2. A group photo of all participants of the 1st community conference 2015.
3. A lecturer of the center explains about Blue Fox frog farming to all participants.
4. A Farmer in target area attended pig raising training and received some pigs for breeding at home as a pilot project.

### Target Areas

The first area: Nam Poon Village, Nam Pang sub-district, Mae Jarim district, Nan province – 128 households.

The second area: Sri Napan Village, Rueng sub-district, Muang district, Nan province – 164 households.

### Quality of Life Improvement

ThaiBev, in association with Huai Hong Khrai Royal Development Study Center, Doi Saket district, Chiang Mai province, supports two target communities to receive training and materials for animal and vegetable farming for daily consumption. This is initially to reduce household expenses, but once their production exceeds their

consumption, farmers will sell their surplus good quality products. We are committed to undertaking this project for a period of 5 years (2015–2020).

On 20 September 2015, ThaiBev led 101 people from the target areas to attend training sessions at Huai Hong Khrai Center. The participants included

1. 42 people from Ban Nampoon Village, Nam Pang sub-district, Mae Jarim district
2. 59 people from Srinapan Village, Rueng sub-district, Muang district.

The participants were interested in different courses as shown in the below table.

	Nampoon Village	Sri Napan Village	Total (people)
Frog course	22	32	54
Chicken course	12	5	17
Tilapia course	2	10	12
Catfish course	0	9	9
Pig course	2	3	5
Mushroom growing course	4	0	4
	42	59	101

Each participant received Baht 3,000 for animals and plant seeds according to their training courses. During the winter period from October 2015 to February 2016, it was not possible to breed some animals, such as frogs, catfish, tilapia, so such animal breeding was postponed.

At the beginning of November 2015, ThaiBev and Huai Hong Khrai Center provided chickens, pigs, and mushrooms to those who attended the courses as per below:

	Nampoon Village	Sri Napan Village	Total (people)
Chicken course	12	5	17
Pig course	2	3	5
Mushroom growing course	4	0	4
	18	8	26

As the project has just begun, and is still under way, the results will be collected and reported in the following year. However, we plan to continuously report the progress of the project, and establish a database. The project expected to be implemented completely in both villages by 2020.

### Environmental Contributions

We have also initiated a check dam and plant-seeding project to contribute to environmental preservation and sustainable development. The objectives of the project are to:

1. Pass on techniques, principles and concepts relating to check dams for the purpose of sustainable conservation and development of water sources.
2. Acquire the knowledge in relation to restoring forests through check dams based on the royal initiatives, and support natural resource management to become more sustainable.

It is our hope that the communities gain valuable knowledge from this initiative, and are able to carry on conserving and developing the forests and community more effectively. In June 2016, the project plans to select local endangered plant species, home grown vegetables, and other types of plants following HM the King's initiatives of growing 3 forests for 4 kinds of benefits. Both villages will take part in this project in order to raise consciousness on caring for and protecting nature in accordance with HM the King's concept, "Growing a Tree in People's Hearts", and to further develop the forests and restore water sources for surrounding communities.

### Academic Contributions

Our academic contributions include collecting statistics from communities on many aspects, such as community economics, local cultures, and natural resources in order to study changes and effects that have followed the implementation of projects. Studies are conducted to identify how to promote sustainable quality and environment of the communities. The Company asked for assistance from professors from the Department of Soil Science, Faculty of Agricultural Production, Maejo University, Chiang Mai province in surveying the target areas and determining the research framework for the project.

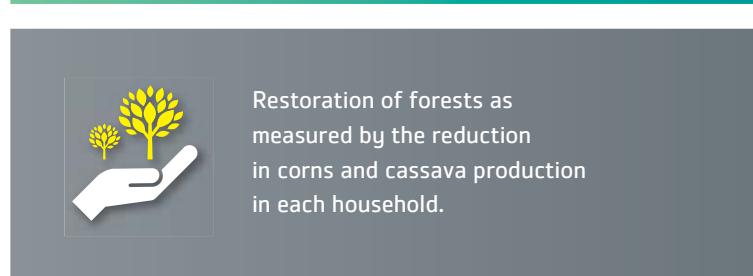
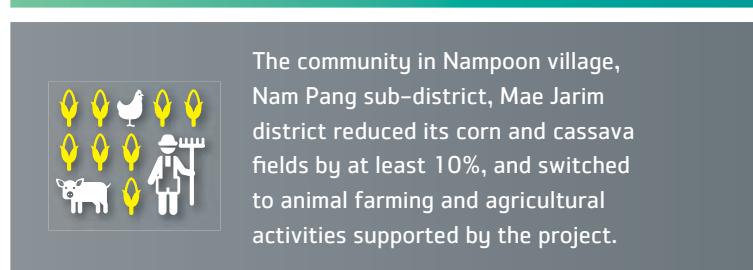
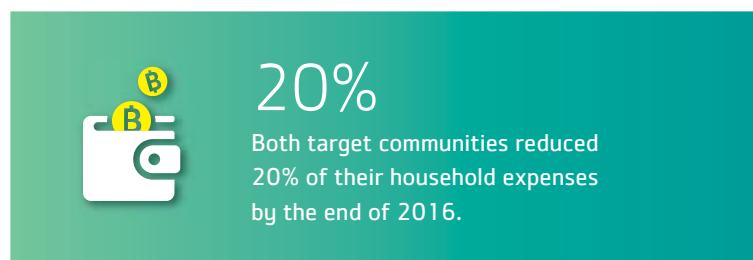
### Ping River and Western Forests Conservation Project

The objective of this project is to support various missions of the Ban Paka Royal Development Project, Klong Lan district, Kamphaeng Phet province in order to achieve the ultimate goal of the royal initiatives of HM Queen Sirikit. Her intention is to solve major problems relating to the restoration of forests, conserving nature, and tackling drug problems in a sustainable manner.

Recognizing that our facility for beer and drinking water production in Khlong Khlung district, Kamphaeng Phet province, established in 2000, has an impact on natural resource consumption, we recognize that we need to take responsibility for operating in balance with nature.



The first demonstrating field of Strawberry Phrachatan 80.





1. The growing house for oyster mushroom-Bhutan requires a small amount of water which is suitable for the area.  
 The first comprehensive mushroom growing in this area is to be implemented in 2016.
2. "Rai Por Peang" is a demonstrating field of the Project based on the Royal New Theory.

#### Target area

The residential areas of 140 households of the Hmong hill tribe and 160 households of the Karen hill tribe.

#### Advising on Plantations and Animal Farming

ThaiBev has signed an MOU with the Department of National Parks, Wildlife and Plant Conservation for a three-year term. The MOU allows the Company to utilize the Highland Agricultural Development Station, covering an area of over 7 Rai, and where most residents of the area are Hmong and Karen hill tribes. Our employees have been dispatched to help enable the hill tribes to engage in mixed agriculture by properly selecting short- (30 days), medium- (60–90 days), and long-term (4 years and over) crops. Moreover, we would like to show that an area of only 7 Rai per household is sufficient if we are capable of appropriately matching types of plants and animals to the land and climate.

The challenge involves switching from monoculture, such as growing corn for animal feed and cassava—with which hill tribes have been familiar for a long time—to more profitable crops, such as Japanese pumpkins, strawberries, turnip cabbage, Hong Kong kale, oyster mushrooms, etc. This does not only reduce household expenses, but also promotes good health and prevents farmers from being exposed to the chemicals and pesticides they have used through the decades. Once farmers are able to use a small plantation area to grow more valuable products, they will no longer need to expand their farmland by trespassing into the forests.

The project encourages the hill tribes to grow plants and raise animals for their daily consumption through offering the community opportunities to learn, as well as allocating budget for raw materials, plants and animals to support household expenses. Once production exceeds consumption needs, they can sell the surplus to generate more income.

Since the area surrounding the mountain is elevated, the water sources for agricultural purposes are not sufficient for the needs of the farmers who only rely on rain water. The project therefore introduced a method of growing mushrooms which does not require much water to the target community to support their own consumption and sales, and to reduce household expenses.

However, many hill tribes often lack meat for consumption. They are mostly like to hunt wild animals for food, such as squirrels, monkeys, flying squirrels, gibbons, boars, and civets—resulting in an imbalance of the ecosystem. The project recognizes this problem, and provides them with the following animals:

- Pradu Hang Dam indigenous chickens which live well in the cool weather; these have been continuously bred and raised
- Blue Fox frogs which live well in the cool weather, and are to be primarily raised in late March 2016; training courses are to be provided for those who are interested in early May 2016.



Example of a clay house.



### **Solving Fundamental Housing Problems**

At present, repairing houses in the community is difficult because leaving the mountains to buy construction materials is challenging, while cutting down trees is illegal, since the community is located within the National Park area—which is strictly controlled by the law.

To solve this issue, our project in Khlong Lan district introduced the idea of building clay houses for the community. The target is to enable them to build and repair their houses with basic materials, such as clay and chaff, which are widely available and not illegal.

### **Supporting Bamboo Plantations to Mark the Border of the Forests**

The project allocates budget to purchase nastus elatus bamboos and plants them together with the community to mark the boundary of over 200 Rai of lands. The bamboo does not only act as the boundary of restricted area of the forests, but the bamboo shoots are also edible, and the bamboo stalks can be used to build shelters as well.

### **Outcomes after the Development of the Project**

We have continuously promoted the project together with the government authorities. From the latest survey in 2015, no trespassing into the forests had been reported. Currently, there is only around 200 Rai of farmland; previously, there were over 600 hill tribes trespassing into the forests beyond the 12,000 Rai of permitted area that was approved by the cabinet resolution on 30 June 1998. The project plans to

extend the results to the two communities (Hmong and Karen tribes) by encouraging them to grow oyster mushrooms and raise frogs. The restoration of forest areas is attributable to the cooperation between the government authorities and other parties in supporting the missions of the Station as well as collaboration with the communities. In 2014, communities were willing to give back a total of 205 Rai of forest lands, and approximately 800 Rai in 2015.

### **Employees Club**

ThaiBev and its subsidiary companies have encouraged employees to form various clubs since 2009. Currently, there are over 3,746 members. Initially, there were only six clubs formed as a result of the Company's policies to promote good relationships among employees within ThaiBev Group. The management level proposed the matter to the meeting, and then senior executives appointed the management level as a secretary-general to the club. Afterwards, some employees wanted to form three more clubs, so there are currently a total of ten clubs, namely, off-road club, golf club, badminton club, health club, bowling club, football club, tennis club, photography club, cycling club and table tennis club. ThaiBev has annually allocated a budget in an amount of not less than Baht 3 million for activities beneficial to employees, the organization, and society. Apart from these clubs, there are 3 other significant activities we undertake to build relationships among employees as follows:



### Internal Sports Day

Internal sports day or “ThaiBev Sports Day” is an activity to promote unity and create opportunities for employees to work as a team, as well as show their creativity in cheering teams, cheerleaders, and as parades. As they compete with the “spirit” of athletes, the activity brings about strong unity and reinforces patience and dedication when different business groups are assigned to the same team. Activities of this event bring “happiness within the workplace.” Each year the company spends more than Baht 10 million for the employees for the sports day.

### Traditional and Religious Activities

All ThaiBev executives and employees recognize the importance of conserving Thai traditions and culture, and wish to carry on these beautiful traditions and mark the important days for Thais. Doing this also helps to foster goodwill and unity among employees. Most executives and employees are consistently interested in joining cultural and religious activities.

### Extra-Vocational Activities

“Learn & Share” is another activity to promote extra-curricular activities for our employees with a view to helping relieve stress and reduce turnover rate. The Employee Relations department of the Office of Human Resources has organized vocational training for the employees to work outside office hours, with a budget of Baht 500,000 from the Company.

400 employees of ThaiBev and its subsidiary companies have participated in this activity. The activity is conducted 4 times a year during June – July 2015, and includes cooking, handcrafting, souvenirs, and farming, totalling 20 courses and 24 hours of classes. This activity received excellent feedback. 97.5% of the participants were quite satisfied with this program.

### The Pracharath Policy

The Pracharath Policy, is a project established by the Prime Minister that aims to create collaboration among all sectors, i.e. government, private sector and civil society, with a view to accelerating Thailand’s economy towards stability, wealth and sustainability under the 20-year national strategy framework. The Pracharath Policy committee was appointed according to the resolutions of the Cabinet on 15<sup>th</sup> December 2015, and has since established 12 working groups, involving leaders of government, private sectors, and citizens.

ThaiBev has the fortune to participate in the project. The President of ThaiBev joining as a member of 6 working groups and senior executives join as members of 11 working groups.



Memorandum of Understanding for the Creation of Honest Livelihoods.

By the civil state mechanism, the government sector and private sector have identified 7 key drivers of economic growth and development. These drivers are in turn supported by 5 factors: creating national stability, environmentally-friendly development, fostering competition, reducing inequality between social classes for the public sector's good governance in order to build resilience for change. The 4 primary strategies are good governance, innovation and productivity, human resource development, and participation in the growing economy, which are in line with Thailand's 12<sup>th</sup> National Economic and Social Development Plan and the government's 20-year national strategy framework relating to disparity reduction, human quality development and competitiveness enhancement.

Furthermore, the duty of the Pracharat is to promote the vision of the Thailand's 12<sup>th</sup> National Economic and Social Development Plan and the government's 20-year national strategy framework, which sets out 18 priority policies, 11 government policies and 11 national issues. Pracharat policies are divided into 6 areas and will be executed via all the six of the deputy prime ministers.

ThaiBev has joined the grassroots and civil state economic development working group, the aim of which is to promote economic sustainability. In particular, the working group focuses on addressing citizens' needs and fostering

competition. The private sector is offering support in both integrating domestic and international market information as well as communicating with farmers and retailers to deliver to market requirements. Moreover, the retail companies transfer their know-how and demand to help farmers improve techniques to achieve maximum crop yield.

In essence, government sector has a duty to assist its citizens in all areas, prepare budgets and regulate markets accordingly. The civil state sector possesses knowledge and understanding of communities and citizens, while the private sector has expertise in marketing.

Through the collaboration of all sectors, together with representatives from each agency, we will be able to satisfy the needs of the citizens and push the country's goals forward. Our contribution to increased community resilience, improved knowledge, the promotion of grassroots economic activities and awareness-raising on sustainability will support the generation of revenue and improve well-being in communities.

Both government and private sector action will be required to understand the true needs of area. Working groups from all sectors will need listen to the needs from communities and collect, survey and evaluate information at the state, district and province levels.

The government sector has already made efforts to foster grassroots economic development, with a view to developing and strengthening the economy at the community level, and thereby improve well-being and raise incomes. This supports communities in accessing funding, while also develop good governance through support in enhancing management and production systems, improving the quality of community products and promoting marketing channels. These activities and others are already operational nationwide, as part of the government's plan for the 2017 budget. The work of the grassroots economic development working group will be in line with these activities. Those activities that cannot be handled by the government will be supported by the private sector in order to achieve the mutual goal of creating communities with higher levels of income and general well-being.

The grassroots economic and civil state development working group has received collaboration from many associations to support knowledge development in the community and improvements in marketing channels, e.g. knowledge sharing to farmers on how to plant morning glory in amounts that meet the demand of small retailers and consumers at both local and national levels. Delayed information sharing to farmers not only creates individual burdens—but can also have national repercussions. For example, lack of access to information on the decreased world demand for rubber has led to a situation where Thai farmers still continue to plant rubber, while farmers in other countries have shifted to planning oil palm. As a result, they now encounter difficulties in selling their rubber—not to mention rice, longan and red onion, which are also over supplied in both domestic and international markets.

Collaboration from all 3 sectors will help to better match demand and production. The government sector's further actions are to increase the level of awareness and create mutual understanding among all parties continuously, clearly determine the timeline for follow-ups, as well as ensure that citizens receive maximal benefits from the grassroots economic and civil state activities. Furthermore, its mission is to communicate and create awareness, to lead to sustainability, market creation, knowledge creation, effective management, and access to markets for agricultural, products/processed products, community-based tourism and other related SMEs. The ultimate aim is to create a stable and strong grassroots economy which will be fundamental to the nation's sustainable growth.



A meeting on the Parcharath policy.



Field work of the grassroots economic development working group.

## ThaiBev and Sports Industry Development

For more than 20 years, ThaiBev and its subsidiaries in Thailand have provided support to the sports industry continuously and earnestly. We recognize the role of the Thai sports industry in the development of the country, and the importance of its growth. The development of the industry also coincides with the development of our own diverse business operations across Thailand and abroad.

ThaiBev has supported almost all types of sports in Thailand, both international and local. Our policies and structures around providing support places importance on sustainable development. The main sport under the sponsorship of ThaiBev is football, which is seen as an important sport among both Thais and foreigners. ThaiBev also supports international sports such as golf, tennis, and snooker—as well as Thai boxing and Thai Long Boat which are sports that reflect the Thai culture and way of life.

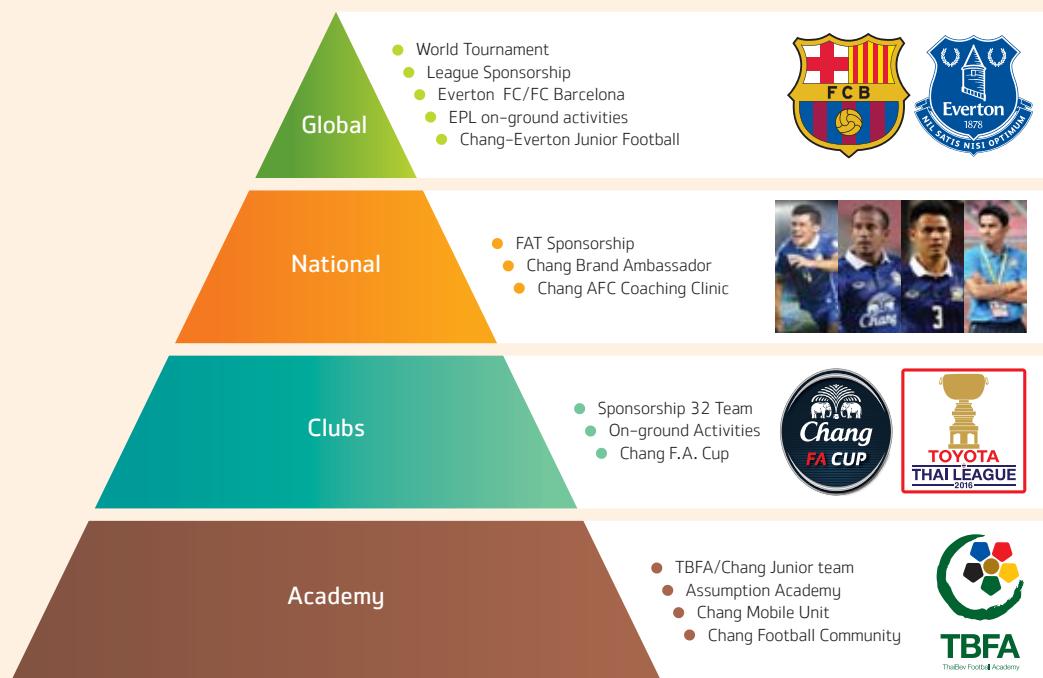
We have policies to support Thai sports where there is a focus on sustainable development. We also support any sport that can support our good corporate image, and build relationships with both public and private sectors, at both local and national levels.

However, in supporting sports, importance is always given to supporting the sport at all levels –starting from the grassroots level, i.e. youth and community, rising to the national and international levels—with the intention to develop high performance sports experts, athletes and programmes that can genuinely lead to excellence, as exemplified by ThaiBev's support of football at every level.

ThaiBev has set goals in developing the sports industry, building networks, creating high quality personnel, searching for comprehensive knowledge on sports projects,

and building relationships with all related parties to generate overall benefits for the organization and sustainable development. In 2015, ThaiBev received concrete feedback, and strengthened its corporate image as a real leader and pioneer in supporting the sports industry—especially in football, snooker, and volleyball. As a consequence, ThaiBev's brand value increased by 50% of the value of the sponsorship provided.

Apart from supporting communities, societies and athletes, ThaiBev also supports employees to participate in sports activities by arranging Meet & Greet with famous athletes and encouraging their participation in major sports competitions sponsored by ThaiBev, as well as other sports activities, such as football training for employees' children, and self-organised sports activities.



**Football** – ThaiBev has participated in the development of football for more than 20 years through developing guidelines on football sponsorship. We have promoted football at youth and community levels for more than 10 years, with the strong confidence that building a foundation in sports at the youth level is the way to sustainable development. In this connection, ThaiBev launched the TBFA (ThaiBev Football Academy) Project to train youths in football playing skills that is aligned with international standards, free of charge. The TBFA has been in operation for more than 10 years.

The TBFA established and operates the Chang Junior football team in the age range of 12–14 years. Youth are trained by A-B-C licensed staff coaches with a view to moving onto leading football academies in Thailand, namely, Assumption Thonburi, Chonburi FC, and Buriram United, as well as grooming youth footballers to become professional football players.

ThaiBev also aims to inspire youths in regions across the country with Chang Mobile Football Unit Project (the first mobile football clinic of Thailand), which has been in operation for more than 5 years. The community football project focuses on the creation of football-learning networks in various localities, whereby personnel are consistently dedicated to the community.

The Chang-Everton Football Junior Project gathers together networks and football alliances from all organizations to develop football players and coaches at the youth level for the Thai football industry, free of charge. At the professional level, ThaiBev gives supports to more than 30 professional football clubs, including providing sponsorship for two-thirds of major professional football tournaments in Thailand. At the national level, ThaiBev gives support to the Football Association of Thailand under royal patronage in order to develop and promote Thailand's national football team to compete in major international tournaments and to be able to win in 5 SEA games. At international level, ThaiBev continuously provides sponsorship to the world's leading football clubs, such as Everton and Barcelona.

In addition to football, ThaiBev has also supported golf, tennis, and snooker – together with a focus on sustainable development of sports.

**Golf** – ThaiBev has initiated Chang Junior Golf Clinic Project to train the youth in golf-playing skills, and Chang Thailand Junior Golf Circuit, which is a competition for youths to prove their skills to become professional golf players in the future. Furthermore, we also provide support for Thailand's 6 professional golf players in order to improve their skills and compete at the international level.





**Tennis** – ThaiBev initiated a tennis training project featuring the famous professional tennis player, “Tammy-Tamarine Tanasugarn” to inspire and provide training on correct tennis skills to become successful professional players. In the past year, ThaiBev provided sponsorship to more than 15 tennis tournaments, all of which significantly contribute to the development of professional tennis players that will enhance our country reputation.

**Traditional Thai Sports** – Realizing the significance of the beauty of Thai culture and traditions from the past, we have sponsored the dragon boat festival competition for more than 30 years- supporting local rowing teams and Thai dragon boat competitions in several provinces during the rainy season to help to preserve the Thai way of life and culture. Moreover, ThaiBev initiated “Dragon Boat Youth Commentator” Project for the first time in order to promote Thai youths to be trained and join competitions for high potential dragon boat commentators, with a view to conserve the culture which is fading away amidst changing global trends. Moreover, we would like to take part in conserving such culture and profession that has long been part of the fabric of Thai society.

All of these Projects have shown successful results through the development of excellent sports personnel:

the success of professional football clubs, the Thailand national football team, the Thailand national futsal team, and golf, tennis and snooker players on global stages. Examples include Tamarine Tanasugarn, Tong Sitchoi, F Nakornnayok (Six-red Snooker World Champion 2015), Gun Charoenkul (new generation of golfer who won national and PGA China championship.) There are many more sportsmen who are waiting to grow from ThaiBev’s support. In 2015, ThaiBev supported a variety of high quality sports clubs, totalling more than 36 clubs in 18 types of sports, and also sponsored more than 100 sports tournaments which were highly popular among the general public.

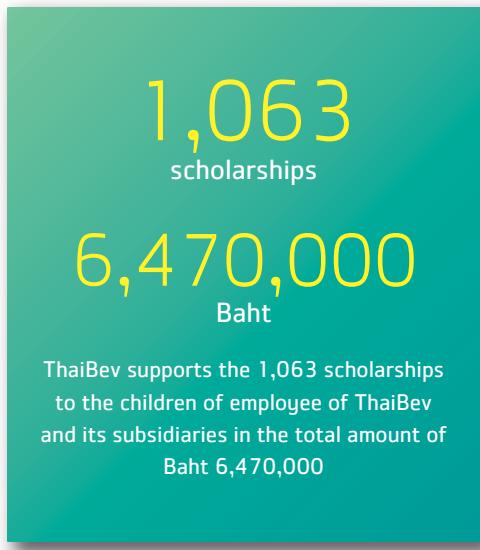
The aforementioned success encourages ThaiBev to continue to develop professional sports players under “Talent Pool” Project or Human Capital Scholarship Fund which extends the development of quality individuals from different sports projects sponsored by ThaiBev.

The Talent Pool Project aims to create and develop role models who gain recognition from the society so as to create networks and enlarge the number of fan clubs for further development and organizational benefits. Moreover, the project contributes to creating and developing individuals’ expertise to achieve excellence in their chosen sport by pushing them to participate in national and international tournaments. It supports improves understanding and forms bonds between these individuals and the organization, as well as helps to foster a good corporate image.

Talent Pool Project was established in 2015 by sports-minded individuals sponsored by ThaiBev. A committee was established to ensure compliance with regulations, qualifications, and select talented individuals in the sports industry to join the project. These talented individuals would be developed to become successful professional sportsmen, socially accepted based on the concept of “Being Competent and Virtuous”. The project started with golf, football, etc. with policies and budgets clearly specified in order to attain the targets as planned.

All of the sports projects initiated by ThaiBev are widely recognized. ThaiBev is considered one of the private companies with the most active, outstanding and consistent sports policies in Thailand.

## ThaiBev and Education Development



ThaiBev believes that "Young plants are strong because of their strong roots." We realize the importance of providing educational supports to Thai children, teenagers, as well as the individuals who will become teachers and assume an important role in developing the country. In 2015, ThaiBev supported education projects as follows:

### Scholarship Program for the Children of Employees

ThaiBev initiated a scholarship program for the children of employees in 2010 with the intention to support education for the children of employees who show good academic performance and good behaviors, as well as to help decrease the expenses of potential employees. Our aim is to enhance the employees' morale, as well as stimulate employees to realize the importance of the educational development for their children together with encouraging children to show their affection towards their parents and be good persons in society.

Mr. Thapana Sirivadhanabhakdi, President and CEO of Thai Beverage Public Company Limited, stated during the scholarship awarding ceremony on 19 September 2015 that "ThaiBev and its subsidiary companies are willing to support the scholarships for employees' children; as Thai youths will grow to become a key contributor to the nation, and will need to be able to keep up with the changing trends in society, the economy and technology. [Education] is the foundation of the intellectual [and other] abilities that will be required to stably achieve excellence in the ASEAN economic community.

Thailand's entry into the ASEAN economic community completely in 2016 will likely result in substantial changes across all sectors in Thailand. As earlier stated; "Young plants are strong because of their strong roots." As such, we are ready to fully support education for our people, who are our most valuable resources, so that they may develop alongside the company as it aspires towards being the stable and sustainable leader of total beverages companies in ASEAN. I believe that we are giving opportunities to youths who have the competency and passion to take the lead in making differences to our society and country, to their fullest capabilities."

In 2015, there were a total of 1,063 scholarships provided to the children of employees of ThaiBev and its subsidiaries, in the total amount of Baht 6,470,000. The scholarships were mainly divided into 2 categories:



Some children of employees in ThaiBev and its subsidiaries received scholarships for the year 2015 from Mr. Thapana Sirivadhanabhakdi.

1) 1,054 general scholarships which were divided by levels of education as follows:

**Primary school**

Amount per person  
Baht 5,000  
Number of awardees 665

**Secondary school**

Amount per person  
Baht 6,000  
Number of awardees 203

**High school and diploma**

Amount per person  
Baht 7,000  
Number of awardees 115

**High vocational certificate**

Amount per person  
Baht 8,000  
Number of awardees 19

**Bachelor's degree**

Amount per person  
Baht 10,000  
Number of awardees 52

2) Special scholarships or White Elephant Project in an amount of Baht 50,000 each, totaling 9 scholarships.

From 2010 to 2015, ThaiBev provided up to 5,939 scholarships to the children of employees, with a total budget of Baht 36,346,000. This project has gained excellent feedback from employees. Most employees who are parents of these children have positive feelings and an attachment to the organization. In addition, ThaiBev has had the opportunity to recruit two children of our employees from the White Elephant Project to work with us.

“I felt proud to get a scholarship from White Elephant Project of ThaiBev. This scholarship is very important to me and it's proof of my ability.”



Miss Kanchana Iamsomboon,  
a third-year student of the Faculty of Liberal Arts and Science, Bachelor of Science Program in Biological Science, Kasetsart University.

“I have received scholarships twice from ThaiBev. I'm very proud because I intend to reduce the burden on my parents to pay for my tuition fee and education expenses.”



Miss Thamonwan Krairak,  
a Mathayomsuksa 2 (Grade 8) student, Krathumbaen Wisetsamutthakhun School.

## Master Degree Scholarships for Employees

We believe that our “employees” are an important resource that moves the organization forward to achieve business growth and success. In addition to on-the-job learning and other training, studying for a higher education program is another way to open perspectives, gain more knowledge, and exchange experiences and attitudes with other people outside the organization. ThaiBev and its subsidiary companies have thus provided the opportunity for employees with potential to improve their capabilities and prepare themselves for career advancement by awarding them with the master degree scholarships for English and Chinese programs for a study period of not more than 2 years.

### Eligible Programs

- MBA / Business Administration / International Business
- Finance
- Engineering
- Logistics & Supply Chain
- Marketing
- Food Science and Technology
- Human Resources

### Number of Scholarships

#### 1. Domestic scholarships (Full time/Part time)

- 5 scholarships/year
  - Baht 1,500,000/scholarship
- #### 2. Overseas scholarships (Full time)
- 2 scholarships/year
  - Baht 2,500,000 baht/scholarship

- Eligible countries: United States, England, Australia, China, and Singapore

### Qualifications of applicants

- Age not over 35 years old and working with the company for not less than 2 years.
- Being an employee at Level 4 and above, and having an excellent performance (Level 4 and above) over the past 2 years.
- Having graduated with a bachelor's degree or equivalent.
- Healthy condition.
- Having gained approval from their superiors at the management level of the Office/Function.
- Never having graduated from a master degree in the program applied for the scholarship.
- Having acceptable English test results (either of the following):
  - TOEFL
    - Above 80 points (Internet-Based) or
    - Above 213 points (Computer-Based) or
    - Above 550 points (Paper-Based)
  - IELTS not less than 6.0
- For the Chinese program, Chinese testing results (HSK) must be Level 5 and above.
- Employees who are scholarship applicants must receive a letter of approval from the university to permit them to study in the eligible program, and employees must start their study by 31 December of the scholarship awarding year.



Employees who were awarded with Master Degree scholarships from ThaiBev in 2015.

## Operating Process



### Qualifications of applicants

- Age not over 35 years old
- Working with the Company for not less than 2 years. (having an excellent performance over the past 2 years)
- Received the letter of approval from the university
- Having Language test score (English/Chinese)
- Gaining approval from their superiors at the management level of the Office/Function

### Test

- TST  
(Test for Selection and Training)

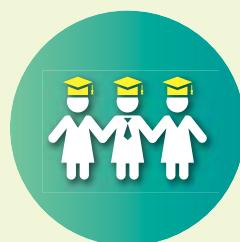
### Interview

### Qualify applicants

- Meet all qualifications
- All test results
- Company requirements  
(in case number of candidates more than number of scholarships)

### Announcement

- Sign contract for the scholarship receiving
- Comply with all and the rules and conditions



## Project Progress

In 2015, ThaiBev provided a total of 5 scholarships to employees as follows:

### 3 domestic scholarships

- Doctoral Degree (special case) in Biotechnology program, Faculty of Agro-Industry, Kasetsart University (1 scholarship)
- Sasin Chula Engineering Dual MBA and Master of Engineering Program (English program) under the cooperation between Sasin Graduate Institute of Business Administration and Faculty of Engineering, Chulalongkorn University (2 scholarships) – 2-year program

### 2 overseas scholarships

- Master of Business Administration (MBA) in Management and Leadership program at Australia National University, Canberra, Australia – 2-year program
- Master of Business Administration (MBA), University of Edinburgh, Edinburg Scotland – 1-year program

## HRH Princess Naradhiwas Rajanagarindra's Teacher Awards

HRH Princess Naradhiwas Rajanagarindra's Teacher Award is a program initiated by ThaiBev in cooperation with Princess Mother's Medical Volunteer Foundation and other related agencies to select teachers who meet the following qualifications:

1. Volunteer teachers of District Non-Formal and Informal Education Center under the supervision of the Office of the Non-Formal and Informal Education.
2. Border patrol police teachers under the supervision of the Royal Thai Police.
3. Primary school teachers under the supervision of the Office of the Basic Education Commission.
4. Teachers in remote areas on the highland in 9 northern provinces of Thailand, comprising Chiang Rai, Chiang Mai, Mae Hong Son, Tak, Lampang, Lampoon, Prae, Phayao, Nan; and 3 southern border provinces of Thailand, comprising Yala, Pattani, and Narathiwat, with above 3 years of experiences and having participated in activities held in honor of the monarch.

Almost all the schools of these teachers receive very small budgets from the government due to few students in these schools. In several schools, there is often only one teacher with the public mind to dedicate him-or herself to teaching and improving the capabilities of students and their communities. Therefore, it is proper for ThaiBev to help implement this project so as to enable those who live in remote areas to become self-reliant.

ThaiBev has continued to support this program for over 3 years from the 5<sup>th</sup> batch to the current 7<sup>th</sup> batch. ThaiBev gives annual scholarships in an amount of

Baht 1,000,000 to 9 qualified teachers at Baht 100,000 each, and another Baht 100,000 for various programs that support good performance of the teachers, whereby such programs are beneficial to the community based on the consideration of the committee. Each program is awarded with Baht 50,000. Some of the programs that have received the scholarship include:

1. The project on enhancing potential of coffee growers at Ban Huai Sai, District Non-Formal and Informal Education Center "Maefahluang", Ban Huai Sai, Moo 11, Huai Pu Ling sub-district, Muang district, Mae Hong Son province received Baht 60,000 to buy a coffee pulping machine. As a result, the sales price increased from Baht 18/kg to Baht 90/kg, and the coffee growers could earn satisfactory income.
2. Education management for vocational promotion project, i.e., making Pateh fabric bags at the non-formal school in Sabarung sub-district, Muang district, Pattani province, was awarded with the investment of Baht 80,000. As a result, ladies and volunteer groups of Sabarung Village had a chance to practice designing Pateh fabric patterns for sales until such products became famous and won the provincial award, resulting in insufficient production capacity, such as cosmetic bags, rectangle shaped bags, keychains, and coin wallets.

To date, ThaiBev has provided support to 27 teachers in the project and is committed to supporting this program every year.



A total of 9 teachers receive HRH Princess Naradhiwas Rajanagarindra's Teacher Award from ThaiBev.

## C asean Center

In 2013, ThaiBev established C asean Center to serve as a platform for strengthening collaboration among the ASEAN community. The operations of the center are conducted for the purpose of social contribution (as a Social Enterprise), without the intention to maximize profits, but to be able to generate income to carry on activities of the center sustainably.

The mission of C asean Center is mainly to create knowledge on ASEAN in relation to new business, arts and culture; to build networks and to create activities for new ASEAN generations to become good citizens of ASEAN. The purpose of the center is to stimulate new generations to share ideas among one another and gain experiences from the private sector and other learning sources for the development of the ASEAN region.

We have a 2-year target for C asean Center to be recognized as the networking place and hub of ASEAN startups. This will be the place where people in ASEAN countries and other countries worldwide can visit to access to the services, and the center will serve to collect the information and knowledge of the new generation and drive the ASEAN Agenda within the next 5 years.

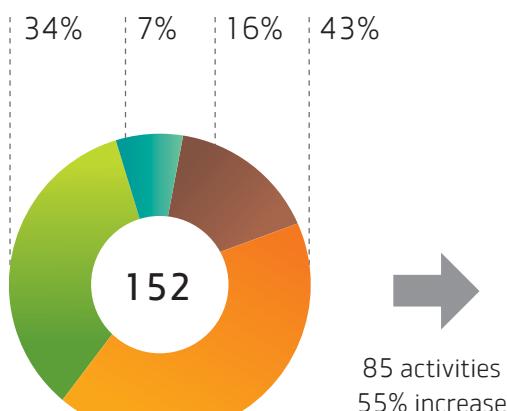
Important activities and services of C asean Center are as follows:

- Knowledge Center: Source of knowledge and analysis of information on business, arts and culture.
- “Dream office” (Co-working Space): Creative space which offers meeting rooms and other facilities for new generation of entrepreneurs.
- C asean Academy Innovative learning center for the new generation, with emphasis on developing capabilities and skills necessary for the 21<sup>th</sup> century.
- C asean Forum: Space for sharing opinions among various groups to develop and push forward the region in the future.
- There are other activities to build connections of ASEAN Startup Ecosystem, whereby specialists across the region give cooperation and advice, as well as build relationships with many investors, public sectors, and national organizations.

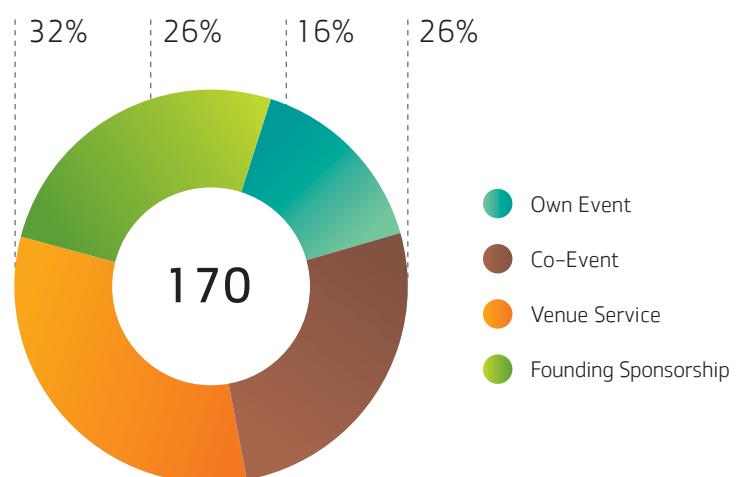
ThaiBev believes that C asean Center will encourage new generations to utilize knowledge, experiences, and support from various networks to create new opportunities. This would significantly contribute to moving the regional economy towards the future.



Facility Timeshare 2015



Projection for 2016



Own Event	11
Co-Event	25
Venue Service	63
Founding Sponsorship	51

Own Event	27
Co-Event	45
Venue Service	53
Founding Sponsorship	45

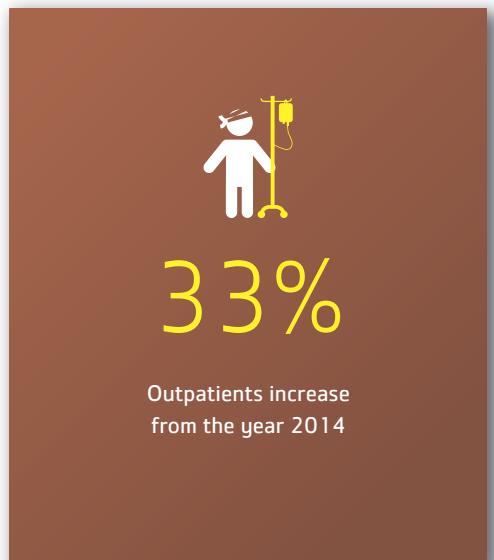
Proportion of venue usage divided by types of activities in 2015 and 2016 projection.



In 2015, C asean Center had a chance to welcome leading national organizations which organized events at the center, such as Indonesian Cultural Day held by the Embassy of the Republic of Indonesia, and the grand opening of the book titled "ASEAN Smiles" held by Baan Phra Arthit Publications, together with a keynote speech delivered by Honorable Dr. Surin Pitsuwan, former Secretary-General of ASEAN. Moreover, C asean Center has also initiated flagship projects, such as "Startups Runway" which provided an opportunity for new generations to present their ideas to develop their abilities, and supported them in turning their ideas into concrete businesses or projects. Moreover, C asean also collaborated on the "Consonant" initiative, a contest for musicians from all 10 ASEAN countries participated in creating original music that integrated each country's local instruments style and musicians—with the end result being a new, united "Asean music" identity. In addition, it is also serves as a center to coordinate with other parties necessary for business operations, including financial institutions for financial support.

Last year, C asean Center organized more than 36 events attended by over 10,000 participants to inspire youths in the ASEAN region. The center consistently develops high quality individuals to drive the national regional economy forward. Last October, C Asean Center had a chance to take part in a conference of global new leaders called "ONE YOUNG WORLD SUMMIT BANGKOK 2015" held outside the center under the topic "Women's Rights are Human rights" in cooperation with ASEAN and Asia Studies Center, National Institute of Development Administration (NIDA). The objective of the conference was to promote the capability of women on the ASEAN and global stage. With regard to this activity, C asean Center cooperated with ThaiBev in supporting a project to cultivate new leaders for the society titled "Thai Young Leaders Program" for 100 Thai youths who were selected to participate in the One Young World Project on 31 October, as well as supporting 2 representative youths, Miss Sotheary You from Cambodia and Miss Arizza Ann Nocum from the Philippines, to join ONE YOUNG WORLD SUMMIT BANGKOK 2015.

## ThaiBev and Public Health Development



1. Bhumirajanagarindra Kidney Institute Hospital, the first specialized hospital for kidney treatment in Thailand.
2. Doctors and nurses with a national expertise.

### Bhumirajanagarindra Kidney Institute Hospital

ThaiBev, through Sirivadhanabhakdi Foundation, provided funding for the construction of Bhumirajanagarindra Kidney Institute Hospital to offer to His Majesty the King as a contribution to his charity fund and to commemorate the 60<sup>th</sup> anniversary of His Majesty's coronation in 2006. His Majesty King Bhumibol Adulyadej graciously named the hospital "Bhumirajanagarindra Kidney Institute", and the institute was registered as "Bhumirajanagarindra Kidney Institute Foundation" on 28 September 2007. Currently, HRH Princess Maha Chakri Sirindhorn magnanimously accepts the role of Chairperson of the institute.

"Bhumirajanagarindra Kidney Institute Hospital" is a 9-storey building at the corner of Phya Thai Road, next to Ratchathewi District Office and the Royal Thai Army Medical Department. The hospital took over 2 years to construct, and was opened to the general public in September 2012. The hospital treats both inpatients and outpatients, screens patients with chronic kidney disease, and provides care for patients at risk of chronic kidney disease, such as diabetes, high blood pressure, heart disease, and high blood cholesterol.

Moreover, the hospital also has 20 outpatient examination rooms and 128 beds, including special rooms, single rooms, and double rooms. There are Intensive Care Unit (ICU) for patients with severe symptoms, consisting of 12 beds, 6 operation rooms, laboratory that passed ISO 15189 standard, X-ray room with modern medical equipment, such as MRI, CT Scan, Ultrasound machines, and so on. The services include dialysis with 50 kidney dialysis machines, kidney transplant by experienced surgeons, artificial blood vessel surgery, or dissolving blood clots in patients who previously underwent the dialysis process. Furthermore, there is a research center which conducts researches and analyses for prevention and treatment of chronic kidney disease.

In 2015, the hospital served 59,971 outpatients, an increase from the year 2014 (44,985 outpatients) by 14,986 or 33.31%. The number looks to increase continuously in the future. In 2014, the hospital conducted the first successful kidney transplant, which marked the beginning of kidney treatment development in Thailand. "Bhumirajanagarindra Kidney Institute Hospital" is more than a specialized hospital in that it also provides comprehensive services for kidney patients. We allocate funds for the procurement of medical equipment and send doctors and nurses in Nephrology to extend their knowledge on specialized diseases at Chulalongkorn Hospital, Siriraj Hospital, and Ramathibodi Hospital, so as to maximize effectiveness in curing kidney disease patients in Thailand.



Doctors attentively take care of local people's health at Chang Medical Clinic, Khlong Khlung district, Kamphaeng Phet province.

ThaiBev establishes the "Prostheses for the Disabled and Health Checkup for the Elderly Project" for free of charge.

## Chang Medical Clinic

Chang Medical Clinic was established in 2006 based on the concept that "Thai people can give to one another." It is a kind of mobile health unit in Khlong Khlung district, Kamphaeng Phet province. The clinic has medical equipment, as well as 22 doctors and specialists taking turns to regularly provide medical checkups to people. The services are given to employees and local people with low income. Normal checkups are conducted for patients in communities around the operations. In the case of patients with complex disease, the doctors will give advice and refer them to specialist doctors, whereby medical privileges are available from the original affiliation. Other services include bone mass checkup. The Clinic is open from Monday to Saturday at 8.00 – 17.00 hrs. Medications are charged at cost price only. Each month there will be specialist doctors in different fields from leading hospitals rotating to treat patients at Chang Medical Clinic to truly fulfill requirements of the communities.

In 2015, Chang Medical Clinic launched a special project "Prostheses for the Disabled and Health Checkup for the Elderly" on the auspicious occasion of HRH Princess Maha Chakri Sirindhorn's 60<sup>th</sup> birthday anniversary. Prostheses were given to 60 disabled and free-of-charge checkups were provided for 100 elderly people. Moreover, the project brought many specialist doctors from various fields, such as general medicine, ear, eyes, cardiology, and orthopedics to provide medical checkup to the elderly. The screening criteria include the elderly from remote communities with general diseases, as well as other diseases in the field of ear, eyes, cardiology, and orthopedics. Those with the aforementioned diseases can participate in the project and receive treatment from many volunteer doctors travelling from Bangkok. Meanwhile, hearing aids, spectacles, and crutches were also given to the elderly for free of charge.



Mr. Thapana Sirivadhanabhakdi, President and CEO of ThaiBev, receives "Watthanakunadhorn Award" from Mr. Vira Rojpojchanarat, Minister of Culture on 1 October 2015 at Thailand Cultural Center.



Ministry of Culture grants "Watthanakunadhorn Award" for the year 2015 to ThaiBev for organizational contribution to religion, arts and culture.

## Arts and Cultural Development

ThaiBev is strongly determined to promote and support arts and culture continuously and regularly, in terms of promotion, inheritance, and creativity. Moreover, we also carry out projects and activities relating to religion, arts and culture, as well as inspire Thai artists to create their masterpieces for development and global recognition.

In 2015, the arts and cultural development unit had supported and organized all 17 activities as planned. Our dedication to arts and cultural conservation brought us the prestigious "Watthanakunadhorn Award" for the year 2015 from the Ministry of Culture for being the organization that contributes to preserving cultural heritage of the country, while showing the outstanding in supporting religion and culture, being creative, and creating works that have proved to benefit communities, society, and the nation. The award was considered and selected by the provincial committee in all 76 provinces, chaired by the governor, and the members including officers of the department level and public organizations under the supervision of the Ministry of Culture. The candidates who passed the selection at the national level were nominated to receive this national award. There are no more than

170 awards to be given each year, consisting of 84 individual awards and 86 organizational awards.

The selection criteria of the prestigious "Watthanakunadhorn Award" for organizations which provide religion, arts and cultural support are as follows:

- 1) Manage to promote, support, inherit, create, and carry out operations in relation to religion, arts and culture.
- 2) Improve projects through participation of general public.
- 3) Benefit the target group as the project can be applied to developing oneself, community, or spiritual aspect, or adds economic value.
- 4) Disseminate the outcomes to other education institutes, organizations, and communities to be taken as the role model.
- 5) Carry out the projects with the aim of benefiting the society, supporting the community, and having corporate social responsibility.

In 2015, the activities regarding arts and cultural development organized by ThaiBev can be mainly divided into 5 categories as follows:



ThaiBev supports the HRH Princess Maha Chakri Sirindhorn Royal Photo Exhibition in 2015 titled "Happiness that Long Life Brings."



ThaiBev supports the National Identity Foundation in publishing the book titled "Silpa Sirindhorn Siam Artist" on the occasion of HRH Princess Maha Chakri Sirindhorn's 60<sup>th</sup> birthday anniversary.



HRH Princess Maha Chakri Sirindhorn graciously presides over the grand opening of the Royal Photo Exhibition titled "Happiness that Long Life Brings" on 10 December 2015 at Bangkok Art and Culture Center.

## **Supporting projects/activities in honor of His Majesty the King and the Royal Family**

### **HRH Princess Maha Chakri Sirindhorn Royal Photo Exhibition Project Sponsorship in 2015**

HRH Princess Maha Chakri Sirindhorn Royal Photo Exhibition in 2015 titled “Happiness that Long Life Brings” was organized by Royal Photographic Society of Thailand, Bangkok Metropolitan, Bangkok Art and Culture Center, and Office of Contemporary Art and Culture, Ministry of Culture, under the sponsorship of ThaiBev and other private organizations to provide the opportunity for the general public to admire the talent in photography of HRH Princess Maha Chakri Sirindhorn.

Since 2007, HRH Princess Maha Chakri Sirindhorn has graciously given permission for her photographic portfolio to be displayed to students and the general public in a continuous manner, namely,

1. “Light is Color, Color is Light” in 2007
2. “Always Roaming with a Hungry Heart” in 2008
3. “Destinations” in 2009
4. “The Colors of Life” in 2010
5. “Born to this World” in 2011
6. “Camera in Motion: A Global Perspective” in 2012
7. “Art Eye View” in 2013
8. “Clairvoyance” in 2014, and “Happiness that Long Life Brings” in 2015.

**ThaiBev in cooperation with Ministry of Culture and Ministry of Foreign Affairs respectfully bring HRH Princess Maha Chakri Sirindhorn photographic portfolio to be displayed at the Capital Museum, Beijing** in April 2015 so as to provide the general public in China with the opportunity to admire the royal expertise in photography. The exhibition gained very good feedback from the Chinese government and citizens.

### **Supporting the National Identity Foundation to publish the book titled “Silpa Sirindhorn Siam Artist” on the auspicious occasion of HRH Princess Maha Chakri Sirindhorn’s 60<sup>th</sup> birthday anniversary**

ThaiBev realizes the importance of Thai identity in showing the international community the unique value of Thainess. Therefore, we have been continually supporting the activities of this foundation, such as the publication of Thit Thai journal which presents pleasant stories about Thainess. On the auspicious occasion of HRH Princess Maha Chakri Sirindhorn’s 60<sup>th</sup> birthday anniversary in 2015, ThaiBev, in cooperation with the National Identity Foundation, had published the book titled “Silpa Sirindhorn Siam Artist” to collect arts, literatures, and photographs of HRH Princess Maha Chakri Sirindhorn to celebrate this special occasion.



**Supporting Ministry of Culture in organizing  
 Thai festival in the United Kingdom titled  
 "Totally Thai" on the occasion of HRH Princess  
 Maha Chakri Sirindhorn's 5<sup>th</sup> cycle birthday  
 anniversary on 2 April 2015**

This Project had been organized by Thai government and jointly hosted by Ministry of Culture, Ministry of Foreign Affairs, and Ministry of Tourism and Sports in celebration of the auspicious occasion of HRH Princess Maha Chakri Sirindhorn's 5<sup>th</sup> cycle birthday anniversary and the milestone in the Thai-UK relations as we move into the 160<sup>th</sup> anniversary of the bilateral relations. In this regard, a total of 3 activities had been held in the UK to encourage foreign audiences to admire Thai culture through our unique performance, comprising:

1. The Khon performance based on the Ramakian, the Thai version of the Indian epic Ramayana on 18 June 2015 at the Royal Albert Hall in London;
2. Thai Film Festival from 25-27 June 2015 at the British Academy of Film and Television Arts (BAFTA);
- and 3. "Thailand's Eye", which is a contemporary art and design exhibition at Saatchi Gallery in London during November – December 2015.

**Supporting the construction/restoration  
 of communities that are important to  
 Thai identity**

Examples of the contribution are the financial support for restoration of Wat Phra Chetuphon Vimolmangklararam Rajwaramahaviharn, restoration of Chinese community-Khlong San and its vicinity to become cultural learning centers. In 2015, we placed emphasis on giving financial support to Bangkok Art and Culture as we realized that there are few art exhibition centers in Thailand, and shortages of budget to maintain efficient operations. Therefore, ThaiBev financially supported since the beginning of the center to help spread knowledge and perspective in art to both Thai and foreign visitors more efficiently.

In addition, ThaiBev in cooperation with Sirivadhanabhakdi Foundation gave financial support for the preservation of historical sites project to the Fine Arts Department, Ministry of Culture for purpose of restoration of 4 historical sites as follows:



ThaiBev provides sponsorship for the Thai festival in the United Kingdom titled "Totally Thai" (Khon performance) in celebration of the auspicious occasion of HRH Princess Maha Chakri Sirindhorn's 5<sup>th</sup> cycle birthday anniversary in April 2015.

1. Hall for keeping the scriptures and bell tower restoration project at Phra Putta Sai Yas Temple, Muang district, Phetchaburi province.
2. Bell-shaped pagodas restoration project at Arunyikawas Temple, Muang district, Ratchaburi province.
3. Vihara restoration project at Phra That Bangpuan Temple, Muang district, Nong Khai province.
4. Hall for keeping the scriptures restoration project at Phra That Cherring Chum Temple, Muang district, Sakon Nakhon province.

### **Supporting Artists and Providing Scholarships**

In 2015, ThaiBev had supported Thai artists in various forms as follows:

#### **Supporting the Ministry of Culture's National Artist Fund**

ThaiBev realizes that all national artists have contributed to the nation in terms of arts and culture, so we gave financial support to Department of Cultural

Promotion to organize National Artist Day in February 2015. We have provided supports for 8 consecutive years to jointly praise those who have artistic talents and great contributions to the nation as the role model.

#### **Supporting the participation of Thai artists in the Venice art exhibition (Venice Biennale)**

The exhibition was held in May 2015. ThaiBev foresees the importance of this art exhibition due to its top rank, and this biannual event had been continuously organized for more than 100 years. ThaiBev realizes that the participation of Thai artists in this event is very necessary to give them a chance to gain global reputation, as well as enable the selected artists to experience in learning new things in the world art community. In 2015, there were more than 20,000 tourists and art enthusiasts visiting Thai Pavilion throughout the course of the exhibition from May to November 2015.

Thus, the participation of artists in Venice Biennale is to utilize artworks to create good images for Thailand apart from promoting Thai arts in the world stage.



ThaiBev provides continuous supports to Thailand Philharmonic Orchestra (TPO), as well as grants scholarships to music students of the College of Music, Mahidol University for the purpose of studying in the country as well as participating in music competition abroad.

### **Providing financial supports for the music academy, orchestra, and various music activities**

#### **Thailand Philharmonic Orchestra (TPO)**

is under the supervision of the College of Music, Mahidol University. The orchestra has been performed by the university personnel as well as university students. The students and music related personnel are provided with the opportunity to exchange music knowledge with other world-class foreign personnel and conductors that have joined the performance each season. In this regard, ThaiBev has provided funding supports to TPO continually since 2010.

**Supporting scholarships to College of Music, Mahidol University** continually since 2010. This support focuses on providing scholarships for students to participate in competitions so as to gain experiences both individually and in groups. Joining the competition and exchanging knowledge with international youths enables the students to acknowledge their own strengths and weaknesses. This is a development from true learning experiences, not from the classroom which can possibly be misleading.

### **Supporting funds to the Sukree Charoensook**

**Foundation** which was established under the policy to share knowledge and exchange experiences with underprivileged communities and children. The foundation in cooperation with ThaiBev has taught music and singing to youths in the communities nearby, the operations during the activity "Building Good Communities with a Smile." We have organized not less than 20 activities together with the foundation since 2012 over the past 4 years.

### **Coordinating with Princess Galyani Vadhana Institute of Music to provide scholarships to students in the communities nearby the Institute**

**Supporting talented musicians to join international competitions** which have won the first prize in many competitions. For instance, Mr. Ekachai Jearakul, a classical guitarist continuously supported by ThaiBev since 2010, has gradually developed his talents until recently he won the 1st Prize of the "GFA International Guitar Competition 2014."



ThaiBev supports Luang Pradit Phairoh Foundation (Sorn Silapabanleng) in organizing Sornthong Thai Classical Music Competition at primary and secondary levels, including the main activity of the Foundation which is Thai classical music teaching so as to be preserved as Thai cultural heritage perpetually.

**Supporting funds to Suanplu Chorus** annually to assist with administration and development of capability and potential in the shows and competitions both domestically and internationally. Each performance includes Thai song adapted and performed in the form of chorus to spread the value and charm of Thai songs worldwide. Moreover, in 2014, we supported Suanplu chorus to travel to promote their potential in singing chorus at the 8th World Choir Games at Riga, Republic of Latvia. Suanplu Chorus brought pride to Thailand by winning the 1st Prize in both participating categories – Mixed Chamber Choirs and Folklore. They presented Thai music identity to the global audiences and made the world realize value and beauty of Thai songs.

**Supporting Luang Pradit Phairoh Foundation (Sorn Silapabanleng)** includes organizing activities to provide Thai music knowledge, as well as supporting King's Cup Sornthong Thai Classical Music Competition. This kind of support clearly benefits youths in both primary and secondary schools all over Thailand, and thereby contributing to developing Thailand in the future both in social and economic aspects. Furthermore, ThaiBev has purchased antique records of Thai and international songs, including rare record players for preservation. ThaiBev in association with Luang Pradit Phairoh Foundation has preserved and produced copies to disseminate to the general public in order to revitalize the fading music. There is also a project to open a museum for interested visitors in the future.



1



2



3

1. HRH Princess Maha Chakri Sirindhorn graciously presides over the grand opening of the "2015 White Elephant Art Award" exhibition under the theme of "Our Beloved Princess" and grants awards to artists.
2. White Elephant Art Award Winner 2015  
 Theme: "Our Beloved Princess"  
 Artist: Mr. Santi Seedarach  
 Title: "My Princess Sirindhorn"  
 Technique: Woodwork composition and collocation
3. White Elephant Art Award Winner 2015  
 Theme: "Our Beloved Princess"  
 Artist: Ms. Thitiprom Onpium  
 Title: "Our beloved"  
 Technique: Embroidery

### Organizing or supporting competitions to promote and preserve arts and culture

**The White Elephant Art Award**-ThaiBev organizes this event to support Thai artists in the field of paintings and sculptures. It is a competition for realistic and figurative art. This competition serves as a stage to showcase the artists' abilities named "White Elephant Art Award". In 2015, this project has been carried out for consecutive 5 years under the theme "Relationships and Love". Each year there has been a growing number of contestants, especially university students, representing that the project could achieve a goal of making realistic and figurative art gain popularity Thai art and cultural.



1

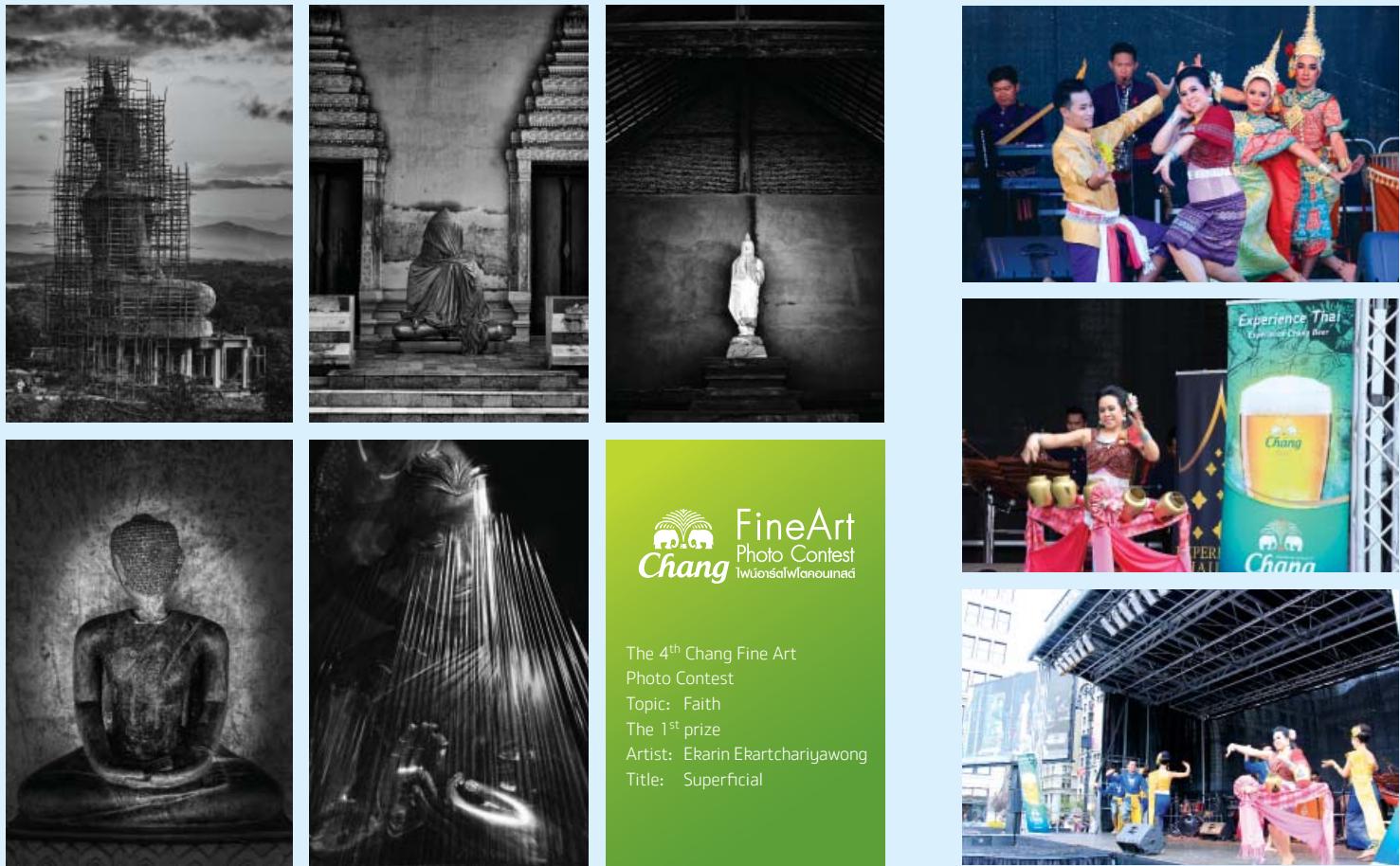


2

1. HRH Princess Maha Chakri Sirindhorn graciously opens the 2015 Photo of the Kingdom Exhibition on 5 November 2015 at Siam Paragon.
2. Winner of the King's Cup 2015 Photo of the Kingdom Project  
Artist: Winniwat Traitongtanarat  
Title: One Day, I'll Take You There

#### **Supporting 2015 Photo of the Kingdom Project**

Royal Photographic Society of Thailand organized the 28<sup>th</sup> contest under 2015 Photo of the Kingdom Project to win the trophies graciously given by HM the King, HM the Queen, HRH Crown Prince Maha Vajiralongkorn, HRH Princess Maha Chakri Sirindhorn, HRH Princess Chulabhorn Walailak, and HRH Princess Ubolratana Rajakanya Siri Wattana Phannawadi. In this year, HRH Princess Maha Chakri Sirindhorn graciously gave the theme for the contest to win the six trophies. Photo of the Kingdom Project, organized by ThaiBev in association with Royal Photographic Society of Thailand, has been held continuously since 2006. We are greatly honored that His Majesty the King has graciously selected the winning photo each year. This is the biggest photography contest in Thailand and gains most interest from contestants.



### Supporting the 4<sup>th</sup> Chang Fine Art Photo Contest Project

ThaiBev has carried out this project for the 4<sup>th</sup> consecutive year under the theme of "Faith" with the aim of promoting and supporting photographers who are interested in fine art photography which emphasizes the art concept and perspective reflecting boundless imagination of artists, and provides these artists with the stage to present their ideas and photography portfolio, as well as enhances diversification of photographic art, and encourages Thai photographers to increasingly move towards the international arena. This contest is scheduled to be held on an annual basis under the supervision of Royal Photographic Society of Thailand.

### Supporting photography and short film contest to mark Naris Day and Silpa Bhirasri Day-

ThaiBev had supported the international photography contest which was held to mark Naris day by Silpakorn University for consecutive 10 years. This contest has gained a lot of interest from global photographers. Many of them have entered the contest every year.

It is one of the most widely accepted contests both domestically and internationally.

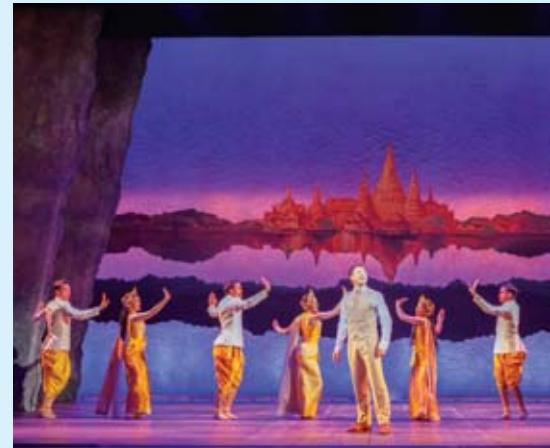
### Thainess to The World project

"ThaiBev has a strong resolution to spread Thainess all over the world, with the emphasis on Thai Way Tourism, in alignment with the government's guidelines," said Mr. Thapana Sirivadhanabhakdi, President and CEO of Thai Beverage Public Company Limited.

To respond to the said resolution, ThaiBev has given supports to projects and activities that can convey a wide range of Thai arts and culture in hope of continuing the values and beauty of Thainess to be accepted internationally and conserved in a consistent manner.

### "Experience Thailand 2015" Festival

ThaiBev advances the concept "Thainess to the World" by giving supports to the organizing of Thai cultural festival or "Experience Thailand 2015" which had been held consecutively for the second time by the Royal Thai Consulate-General in New York in cooperation with



Department of International Trade Promotion in New York, Thailand Board of Investment, New York Office, Tourism Authority of Thailand, New York office. The objective is to promote image and potential of Thailand in terms of economics, trade, investment, tourism, culture, and Thai culinary to be more well-known among new American generations. The aforementioned festival was held on 13 September 2015 at Union Square Park, New York, USA.

In addition, ThaiBev also supports the ability and activities of students by taking a group of 15 students who are performers of "Pong Lang Sin Sai" band from the Faculty of Fine Arts, Khon Kaen University to promote culture and unique identity via the diverse cultural performance. Ambassadors and consulates-general from many countries alongside with Thai and foreigners had visited the event for approximately 30,000 people.

#### **Stage play "Waterfall the New Musical"**

ThaiBev had supported the stage play "Waterfall the New Musical" that was adapted from the valuable novel "Behind the Picture" which is the intention of the producer to bring Thai stage play to the global arena. The play was performed at Pasadena Play House in California, and Fifth Avenue Theatre in Seattle, USA.

ThaiBev spent over Baht 100 million to support this project as we believe that Thailand possesses valuable human assets with talent and high potential to develop to an excellent standard comparable to any other nations, and hope to push forward Thai talents into the global stage.

"Waterfall the New Musical" is Thai performance that brings good reputation and shows our potential on the global scale by starting the performance at Pasadena Play House in California during 29 May – 28 June 2015, totaling 35 rounds, and at Fifth Avenue Theatre in Seattle during 1 – 25 October 2015, totaling 23 rounds. There were a total of approximately 52,000 audiences as a whole.



#### Restoration of Thai traditions: Loy Krathong (River Festival) and Songkran (Water Festival)

ThaiBev in cooperation with Ministry of Culture and Tourism Authority of Thailand hosted "River Festival" in November 2015 which is a contemporary cultural festival coupled with Loy Krathong event on the Chao Phraya River's longest curve. We realize the importance of Thai tradition and wish to preserve for a long time through the global presentation. The objective is to become the annual festival of Thailand to attract tourists to visit and spend more time in Thailand than the former time when there was only Loy Krathong Festival. The festival is to be organized in many areas, such as Wat Phra Chettuphon Wimon Mangkhalaram Rajwaramahaviharn, Wat Arun Ratcha Wararam Ratchaworamahawihan, Wat Kalayanamitr Varamahavihara, Wat Prayurawongsawas Woravihara, Yodpiman River Walk market Tha Maharaj and Asiatique the Riverfront. Each place will manage to promote Thai culture and tradition. Moreover, we cooperate with local communities to showcase their best products. It can stimulate tourism economy on local and national scale, as well as enhance ThaiBev's image on arts and culture alongside with the society and community in a stable and sustainable manner.



**Supporting the organizing of "the 188<sup>th</sup> Anniversary Celebration of Wat Prayurawongsawas Woravihara" during 10-13 January 2015 under the concept**

"Play + Learn = Plearn (Enjoy)" which is a continuation from the award ceremony of "Award of Excellence" in preserving cultural heritage in Asia Pacific region—the restoration project of Phra Borom That Pagoda and Museum – from UNESCO. The celebration is in the form of edutainment. In addition to worshipping sacred items to enhance the prosperity, visitors can also walk around the festival, admire art works, get a feel of culture, and taste some delicious food from Chinese community at Khlong San.

ThaiBev is a Thai company with great awareness of Thainess. We realize that our successful and sustainable business operations have been achieved as we have grown up in plentiful Thailand under His Majesty the King's reign, and kind support from Thai people. We are greatly indebted and committed to giving back to the country. Therefore, we have a clear policy to allocate a part of our budgets to continually help the society in various aspects. ThaiBev does not only listen to opinions of all stakeholders, such as societies, communities, and employees, but also initiates a variety of beneficial projects. We do not only provide financial support, but also have a clear policy to involve our personnel in participating in and be a part of many projects. To engage with people in the communities creates bonds and affection among all related parties, making the operations run smoothly and effectively as targeted. We sincerely help the society, with the emphasis on stable and sustainable development according to the guideline on corporate excellence development.



# Independent limited assurance report

to the Directors of Thai Beverage Public Company Limited

## Our conclusion

Based on the procedures performed, as described below, nothing has come to our attention that would lead us to believe that the Selected Sustainability Information identified below and included in the 2015 Sustainability Report for the year ended 31 December 2015, is not, in all material respects, prepared in accordance with the Global Reporting Initiatives G4 Guidelines ("GRI G4") and management's calculation methodologies.

We, KPMG Phoomchai Audit Ltd, have been engaged by Thai Beverage Public Company Limited ("ThaiBev") and are responsible for providing a limited assurance conclusion in respect of the selected sustainability information for the period ended 31 December 2015 to be included in the Sustainability Report ("the Report") as identified below ("the Selected Sustainability Information").

Our assurance engagement is conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance on Greenhouse Gas Statements. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

Selected Sustainability Information includes the following data for the year ended 31 December 2015:

- Economic data included on page 20–21
- Table: Total for 2015 Water withdrawal on page 32
- Table: Total for 2015 of Energy consumption on page 40
- Table: Total for 2015 of Emissions (scope 1 & 2) on page 46

## Director's and management's responsibilities

The directors and management of ThaiBev are responsible for the preparation and presentation of the Selected Sustainability Information, specifically ensuring that in all material respects the Selected Sustainability Information is prepared and presented in accordance with the GRI G4 Guidelines and management's calculation methodologies. This responsibility also includes the internal controls relevant to the preparation of the Report that is free from material misstatement whether due to fraud or error.

## Limited assurance over Selected Sustainability Information

In forming our limited assurance conclusion over the Selected Sustainability Information our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Selected Sustainability Information;
- Visits to 6 sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Agreeing the Selected Sustainability Information to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Selected Sustainability Information and prepared in accordance with the GRI G4 Guidelines and management's calculation methodologies.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

## Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than ThaiBev, for any purpose or in any other context. Any party other than ThaiBev who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than ThaiBev for our work, for this independent limited assurance report, or for the conclusions we have reached.

*KPMG Phoomchai Audit Ltd.*

**KPMG Phoomchai Audit Ltd.**

Bangkok

24 March 2016

# General Standard Disclosures

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
<strong>STRATEGY AND ANALYSIS</strong>			
G4-1	Statement from the CEO	Please refer to page 2-3 in this Sustainability Report.	
<strong>ORGANIZATIONAL PROFILE</strong>			
G4-3	Name of organization	Thai Beverage Public Company Limited	
G4-4	Primary brands, products and services	<p>ThaiBev has streamlined its businesses into three product groups—spirits, beer, and non-alcoholic beverages. We have identified core brands with the greatest growth potential for each product group as following:</p> <ul style="list-style-type: none"> <li>1) Spirits: Ruang Khao, Hong Thong, Blend 285, and Old Pulteney</li> <li>2) Beer: Chang</li> <li>3) Non-Alcoholic Beverages: est, 100PLUS, Oishi, NutriSoy</li> </ul>	
G4-5	Location of the organization's headquarters	<p>14 Vibhavadi Rangsit Road Chomphon Sub-District Chatuchak District, Bangkok 10900</p>	
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 2015 for the list of countries where the organization operates.	
G4-7	Nature of ownership and legal form	<p>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 2015</p>	
G4-8	Markets served	Please refer to page 7 in this Sustainability Report.	
G4-9	Scale of the organization	<p>Please refer to page 8 and 60-61 in this Sustainability Report. Please refer to "Financial Statement" and "Product Portfolio" in the Annual Report 2015</p>	

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
<b>ORGANIZATIONAL PROFILE</b>			
G4-10	Breakdown of workforce	<p>Please refer to page 60–61 in this Sustainability Report.</p> <p>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.</p>	
G4-11	Percentage of total employees covered by collective bargaining agreements	<p>As for Oishi and Sermsuk, their staff and supervisors who are members of the labor union incompliance with collective bargaining agreement guideline, currently they represent 9.5 percent of all employees. These members have cooperated with the companies in taking care of employees' livelihood and developing the companies' workforce equally and fairly regardless of employees' labor union membership.</p> <p>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.</p> <p>In addition, the company ensures the quality of communication by having HCBPs (Human Capital Business Partners) in the organization, in order to hear and help to resolve any issues, including the company suggestion box.</p>	
G4-12	Describe the organization's supply chain	Please refer to page 9–11 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 2015.	
G4-14	Addressing the precautionary approach or principle	<p>Please refer to page 26–27, 30, 38, 44 and 50 in this Sustainability Report.</p> <p>ThaiBev supports the precautionary approach or principle though environmental chances and demonstrated in our environmental aspect's DMA.</p>	

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
<b>ORGANIZATIONAL PROFILE</b>			
G4-15	External charters, principles or initiatives endorsed	<p>Please refer to page 31, 46, 53, 55 and 96–98 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"> <li>- “Project to Manage Water Resources Sustainably through Water Footprint in the Food Industry for Export” initiated by National Food Institute, Ministry of Industry.</li> <li>- “Pilot Project for Water footprint at Fuengfuanant Co., Ltd” initiated by Water Institute for Sustainability, Federation of Thai Industries.</li> <li>- “Carbon Footprint for Organization Program” initiated by The Federation of Thai Industries and the Thailand Greenhouse Gas Management Organization.</li> <li>- “3Rs–Reduced, Reused, Recycled”: project to Improve the Ability to Use Waste, initiated by Department of Industrial Works</li> <li>- NSF: The public health and safety organization for the development of public health standard and certification programs to protect and improve global human health.</li> <li>- “The Pracharath Policy”: economic partnerships among the people, government and the private sector, The Royal Thai Government’s policy</li> </ul>	
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"> <li>- Resources Management for Sustainability (3R) Foundation</li> <li>- Thailand Institute of Packaging and Recycling Management for Sustainable Environment, The Federation of Thai Industries</li> <li>- YPO International Chapter (Texas–USA) (YPO–WPO)</li> <li>- YPO Intercontinental Chapter (Ontario–Canada)</li> <li>- Thailand Chapter Young President Organization</li> <li>- Asia Business Council</li> <li>- World Economic Forum</li> <li>- British Chamber of Commerce Thailand</li> <li>- The Thai Chamber of Commerce</li> <li>- The Federation of Thai Industries</li> </ul>	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Report coverage of entities included in the consolidated financial statements	<p>Please refer to “Notes to Financial Statements” in the Annual Report 2014 for the list of entities in ThaiBev’s financial statements.</p> <p>Entities included in the scope of this report are ThaiBev, its subsidiaries and associates</p>	

### GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-18	Process for defining the report content and the aspect boundaries	Please refer to page 13–19 in this Sustainability Report.  ThaiBev has implemented the Reporting Principles for Defining Report Content throughout its process of stakeholder identification and materiality assessment of the report against the principles to ensure completeness	
G4-19	Material aspects identified	Please refer to page 13–19 in this Sustainability Report.	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Please refer to page 14–17 and 19 in this Sustainability Report.	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Please refer to page 13–19 in this Sustainability Report.	
G4-22	The effect of any restatements of information provided in previous reports	Please refer to page 26 in this Sustainability Report.	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Please refer to page 6 and 124 in this Sustainability Report.	
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization	Please refer to page 14–17 in this Sustainability Report.	
G4-25	Basis for identification and selection of stakeholders	Please refer to page 14–17 in this Sustainability Report.	
G4-26	Approaches to stakeholder engagement	Please refer to page 14–17 in this Sustainability Report.	
G4-27	Key topics and concerns raised	Please refer to page 14–17 in this Sustainability Report.	
<b>REPORT PROFILE</b>			
G4-28	Reporting period	Fiscal year	
G4-29	Date of most recent previous report	2 April 2015	
G4-30	Reporting cycle	Annual	

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Reference page / Explanations	External Assurance
<strong>REPORT PROFILE</strong>			
G4-31	Contact point for questions	Corporate Sustainability Development Working Team info@thaibev.com  Please refer to page 6 in the Sustainability Report.	
G4-32	'In accordance' option, the GRI content index and external assurance	Core  Please refer to page 6 in the Sustainability Report.	
G4-33	Policy and current practice regarding external assurance	Please refer to page 6 and 124 in the Sustainability Report.	
<strong>GOVERNANCE</strong>			
G4-34	Governance structure of the organization	Please refer to page 12 in this Sustainability Report.  Please refer to "Organization Structure" in the Annual Report 2015.	
<strong>ETHICS AND INTEGRITY</strong>			
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 2015.  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
<strong>ECONOMIC</strong>			
Economic Performance	DMA	Please refer to page 20 in this Sustainability Report.	
	G4-EC1	Please refer to page 20-21 in this Sustainability Report.	✓
Procurement	DMA	Please refer to page 22 in this Sustainability Report.	
	G4-EC9	Please refer to page 22-23 in this Sustainability Report.	

### SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Reference page / Explanations	External Assurance
<b>ENVIRONMENTAL</b>			
Water	DMA	Please refer to page 30 in this Sustainability Report.	
	G4-EN8	Please refer to page 32 in this Sustainability Report.	✓
	G4-EN10	Please refer to page 34 in this Sustainability Report.	
Energy	DMA	Please refer to page 38 in this Sustainability Report.	
	G4-EN3	Please refer to page 40 in this Sustainability Report.	✓
Emissions and Air Pollution	DMA	Please refer to page 44 in this Sustainability Report.	
	G4-EN15	Please refer to page 46 in this Sustainability Report.	✓
	G4-EN16	Please refer to page 46 in this Sustainability Report.	✓
	G4-EN19	Please refer to page 47 in this Sustainability Report.	
Effluents and Waste	DMA	Please refer to page 50 in this Sustainability Report.	
	G4-EN22	Please refer to page 51 in this Sustainability Report.	
	G4-EN23	Please refer to page 53 in this Sustainability Report.	
<b>SOCIAL</b>			
Consumer Health and Safety	DMA	Please refer to page 55 in this Sustainability Report.	
	G4-PR1	Please refer to page 55 in this Sustainability Report.	
	G4-FP5	Please refer to page 56 in this Sustainability Report.	
Training and Education	DMA	Please refer to page 58 in this Sustainability Report.	
	G4-LA9	Please refer to page 62 in this Sustainability Report.	
	G4-LA11	Please refer to page 59 in this Sustainability Report.	
Compliance	DMA	Please refer to page 67 in this Sustainability Report.	
	G4-SO8	Please refer to page 67 in this Sustainability Report.	
Local Communities	DMA	Please refer to page 76 in this Sustainability Report.	
	G4-SO1	Please refer to page 81 in this Sustainability Report.	
Marketing Communications	DMA	Please refer to page 68 in this Sustainability Report.	
	G4-PR7	Please refer to page 75 in this Sustainability Report.	

# Glossary

Word	Meaning
Aqueduct	A tool for measuring, mapping, and providing insight into global water risk developed by WRI
Backwashing	A type of water treatment that pumps water backwards through the filters media
BOD	Biochemical oxygen demand
BRCA	The British Retail Consortium
Carbon Dioxide Equivalent	Carbon dioxide equivalent (CO <sub>2</sub> e) is the universal unit of measurement to indicate the global warming potential (GWP) of a particular greenhouse gas emission. The GWP list contains 6 greenhouse gas emissions expressed in units of carbon dioxide equivalent under the Kyoto Protocol. It is used to measure and report volumes of greenhouse gas emissions from different sources.
Carbon Footprint for Organization	An organization's carbon footprint is defined as the quantity of greenhouse gases emitted in tonnes of carbon dioxide equivalent from organizational activities, such as fuel combustion, electricity use, waste management and transportation. The scope of emission sources can be classified into 3 categories: Scope 1 – direct emissions (e.g. from sources that are owned by the organization, such as boilers, vehicles, etc.); Scope 2 – indirect emissions (e.g. purchase of electricity, steam and heat, employee commuting); and Scope 3 – other indirect emissions (e.g. outsourced activities, waste disposal etc.).
Carbon Footprint of Products	Carbon Footprint of Products (CFP) measures the quantity of GHG emissions from each production unit throughout the whole life cycle (cradle-to-grave) of a product. Carbon footprint is calculated into the carbon dioxide equivalent (CO <sub>2</sub> e) of the GHG emissions releasing from raw material acquisition, manufacturing, using, waste management and final disposal, including related transports in all stages.
COD	Chemical oxygen demand
Condensate	It is arising from condensation of steam in the heat exchanging process.
Direct Emission (Scope 1)	GHG emissions derived from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.
Direct Energy	Energy sources that are owned or controlled by the organization, such as steam from boiler, etc.
Evaporative Condenser	A component of the cooling system for heat transfer through the combination of water and air.

<b>Word</b>	<b>Meaning</b>
FGs	Finished goods
Global Water Tool	A tool is publicly available for identifying corporate water risks and opportunities developed by WBCSD.
GMP/HACCP	Good Manufacturing Practice & Hazard Analysis and Critical Control Points
Greenhouse Gas Emission	Greenhouse gas is capable of absorbing heat wave. These gases are needed to maintain the balanced temperature in the Earth's atmosphere. If the atmosphere has no greenhouse gases, day and night-time temperatures will be substantially affected. There are a lot of heat absorption gases classified as greenhouse gas from both natural and human-made sources. The main greenhouse gases include water vapor, carbon dioxide, methane and nitrous oxide etc. The greenhouse gases under the Kyoto Protocol consist of six types of gases caused by human activities (anthropogenic greenhouse gas emission) as follows: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbon (HFC), perfluorocarbon (PFC), and sulphur hexafluoride (SF <sub>6</sub> ). In addition, another significant greenhouse gas caused by human activities is CFC or chlorofluorocarbon which is used as refrigerant and in foam production, but not being specified in the Kyoto Protocol because it has already been limited in the Montreal Protocol.
HALAL	Foods permitted under Islamic law
IC Reactor	Internal circulation reactor, a kind of anaerobic wastewater treatment
Indirect Emission (Scope2)	Indirect GHG emissions (Scope 2) result from the generation of electricity, heating, cooling, and steam purchased from other parties for internal consumption.
Indirect Energy	Energy sources that are not produced by the organization, such as electricity purchased from other parties, etc.
Indirect Steam Distillation	One type of distillation used to extract alcohol from fermented mash
ISO 14001	Environmental Management System

Word	Meaning
ISO 22000	Food Safety Management System
ISO 50001	Energy Management System (EnMS)
ISO 9001	Quality Management System
Life Cycle Assessment; LCA	Life Cycle Assessment (LCA) is used as a tool to assess the environmental impacts of a product throughout its life cycle from the extraction of raw materials, production, transportation, usage, to disposal, while assessing the impacts of those energy and materials used and released to the environment, as well as identifying and evaluating possible impacts on the ecosystem for further product improvements.
Non-Renewable	Energy sources that cannot be replenished, reproduced, grown or generated in a short time through ecological cycles. Non-renewable energy sources include heavy fuel oil, natural gas, liquefied petroleum gas (LPG), coal, etc.
NSF	National Sanitation Foundation
OHSAS 18001	Occupational Health and Safety Management System
PET	Polyethylene terephthalate, a type of plastic
pH	A numeric scale used to specify the acidity or alkalinity of an aqueous solution.
Renewable	Energy sources that are capable of being replenished in a short time through ecological cycles, clean energy, and have no impacts on the environment. Renewable energy sources include solar, biomass, etc.
Reverse Osmosis; RO	Filtration system uses higher resolution membranes which can block contaminants, including germs that are larger than membrane filters. Only a molecule of pure water can flow through it. The solution of contaminants are separated from the pure water and rejected from the system to prevent residual inside the membrane filters.

Word	Meaning
TDS	Total dissolved solids
Total Productive Maintenance; TPM	Maintenance system is applicable to the equipment for a lifetime, including planning, production, maintenance, and others, through the cooperation from all employees, i.e., senior management and staff, as well as the promotion of the productive maintenance.
TSS	Total suspended solids
UASB	Up flow anaerobic sludge blanket, a kind of anaerobic wastewater treatment
Water Footprint	The amount of freshwater used by individuals, groups or companies from the production process to the delivery of goods to consumers
WBCSD	The World Business Council for Sustainable Development, a CEO-led organization to create sustainable future for business
WRI	World Resources Institute
WRR	Water Resources Review, an internal tool for reviewing water risks

## Thaibev Sustainability Report 2015 Feedback Form

Thank you for your interest in ThaiBev's Sustainability Report 2015. Your feedback is important to us as it helps us to improve overall sustainability performance and future reporting.

\* Mandatory fields

Please complete the feedback form and send us your views. Email your comments to: info@thaibev.com

Alternatively, mail your comments to:

**Centre of Excellence**

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Chomphon Sub-District

Chatuchak District

Bangkok 10900

1. Which of the following best describes your affiliation?\* (You may tick ✓ more than one box)

Communities     Consumers     Customers     Employees     Investors  
 Non-Governmental Organizations (NGOs)     Regulators     Suppliers  
 Other Please state: .....

2. How effectively does the sustainability report communicate ThaiBev's sustainability performance?\*

(Please rate by tick ✓ the following topic, where 5 is Excellent and 1 is poor)

Topic	1	2	3	4	5
2.1 Our Sustainability Approach	<input type="checkbox"/>				
2.2 Economic Performance	<input type="checkbox"/>				
2.3 Environmental Performance	<input type="checkbox"/>				
2.4 Social Performance	<input type="checkbox"/>				
2.5 Others, please state: .....	<input type="checkbox"/>				

3. Please rate the content and quality of ThaiBev's Sustainability Report 2015 by the following criteria, where 5 is Excellent and 1 is poor\*.

Topic	1	2	3	4	5
3.1 Balance	<input type="checkbox"/>				
3.2 Clarity	<input type="checkbox"/>				
3.3 Comparability	<input type="checkbox"/>				
3.4 Materiality/Relevance	<input type="checkbox"/>				
3.5 Completeness	<input type="checkbox"/>				
3.6 Accuracy	<input type="checkbox"/>				
3.7 Transparency	<input type="checkbox"/>				
3.8 Structure	<input type="checkbox"/>				
3.9 Design and layout	<input type="checkbox"/>				

4. Please provide any other comments on our sustainability performance and reporting.







N 13° 48' E 100° 33'



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